

**“Women are losing out”**

## Interview with Ranja Sengupta on the effects of trade and investment liberalization

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**Ms Sengupta, taking the example of trade and investment policies, which are the negative impacts of today’s global economic system on women, in particular in countries of the “Global South“?**

What we have seen in the area of trade and investment policy globally, is that it is driven by inequality. It exploits the weaker. Women who are economi-

**“Women get too often to bear a disproportionate burden of the liberalization of trade and investment.”**

cally, politically and socially weaker and more vulnerable and marginalized get too often to bear a disproportionate burden of the so-called liberalization of trade and investment. Different types of agreement perpetuate that inequality. For example, in the developing countries, in the Global South, women really depend on agriculture or informal services like retail. In India, retail is the second largest employer of women after agriculture. But these sectors are getting squeezed by the current trade liberalization framework – both from the WTO and the free trade and investment agreements. These agreements were supposed to be of advantage to small farmers, small players and developing countries, but we have not seen that happen. Because of the way global power relations have been used, these sectors are getting squeezed and women are losing out.

At the same time, you see new issues, new areas that are thriving under these trade agreements, but women do not have the chance to do better there. For

**“Investment policies are threatening access to development policy and human rights.”**

example, look at intellectual property rights which used not to be a trade issue. But they have now come under trade agreements. Women don’t own the intellectual property because they don’t have so much access to knowledge, to education and to technology. At the same time, they are losing out disproportionately

from, for example, the result of high medicine prices or increasing prices of agricultural inputs which they really need. But their access is getting compromised. Look at the investment agreements. They are threatening, for example, access to natural resources which women really use. They are also threatening access to development policy and human rights, which again hurts women more than men.

For example, I was talking to HIV affected women. One of them told me that if the medicine is inaccessible, the woman gives up the treatment but she ensures that her husband continues the treatment – and these medicines have to be taken in a cycle, you should not break the cycle. So the inequality really hurts these women.

**“Existing social inequalities are increasing from this framework of trade and investment liberalization.”**

And then there are areas like government procurement, government purchases which are now being liberalised. Those were often tools used, for example, to give preferential treatment to woman producers. So they are losing a lot of ground. And that’s why we are really concerned. Existing social inequalities which are on gender lines, they are increasing from this framework of trade and investment liberalization like we see it today.

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**As you said, unequal power relations foster an economic system that serves a few at the expense of large parts of the world’s population. How can these power relations be challenged?**

I do wish I had the answer to this question. I think one is to control the power at the top, to build in more responsibility and accountability. Like, for example, the business and human rights discussion that is going on: How to make the corporations that are so rich, more transparent and accountable? The big cor-

porations are determining policy worldwide through these different types of agreement whether it is in finance, in trade, in investment. They are controlling

**“How to make corporations more transparent and accountable?”**

the policy. So how do you curb that gigantic influence, is one challenge. And then, of course, we have been hearing it historically that you strengthen the weakest but we haven't seen it over so many decades of globalization. I think you have to build in more transparency, more participation, more democracy in all these systems and different frameworks that drive inequality.

**What would be elements of a fairer trade system that would be contributing to rather than hindering the materialization of human rights?**

The one major challenge that we are facing is that countries are losing their policy flexibility. They are getting tight to agreements and to binding rules which may not be working for them and for their people. In

**“Countries must have policy flexibility to address inequalities.”**

fact, the biggest advocates of trade liberalization do say that there has to be redistribution. But the countries are losing the policy flexibility to do that redistribution. So I think, most important is to retain the policy flexibility so that a country can design its own trade agreement or trade relationships for each point on its development path. You know, it is not going to be the same when it is a very poor country and

when it is moving up the development path producing different sets of goods with different sets of skills. Secondly, countries must have the policy flexibility to address these inequalities that different social classes face when they are affected by these trade liberalizations. That's crucial.

**“Everything must be subservient to an overriding human rights framework.”**

In terms of process, the one major thing is to have an overriding human rights framework. Everything else must be subservient to that.

You have to recognize that that is your primary framework and nothing gives you the power to violate that framework which would include the right to development for developing countries and their citizens.

Furthermore, we need independent human rights assessment where affected people are participating. The results from these assessments which should be in conformity with the human rights framework must determine the terms of your trade relationships.

#### Ranja Sengupta

works as Senior Researcher with the Third World Network (TWN) and is based in New Delhi. She currently works on global trade and investment policies including those framed by the WTO and the Free Trade Agreements (FTAs) and their impact on development priorities in the South. She has specifically looked at the gender dynamics of trade and investment policies and the impact on SMEs.



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