Gender impact of Interregional trade: the case of EU-Mercosur relations

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Abstract
After two decades of negotiations, the European Union (EU) and Mercosur celebrated a new Association Agreement in 2019. Structured around three pillars (political dialogue, cooperation, and trade), the deal is still pending ratification but has raised strong criticism. Most concerns address the effect of trade liberalization on social and environmental agendas. This article contributes to this debate, conducting qualitative analysis on the agreement’s potential impact on gender equality in the EU and Mercosur. Departing from the feminist scholarship assumption that trade has an unavoidable effect on gender, this article argues that interregional trade agreements can be a helpful policy instrument to promote gender equality. Nevertheless, this research demonstrates that, so far, the EU-Mercosur Association Agreement has neglected this opportunity. The provisional text does not reflect a gender mainstreaming approach, lacking the appropriate mechanisms to manage its effects on women. As a result, the new interregional trade liberalization instrument risks widening gender inequality in both regions.

Keywords: Regional trade agreement, gender inequality, European Union, Mercosur.

Resumen
Después de dos décadas de negociaciones, la Unión Europea (UE) y Mercosur celebraron un nuevo Acuerdo de Asociación. Abarcando tres pilares (diálogo político, cooperación y comercio), el acuerdo aún está pendiente de ratificación, pero ha suscitado fuertes críticas. La mayoría de las preocupaciones abordan el efecto de la liberalización del comercio en las agendas sociales y ambientales. Contribuyendo a este debate, este artículo realiza un análisis cualitativo sobre el impacto potencial del Acuerdo en la igualdad de género en la UE y el Mercosur. Desde un enfoque feminista que argumenta que el comercio tiene un impacto inevitable sobre el género, este artículo señala que lo acuerdos comerciales interregionales pueden ser potencialmente un instrumento de política para promover la igualdad de género. Sin embargo, este artículo demuestra que el Acuerdo de Asociación UE-Mercosur desaprovechó esta oportunidad. El texto provisional, que ahora está pasando por un largo proceso de ratificación, no refleja un enfoque de transversalización de género. Como resultado, es probable que la liberalización del comercio interregional ponga a las mujeres en una posición más vulnerable. A menos que los mecanismos sean adecuados, el nuevo Acuerdo de Asociación UE-Mercosur corre el riesgo de ampliar la desigualdad de género en ambas regiones.

Palabras claves: Acuerdo comercial regional, desigualdad de género, Unión Europea.

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Introduction

In 2019, the EU and Mercosur celebrated an Association Agreement (AA) to foster trade liberalization and promote commercial exchanges between the two markets, with unavoidable impacts on trade policies and the structure of domestic economies. Considering that men and women engage in economic activities differently, they experience uneven consequences from market opening. Thus, even if trade liberalization does not create gender inequalities but may create conditions that can either enhance women’s economic situation or exacerbate their pre-existing gender inequality and bias (Williams, 2019). Overall, the effects of trade liberalization on gender inequality derive from uneven access to capital, properties, labor markets, earnings, human capital, and correlated public policies, cultural biases, and gender norms. They also vary across markets and within different social and economic groups. How women benefit from liberalization depends on the nature of trade expansion and the type of trade policy changes, often sponsored by shifts in other policy domains. Equally important, governments must adopt and implement instruments to seize the opportunity and convert liberalization as an opportunity to close the gender gap, considering regional and local differences in inequality (Fontana, 2009).

This research aims at assessing the underlying effects of the new EU-Mercosur trade agreement on gender inequality in the two regions. Considering that the AA is still to come into force, the analysis focuses on the draft text pending the ratification process. The main argument of this study is that a gender mainstreaming approach allows the adoption of an interregional instrument that can potentially contribute to reducing the gender economic gap. This research relies on the contribution of feminist theories to the understanding of the gender dimension of trade and consults primary and secondary sources to provide evidence for the empirical analysis.

This article is organized around four main sections. It begins with a literature review on feminist scholarship in the international political economy, discussing the correlation between trade and gender. The next session identifies how the World Trade Organization (WTO) and regional trade agreements (RTAs) have addressed gender issues. Next, the article provides a general overview of gender economic inequality within the EU and Mercosur. Lastly, the fourth part analyses the agreement’s text, revealing how it failed to incorporate a gender mainstreaming approach. The concluding remarks emphasize the empirical evidence that trade policy and gender inequality are intertwined. By ignoring that, the EU and Mercosur have missed a critical opportunity to positively address the gender dimension of interregional trade in the new agreement.

Feminist approaches to international trade

Mainstream International Political Economy (IPE) has traditionally focused on states, markets, and derived relationships. Ontologically, it stems from the premises of rational-choice individualism. Alternatively, critical IPE emphasizes that both state and market are the byproduct of society, reflecting the tensions of capitalist relations while also shaping societal dynamics. Hence, whereas liberalism perpetuates an artificial distinction between public and private spheres, critical political economists also fail when they analytically separate “the economic” from the “society”. As a result, both approaches disregard important structural social and power relations, like gender (Bedford & Rai, 2010). That is where feminist IPE comes in. From their perspective, to ignore the gender dimension of the economy is a significant misconception. Economic policies are shaped in a system of gendered power dynamics and imbued with hierarchies (Elson, 2007).

One of the main contributions of feminist scholarship is to highlight and analyze the structural inequalities that operate in the global political economy. Given that economic and trade activities
impact society differently, they reinforce or undermine existing structural inequalities across different social groups and regions (Hannah, 2019). "Because all known societies are structured by gendered value systems, which assign unequal status and privilege to men and women, […] most -if not all- social issues carry meanings and consequences for women that are somewhat different from those they carry for men" (Jaggar, 2001, p. 310). Thus, even when gender aspects of policies are not explicit, they are inevitably implied. The assumption that a given policy is gender-neutral is misleading, for it is precisely by failing to consider the distinct gender implications that a particular policy is gender-biased.

Another critical input of feminist approaches to IPE is to challenge the division between economy and society by underscoring the centrality of social reproduction in all forms of economic activity. These reproductions take place in public and private spheres in a symbiotic way so that the biological reproduction and the generation of goods and services are part of the same overarching process (Hannah, 2019). The sexual division of work is a patriarchal separation necessary for the development of capitalism and the organization of political life, with men as the main protagonists of public life (Valdivieso, 2009).

These gendered power relations have two main implications. First, mainstream analyses and policy responses to inequality intentionally ignore the role of women’s unpaid labor in social reproduction (Waylen, 2006). Hence, “the neglect of the ‘reproductive economy’ continues due to masculinizing the (valorized) public sphere of power and formal (paid) work and feminizing the (marginalized) family/private sphere of emotional maintenance, leisure and caring (unpaid) labor” (Peterson 2006, p. 514-515). Second, quantifying economic productivity only in monetary terms leads to an intentional depreciation of women’s value and contribution to society. Expenditures on social policies that increase human welfare are commonly perceived as “expenses” and financial burdens, ultimately delegitimizing women’s demand for economic and political support for social services that would improve gender equality (Fraser; &Gordon, 1997).

Applying these insights to the analysis of international trade, feminist IPE criticizes the orthodox adherence to a limited understanding of economic growth as the chief objective of trade. These views, feminists claim, are grounded on an equally narrow perception of how trade influences individuals, households, and communities. Thus, to begin the appraisal on how trade liberalization could weigh on gender inequality, it is crucial to unpack the common elements of this type of policy agenda.

According to Frohmann (2017), liberalization commonly unfolds into three main features: increased imports, exports promotion, and market access provisions. Import liberalization often has a budgetary effect. As reduced tariffs lead to loss of government revenue, public spending on social sectors tends to decrease. This scenario impacts most on women and children, the primary beneficiaries of these policies. At the same time, higher imports mean cheaper products available to domestic consumers, especially in the case of commodities, having a positive impact on the household budget.

However, the downside is that small producers face greater competition with foreign producers. This process has two consequences. To begin with, incentives to tradable production tend to shift the gender division of labor. Traditionally, women manage food production and men cash crop production (exploiting female and male working force); thus, women are likely to be more penalized than men. Export promotion, the second common feature of trade liberalization, has a similar effect, as it tends to shift the priorities of production from non-tradable activities to capitalist relations (Frohmann, 2017).

Additionally, the reallocation of resources to export-oriented sectors influences the size and scope of business development. Often, larger producers and industries have the capacity (including financial
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resources) to adapt their activities to enter a foreign market. Smaller producers do not share the same potential gains from increased exports. This process impacts gender inequality depending on whether local governments adopt gender-sensitive policies that guarantee women's access to land, credit, and technology. Similarly, market access provisions, the third common element of trade policies, impact the availability of technical assistance and marketing information. Thus, the gender sensitivity of domestic programs is essential to ensure that women benefit from new economic opportunities (Williams, 2003).

Jaggar (2001) departures from the assumption that ‘women’ should not be dealt as a homogeneous concept. Rather, it is crucial to adopt an intersectional approach, as differences in terms of nationality, age, class, religion, ethnicity, sexuality, marital status, and motherhood define the way women are perceived in society, and, ultimately, the opportunities they must take part in economic, political, and social spheres. Pomatto (2019) claims that by adopting an intersectional gender analysis to trade liberalization the structural inequalities built into the economy become visible, revealing the different realities of individuals and the way they are impacted by trade policies and commercial exchanges. Inequalities that penalize women are easily identified (Pomatto, 2019).

The nexus of trade on gender in multilateral and regional arrangements

Feminist scholars have been analyzing the gendered impacts of trade for decades, but it has only recently started gaining prominence in international organizations (Hannah, 2020). That is the case of the World Trade Organization (WTO). Even though no treaty agreement includes a provision on gender, the WTO has been placing more effort to address the issue. In 2006, the Ministerial Conference assigned the Director-General the task to establish a task force on “how to operationalize Aid for Trade” and on “how Aid for Trade might contribute most effectively to the development dimension of the Doha Development Agenda”. The recommendation of the taskforce, therefore, establishes in its guiding principles that “Aid for Trade should be rendered in a coherent manner taking full account, inter alia, of the gender perspective and of the overall goal of sustainable development” (WTO, 2006). According to the Organization, the first time in which women’s empowerment was specifically addressed was in the 4th Global Review of Aid for Trade, in 2011, an agenda endorsed by the subsequent reviews. Gender was also a cross-cutting issue in the 2016-2017 Aid for Trade Program. Additionally, particular focus of the 2017 Global Review was placed on women’s economic empowerment (WTO, 2021a).

Dwelling on this process, a significant step toward the consolidation of a gender and trade agenda at the WTO was the set-up of a gender focal point in August 2017. One month later, it was the turn of the WTO Public Forum to pay attention to the issue. Providing a rare democratic space for the engagement of non-state actors with the activities of the Organization, the Forum is a regular activity that allows civil society representatives, business groups, and academics to discuss with policymakers the broad agenda of the international trade regime. The relevance given to gender by this plurality of actors fostered the perception by member states on the need to deliver a WTO response to this call.

Against this background, WTO members adopted the Joint Declaration on Trade and Women’s Economic Empowerment in the Buenos Aires Ministerial Conference in December 2017. The main objective of the new instrument is to build gender-responsive trade and development policies. For that purpose, the parties agreed on five core lines of action: i) share experiences in policy tools that promote women’s participation in economic activities; ii) exchange best practices for conducting gendered-based analysis on trade policies; iii) collaborate in the WTO to remove barriers for women’s economic empowerment and boost their participation in trade; iv) share methods and procedures for the collection of gender-disaggregated data, and v) ensure that "aid for trade" mechanisms foster
gender-responsive trade policies (WTO, 2017). Overall, the Declaration has contributed to debunk any belief that trade and gender were somehow unrelated. It has also helped to define an approach to gender-sensitive trade policies. However, as it does not create legally binding obligations to the parties, it can be perceived as a declaration of “good intention” with limitations implied.

Three years later, the 127 parties to the Buenos Aires Declaration established an Informal Working Group (IWG) on Trade and Gender in September 2020. Set-up by WTO members and observers, the IWG's work plan entails four pillars: i) sharing best practices on removing trade-related barriers and increasing women's participation in trade; ii) understanding what a ”gender lens” is and how to apply them to the work of the WTO; iii) reviewing gender-related research by the WTO Secretariat and others on women's economic empowerment, and iv) contributing to the WTO's Aid-for-Trade Work Program (WTO, 2020b).

According to the CSIS (2021), given that the IWG is a plurilateral group with voluntary membership, it can avoid the complex consensus requirement applied to other WTO domains.1 Nevertheless, as IISD (2021) points out, plurilateral processes risk diverting agendas from high-profile areas. There is no clear mandate for the IWG to become a formal multilateral body, yet, in any case, its primary challenge is to promote gender as a transversal issue addressed in all trade-related areas. Fostering exchanges with the researchers with an expertise on topic, in May 2021 the WTO launched the WTO Gender Research Hub. The initiative brings together organizations like Organization for Economic Co-operation and Development, the United Nations Conference on Trade and Development, the International Monetary Fund, the World Bank Group, the International Trade Centre, the United Nations Economic Commission for Latin America and the Caribbean, participants in the WTO Academic Chairs Program, and academics from different institutions and regions (WTO, 2021d).

Also in 2021, in preparation for the 12th Ministerial Conference (12MC), the “Friends of Gender” group2, drafted the text for the Draft Ministerial Declaration on the Advancement of Gender Equality and Women’s Economic Empowerment in Trade. If adopted, as it is expected, the document should reinforce the recognition of the IWG’s work but remains an informal body. Unlike the Buenos Aires Declaration, the new instrument would have higher status as a WTO document, as part of the formal outcome of the MC12. Analyzing the content of the text, one of its surprising elements is the emphasis on the impact of COVID-19 on gender equality and the recognition that unpaid care and domestic work exacerbates the obstacles that women must face to best profit from international trade. It encourages the IWG to continue assessing the impact of the pandemic on women’s economic empowerment and design measures that would promote inclusive economic recovery.

The document establishes that WTO members agree to: a) continue to review, develop and improve national and/or regional collection of gender-disaggregated data; b) apply research initiatives to inform trade policy instruments and programs to support women’s economic empowerment and increase their participation and leadership in international trade to promote gender equality; c) explore and analyze a gender perspective and women’s economic empowerment issues in the work of the WTO; and, d) promote and highlight the collaboration on trade and gender between international and regional organizations, and our respective development and other relevant authorities with the aim of mainstreaming a gender equality perspective into Aid for Trade (WTO, 2021c). The

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1 Article IX of the WTO Agreement establishes that ‘the WTO shall continue the practice of decision-making by consensus followed under GATT 1947’. In addition, the explanatory note to the Article states that “the body concerned shall be deemed to have decided by consensus on a matter submitted for its consideration, if no member, present at the meeting when the decision is taken, formally objects to the proposed decision” (Ezeani, 2011, p. 3).

2 The “Friends of Gender” group, comprised of 19 WTO members, four international organizations, and the WTO Secretariat acting in the capacity of the co-conveners of the WTO Informal Working Group on Trade and Gender (IWG). Botswana, El Salvador, and Iceland, coordinated the preparation of the draft text and engaged in the process of seeking member’s endorsement for the document (IISD, 2021).
Declaration is symbolic and important step in advancing the consolidation of a women and trade agenda within the WTO, but its adoption has been placed on hold. The MC12 was meant to begin in November 2021, in Geneva, but the Conference was suspended due to the latest development of the COVID-19, with no new date announced (WTO, 2021e).

Despite the enthusiasm, these recent initiatives might trigger, informal activities and declarations have limited impact in reshaping multilateral trade practices and principles. Since amendments to existing WTO treaties would require consensus, another possibility would be to include gender provisions in a new agreement. However, considering that negotiations of Doha have been pending since 2001, it seems unlikely that the commitment to gender equality will become legally binding to WTO members soon.

As there is slow and scarce progress in the multilateral arena, free trade agreements (FTA) have become a more effective trade instrument to promote gender equality. That is not a new realization, but gender equality is still gradually emerging as a policy norm in FTAs. According to Archaya (2019), the Treaty on the Functioning of the European Union, which established the European Community, is the first FTA to include gender provision in 1957. Notwithstanding, progress has been slow. As assessed by the WTO (2021f), by December 2020, 83 out of 557 RTAs notified to the WTO had at least one explicit reference to gender. When considering implicit references, the figure increases to 257 agreements. To add a dose of optimism to this grim picture, the number of detailed gender-related provisions in RTA is on the rise.

Archaya (2019) claims that, overall, individual governments can promote women’s economic empowerment through trade in three different ways. Ideally, WTO members can adopt substantive gender-focused measures that prioritize promoting gender equality while complying effectively with WTO obligations. Alternatively, they can outsource to fundamental WTO provisions and demand more transparency and access to policymaking, improving access to information so that women can better engage with trade liberalization processes. Least ideally, member states could profit from training and exchanges of best practices by joining WTO’s arena for gender debates.

Trading partners have the prerogative to decide whether to include gender-related provisions in their agreements. While many economies seek to negotiate specific clauses of this nature in their RTAs, others simply do not bother. However, a few countries have comprehensively incorporated gender into their agendas. That is the case, for instance, of Canada, Chile, Japan, and the United Kingdom. Even in these cases, yet there is no guarantee of a progressive path. There are examples of backlash, in which countries that used to adopt these provisions have later started excluding gender from their RTAs. Between 2015 and 2020, nearly 25% of global economies reduced the number of gender-related provisions in their new agreements. Similarly, 13% of countries that had previously incorporated gender provisions opted not to include them in their new arrangements. Finally, 24% maintained the number of references but decreased the qualitative emphasis on the issue (WTO, 2020b).

For those partners that opt to address gender issues in their agreements, there is no pattern to follow. To begin with, they vary in terms of location and structure within the agreement. Mention to gender can be found in the preamble, non-specific articles, specific articles, or even receive the attention of an entire chapter. Gender provisions can also be part of annexes and side documents. Thus, gender-related provisions are very heterogeneous when compared. This heterogeneity also reflects the scope, degree of commitment, and language (Archaya, 2019).

Although the inclusion of a specific chapter stands out the gender agenda, it is not necessarily the best approach to address the issue. The reasons are twofold. First, these chapters risk not representing binding commitments are they tend not to be subject to a dispute settlement mechanism (similar
criticism applies to sustainable development chapters). The inclusion of explicit gender relations provisions throughout the various parts of the agreement provides more opportunities to ensure compliance, mainly because there are greater chances that they will be subject to dispute settlement mechanisms (WTO, 2020b). In practice, most RTAs seek to promote cooperation by adopting relatively “soft” rules, such as exchanging best practices and information. However, feminist scholars and practitioners have long claimed that these instruments are far from being enough. A gender mainstreaming approach would be a solid perspective to address the issue in its complexity (Pavese, 2021).

Gender mainstreaming emerged from empirical work on development dating to the 1970s. More than two decades later, it entered the jargon of international organizations when the 1995 UN Conference on Women in Beijing globally endorsed this principle (Meyer & Prugl, 1999). Given its multidimensional nature and applicability, gender mainstreaming applies in all political arenas, including those not conventionally considered gender-sensitive areas. Thus, the Beijing Platform for Action (1995) explicitly refers to trade policies as an area of concern for gender mainstreaming. In paragraph 165, the Platform advises governments to “seek to ensure that national policies related to international and regional trade agreements do not harm women's new and traditional economic activities”. It recommends the “use gender-impact analyses in the development of macro and micro-economic and social policies to monitor such impact and restructure policies in cases where harmful impact occurs”.

Gender mainstreaming emanates from a gender equality stance; thus, it is essentially a contested concept. As Walby (2004) posits:

“one feature that is often included within the definitions of gender mainstreaming is the practice of making visible the way that gender relations are significant in institutional practices where they had previously been seen a marginal or irrelevant to facilitate the implementation of a strategy for both gender equality and the improvement of mainline policy” (p. 3).

Putting forward some recommendations to promote gender mainstreaming in regional trade agreements, Williams (2005) suggests departing from the assumption that gender is a cross-cutting issue. The main strategies to be adopted are the following: a) regional trade agreements should provide an opportunity for the parties to share experiences in integrating gender into different policy areas, as well as promoting a more gender-balanced decision-making process; b) gender impact assessment and strategies should be part to all stages of negotiation and implementation of the agreement; c) development and adoption of a coherent policy and institutional framework for gender mainstreaming; d) prioritization of the collection of sex-disaggregated data; e) support activities of independent women’s leadership and professional organizations; f) conduct research on women in small and micro business enterprises; g) improve human resources development of female working force.

The International Trade Center (2020) identifies four blocks to gender mainstreaming in trade agreements. The first two, “lack of awareness” and “insufficient political will”, reflect both the misperception of trade as a gender-neutral issue and the low priority given to gender equality by policymakers. Consequently, there is often an “absence of expertise” on gender issues within governmental bodies engaged in trade negotiations. Lack of prioritization and expertise often leads to a “scarcity of gender-disaggregated data”, which is crucial to supply information on the potential impacts of an agreement on gender equality.
The analysis of employment effects is a common approach to deal with the impact of trade liberalization on women’s economic empowerment (ECLAC, 2001), thus, next section provides an overall assessment of female participation in the European Union and the Mercosur labor market.

**Gender Inequality in the EU and Mercosur**

Considering general inequality, Europe and Latin America stand at different sides. While European countries are among the least unequal (but far from meeting equality standards), Latin America is one of the worst globally wealth and income distribution societies.

Within both regions, however, there are national discrepancies. Assessing the GINI index for measuring inequality, the EU27 scores an average of 30.2 points (zero represents full equality) in 2019. The three member-states with the best performance were Slovakia (22.8), Slovenia (23.9), and Czech Republic (24) – interestingly, not the wealthiest economies in the bloc. At the bottom of the equality ranking feature Bulgaria (40.8), Lithuania (35.4), and Latvia (35.2) (EUROSTAT, 2021). In comparison, three members of Mercosur have a coefficient around 40, respectively, Uruguay (39.7), Argentina (42.9), and Paraguay (45.7). Brazil, the largest economy in the region, has the most significant inequality, scoring 53.4 points in 2019 (World Bank, 2021).

These pictures reflect on the specific case of gender inequality. To assess the issue, the World Economic Forum publishes the Global Gender Gap Report annually. The latest version analyzes gender inequality across 156 countries, comparing several variables (from education to economic empowerment, from access to health to political participation). The results reveal a direct correlation of the overall inequality (GINI) on gender. Since 2006, Western Europe has been the best parity track (77.6%) and has made the most significant progress when comparing 2020 to 2021, but it will still take 52.1 years to close its gender gaps. Correspondingly, Latin America and Eastern Europe recorded a similar pattern, with 71.2% and 71.1% parity.

Analyzing individual countries, the heterogeneity of gender equality in the European Union is apparent. Five member-states appear in the Top 20 narrower gender gap terms of economic participation, namely Latvia (8th), Sweden (11th), Lithuania (12th), Finland (13th), and Slovenia (15th). However, other states appear to be in a different trajectory. That is the case of Italy (114th position), Malta (94th), Czech Republic (91st), and Croatia (87th), for example.

In the case of Mercosur, Argentina performed significantly better in the overall rank than the three other countries, occupying the 35th global position out of 156 countries surveyed. Uruguay and Paraguay are in 85th and 86th place, respectively, whereas Brazil is in the 95th position. The picture is no better in terms of economic participation and opportunity, an indicator that considers labor force participation, wage equality, and type of work activity. Uruguay (76) had the best performance, followed by Paraguay (86) and Brazil (89), with Argentina recording a meager score, ranking 103rd place. Overall, economic participation and political empowerment are the two indicators in which Mercosur countries perform the worst (World Economic Forum, 2021).

Economic empowerment is directly related to participation in the job market. Employment rates are systematically higher for men than women. In the EU, 67.3% of women participated in the job market, compared to 79% of men, in 2019 (European Commission, 2021). The situation is worse in the Mercosur, where the employment rate was 53.3% for women and 76.55% for men, on average, in 2017 (ILO, 2017).

These data reveal solid economic inequality in the two regions, consequently placing women in a more vulnerable position regarding shifts in economic and trade policies and landscape. Since their employment rate is significantly lower than men's, women are less represented in export sector. The
average share of female employment in export activities is 12.9 per cent for Mercosur (against 17.1 for men), in 2018 (ECLAC, 2021). Meanwhile, in 2014, women made up 37% of EU employment supported by EU exports (European Commission, 2021).

Given that the impact of the new EU-Mercosur Association Agreement varies according to the sector and considering that women participate in different economic activities unevenly, it is essential to understand the distribution of economic activities across the blocs, to identify the possible effects of the agreement on gender inequality. According to the World Bank (2021), services is the sector that corresponds to the largest share of the GDP in both blocs, followed by industry, and agriculture, forestry, and fishing (figure 1).

**Figure 1: Economic Sector - 2020 (% of GDP- value added)**

![Figure 1: Economic Sector - 2020 (% of GDP- value added)](image)

Source: World Bank (2021)

As demonstrated, the most significant discrepancy is on the importance of agriculture for the blocs. Whereas Mercosur is responsible for 8.18% of the total GDP, this activity accounts for only 1.7% of the EU’s economy. Considering that women and men take part in these different activities unevenly, the next step to assess the potential impact of trade liberalization on women’s economic empowerment is to answer the question, “where are the women?”. The answer is: essentially in the service sector, as the graph below reveals (figure 2).

**Figure 2: Female employment by sector (2019)**

![Figure 2: Female employment by sector (2019)](image)

Source: Pavesse (2021)
As shown, as far as employment is concerned, women from Mercosur and the EU are mainly engaged in service-related activities. Whereas female occupation is higher in the European industrial labor market than in Mercosur's, agriculture is the opposite. The sexual division of labor is a reality in both regions. Women participate significantly more in the care economy than men. According to ECLAC (2020), by 2018, 28.6% of women employed in Latin America were in the care economy. Overall, 11.2% of female employment was concentrated on paid care work in the education, health, and social services sector. Almost the same share (11.1) of women employed were performing domestic work in private households. Whereas 1.5 per cent were paid care workers in other sectors and 4.9 persons were engaging in non-care duties in the education, social assistance, and health sectors. The scenario is not different in the EU, where 30% of women employed working in education, health, or social work (against 8% of men). Conversely, only 7% of female labor force was allocated in science, technology, and mathematics (compared to 33% of men), in 2017 (EIGE 2021).

It is essential to acknowledge, however, that the statistics provided exclude informal participation in these sectors. Women are more prone than men to participate in informal activities, facing poorer working conditions and being more vulnerable to crisis. These considerations lead to the question: have the EU and Mercosur been blind to the possible effects of their interregional trade agreement in inequality? The following section presents an overall analysis of the draft text of the new EU-Mercosur Association Agreement.

The long road to the EU- Mercosur Association Agreement

EU-Mercosur relations date back to 1995 when the parties celebrated an Interregional Framework Agreement for Cooperation, which still provides the legal basis for their relationship. Yet, from the outset, the partners had more ambitious plans. That same year, the parties decided to promote a new interregional agreement on trade liberalization for all sectors.

After 13 Bi-regional Negotiations Committee (BNC) meetings, talks came to a halt in 2004. Five years later, negotiations were officially launched but frozen before the conclusion. One of the reasons that account for this interruption was the discrepancies regarding the exchange of offers. Mercosur had clearly expressed its dissatisfaction with the EU’s tariff reduction proposals for agricultural goods. The Europeans did not feel contemplated by concessions on services and public procurement that Mercosur was placing on the table. Beyond technical aspects, there were also endogenous and exogenous factors that negatively impacted the interregional negotiations.

From the EU’s perspective, the bloc was conditioning the negotiation to the conclusion of the WTO’s Doha Round. Additionally, the unsuccessful progress in creating the Free Trade Area of the Americas (FTAA) was one less exogenous factor to pressure Europe in securing preferential market access in South America. Other important factors were the international financial crisis of 2008 and the EU enlargement process to Central and Eastern Europe (Arana, 2017). At the same time, the increasing competition with China for market access in Latin America mobilized greater domestic interest in the EU to reopen negotiations with Mercosur (Sanahuja & Rodriguez, 2019).

Meanwhile, Mercosur's countries were enduring a deteriorating economic situation and facing domestic political instability on the other side of the Atlantic. Consequently, regional integration was no longer a priority. On the contrary, the left-wing governments that took up power in the regions revisited the uneven terms of their asymmetrical power relations with Europe, and they were not interested in reaching an agreement with the EU at all costs (Doctor, 2007). However, not everything was lost.
During the Madrid Summit in 2010, the parties relaunched the discussions of an “Association Agreement”. The new deal would encompass three chapters (or pillars): political dialogue, cooperation, and trade. This time, the parties opted to first agree on more consensual topics. This strategy proved easier to reach progress. By 2016, there was a significant change in the political landscape of Mercosur. A controversial impeachment removed Brazil’s first female president from power, and Argentina elected a neoliberal government. With the two largest economies from the bloc shifting towards right-wing presidencies, the approach to interregional negotiations was to close a deal at all costs. The argument was that a free trade agreement with the EU would decrease their interdependence with China.

With this green light, exchanges of offers began in May 2016. Three years later, the EU and Mercosur announced the trade part of the agreement in June 2019 (Ghiotto & Echaide, 2019). It took one more year for the conclusion of the remaining elements of the deal, namely, the Political Dialogue and Cooperation pillars, Preamble, and the General, Institutional and Final Provisions of the EU-Mercosur Association Agreement (EEAS, 2020). The agreement’s entry into force depends on an extensive and controversial ratification process that engages member states from both regions.

The Agreement: A snapshot

Before discussing the main content of the AA, it is essential to consider that a defining characteristic of the EU-Mercosur bilateral relations is the asymmetry of their interdependence. The EU is Mercosur’s second-leading trade partner (after China), accounting for 18.2% of its global commerce in 2020. Mercosur ranked as Europe’s eleventh trade partner in the same year, corresponding to 1.9% of the extra-EU trade. Most exports from the EU to Mercosur were in the machinery and transport equipment, chemicals, and manufactured goods sectors. While for the EU, the most featured sectors in imports from Mercosur were food and live animals, raw materials, and mineral fuels and lubricants were the most-featured sectors in EU imports from Mercosur (DG Trade, 2020).

The draft text of the EU-Mercosur Association Agreement has not been made public in full. The only part officially available by the European Commission is the trade chapter. Overcoming this lack of transparency, Greenpeace leaked the full text online in 2019, while the agreement was still under negotiations behind closed doors. At least in that accessible draft version, the political and cooperation chapter is divided into 49 articles. Then, the parties agree to establish a political agenda for dialogue, promote interregional collaboration in areas of shared interest, adopt joint initiatives and seek alignment in the international fora. Political cooperation encompasses 19 topics, comprising, for example, the strengthening of democracy and the rule of law, disarmament, and non-proliferation of weapons of mass destruction, promotion of human rights and sustainable development, peace, stability, and security, and gender equality (Greenpeace, 2019).

The trade pillar was the only part of the agreement that the European Commission granted access to civil society. Its 17 chapters cover various issues, including trade in goods, sanitary and phytosanitary measures, services and establishment, public procurement, competition, subsidies, state-owned enterprises, intellectual property rights, including geographical indications, and sustainable development, to name some.

The agreement places a strong emphasis on trade liberalization in goods. It foresees the adoption of a 10-year transitional period in which the EU should progressively open 92% of its markets for Mercosur and, in counterpart, would enjoy the liberalization on 91% of its exports to the South American bloc. The EU also is committed to liberalizing 82% of agriculture imports, with specific conditions attached to most sensitive products. Partial liberalization mechanisms, including tariff-rate quota, apply to protect beef, poultry, ethanol, pig meat, corn, honey, and rice. In exchange, the
EU will enjoy complimentary access to wine and non-alcoholic beverages, chocolates, olive oil, pig meat, and fresh and canned fruits. Reciprocal tariff-quotas should apply to cheese, milk powder, and baby formula.

Regarding industrial goods, the EU will eliminate duties on 100% of imports. In contrast, Mercosur is granting fewer concessions, as the bloc should wave tariffs on 90% of products coming from Europe over ten years. Nevertheless, of strategic importance, the EU will be granted relevant access to sensitive manufactured goods, including cars and parts, machinery, and chemicals, although special conditions apply.

The parties commit to eliminating “unnecessary” discretionary obstacles to services exports. That should facilitate the operation of EU firms in Mercosur in financial services, transport, communication, financial services, e-commerce, postal and courier services, and maritime activities. Of equal importance to European businesses, Mercosur agreed to liberalize the participation of foreign companies in public procurement. The concession is a novelty for Mercosur, as the right to bid in public contracts has never been granted to international markets before. Another important issue addressed is labor mobility, with provisions facilitating the movement of professionals “for business purposes” (DG Trade, 2019a).

The agreement was widely criticized for its lack of transparency and raised great concern over its potential negative social and environmental impact. In response to public pressure, negotiators later included a specific chapter in the trade pillar of the association agreement named “Trade and Sustainable Development (TSD)”. Chapter 14 then sets up social and environmental provisions distributed across 18 articles.

Regarding social and labor rights, the parties agree to observe their domestic legislation and constitutions. The parties reiterate the interest in promoting decent working conditions (including health and safety regulations, fair earning, regulated working hours, and other relevant working conditions). They also reinforce the commitment to conventions and different rules adopted by the International Labor Organization (ILO), including abolishing forced labor, child labor, and discrimination.

There is a similar approach to environmental concerns. The EU and Mercosur recall their commitments to multilateral environmental agreements (MEAs), protocols, and amendments, including the Paris Agreement. Specific articles cover climate change, biodiversity, fisheries and aquaculture, sustainable management of forests, investment-related initiatives addressing sustainable development, and supply chain management.

Article 14 establishes the creation of a sub-committee on trade and sustainable development and contact points. Additionally, The TSD Chapter is subject to a specific dispute settlement than applied to all other parts of the agreement. The process to overcome disputes relating to the TSD entails two steps. First, there is an informal consultation with governments regarding non-compliance. If the situation remains open, an independent panel of experts can scrutinize the issue and make recommendations. The reports from the panel should be available to the public (DG Trade, 2019b). Notably, there is no binding, independent dispute resolution mechanism in the agreement regarding sustainability issues. The absence of provision allowing the civil society to act against the potential violation of sustainability standards, eventually using the dispute settlement mechanism created, is equally concerning.

Overall, considering the broad scope of the agreement and the poor emphasis on addressing sustainable development, the next session analyses how – and if- the agreement text has approached gender issues.
Gender and the Sustainability Impact Assessment (SIA)

Since the mid-2000s, the EU has periodically produced Sustainable Impact Assessment (SIA) on the potential economic, social, human rights, and environmental impact. The latest version of the report, published in 2020, provides relevant information to consider the likely effects of the Association Agreement on the partners' economy and gender equality. Unfortunately, Mercosur did not adopt the same practice.

According to the report (European Commission, 2020), Mercosur is more likely to benefit from an RTA with the European Market than vice-versa. The EU's GDP might increase only 0.1% in a conservative scenario, and Mercosur is no more than 0.3% by 2032. This trade liberalization should impact women and men differently through three main mechanisms: i) impacts of trade in goods on employment, ii) effects of economic growth on mortality, and iii) effects of investments and trade in goods on education. The 2020 SIA concludes that:

Concerning gender issues, women can potentially benefit from the AA. However, as women are underrepresented in tradeable sectors and increases in agricultural and industrial exports may result in technical upgrading, women should profit from employment and income gains less so than men. Given that women's labor market participation is lower than men's, they are more likely to participate in vulnerable employment and are less likely to reap the financial benefits of any sectoral trade increases. However, opportunities exist—particularly in education (European Commission, 2020, p. 173).

The report calls for "the recognition that there is a latent risk that the agreement in some respects will accentuate inequalities in the Mercosur countries, especially affecting women who work in the agricultural sector or are in conditions of greater informality or with lower income" (European Commission, 2020). The analysis on how the agreement text accounts for gender inequality allows understanding whether the parties have taken the report's recommendations into account.

Gender Mainstreaming in the EU Mercosur Agreement

Overall, gender is not a central component of the agreement but is minimally addressed (see Annex I). In the Political Dialogue section, the parties endorse the objective to jointly promote “gender equality, respect for the rights of all women and girls, with an emphasis on the gender perspective, and to address discrimination and violence based on sexual orientation, following the internal legislation of each country”. That is the sole mention of gender in the first pillar of the agreement.

The Cooperation pillar evokes gender on more occasions. The section “Cooperation on democratic principles, human rights, the rule of law and international peace and security” dedicates one item to “gender equality, peace, and security” that unfolds into five main goals: i) promote greater participation by women in politics, education, and the labor market; ii) eliminate all forms of violence and strengthen women's rights; iii) support the development and implementation of the national plans provided for by Security Council Resolution 1325; iv) promote effective gender mainstreaming; and v) collaborate with relevant UN bodies and other international organization. There is direct mention of gender equality, empowerment, or women's protection in the articles that address cooperation in areas like migration, combat to organized crimes, labor and employment, education, industry and business, and sustainable development (Greenpeace, 2019). The inclusion of gender across different areas cannot be disregarded, but the enthusiasm requires caution. Neither one of the two pillars establish instruments and strategies to promote the objectives outlined to advance women's rights effectively. Furthermore, there is no mention of eventually existing bi-regional arrangements on this agenda that could be applied to cover the gap left by the agreement.
While some provisions responding to gender issues in the cooperation and the political dialogue pillars are linked to economic empowerment, it is paramount to incorporate these provisions in the trade chapter of the agreement. However, the Association agreement fails to account for its effects on gender in its current structure comprehensively. The trade pillar makes only two explicit mentions of gender, both in the Trade and Development chapter. In Article 4 (Multilateral Labor Standards and Agreements), the parties agree to develop international trade to promote decent work for all, including women and young people. Whereas Article 13 signals that the parties will seek the interrelationship between skills development and gender equality (DG Trade, 2019a). Again, no detail is provided.

Considering the recommendations of the literature on how to approach gender inequality in regional trade agreements, the agreement is flawed in many aspects. First and foremost, it does not adopt a comprehensive institutional framework for gender mainstreaming. Yet, it violates EU internal norms and recommendations that address gender mainstreaming in trade agreements. The European Parliament resolution of 13 March 2018 on gender equality in EU trade agreements (2017/2015(INI)), for instance, makes a clear case for mainstreaming:

[The EP] calls on the Commission and the Council to conduct trade negotiations transparently, to respect fully the best practices established in other negotiations and to ensure that, at all stages of negotiations, Parliament is kept informed in a timely and regular manner; calls for negotiating teams to be gender balanced in order that they are fully able to take into account all gender aspects of trade agreements; calls on the EU and the Member States to ensure inclusive participation in trade consultations, both at EU and WTO level, including for women’s rights organizations, trade unions, businesses, civil society and development organizations, and to increase transparency for European citizens putting forward initiatives and publishing information relevant to the negotiations (European Parliament, 2018, paragraph 40).

Having neglected these recommendations, there are no effective measures to promote gender equality in the EU-Mercosur agreement. It does not mention a gender-balanced decision-making process or civil society organizations led by women in implementing and monitoring the deal. Acknowledging the correlation between trade liberalization and gender is not enough. However, as Hoffmann (2014) argues, neither one of the parties positioned itself as an “exporter of gender mainstreaming, and other (economic) interests prevail over gender. The interregional level, so far, does not constitute a central level of diffusion and spread of gender norms” (p. 134). Despite the constatation that the accord carries potential impact to widen gender economic inequality both regions, it does not provide and guidelines or measures to avoid this effect.

Mind the Gap: The way forward

Considering that the agreement is still pending ratification, it can be still modified. The inclusion of new provisions on gender or even a gender equality chapter would be ideal but less likely to happen. Bringing the text back to the negotiation table would open a “pandora box”, as it would give the opportunity to the parties to request the changes and amendments in controversial issues. An alternative could be the inclusion of annexes to the agreement or the adoption of other interregional instruments that would address. Despite limitations presented by an awakening at the late stage, an eventual prioritization of a gender agenda should adopt a gender mainstreaming approach. Recalling the recommendations of Williams (2005) for that process, we can conclude that some opportunities have been missed in terms of promoting a gender balanced decision-making process and including gender as a cross-cutting issue discussed in all areas. Yet, some measures can be still adopted to ensure a gender mainstreaming, namely: preparation of an impact assessment to guide the implementation of the agreement; development and adoption of a coherent policy and institutional framework for
gender mainstreaming: prioritization of the collection of sex-disaggregated data; support activities of independent women’s leadership and professional organizations; conduct research on women in small and micro business enterprises; and improve human resources development of female working force.

Insightful strategies on how to cover gender equality in RTAs can be drawn from other agreements in which Mercosur and the EU are parties. As previously discussed, one the flaws of the negotiation process are the poor emphasis on impact assessment, specially when gender is concerned. The studies conducted by the EU paid minor attention to the impact of the new Association agreement on women; Mercosur did not even produce such analysis. Assessing the scope and the size of the issue is fundamental for gender mainstreaming. A significant more robust approach to gender evaluation in trade agreements has been systematically adopted by Canada as part of its trade policy. Launched in 2018, the negotiations of free trade agreement with Mercosur have been subjected to a Gender Based Analysis plus (GBA+) from early stage. The first round developed qualitative and quantitative chapter-by-chapter GBA+ of the possible FTA. As a demonstration of accountability and transparency, the Canadian government decided to publish a summary of the report “in order to seek stakeholder feedback on the differentiated effects of anticipated provisions on men and women in Canada, and on any other intersecting identity where possible, with SMEs and Indigenous peoples as priority considerations” (Government of Canada, 2021, p. 4).

The Canadian approach to GBA+ provides a strong case for the need of a gender impact assessment conducted throughout the whole negotiation process. Even if the EU-Mercosur have already concluded the draft text of their agreement, they can (and should) still produce solid analysis of the implications of their AA on women. Additionally, the intersectional approach adopted by Canada is particularly relevant to Mercosur. As mentioned in the outset of this article, and according to Jaggar (2001), women should be not considered a homogeneous group. Thus, intersectional approach allows identifying that economic empowerment of different women should be understood in terms of their relationship with local, national, and global contexts (Jaggar, 2001).

Another interesting case is the modernization of the trade part of the 2002 EU-Chile Agreement, under negotiation since 2017. One of its highlights is the proposal of draft provisions on trade and gender equality. The ten-page long document includes several articles, establishing that “the Parties shall carry out cooperation activities designed to improve the capacity and conditions for women, including workers, businesswomen and entrepreneurs, to access and fully benefit from the opportunities created by the Agreement”. The inclusive participation of women in the outlined activities appears as an imperative across the document. To assist this agenda, it proposes the creation of a Sub-committee on Trade and Gender. Its main responsibilities include the promotion of cooperation on capacity building on gender issues among trade officials, sharing best practices, producing gender-based analysis, or assessing the impact of gender-responsive policies or of the actions, ensuring appropriate interaction with civil society. Other institutional arrangements include government consultation, review measures and a panel of experts for consultations (DG TRADE, 2021). Following this example, The EU and Mercosur could consider setting up an interregional trade and gender committee, that would perform functions related to accountability, transparency, advisory, coordination and facilitation of cooperation on joint gender equality strategies that could be incorporated into their framework cooperation.

In the absence of gender related provisions in the agreement, the parties could incorporate gender equality measures to their national trade policies and domestic implementation instruments for the Agreement. As feminist scholars claim and the data reveal, women participate in a more precarious condition in the job market of both regions. Consequently, they are more likely to endure the negative impact of changes in employment patterns. In this context, domestic measures adopted to limit the
flexibilization of labor and environmental standards and regulations are likely to reduce the agreement’s burden on women. As UNCTAD stresses (2020), trade policy adjustments should also seek to promote micro, small, and medium-sized enterprises (MSMEs), as women tend to participate more directly in these businesses than in large companies. These measures should be followed with education, training, and easier access to credit. Business networks can provide formal training, information, advice, markets access, partnerships, policy advocacy, and support. Exclusion from these networks would have limited access to information on trade rules, customs procedures, and foreign market regulations, adding further barriers for women’s participation in international trade initiatives (UNCTAD 2020). Behind these measures, the real prospects of the AA to effectively contribute to women’s empowerment require that the parties address cultural, economic, and social bias against women. That requires understanding social expenditures as an investment in society (and not as a financial burden) and dramatically revisiting the contribution of women’s unpaid care and reproductive labor (Waylen, 2006; Peterson, 2006). It is about time to break gender hierarchies and power dynamics that undermine women’s crucial contribution to society (including the economy).

Concluding remarks

This article analyzed the possible gendered impacts of the new EU-Mercosur trade Agreement. The literature review on the feminist approach to trade allowed understanding the role of gender in social and economic life. Given that economic activities depart from (and reproduce) unequal power relations, men and women are affected differently by economic and trade policies. Thus, gender mainstreaming presents a feasible and fair opportunity not only to acknowledge that any trade agreement has an unavoidable gender dimension but that they should be practical political and economic tools to promote equality. Not entirely surprising, only recently, the multilateral trading system opened eyes to gender as a component of trade relations. Regional Trade Agreements (RTAs) have demonstrated to be more aware of promoting gender-related provisions in their agendas. Furthermore, even if the number of RTAs has been rising, this is not a linear trend.

Empirical evidence showed the gender inequality is a social structural component of the EU and Mercosur. Women do not have full equality in different degrees in both regions, and economic empowerment is an obstacle to reaching gender parity. Female employment rate varies significantly in the EU but is still higher than Mercosur’s average. In both markets, services are the sector in which women participate the most. In Europe, industry is the second largest employment sector, whereas in Mercosur women are more employed in agriculture. Crossing the information on female participation in the labor market with the sectors impacted by the agreement, it is undeniable that the AA is likely to affect women. Nevertheless, the negotiation process and its outcome seem to have neglected the importance of effectively addressing gender. The Sustainable Impact Assessments (SIAs) prepared by the EU mention gender minimally and fail to highlight the consequences of the agreement to different populations. Even if the Association Agreement incorporates gender equality among the objectives of the first two pillars (political and cooperation), it does not provide details on how to achieve it, leaving commitment too vague to be taken as solid. Regarding the trade pillar, the fact that there are only two direct mentions to gender (regarding ILO standards) is a source of concern. Even overall, nor the agreement nor the SIA have adopted a robust gender mainstreaming approach, and both instruments ignored the necessity of an intersectional perspective to trade liberalization and its consequences.

Considering the structural roots of gender inequality, the omission of a solid gender approach to trade cooperation is not surprising, but it is equally worrying. The EU- Mercosur Association Agreement’s lack of appropriate gender mainstreaming approach poses a potential threat to gender economic equality in both regions. Nevertheless, there is still hope. The ratification process can lead
to amendments to these gaps. In that case, the EU-Mercosur Association Agreement could still create incentives for equalities, giving a relevant contribution to narrowing the gender gap in the regions. Whether the parties will seize the opportunity and close this gap, remains an open question.

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Carolina Pavese
Gender impact of Interregional trade: the case of EU-Mercosur relations


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Annex 1

EU-MERCOSUR Association Agreement: Explicit gender-related provisions (draft text)

<table>
<thead>
<tr>
<th>Pillar</th>
<th>Section</th>
<th>Text</th>
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<tr>
<td>Political Dialogue</td>
<td>Objectives of political dialogue and international cooperation</td>
<td>Promote gender equality, the respect of all women and girl's rights, emphasizing the gender perspective, and address discrimination and violence based on sexual orientation, in accordance with the internal legislation of each country.</td>
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| Cooperation                   | Cooperation on democratic principles, human rights, the rule of law and international peace and security | Gender Equality and Women, Peace and Security  
1. The Parties shall promote gender equality and the empowerment of all women and girls. They acknowledge the necessity of gender equality and the empowerment of women and girls as a precondition to fully achieve inclusive development, democracy and security. The Parties shall explore further schemes of cooperation and potential synergies between respective policies and initiatives, in line with international standards and commitments such as the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), the 2030 Agenda for Sustainable Development and United Nations Security Council Resolution (UNSCR) 1325 on Women, Peace and Security.  
2. Such cooperation may include:  
a) Fostering effective gender mainstreaming;  
b) Promoting women's political participation and leadership, women's access to quality education, women's economic empowerment and women's increased participation in the work force;  
c) Strengthening national and regional institutions to address and handle issues related to violence against women, including prevention and protection from sexual and gender-based violence, investigation and accountability mechanisms, support to victims and promotion of conditions of safety and security for women and girls;  
d) Actively reinforcing women's human rights including freedom from human rights violations and any type of violence against women and women's access to justice.  
e) Supporting the development and implementation of a national action plan on UNSCR 1325;  
f) Enhancing cooperation with relevant bodies of the United Nations and other international organizations. |
| Cooperation                   | Cooperation on Justice, Freedom and Security (Migration and international protection of refugees) | The bi-regional cooperation for the prevention of and the fight against smuggling of migrants and trafficking in persons especially children and persons in vulnerable situation including women at risk, and for the protection of victims, in accordance with the Convention against Transnational Organized Crime and its Additional Protocols on Trafficking in Persons and Smuggling of Migrants. |
### Cooperation on combating corruption and transnational organized crime, and on anti-money laundering and on countering the financing of terrorism

The Parties agree on the need to work towards preventing and combating in an effective way the use of their financial institutions and designated non-financial businesses and professions from being used to finance terrorism and to launder the proceeds of criminal activities, including drug trafficking, trafficking in persons, especially children, women at risk and other persons in vulnerable situations, arms trafficking and corruption, following the recommendations of the Financial Action Task Force (FATF) and taking into account the work of the Latin American Financial Action Group (GAFILAT).

### Cooperation on sustainable development

Acknowledging gender equality and empowerment of women and girls as essential for sustainable development, the Parties will explore further schemes of cooperation.

### Industrial Cooperation, Business Opportunities and Micro, Small and Medium enterprise, and Entrepreneurs (MSMEs)

The parties will support women’s economic empowerment through entrepreneurship and business creation.

### Cooperation on Labor and Employment

The Parties agree to enhance cooperation in the field of social affairs with the aim of contributing to a sustainable and inclusive economic growth and development and to promote cooperation and exchanges of information in particular with regard to: […]
- The promotion of gender equality and the full empowerment of women in all spheres;
- Promoting the protection of mothers and children as well as accessible and inclusive childcare facilities.

### Cooperation on Labor and Employment

The promotion of non-discrimination between women and men and mainstreaming a gender perspective in the development of labor policy;

### Cooperation on Education, training, youth, and sports

The Parties agree to cooperate on formal and non-formal education, including "Vocational Education and Training" (VET), in a lifelong learning perspective. Within these fields, special attention shall be paid to promote an inclusive and quality education and training for women and vulnerable social groups.

### Trade and Sustainable Development

The Parties reaffirm their commitment to promote the development of international trade in a way that is conducive to decent work for all, including for women and young people.

### Trade and Sustainable Development

The Parties recognize the importance of working together in order to achieve the objectives of this Chapter. They may work together on inter alia: […] the ILO Decent Work Agenda, including on the inter-linkages between trade and full and productive employment, labor market adjustment, core labor standards, decent work in global supply chains, social protection and social inclusion, social dialogue, skills development and gender equality.

Source: Elaborated by the author with information from Greenpeace (2019) and DG Trade (2020).