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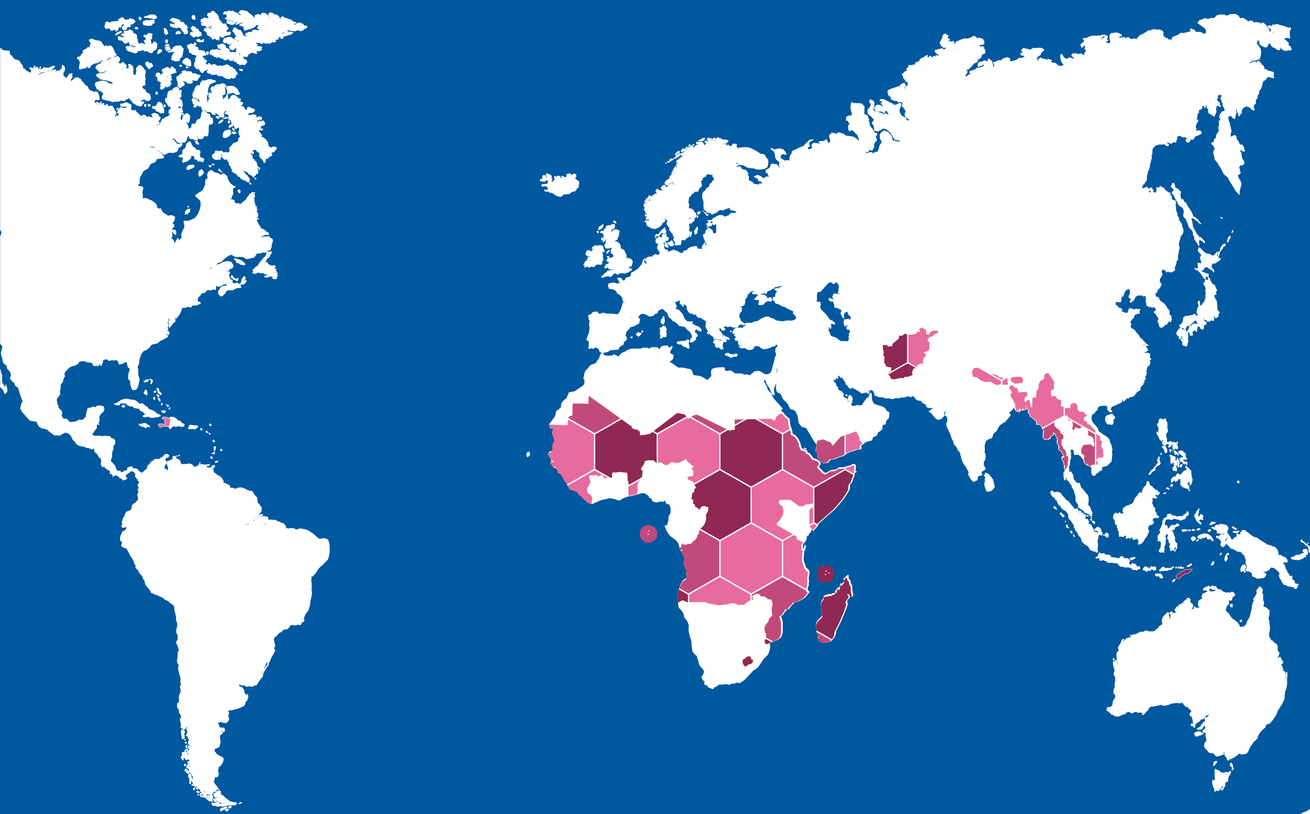

LEAST DEVELOPED COUNTRIES

TEACHING MATERIAL ON

TRADE AND GENDER

VOLUME 1: UNFOLDING THE LINKS

MODULE 4E

TRADE AND GENDER LINKAGES: AN ANALYSIS OF LEAST DEVELOPED COUNTRIES

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EIF Enhanced Integrated Framework

Trade for LDC development

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MODULE 4E

Trade and gender linkages: An analysis of least developed countries

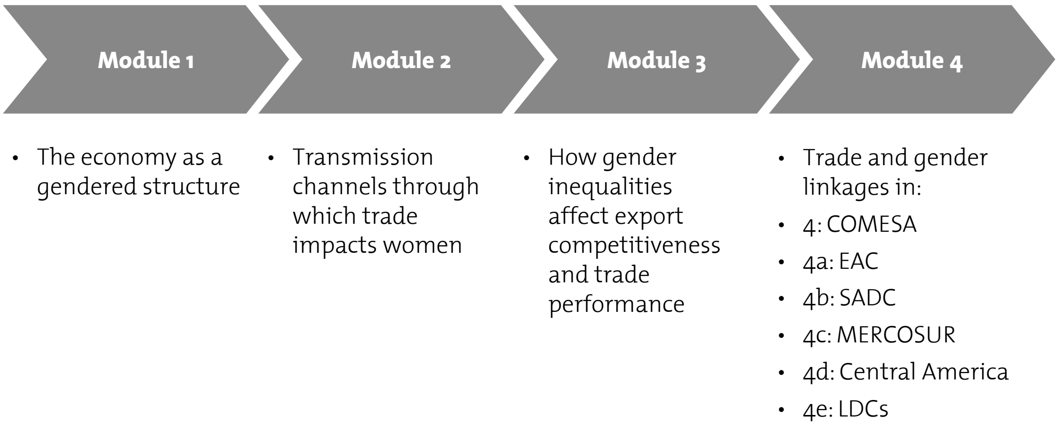
1. Introduction

This document is the ninth teaching manual on trade and gender prepared by the United Nations Conference on Trade and Development (UNCTAD).[1] The teaching manual has been developed with the goal of enhancing the capacity of policymakers, civil society organizations, and academics to examine the gender implications of trade flows and trade policy, and to develop gender-sensitive policies on gender and trade.

The first three modules of Volume I provide a review of theoretical frameworks and empirical studies on the two-way relationship between gender and trade. These three modules have been followed by the development of additional teaching material to illustrate how the framework presented in Modules 1 to 3 can be applied to examine the specific circumstances and institutions of individual world regions. Module 4 examines the Common Market for Eastern and Southern Africa (COMESA), Module 4a focuses on the East African Community (EAC), Module 4b examines the Southern African Development Community (SADC), Module 4c centres on the Southern Cone Common Market (*Mercado Común del Sur* - MERCOSUR), and Module 4d is focused on the Central America region. The present study, Module 4e, applies the framework developed in Modules 1 to 3 to the case of least developed countries (LDCs) (figure 1).

Figure 1

Overview of the modules in the UNCTAD Teaching Manual on Trade and Gender



Source: United Nations Conference on Trade and Development secretariat.

Box 1 presents the process through which countries are included in the LDC category or have graduated from it.

The following countries graduated from the LDC category: Botswana in December 1994, Cabo Verde in December 2007, Maldives in January 2011, Samoa in January 2014, Equatorial Guinea in June 2017, and Vanuatu in December 2020. For Tuvalu and Kiribati, the United Nations Economic and Social Council committed to take a decision about their graduation status no later than 2021. Bhutan, Sao Tome and Principe, Solomon Islands and Angola are scheduled to graduate between 2023 and 2024. Bangladesh, Lao People's Democratic Republic and Nepal were recommended for graduation in the 2021 Triennial Review of the CDP, with a transition period of five years. The decision on the graduation of Myanmar was deferred to 2024.

This module covers 47 countries from different geographical regions (33 from Africa, 9 from Asia, 4 from the Pacific, and 1 from the Caribbean) (figure 2), and adopts the UNCTAD (2019c) grouping of LDCs as the African LDCs and Haiti, the Asian LDCs, and the Island LDCs based on their geographical and structural characteristics (table 1). Each economic and social indicator is calculated as a weighted average for each LDC group throughout the module. When data is available, regional averages are also presented for sub-Saharan Africa, South Asia, South-eastern Asia, and Pacific Island Small States or Small Island Developing States to put the LDCs in perspective.[2]

Box 1

Inclusion in the least developed country category and graduation from it

The United Nations General Assembly established the category of least developed countries (LDCs) in 1971 to attract special international support for the most vulnerable and disadvantaged members of the United Nations. The Committee for Development Policy (CDP) is mandated by the General Assembly and the United Nations Economic and Social Council to review the list of LDCs triennially and identify those countries that could be included in the category or that have graduated from it.

Inclusion in the LDC category is based on three criteria: gross national income (GNI) per capita (currently US$1,025 or below), the Human Asset Index (HAI), and the Economic and Environmental Vulnerability Index (EVI) (box table 1). GNI per capita indicates the level of resources available in a country. The HAI and EVI criteria measure the main obstacles that a country faces to sustainable development. The structure of the HAI and EVI are presented in box table 1. The criteria for HAI and EVI were reviewed during 2017–2020 to align them with the United Nations Sustainable Development Goals and other relevant agendas. Within the HAI, further emphasis was placed on gender equality by adding the indicator from the Gender Parity Index for gross secondary school enrolment. No changes were made to the income criterion during the review. To be identified as a LDC, a country needs to meet the inclusion threshold for all three criteria at one triennial review. A country needs to agree to be included in the list of LDCs.

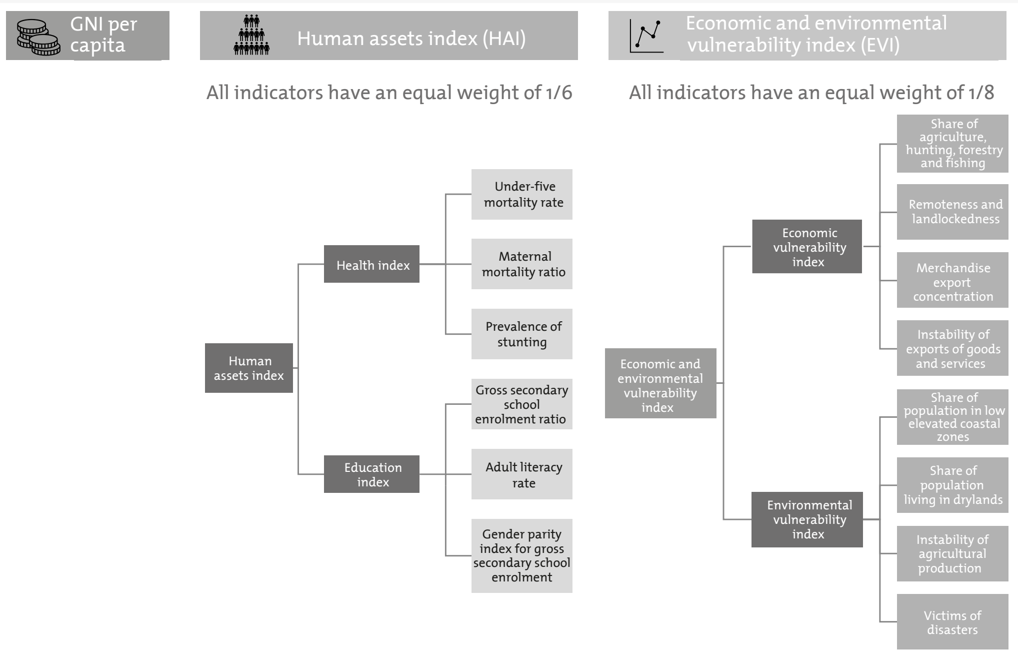
To graduate from the LDC category, a country needs to meet the graduation threshold for two of the three criteria (i.e. GNI per capita, HAI, EVI) at two consecutive triennial reviews. Countries with highly skewed development are only eligible for graduation if they pass the two graduation thresholds by a sufficiently high margin. Alternatively, to be considered for graduation a country must have a GNI per capita that is at least twice the graduation threshold in two consecutive triennial reviews (income-only criterion). In this case, the sustainability of the income level needs to be explicitly assessed.

However, there is no automatic application of graduation rules, and a number of studies (e.g. Impact assessments, vulnerability profiles) are prepared by the country in question and by United Nations departments to support the graduation assessment. Moreover, to enhance the graduation framework, starting in 2021 a set of supplementary graduation indicators will be introduced for each triennial review to cover factors that may not be adequately captured by the LDC criteria. They will serve as additional screening tools for the CDP and for countries to identify sustainable development challenges and priorities to managing graduation. The additional indicators may include inequalities, technology, conflict and violence, and governance.

While a country is immediately included in the LDC category once the General Assembly has taken note of the CDP recommendation, graduation from the LDC category happens after a transition period meant to ensure that the graduating country is ready to face any impact resulting from the loss of LDC status. The country prepares a strategy for what is called a "smooth transition." There is neither a specified length for the duration of the transition nor a specific format for the transition strategy.

Box table 1

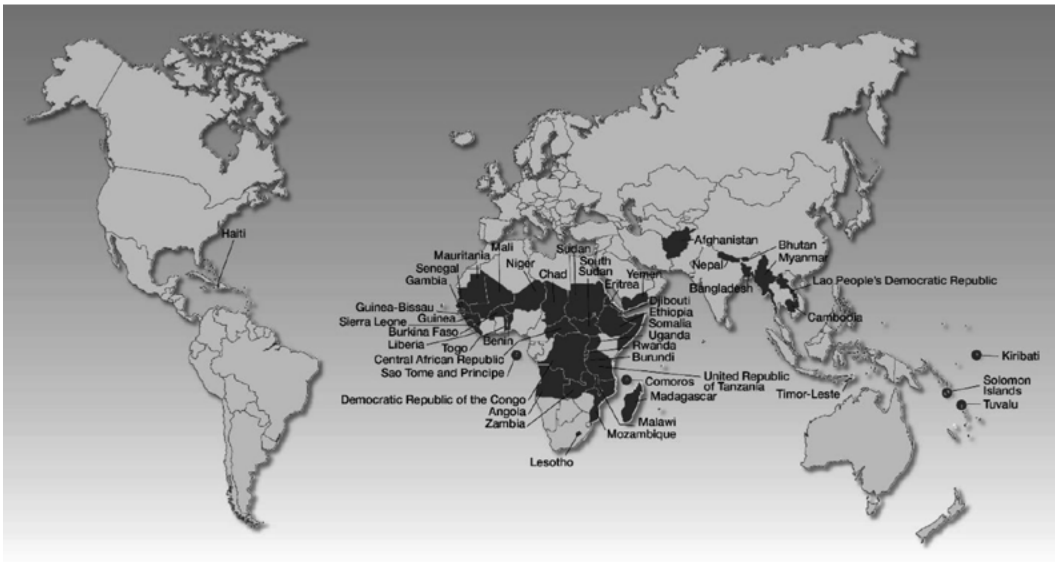
Composition of the least developed country criteria after the comprehensive review



Sources: UN CDP and UNDESA (2018); and UN CDP (2020).

Figure 2

Map of the least developed countries



Source: United Nations Conference on Trade and Development.

Table 1

Least developed country groupings

Least developed country grouping	Least developed countries included in each group
African LDCs and Haiti	Angola, Benin, Burkina Faso, Burundi, Central African Republic, Chad, Democratic Republic of the Congo, Djibouti, Eritrea, Ethiopia, The Gambia, Guinea, Guinea-Bissau, Haiti, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, Senegal, Sierra Leone, Somalia, South Sudan, Sudan, Togo, Uganda, United Republic of Tanzania and Zambia
Asian LDCs	Afghanistan, Bangladesh, Bhutan, Cambodia, Lao People's Democratic Republic, Myanmar, Nepal and Yemen
Island LDCs	Comoros, Kiribati, Sao Tome and Principe, Solomon Islands, Timor-Leste,[1] Tuvalu and Vanuatu[2]

Source: UNCTAD (2019c)

[1] Timor-Leste considers itself as part of South-eastern Asia, but it is included among the Island LDCs in this study because it shares the same geographic and economic characteristics in terms of LDC groupings. LDC: least developed country.

[2] Vanuatu is included in the study among the Island LDCs, despite its graduation in December 2020.

The next section presents an overview of the socio-economic outlook for LDCs, and section 3 then presents an overview of existing gender inequalities. Section 4 discusses the gender implications of international trade and regional/global economic integration in the LDCs. The final section concludes the module and puts forth policy recommendations.

At the end of this module, students should be able to:

- Interpret and use various measures of gender inequalities in LDCs and assess their implications for participation in trade
- Understand the interaction between trade and gendered economic outcomes in LDCs
- Interpret the findings of the study to propose gender-sensitive policies to support women's participation in trade and reduce gender inequalities.

2. Socio-economic outlook of the least developed county groups

2.1. Economic structure

In 2018, all the LDCs together constituted 13.3 per cent of the world population. LDCs as a group, however, produced only 1.2 per cent of the world's GDP and accounted for 1.2 per cent of total world trade in goods and services and 1 per cent of world merchandise exports.[3] In terms of real per capita GDP, the LDCs averaged 2.3 per cent growth over 2011–2019, which was significantly lower than the average of 4 per cent during 2001–2010. In both periods, overall per capita income growth in LDCs was better than that of low-income developing economies, but lagged behind that of other developing economies.[4]

Real per capita income growth rate was fastest in the Asian LDCs in both periods, followed by the African LDCs and Haiti, and the Island LDCs.[5] The difference in per capita income growth across the LDC groups is partly explained by their different composition of exports. African LDCs' heavy reliance on commodities makes them vulnerable to fluctuations in international commodity prices (Wamboye et al., 2015).[6] Indeed, there is a high correlation between commodity prices and GDP growth rates, more pronouncedly in the African LDCs (ILO, 2014). Among most Asian LDCs, specialization in manufacturing exports (especially Bangladesh and Cambodia) and their lesser exposure to global value chains (GVCs) made them less exposed to the global recession in 2008 and contributed to their relatively higher per capita income growth rate (Wamboye et al., 2015).

Despite these differences in their economic structures and performance, the LDCs share common economic constraints and challenges such as inadequate or no infrastructure, limited productive capacity, a low-skilled labour force, persistent absolute poverty, lack of economic diversification, and limited integration into the global economy. In most LDCs, there is a vicious circle of poverty – undernutrition, poor health and limited educational attainment – which in turn constrains labour productivity. Together with low investment, low labour productivity limits structural transformation, this leads to weak economic performance, and hampers poverty reduction. Rural development and exploiting the synergies between agriculture and non-farm activities in rural areas are critical to breaking this vicious circle, as most of the population in almost all LDCs lives in rural areas (UNCTAD, 2014c).

Commodity dependence is a major obstacle common to many LDCs, especially in Africa. This dependence constrains economic diversification toward high-value-added activities. A country is commodity dependent on exports if commodities make up 60 per cent or more of its total merchandise exports. According to this definition based on UNCTAD (2019d), 18 LDCs rely on exports of agricultural products, 16 LDCs rely on exports of minerals, ores and metals, and five LDCs rely on fuel exports (table 2).

Table 2

Classification of least developed countries by commodity dependence status

Classification category	Countries
Dependence on exports of agricultural products	Afghanistan, Benin, Central African Republic, Comoros, Djibouti, Ethiopia, The Gambia, Guinea-Bissau, Kiribati, Madagascar, Malawi, Myanmar, Sao Tome and Principe, Senegal, Solomon Islands, Somalia, Uganda, Vanuatu
Dependence on fuel exports	Angola, Chad, Sudan, Timor-Leste, Yemen
Dependence on exports of minerals, ores and metals	Burkina Faso, Burundi, Democratic Republic of the Congo, Eritrea, Guinea, Lao People's Democratic Republic, Liberia, Mali, Mauritania, Mozambique, Niger, Rwanda, Sierra Leone, Togo, United Republic of Tanzania, Zambia
Non-commodity dependent	Bangladesh, Bhutan, Cambodia, Haiti, Lesotho, Nepal, Tuvalu

Source: UNCTAD (2019d).

Wamboye et al. (2015) empirically analyse the effects of changes in sectoral economic structure on female employment in the LDCs while controlling for the effects of infrastructure development, industrialization, education, trade openness and the age dependency ratio (as a proxy for unpaid work). They find that the expansion of the agricultural sector is positively associated with female employment in both absolute terms and relative to men, while the opposite is true for the expansion of the services, manufacturing and non-manufacturing sectors.[7] Indeed, evidence from developing countries shows that commercialization of production (away from subsistence production) and introduction of technologies with a bias towards skilled labour undermine women's participation in paid employment during the initial stages of economic development (specifically industrialization). Increased incomes of male breadwinners, and to some extent gender discrimination in employment and societal norms that define gender roles, also play a role in this outcome. With increased industrialization over time, infrastructure development and social institutions for health and education, falling fertility rates, commercialization of domestic labour, and a declining male-female skill gap all positively contribute to women's increased labour force participation and employment in paid work (Boserup, 1990; Cagatay and Ozler, 1995).[8]

2.2. Participation of least developed countries in international trade

LDCs have very high trade-to-GDP ratios, reflecting their heavy reliance on trade both on the import and export sides. They have gone through significant trade reforms over the past few decades, including through accession to the World Trade Organization (WTO). However, they have not fully benefited from these processes, mainly due to their low productive capacity and lack of mainstreaming of trade policies into their national development strategies and plans (UNCTAD, 2015a). Non-tariff barriers to trade, such as delays at borders and transport costs, are also influential in this outcome (ILO, 2011).

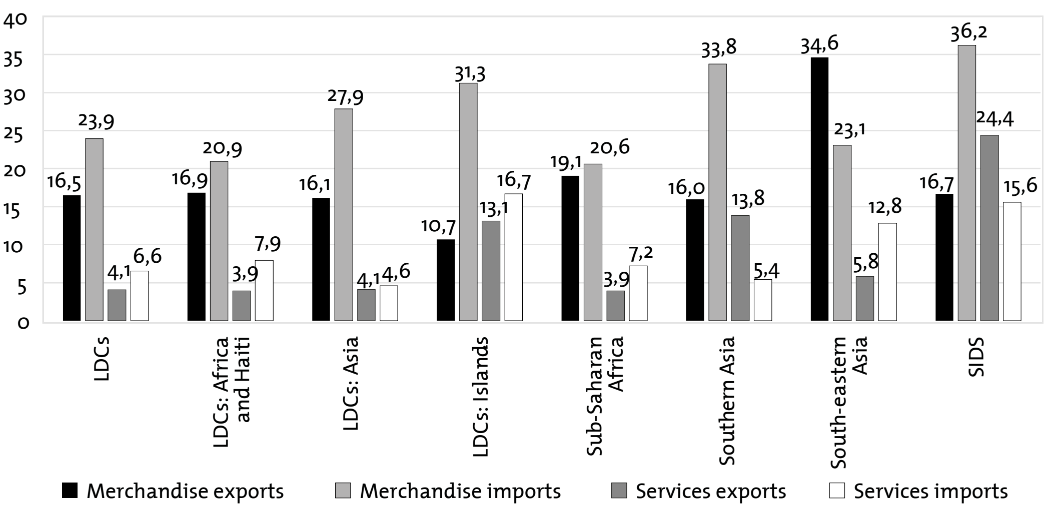
LDC groups all have trade deficits on average, and that deficit is higher in the case of Island LDCs, reflecting their small productive base and high reliance on imports, especially food products. Merchandise exports are much more important than services exports in the African LDCs, Haiti and the Asian LDCs, while services exports are bigger than merchandise exports in the Island LDCs, in line with their relatively small basis for agricultural and industrial production (figure 3).[9] Merchandise exports did not change much between the late 1990s and the 2010s, while the share of services exports in GDP increased in the Island LDCs over time.[10]

There are both opportunities and challenges for the LDCs resulting from developments in the global economy. For example, there is greater recognition and international focus on the developmental needs and challenges of the LDCs. The rise of GVCs enabled some LDCs to specialize in specific tasks along the value chain for final products for which they would not normally possess comparative advantage, especially manufactured products. At the same time, the LDCs risk being trapped in very low ends of GVCs in the absence of targeted policies and resources for upgrading. The increased role of emerging economies in the global economy helped the LDCs diversify their export markets as well as increase the development finance available to them – as in the case of the Asian LDCs in relation to China, for example. However, the rise of these economies has also intensified international competition between the LDCs and the emerging economies, especially in export markets for labour-intensive manufactures (UNCTAD, 2015a).

LDCs are granted either full or nearly full duty-free, quota-free (DFQF) market access by most developed countries and by an increasing number of developing countries (table 3).[11] The European Union's Everything but Arms (EBA) initiative is the most important in terms of export market size and coverage of the LDCs. In addition to countries or economic areas that grant full or nearly full DFQF, some regional agreements, including the South Asian Free Trade Area (SAFTA) and the Asia-Pacific Trade Agreement (APTA), grant greater preference (coverage and tariff margins) to LDC members of the group. Following the decisions taken at the Bali and Nairobi WTO Ministerial Conferences in 2013 and 2015, LDCs are subject to less stringent preferential rules of origin[12] (e.g. flexible requirements for the assessment of sufficient or substantial transformation, expanded cumulation, reduced documentary requirements) in certain markets such as Canada, China, the European Union and the United States, as well as in the SAFTA and APTA regions.[13] Kiribati, Solomon Islands, Tuvalu and Vanuatu are granted preferential treatment by Australia and New Zealand markets through the Pacer Plus Agreement that entered into force

Figure 3

Trade flows as a share of GDP, 2018 (per cent)



Source: UNCTAD secretariat calculations using data from UNCTADStat (https://unctadstat.unctad.org/) (accessed on 2 September 2020).
Note: LDC: least developed country; SIDS: small island developing states.

Table 3

Overview of preferential market access for least developed countries

Granting country	Treatment
Australia	Duty-free, quota-free (DFQF) for LDCs since 2003, 100 per cent coverage
Canada	Generalized System of Preferences (GSP) Least Developed Country Tariff Programme (LDCT) since 2000. Currently extended until 2024. Covers 98.6 per cent of tariff lines (excludes dairy and other animal products, meat, meat preparations and cereal products).
Chile	DFQF for LDCs since 2014. Covers 99.5 per cent of tariff lines (excludes cereals, sugar and milling products).
China	DFQF for LDCs since 2010. Covers 96.6 per cent of tariff lines.
European Union	Everything but Arms (EBA) initiative under the GSP, since 2002. Covers 99.8 per cent of tariff lines (excludes arms and ammunition).
Iceland	GSP – tariff preferences for the world's poorest countries, since 2002. Covers 91.8 per cent of tariff lines.
India	Duty-Free Tariff Preference Scheme (DFTP), since 2008. Covers 94.1 per cent of tariff lines.
Japan	GSP – enhanced DFQF access, since 2007. Currently extended to 2021. Covers 97.9 per cent of tariff lines.
Republic of Korea	Presidential Decree on Preferential Tariff for LDCs, since 2000. Covers 89.9 per cent of tariff lines.
Morocco	Since 1 January 2001, Morocco grants duty-free access to 33 African LDCs on 61 products.
Montenegro	Since 1 January 2017, Montenegro grants duty-free access for LDCs on 93.8 per cent of tariff lines.
New Zealand	GSP – Tariff Treatment for LDCs since 2001. 100 per cent coverage.
Norway	GSP – DFQF, since 2002. 100 per cent coverage.
Russian Federation, Kazakhstan, Belarus	GSP scheme in the context of the Customs Union between Belarus, Kazakhstan and the Russian Federation, since 2010. Covers 37.1 per cent of tariff lines.
Switzerland	GSP – Revised Preferential Tariffs Ordinance, since 2007. 100 per cent coverage.
Taiwan Province of China	Duty-free treatment for LDCs, since 2003. Covers 30.8 per cent of tariff lines.
Thailand	DFQF scheme for LDCs, since 2015. Covers 74.7 per cent of tariff lines.
Turkey	GSP for LDCs (harmonized with the European Union).
United States	GSP for Least Developed Beneficiary Developing Countries (LDBDC).[1] Covers 82.4 per cent of tariff lines. The African Growth and Opportunity Act extends DFQF treatment to African LDCs (and other countries) and covers 97.5 per cent of tariff lines.

Source: United Nations LDC portal (https://www.un.org/ldcportal/preferential-market-access-for-goods/) (accessed on 10 October 2020).
Note: DFQF: duty-free, quota-free; GSP: Generalised System of Preferences; LDC: least developed country.
[1] LDBDC include Afghanistan, Angola, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Comoros, Congo, Djibouti, Ethiopia, The Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Samoa, Sao Tome and Principe, Senegal, Sierra Leone, Solomon Islands, Somalia, South Sudan, United Republic of Tanzania, Timor-Leste, Togo, Tuvalu, Uganda, Vanuatu, Yemen and Zambia.

in December 2020. LDCs are also provided more flexibility in meeting the tariff liberalization requirements in some trade agreements, as in the case of the African Continental Free Trade Agreement (AfCFTA).[14] As a tool for sustainable development, the AfCFTA holds significant promise for the LDCs and developing countries alike in terms of offering new trade and economic opportunities for African women and youth in major export sectors of the LDCs, as will be discussed further in this module.

In addition to trade initiatives that apply to all or most LDCs, seven LDCs (Bangladesh, Benin, Guinea, Mozambique, Myanmar, Sudan, and the United Republic of Tanzania) participate in the Global System of Trade Preferences among Developing Countries (GSTP), which aims to promote trade among its 42 developing country members. However, its utilization by the LDCs is limited due to the currently small number of concessions.[15]

Additional official development assistance, Aid for Trade (AfT), climate financing, and access to finance at concessional rates are the other benefits of LDC membership besides DFQF market access.[16] In 2019, the member countries of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) provided total official development assistance of US$152.8 billion (net US$147.4 billion) representing 0.30 per cent of the combined GNI of the member countries of the DAC (OECD, 2020). Net bilateral aid flows from DAC members to LDCs during that year were US$33 billion, an increase of 2.6 per cent in real terms from 2018 (OECD, 2020). Gender equality has been incorporated to a greater extent in official development assistance over time. For example, the proportion of DAC donors' bilateral commitments to LDCs targeting gender equality, either as the principal or a significant objective, increased from 24 per cent in 2002 to 46 per cent in 2017, with social infrastructure and services making up more than half of such official development assistance (UNCTAD, 2019c).[17]

Despite many years of DFQF access to international markets and aid commitments of developed countries, structural transformation and global integration are quite limited in many of the LDCs. A few, such as Bangladesh and Cambodia, managed to develop the productive capacity to take advantage of the DFQF access to international markets. Similarly, a small number of countries, mainly the Island LDCs such as Comoros, Sao Tome and Principe, Timor-Leste and Vanuatu, have had integration at the regional level through investments in tourism. However, most of the LDCs have not developed their productive capacity and have been hit hard by the stagnant growth in world trade since 2008 (Gay, 2018). According to UNCTAD projections, even the graduating LDCs may not go through structural transformation and economic diversification and may instead graduate mainly due to the commodity-price upturn, as in the case of fuel-dependent LDCs, and to some extent Island LDCs (UNCTAD, 2016).[18] In the African LDCs, a premature shift from agriculture to services (mostly informal) and a process of de-industrialization are also common (Gay, 2018).

Landlocked developing countries (LLDCs) including some of the LDCs face further challenges in terms of global integration.[19] Their lack of territorial access to the sea, high transit costs especially for seaborne trade, additional border crossings, and long distance from world markets negatively affect their trade and overall economic performance.[20] According to UNCTAD estimates, the average amount of export earnings spent for paying transport and insurance services by LLDCs is almost two times more than that of developing countries, and three times more than that of developed countries. High transport costs are therefore a far more restrictive barrier to trade than tariffs for these countries.[21]

2.3. Socio-economic indicators

African LDCs and Haiti accounted for around 60 per cent of total economic activity and 67 per cent of the total population of the LDCs in 2019, reflecting the large number of LDCs in Africa (table 4). Among the African LDCs and Haiti, Angola has both the largest economy and the highest per capita income. Ethiopia is the most populous country in the group. Asian LDCs have the highest per capita income among the LDC groups, mainly because they had the largest increase in GDP – driven by rapid globalization in Asia – and the smallest population increase over the last two decades.[22] Population density is also highest in the Asian LDCs despite their low population growth rate. High population density creates a challenge in terms of land use. For example, Burundi, Djibouti, Eritrea, Ethiopia, Rwanda and Somalia from Africa, and Bangladesh, Bhutan and Nepal from Asia, face the greatest demographic pressure on land in terms of the land-to-labour ratio (UNCTAD, 2015b).

Table 4

GDP and population indicators

	GDP (billions of constant 2010 United States dollars)		GDP per capita, PPP (constant 2017 international dollars)		GDP (billions of current United States dollars)		GDP per capita (current United States dollars)		Population[1] (millions)		Population density (people per square kilometre)	
	2000	2019	2000	2019	2000	2019	2000	2019	2000	2019	2000	2019
LDCs	369.8	1018.9	1,570	3,037	224.8	1099.8	328	1070	657.2	1033.1	37.0	58.2
African LDCs and Haiti	236.0	616.5	1,409	2,339	135.9	590.2	332	875	400.4	692.3	26.4	45.7
Asian LDCs	131.2	397.7	1,704	4,451	87.3	503.7	342	1,495	254.6	337.3	99.6	132.1
Island LDCs	2.6	4.7	2,467	2,996	1.6	5.9	699	,1698	2.3	3.5	38.5	58.9
Sub-Saharan Africa	815.4	1,847.7	2,650	3,782	399.9	1,755.0	601	1,585	665.3	1,107.0	31.3	50.8
Pacific island small states	5.4	8.4	5,887	7,306	3.5	10.5	1,765	4,193	2.0	2.5	30.6	38.3
South Asia	1,111.5	3,571.3	2,600	6,268	630.4	3,598.0	453	1,960	1,390.9	1,835.8	291.4	380.2

Source: UNCTAD secretariat calculations using data from the World Bank's World Development Indicators (https://databank.worldbank.org/source/world-development-indicators) (accessed on 20 August 2020).
Note: Weighted averages are calculated for each LDC country group using individual country populations as weights. An international dollar would buy in each country a comparable amount of goods and services that a United States dollar would buy in the United States; it is used in conjunction with purchasing power parity (PPP). LDC: least developed country.
[1] The combined population of LDCs is projected to increase by 33 per cent between 2017 and 2030 and to reach 1.9 billion in 2050 (UNOHRLLS, 2018).

African LDCs and Haiti have the highest level of income inequality, measured by a Gini index above 40 on average,[23] even though they had a slight fall in average inequality over time (table 5). Income inequality is a severe issue across most African LDCs.[24] Asian LDCs all have relatively low inequality (i.e. Gini index below 40) and as a group experienced a significant fall in average inequality over time.[25] Among the Island LDCs, Sao Tome and Principe has the highest income inequality in the group and the third highest inequality among all the LDCs. Comoros and to some extent Tuvalu also have high levels of income inequality.

Table 5

Poverty, inequality and human development indicators

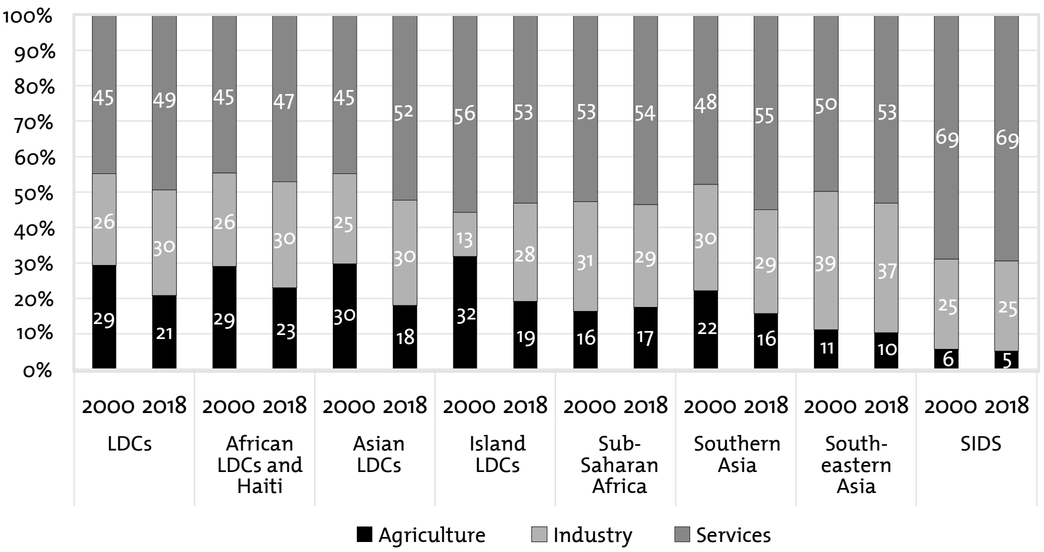
	Poverty headcount ratio		Gini index		HDI value		GII value	
	Late 1990s	2010s	Late 1990s	2010s	2000	2018	2000	2018
LDCs	..	..	..	..	0.40	0.53	0.62	0.56
African LDCs and Haiti	69	48	44	41	0.35	0.48	0.65	0.58
Asian LDCs	37	13	34	33	0.44	0.58	0.68	0.54
Island LDCs	36	24	43	37	0.49	0.59	..	..
Sub-Saharan Africa	59	42	..	..	0.42	0.54	0.62	0.57
South Asia	40	16	..	..	0.51	0.64	0.61	0.52

Source: UNCTAD secretariat calculations using data from the World Bank's World Development Indicators (https://databank.worldbank.org/source/world-development-indicators) for poverty and Gini figures, and from UNDP (2019) for Human Development Index (HDI) and Gender Inequality Index (GII) values (accessed on 20 August 2020).
Note: The poverty headcount ratio shows the share of the population living below US$1.90 a day (in 2011 purchasing power parity). Weighted averages are calculated for each least developed country group using individual country populations as weights. LDC: Least developed country; ..: missing values.

The average poverty headcount ratio fell over time across all the LDC groups, and more pronouncedly in the Asian LDCs, in line with rapid increase in real income per capita over the last two decades. Despite these improvements, absolute poverty continues to be a widespread issue, especially in the African LDCs and Haiti, where on average half of the population lives with a daily income below US$1.90.[26] The same poverty measure is significantly lower in the Asian and Island LDCs, in line with their relatively high per capita incomes. Similarly, the Human Development Index (HDI) score is higher in the Asian and Island LDCs but showed the biggest improvement in African LDCs and Haiti over time.[27,28] The Gender Inequality Index (GII)[29] score is also lower (i.e. less gender inequality) in the Asian LDCs than in the African LDCs.[30] Some of the LDCs, including Burundi, Ethiopia and Rwanda, had a much better ranking with

Figure 4

Sectoral composition of economic activity, 2000 and 2018 (percentage shares)



Source: UNCTAD secretariat calculations using data from UNCTADStat (https://unctadstat.unctad.org/) (accessed on 25 August 2020).
Note: Weighted averages are calculated for each least developed country group using individual country populations as weights. LDC: least developed country; SIDS: small island developing states.

respect to the GII than the HDI. Hence, beyond a country's economic capacity, improvements in gender equality are closely linked to political will.

In terms of the sectoral structure of the economy, the services sector represented around half of economic activity in all the LDC groups in 2018 (figure 4). Wholesale and retail trade make up 15 to 18 per cent of economic activity within services as the largest sub-sector in all the LDC groups. Industry constitutes 28 to 30 per cent of economic activity in all the countries, but the relative importance of industrial sub-sectors differs significantly across the LDC groups. For example, manufacturing is the most important industrial sub-sector in the Asian LDCs (17 per cent), while it is mining and utilities in the Island LDCs (17 per cent) and the African LDCs and Haiti (11 per cent). The agricultural sector corresponds to 23 per cent of total economic activity in the African LDCs and Haiti and 18 to 19 per cent in the Asian and Island LDCs.

2.4. The gender impact of the COVID-19 pandemic in the least developed countries

In the first months of 2020, the world experienced an outbreak of the coronavirus (COVID-19). The disease was declared a pandemic, and social distancing measures were introduced all around the world that resulted in travel restrictions and an unprecedented disruption in economic activity. As a result, the COVID-19 pandemic has led to the worst economic and social crisis since the Great Depression. The health effects of the pandemic in the LDCs have been relatively less dramatic than was initially feared. However, the global economic downturn has had disproportionately adverse economic and social effects on the LDCs due to their lack of domestic financial resources, high debt levels, fragile health systems, and limited capacity to cope with external shocks (UNCTAD, 2020a). Moreover, the recovery path for the LDCs from the current global economic downturn is projected to be slower and longer than from previous downturns (Kim, 2020).

In particular, the dependence of many LDCs on commodity exports such as oil, minerals, metals, agriculture and food products and other commodities has made them vulnerable. Disruption in tourism and travel services adversely affected the LDCs that rely on tourism as the main source of foreign exchange earnings, as in the case of the Island LDCs (UNDESA, 2020a). The pandemic has also severely affected manufacture-exporting LDCs such as Bangladesh, Cambodia, Haiti, The Gambia, Nepal and Lesotho, which receive more than half of their export revenue from manufactured goods. Besides its immediate impacts, the economic downturn is expected to constrain the structural transformation of the LDCs towards higher-value-added manufacturing sectors over the longer term (UNDESA, 2020b).

The fall in demand for migrant workers and the travel bans associated with the pandemic reduced the inflow of remittances to the LDCs. It is projected that remittances received by the LDCs will decline by a larger amount than the world average (UNCTAD, 2020a). Income losses and reduced remittances have worsened the issue of extreme poverty in the LDCs. UNCTAD (2020a) estimates an increase in the poverty headcount ratio against the US$1.90 per day poverty line of 3 percentage points – from 32.2 to 35.2 per cent –in the LDCs overall. This means that compared to the pre-COVID-19 era, 32 million more people will live in extreme poverty in the LDCs in the post-COVID-19 eras. Since poverty is more acute among female-headed households, the poverty impact of the pandemic is likely to widen the gender gap in income and overall well-being.

The economic and social impact of the COVID-19 pandemic is disproportionality experienced by women because of occupational and sectoral gender segregation in employment, uneven division of unpaid labour, and pre-existing gender inequalities in economic and social life. Evidence from developing countries in South and South-east Asia and West Africa shows that the COVID-19 pandemic is likely to have a disproportionate negative effect on women's employment opportunities and widen the gender gap in employment over time (Mohapatra, 2020). Similarly, women are found to be more likely to permanently lose their job and experience a larger fall in their income than men due to the pandemic (Dang and Nguyen, 2020).

The same holds for women in the LDCs, since women in these countries are very active in economic activities that have been hit hard by the pandemic. These activities include horticulture and informal cross-border trade, especially important in the African LDCs; the low-skilled manufacturing sector (e.g. garments) central to many of the Asian LDCs and a few of the African LDCs; and the accommodation and food services sector and other tourism-related services that are important for most Island LDCs. Most people lack access to social protection and income-support systems in the LDCs, exacerbating the adverse impact of job losses (UNDESA, 2020a).

Moreover, women face an increase in the care and domestic work burden during the pandemic and continue to do the majority of unpaid work. This negative effect could last for years without proactive interventions (Power, 2020). There has also been an alarming rise in the incidence of gender-based violence during the COVID-19 pandemic, as during previous pandemics, with economic insecurity and alcohol consumption emerging as the key driving factors. Social distancing measures have also disconnected women from seeking help, making the situation worse (Mittal and Singh, 2020). Women in the LDCs are more vulnerable to gender-based violence given existing weak support mechanisms.

Besides the immediate gender impacts, there are also long-term adverse implications of the COVID-19 pandemic for the LDCs in terms of achieving the United Nations Sustainable Development Goals (SDGs), including SDG5 on gender equality. For example, interruptions in education due to the closing of schools may have a negative impact on the development of skills over the long term, reduce girls' access to school, and widen the gender gap in education. The closing of schools could also increase physical and sexual abuse and adolescent pregnancy, as happened during the Ebola crisis. Public health emergencies such as the COVID-19 pandemic may also exacerbate long-standing systemic health and social inequalities, hampering progress towards gender equality (UN Women, 2020).

3. An assessment of the various dimensions of gender inequalities

Gender inequality negatively affects women's ability to develop their capabilities, empowerment, and autonomy. Despite some progress achieved since the 1990s, gender inequality continues to constrain human development (UNDP, 2019). Gendered power relations shape economic institutions, transactions, and relations, and gender bias operates and affects women in their economic roles as workers, producers, traders, consumers and taxpayers. It is therefore important to introduce a gender perspective into any economic analysis and consider both productive and reproductive activities. Module 1 of the teaching manual identified three domains of gender equality that are important for women's participation in the economy: (i) capabilities, which refers to achievements of basic human abilities (e.g. education and health); (ii) access to resources and opportunities, which refers to conditions that enable individuals to earn adequate livelihoods through access to economic assets such as land, property and infrastructure, access to income and employment, and by exercising their decision-making power; and (iii) security, which refers to vulnerability to violence and conflict. This section presents a comparative assessment of existing gender inequalities across the LDC groups in these three domains and discusses their implications for women's participation in trade based on Module 3 of the teaching manual. Before doing so, the section presents an overview of the legal and institutional frameworks on gender equality that underlie the observed gender inequalities in economic and social life.

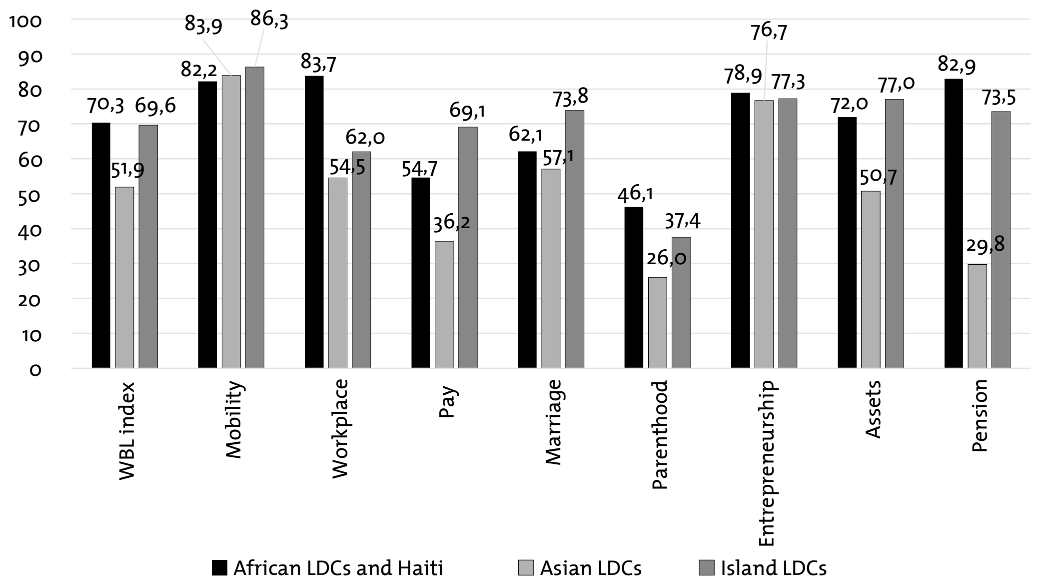
3.1. The legal and institutional frameworks for gender equality

Since a country-specific discussion is beyond the scope of this module, figure 5 presents summary scores on different dimensions of gender equality using the World Bank's Women, Business and the Law (WBL) index.[31] African LDCs and Haiti and the Island LDCs have a significantly higher WBL score than the Asian LDCs. When investigating each dimension of gender equality on the WBL index, *mobility* and *entrepreneurship* are found to be the two areas where all three LDC groups to a great extent provide legal protections for gender equality. The same holds for the African LDCs and Haiti as a group in terms of providing equal rights on the *workplace* and *pension* dimensions. Island LDCs perform better than the rest of the LDCs on *assets* and *marriage*. *Parenthood* and *pay*, in contrast, are dimensions that need bold action to achieve greater gender equality, especially in the Asian LDCs.

There are big discrepancies across the LDCs in providing legal protections for gender equality. Lao People's Democratic Republic, Sao Tome and Principe, United Republic of Tanzania, Togo, Liberia, Timor-Leste and Zambia (decreasing order) score the highest in terms of the legal and institutional frameworks that serve to promote gender equality (with WBL index scores between 81 and 88). In contrast, Bangladesh, Somalia, Mauritania, Guinea-Bissau, Afghanistan, Sudan and Yemen (decreasing order) perform poorly (with WBL index scores between 27 and 49).

Figure 5

Scores on different dimensions of gender equality (index)



Source: World Bank, Women, Business and the Law 2020 panel data (https://wbl.worldbank.org/) (accessed on 1 October 2020).
Note: A score of 100 shows full gender equality in each dimension of the measure. Weighted averages are calculated for each LDC group using individual country populations as weights. LDC: least developed country.

3.2. The Capabilities domain: Education

The gender gap in education has direct implications for women's successful participation in trade. For example, in agriculture, the gender gap in education negatively affects female farmers' and rural entrepreneurs' ability to apply for credit, use market information, gain access to technology and be able to use it, or comply with market requirements such as standards and regulations, as discussed in Module 2 of the teaching manual. In manufacturing, women may lack job-specific technical skills because of gender inequality in access to vocational or technical training programmes. In services, in most countries, women's lower education levels play a major role in their segregation into low-skilled services sub-sectors in highly informal and insecure positions.

Across the LDCs, 57 per cent of women are literate compared to 71 per cent of men on average (table 6). Both the Asian and the Island LDCs have significantly higher adult literacy rates for men and women and a higher gender parity index score in literacy (i.e. the ratio of the female to

Table 6

Selected gender indicators, 2018

	Adult literacy rate (per cent)		Mean years of schooling		Expected years of schooling		Share of population with at least some secondary education (per cent)		Labour force participation rate (per cent)		Gross national income per capita (2011 PPP United States dollars)	
	F	M	F	M	F	M	F	M	F	M	F	M
LDCs	56.8	70.8	3.9	5.7	9.3	10.2	25.3	34.9	57.3	78.8	1807	3462
African LDCs and Haiti	52.9	68.6	3.5	5.4	8.8	9.8	18.2	30.3	65.4	77.9	1532	2555
Asian LDCs	65.5	75.7	4.4	6.1	10.7	11.0	33.6	40.7	43.4	80.4	2318	5230
Island LDCs	66.0	75.5	3.9	5.7	11.3	11.9	..	..	40.2	61.6	3191	5584
Sub-Saharan Africa	58.8	72.5	4.8	6.6	9.3	10.4	28.8	39.8	63.5	72.9	2752	4133
South Asia	63.7	80.3	5.0	8.0	12.0	11.6	39.9	60.8	25.9	78.8	2639	10693
SIDS	..	..	8.5	9.0	13.1	12.6	59.0	61.5	51.0	70.2	12022	19066

Source: UNDP (2019) for all the indicators except the adult literacy rate, which comes from the World Bank's World Development Indicators (https://databank.worldbank.org/source/world-development-indicators) (accessed on 10 September 2020).
Note: Weighted averages are calculated for each LDC country group using individual country populations as weights. Adult literacy is based on the latest year available for each country. LDC: least developed country; PPP: purchasing power parity; SIDS: small island developing states; ..: missing values.

male adult literacy rate) than the African LDCs and Haiti.[32] The female mean years of schooling is highest and the gender gap in schooling years is lowest in the Asian LDCs. In the future, the gender gap in schooling is expected to close, as shown by the expected years of schooling, thanks to advancements in school enrolment. 34 per cent of women in the Asian LDCs have at least some secondary education on average, while only 18 per cent have that in the African LDCs and Haiti.[33] Attainment of higher levels of education remains an issue in the LDCs, especially for women.

3.3. The access to resources and opportunities domain

As explained in Module 1 of the teaching manual, income and employment are among the key indicators to assess gender inequality in access to economic resources and opportunities. Trade liberalization (among other factors) leads to sectoral shifts in production and affects labour market outcomes. This has direct implications for women's employment and income opportunities, as discussed in detail in Module 2. LDCs in general have higher labour force participation rates compared to other developing countries; this mainly reflects the fact that the poor have no other option than to seek work in the absence of adequate social security measures (UNCTAD, 2013b). Women have a significantly lower labour force participation rate than men and a higher gender gap in the labour force participation rate in the Asian LDCs and the Island LDCs compared to the African LDCs and Haiti. In the Asian LDCs and some island LDCs, women's participation in the labour market may be constrained by social institutions and cultural norms to a greater extent. It is also more common among women in the African LDCs to work on family farms as unpaid family workers and in the informal sector (UNCTAD, 2013b). The raw gender income gap (i.e. the ratio of female- to-male GNI per capita) is also higher in the Asian LDCs (0.44) than in the African LDCs and Haiti (0.60) and Island LDCs (0.57).[34]

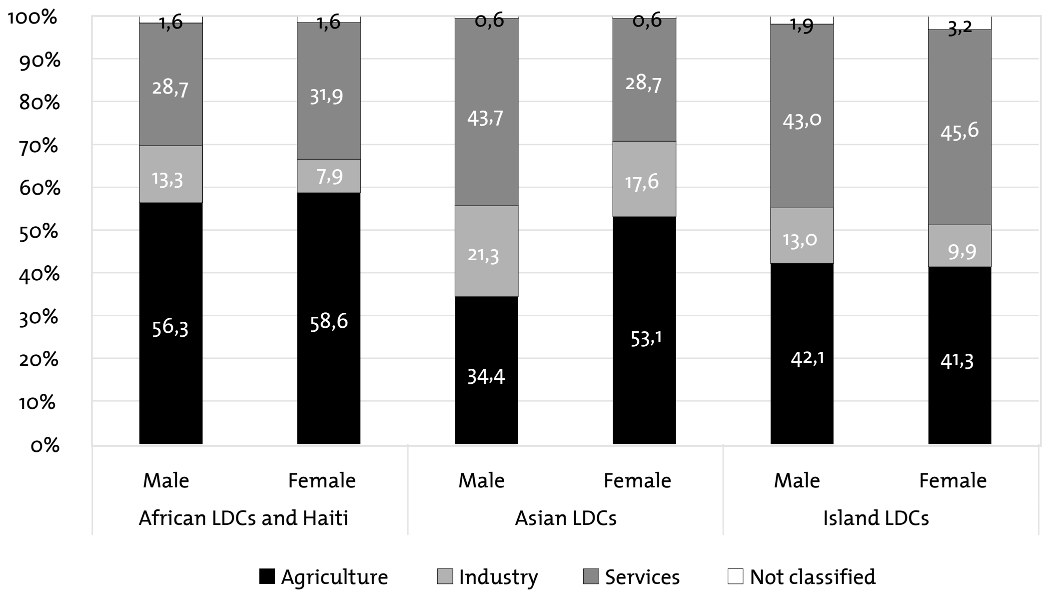
3.3.1. Employment patterns

Sectoral distribution of employment[35]

Agriculture corresponds to more than half of total employment for men and women in the African LDCs and Haiti, and for women only in the Asian LDCs; it constitutes above 40 per cent of total female and male employment in the Island LDCs (figure 6).[36] The dominance of agriculture in the LDCs' employment structure is unlike the situation in many developing countries (e.g. Latin America), where services dominate. Services account for more than 40 per cent of employment for men in the Asian LDCs and for both men and women in the Island LDCs.[37] Industrial employment is relatively more significant in the Asian LDCs than the other LDC groups.

Figure 6

Sectoral composition of employment by sex (per cent shares)



Source: UNCTAD calculations using data from ILOStat (https://ilostat.ilo.org) (accessed on 14 September 2020). Data are from household surveys and based on the latest year available for countries with available data.
Note: Weighted averages are calculated for each LDC country group using individual country populations as weights. LDC: least developed country.

Female intensity of employment (i.e. the share of women in total employment in each broad sector) is high in the agricultural sector in all the LDC groups. Specifically, women make up between 41 and 45 per cent of total employment in agriculture (figure 7). Despite the overall global decline in women's participation in agriculture, that level remains relatively high in the LDCs mainly due to male migration to off-farm activities. This leaves women with more responsibility for the family farm or for increased production of cash crops and food processing activities to increase family incomes (FAO, 2006).

Several factors adversely affected the development of agriculture in the LDCs. First, the stagnant trend of world food crop prices at low levels for several decades prior to the commodity price boom of the early 2000s led to a gradual deterioration of the terms of trade for agriculture. Second, rapid trade liberalization in many LDCs exposed farmers to direct international competition, especially from developed countries that provide massive subsidies to their agricultural sectors. Third, official development assistance shifted from agricultural development projects to social sectors and investments in human resources and governance issues (ILO, 2011). Underinvestment in agricultural R&D activities and productive capacity-building activities, as well as governments' disinvestment in extension services, are other factors that adversely affected the development of the agricultural sector in the LDCs.

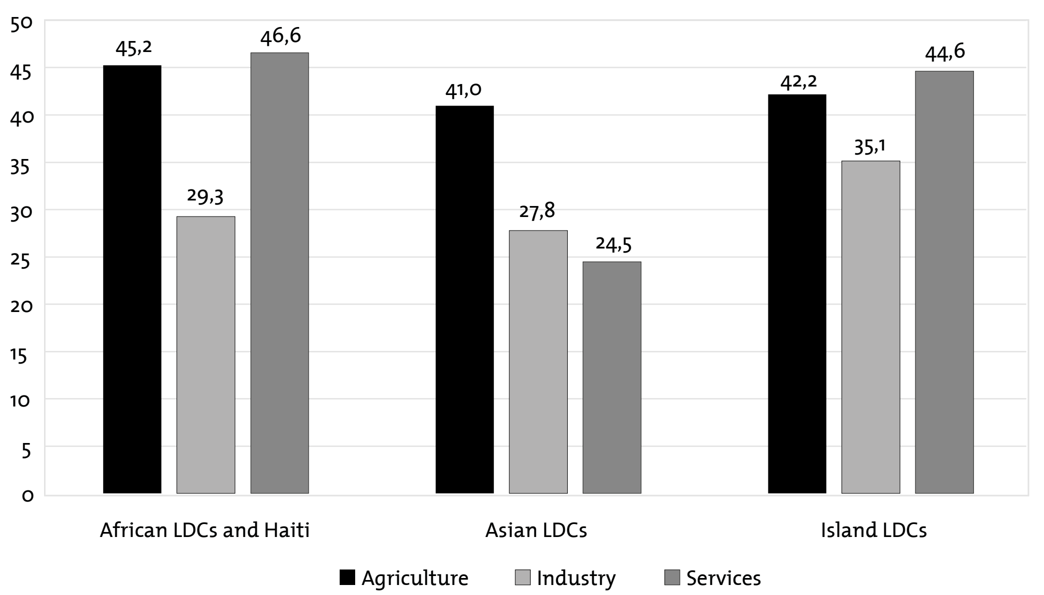
This stagnant growth of agricultural production acted as a push factor for increased urbanization and expansion of the informal services sector as a source of employment of last resort. In this context, quasi-diversification of the economy results from survival strategies rather than exploitation of economic opportunities and leads to expansion of the informal urban economy in many cities in the LDCs (ILO, 2011).

Services is also a female-intensive sector in the African LDCs and Haiti and the Island LDCs. By contrast, services is a male-intensive sector in the Asian LDCs. Within the services sector, women also hold a larger share of employment in wholesale and retail trade and tourism-related services in the African LDCs and Haiti,[38] while men hold relatively more positions in higher-skilled services sectors (e.g. transport, storage and communication, finance) than women in all the LDC groups (table 7). The industrial sector is male-intensive in all three LDC groups. Within the industrial sector, manufacturing is more significant for women's than men's employment in the Asian and the Island LDCs.

Employment opportunities in labour-intensive manufacturing sectors, such as in the Asian LDCs, free women from subsistence agricultural activities, low-productivity informal activities, or

Figure 7

Female share of total employment in the broad sectors of the economy (per cent)



Source: UNCTAD calculations using data from ILOStat (https://ilostat.ilo.org) (accessed on 14 September 2020). Data are from household surveys and based on the latest year available for countries with available data.
Note: Weighted averages are calculated for each LDC country group using individual country populations as weights. LDC: least developed country.

Table 7

Composition of employment by sub-sectors and sex (per cent)

	Male			Female		
	African LDCs and Haiti	Asian LDCs	Island LDCs	African LDCs and Haiti	Asian LDCs	Island LDCs
Agriculture	56.3	34.4	42.1	58.4	53.1	41.3
Mining and quarrying	2.4	0.4	0.9	0.6	0.1	0.2
Manufacturing	5.7	10.8	6.1	6.6	15.9	8.9
Electricity, gas and water supply	0.3	0.4	0.5	0.2	0.1	0.0
Construction	4.8	9.7	5.5	0.4	1.4	0.4
Wholesale and retail trade, and repair	10.3	16.8	8.9	15.2	9.6	9.8
Hotel and restaurants	0.8	2.2	0.6	2.8	1.7	1.0
Transport, storage and communications	4.6	10.3	10.1	0.4	0.8	8.7
Financial intermediation, real estate and business activities	2.2	2.4	9.3	1.2	1.2	4.3
Public administration and defence; compulsory social security	2.5	3.8	3.9	0.9	1.3	3.6
Education	3.4	2.8	3.7	3.1	5.5	3.9
Health and social work	1.1	1.9	0.8	1.4	2.1	1.5
Other community, social and personal service activities	2.7	2.6	3.2	2.4	3.7	6.8
Activities of private households, extraterritorial organizations, and services not elsewhere classified	2.8	1.5	4.2	6.3	3.4	8.9

Source: UNCTAD calculations using data from ILOStat (https://ilostat.ilo.org) (accessed on 14 September 2020). Data are from household surveys and based on the latest year available for countries with available data.
Note: Weighted averages are calculated for each LDC country group using individual country populations as weights. LDC: least developed country.

labour market inactivity. Expansion of the labour-intensive manufacturing sector is also considered as the gateway to industrialization in the LDCs. However, survival of such manufacturing under intense international competition in those sectors is a big challenge for the LDCs and has led them to rely on different strategies. For example, Bangladesh competes based on low labour costs while Cambodia has branded itself as a socially responsible production location (UNCTAD, 2013b).

The hotel and restaurants sector, which forms a major part of tourism-related services, has a relatively low share of women's employment in the LDCs in general. This share has its highest value in Togo and The Gambia (both 12 per cent), followed by Benin and Niger (both around 8 per cent), Burkina Faso, Nepal, United Republic of Tanzania, Uganda and Cambodia (all around 6 per cent).

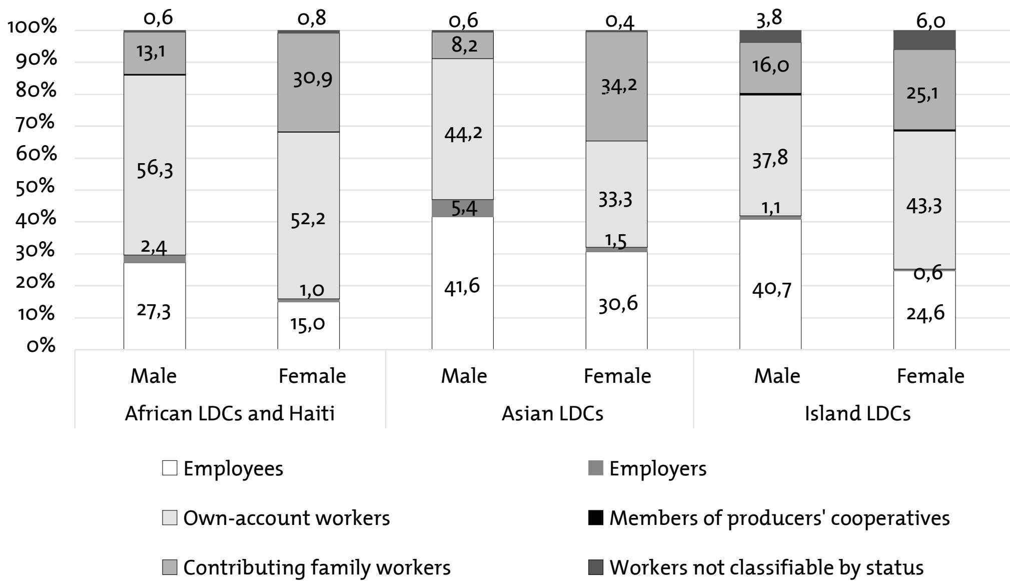
Work status distribution of employment

In the LDCs, own-account work and contributing family work – the two forms of most vulnerable employment – dominate the employment structure and are much more prevalent among women than men (figure 8): 83 per cent of employed women in the African LDCs and Haiti and 68 per cent in both the Asian LDCs and the Island LDCs are in vulnerable employment.[39] A relatively lower share of employed women have wage and salaried jobs as employees, which is considered a relatively more stable and reliable form of employment. Specifically, 31 per cent of employed women in the Asian LDCs, 25 per cent in the Island LDCs and only 15 per cent in the African LDCs and Haiti are employees.[40] A significantly higher share of employed men are employees, and the gender gap is particularly large in the African LDCs and Haiti and the Island LDCs. In terms of decent work, the over-reliance of African LDCs on exports in extractive sectors leads to weaker employment and decent work outcomes than in the Asian LDCs, which rely more on the manufacturing sector for exports (ILO, 2014).

Women in self-employment are considered to be entrepreneurs. While entrepreneurship could be a path out of poverty, it could also be a situational phenomenon stemming out of necessity for women in the LDCs. Case studies from The Gambia, Nepal, Uganda and the United Republic of Tanzania show that women entrepreneurs face a number of gender constraints, including access to finance, the unpaid work burden, and limited access to information and communications technology (ICT), education and training, and business support mechanisms (UNCTAD, 2018b).

Figure 8

Employment composition by work status and sex (per cent shares)



Source: UNCTAD calculations using data from ILOStat (https://ilostat.ilo.org) (accessed on 14 September 2020). Data are from household surveys and based on the latest year available for countries with available data.
Note: Weighted averages are calculated for each LDC country group using individual country populations as weights. LDC: least developed country.

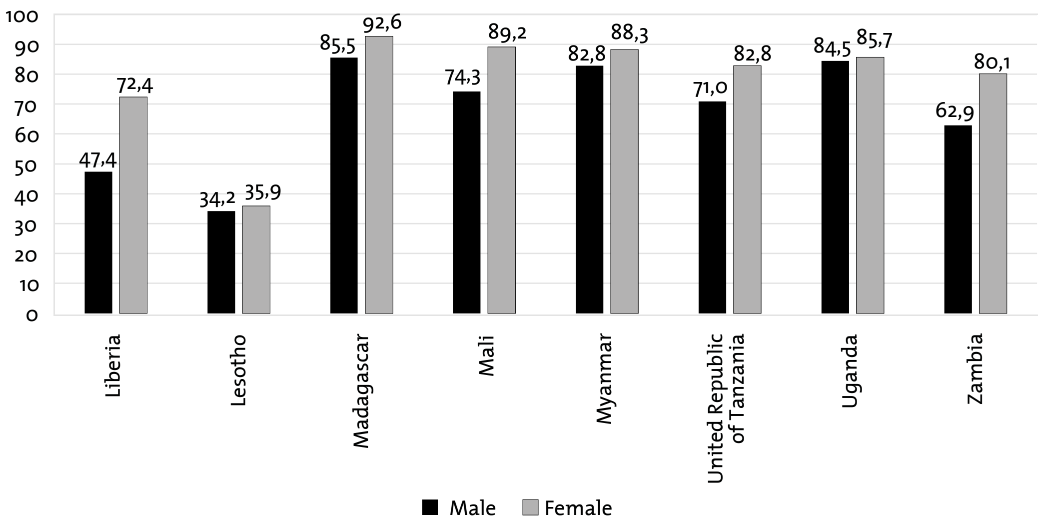
The digital economy and e-commerce have considerable potential to ease market access for women entrepreneurs. In this regard, an e-commerce package will be included in Phase III of the AfCFTA negotiations and is important for the African LDCs. The African Union Commission has also developed the Digital Transformation Strategy for Africa 2020–2030 with a focus on stimulating the growth of broadband infrastructure as a foundation for the digital economy in order to realise a Single Digital Market (SDM) by 2030. However, expanding the penetration of mobile solutions among women remains a challenge.[41]

Informal employment

Informal employment overwhelmingly dominates employment for both men and women, and more so for women, in most of the LDCs for which data were available. For

Figure 9

Informal employment rate by sex in the non-agriculture sector (per cent shares)



Source: UNCTAD calculations using data from ILOStat (https://ilostat.ilo.org) (accessed on 16 September 2020). Data are from household surveys and based on the latest year available for countries with available data.

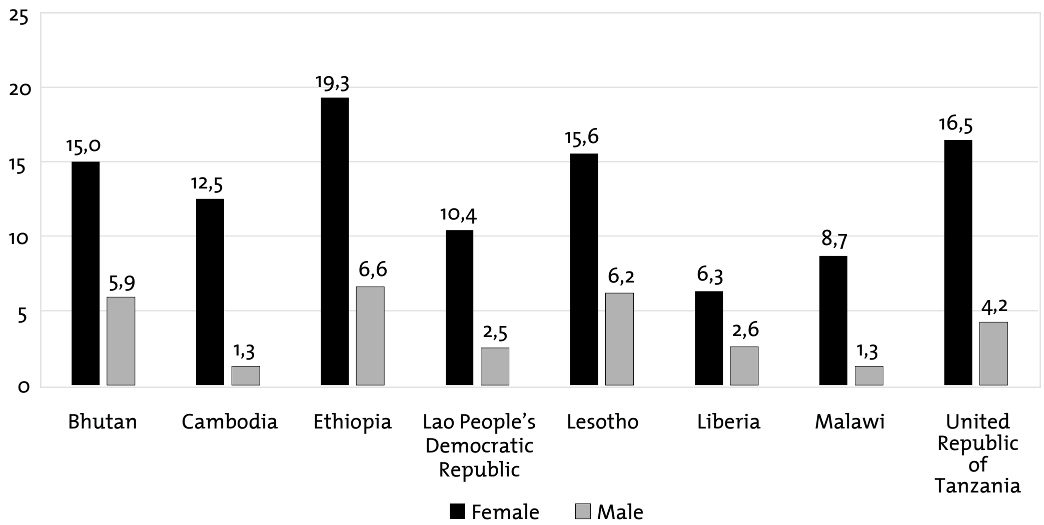
example, more than 80 per cent of women in the non-agriculture sector work informally in Madagascar, Mali, Myanmar, Uganda, United Republic of Tanzania and Zambia (figure 9). An exception is Lesotho, where formal employment is more common than informal employment outside agriculture thanks to the significant role of the manufacturing sector in employment (UNCTAD, 2013b).

3.3.2. Time use

The unequal sharing of unpaid domestic and care work between men and women constrains women's successful participation in the economy and plays a role in gender inequalities in the labour market. This is the case for the LDCs for which data were available. The difference between the time that women spend on unpaid domestic and care work and the time that men spend on it ranges from 2.5 times more for women than men in Bhutan, Lesotho and Liberia to 7.9 times more for women than men in Malawi and 10 times in Cambodia (figure 10). The economic value of unpaid domestic work is not recorded in national accounts but has a significant value for overall economic activity in all countries, as discussed in Module 1 of the teaching manual. Moreover, reducing the unpaid work burden of women, in addition to increasing access to education, are shown to have a positive impact on women's employment in both absolute terms and relative to men in the LDCs (Wamboye et al., 2015).

Figure 10

Proportion of time spent on unpaid domestic and care work by sex (per cent of 24 hours)



Source: World Bank, World Development Indicators (https://databank.worldbank.org/source/world-development-indicators) (accessed on 17 September 2020).
Note: Data are for 2003 in Lesotho, 2004 in Cambodia, 2005 in Malawi, 2010 in Liberia, 2013 in Ethiopia and Lao People's Democratic Republic, and 2015 in Bhutan.

3.3.3. Access to finance

Access to finance is critical for women farmers and business owners to start or expand their enterprise, as they often possess fewer resources and assets than men. Women-owned enterprises in the LDCs consider access to finance the most serious constraint they face. Women entrepreneurs are also not able to take full advantage of their rights and business support mechanisms (e.g. training programmes, programmes providing credit at favourable conditions), which constitutes additional constraints (UNCTAD, 2018b).

There is a gender gap in both account ownership and borrowing in the African LDCs and Haiti and in the Asian LDCs. Only 28 per cent of women on average in both groups have an account with a financial institution or a mobile money provider, as opposed to 38 per cent of men in the African LDCs and Haiti and 45 per cent in the Asian LDCs (table 8). Uganda, Lesotho, Rwanda, United Republic of Tanzania, Nepal and Zambia (decreasing order) have the highest shares of women (between 40 and 52 per cent) with an account among the LDCs.

Table 8

Selected indicators on access to finance (per cent of population ages 15+)

	Account ownership at a financial institution or with a mobile-money service provider		Borrowed from a financial institution		Borrowed from family or friends		Borrowed to start, operate or expand a farm or business	
	Female	Male	Female	Male	Female	Male	Female	Male
African LDCs and Haiti	28.1	38.4	5.5	7.3	28.2	33.3	4.6	5.9
Asian LDCs	27.8	44.9	10.1	10.8	27.0	29.4	7.2	9.8
Sub-Saharan Africa	36.9	48.4	6.0	7.9	29.2	32.9	5.3	4.2
South Asia	64.1	74.8	5.2	7.9	28.5	34.0	6.4	3.7

Source: UNCTAD calculations using data from the World Bank's World Development Indicators (https://databank.worldbank.org/source/world-development-indicators) and Global Findex database (https://globalfindex.worldbank.org) (accessed on 17 September 2020).
Note: Weighted averages are calculated for each LDC country group using individual country populations as weights. LDC: least developed country.

A small share of the population borrows from a financial institution on average across all of the LDCs (table 8). By country, Cambodia (30 per cent), Myanmar (19 per cent), Nepal (14 per cent), Uganda (13 per cent), and Haiti (12 per cent) are the LDCs with the highest prevalence of borrowing by women from a financial institution. Between 11 and 16 per cent of women borrowed to start, operate or expand a farm or business in Cambodia, Uganda, Nepal, Somalia and Haiti (decreasing order). Hence, borrowing for investment purposes is quite low among women entrepreneurs in the LDCs.

Low levels of access to credit through banks is the outcome of both underdeveloped financial systems and strong risk aversion by banks toward SMEs and microenterprises in the LDCs. Microcredit forms an alternative source of credit other than banks and is considered an anti-poverty instrument. However, where available, such credit is characterized by very high interest rates and very short maturities, making such loans less attractive given the high uncertainty and risk of investment, especially in rural areas. There are also constraints on the side of microcredit institutions, such as the high cost of reaching clients in widely dispersed populations and problems with the enforcement of repayments.[42] Evidence from sub-Saharan Africa shows that these factors increase over-indebtedness of some of the recipients, resulting in concerns about the efficacy of microcredit for poverty reduction (UNCTAD, 2015b).

3.3.4. Decision-making power

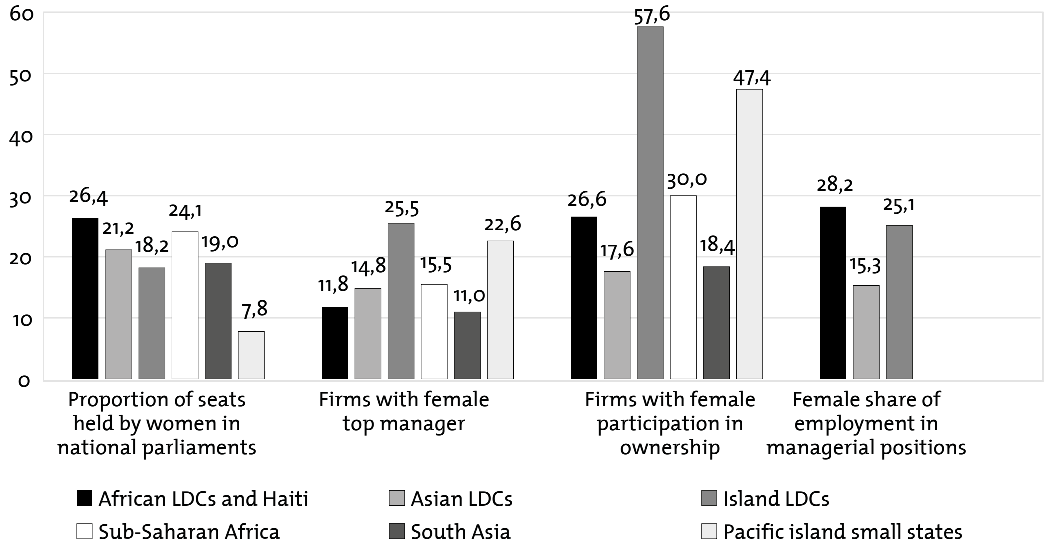
Exercising decision-making power in politics, policymaking, business and households is important for women's successful participation in trade for several reasons. Participation in politics and policymaking bodies enables women to be involved in the design and implementation of policies, programmes and instruments related to trade issues. Holding managerial positions in firms helps women better represent the voice of women employees in business decisions. Holding decision-making power in households increases women's control over household resources and supports their participation in paid work outside the household.

Women's share of seats in the national parliament is highest in the African LDCs and Haiti on average and lowest in the Island LDCs (figure 11). Among the African LDCs and Haiti, Rwanda is an exceptional case with 61 per cent of seats being held by women – the highest in the world.[43] Within the Island LDCs, Timor-Leste is an exception with 39 per cent of seats held by women.[44] Nepal (33 per cent), Afghanistan and Lao People's Democratic Republic (both 28 per cent) have the highest political representation of women among the Asian LDCs.

Island LDCs perform relatively better than the other LDC groups with respect to women's participation in entrepreneurial and managerial roles in the private sector (figure 11). This contrasts with women's participation in the national parliaments in these countries. The average picture conceals the fact that the LDCs with the highest share of firms with a female top manager are all from the Asian LDC group.[45,46] Women's representation in terms of holding managerial positions also shows large discrepancies across the LDCs.[47] Overall, women in the LDCs have relatively better representation in firm ownership and also hold a significant share of managerial positions, but they are less present at top managerial positions at firms.

Figure 11

Indicators of decision-making (per cent)



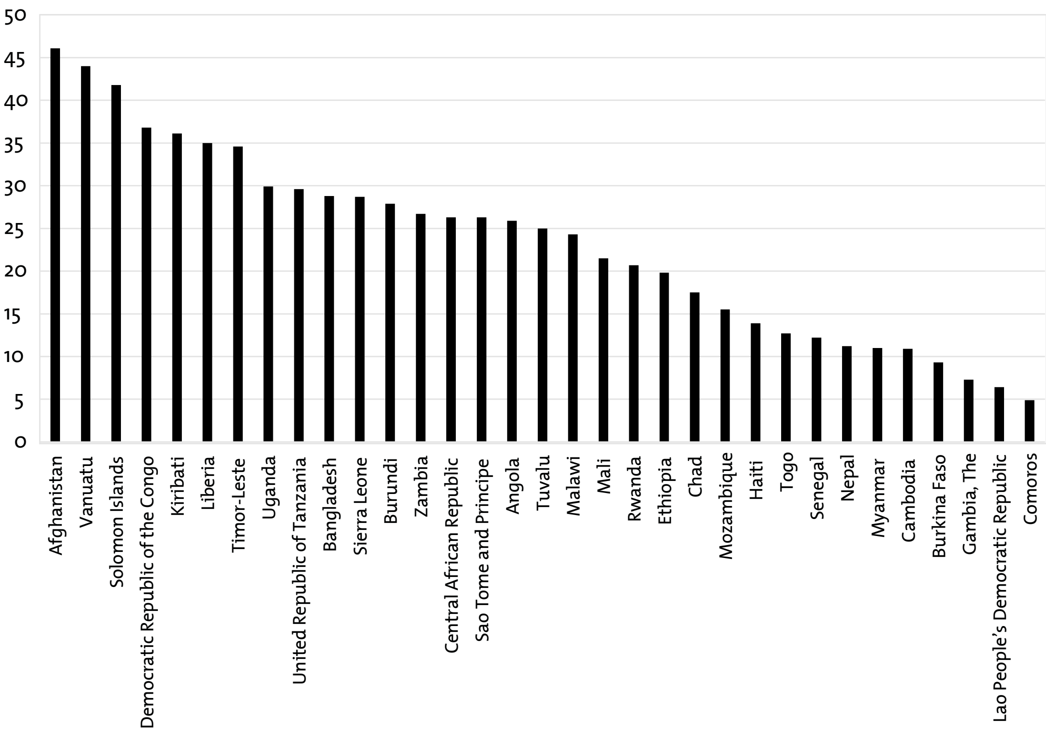
Sources: World Bank, World Development Indicators (https://databank.worldbank.org/source/world-development-indicators); and ILOStat (https://ilostat.ilo.org) (accessed on 12 September 2020).
Note: Weighted averages are calculated for each LDC country group using individual country populations as weights. Firm size levels include 5-19 (small), 20-99 (medium), and 100+ employees (large-sized firms). LDC: least developed country.

3.4. The security domain

Gender-based and domestic violence inhibits women from being economically active, retaining their own income, receiving a share of their spouse's income, asserting their rights to travel, access education and training, and engaging in their own work. Gender-based violence is widespread in several LDCs (figure 12).

Figure 12

Proportion of women subjected to physical and/or sexual violence in the last 12 months (per cent)



Source: World Bank, World Development Indicators (https://databank.worldbank.org/source/world-development-indicators) (accessed on 12 September 2020).
Note: This indicator shows the percentage of ever-partnered women ages 15-49 subjected to physical violence, sexual violence or both by a current or former intimate partner in the last 12 months.

4. A gender analysis of trade policy and trade flows in the least developed countries

This section starts with an overview of trade structure and export specialization patterns in the LDCs, then discusses the gender implications of trade liberalization and trade flows in the those countries by presenting a review of country case studies in each major export sector, namely agricultural commodities, fuels, and minerals, manufactures, and services. It then discusses the cases of informal cross-border traders and migrant workers.

4.1. Trade structure

Since 2010, exports of goods have increased at a high rate in the Asian LDCs, while the increased volatility of primary commodity prices following the global financial crisis of 2008–2009 has hit the African LDCs and Haiti. Exports of services have also shown a significant expansion since 2010 across the LDCs. However, most LDCs have experienced widening trade deficits in merchandise and services trade due to the rapid expansion of merchandise imports over the same period.[48] This was mainly driven by growing consumption, increased investments that require imported capital goods, and demand for imported intermediate goods in economic activities related to GVCs (UNCTAD, 2019c).

According to data for 2016–2018, merchandise exports are dominated by primary products (65 per cent) in the African LDCs and Haiti, low-technology manufactures (67 per cent) in the Asian LDCs, and resource-based manufactures (74 per cent) in the Island LDCs (figure A.1.1 in annex 1). Resource-based and medium-technology manufactures correspond to more than half of merchandise imports, closely followed by low-technology manufactures in all the LDC groups (figure A.1.2 in annex 1). In terms of trading partners, export markets in other developing countries dominate the merchandise exports of the African LDCs and Haiti (59 per cent) and the Island LDCs (77 per cent). China is a significant export market, especially for the Island LDCs (52 per cent) and to a lesser extent for the African LDCs and Haiti (24 per cent) and the Asian LDCs (13 per cent). Developed economies in Europe are an important export destination for all LDCs, and developed economies in the Americas are an important export market especially for the Asian LDCs and African LDCs and Haiti (figure A.1.3 in annex 1).[49]

Export specialization patterns vary widely across the LDCs (table 9), but the expansion of trade flows did not bring about a rebalancing of the LDC specialization patterns that heavily rely on exports of primary commodities and imports of manufactures and capital goods.

Among the LDCs, 39 are classified as commodity-dependent in exports (table 2). Commodity-dependence makes the LDCs prone to exogenous fluctuations and results in lost opportunities for domestic value addition and employment generation. The contribution of GVCs to productivity spillovers, learning and upgrading is also limited due to participation of the LDCs in lower ends of the GVCs (UNCTAD, 2019c).

Table 9

Export specialization patterns of least developed countries

Export specialization	Number of countries	Countries
Food and agriculture	6	Benin, Guinea-Bissau, Kiribati, Malawi, Solomon Islands, Somalia
Fuels	2	Angola, Chad
Manufactured goods	5	Bangladesh, Bhutan, Cambodia, Haiti, Lesotho
Minerals, ores and metals including precious stones	6	Burkina Faso, Democratic Republic of the Congo, Guinea, Mali, Sierra Leone, Zambia
Services	13	Afghanistan, Central African Republic, Comoros, Djibouti, Ethiopia, The Gambia, Nepal, Rwanda, Sao Tome and Principe, Somalia, Timor-Leste, Tuvalu, Vanuatu
Mixed	14	Burundi, Lao People's Democratic Republic, Liberia, Madagascar, Mauritania, Mozambique, Myanmar, Niger, Senegal, Sudan, Togo, Uganda, United Republic of Tanzania, Yemen

Source: Based on table 21 in UNCTAD Statistical Tables on the Least Developed Countries – 2018 (https://unctad.org/system/files/official-document/ldcr2018stats_en.pdf) (accessed on 15 September 2020).
Note: Least developed countries are classified under six export specialization categories according to which type of exports accounted for at least 45 per cent of total exports of goods and services in 2015–2017. Somalia belongs to more than one group because it has export shares above 45 per cent for two categories.

4.2. Gender implications of trade liberalization in major export sectors of the least developed countries

Module 2 of the teaching manual explains in detail the implications of trade liberalization for women's economic participation as workers, producers, traders, and consumers through changes in relative prices and resulting changes in the sectoral composition of economic activity. This subsection presents a review of country case studies on the gender implications of trade liberalization in four major export sectors of the LDCs (i.e. agriculture, fuel and minerals, manufacturing, and services) as identified in section 4.1. It also discusses how gender inequalities affect women's participation in trade and a country's export competitiveness, as presented in Module 3, where relevant. For each sector, the discussion uses country-level caveats to reflect the diversity of the LDCs in terms of geographical and structural characteristics. Finally, the discussion on each sector is accompanied by examples of successful gender-focused trade capacity-building programmes, without being exhaustive.

4.2.1. Agricultural commodities

The agricultural sector is the most crucial sector for human livelihoods and, as mentioned above, is a key source of employment in many LDCs.[50]

The role of women in the agricultural sector in the least developed countries

In the LDCs, there is a high degree of gender segregation in both crops being grown and roles and responsibilities in production, with women primarily engaged in subsistence agriculture to provide for the family (Rice, 2010; World Bank and WTO, 2020). The transition from subsistence farming to commercialization and agricultural exports is increasingly associated with men taking over female-intensive crops, intensifying gender segregation in agricultural production (UNCTAD, 2014a). Gender segregation by crop is underpinned by greater interest and participation from male farmers once a crop commercializes and provides lucrative and profitable entrepreneurial opportunities, as opposed to farming for sustenance. It also indicates male dominance in the distribution of cash crops and control over sale proceeds, even though women are just as involved as men in cultivation of export crops, especially as unpaid labour on family farms (UNCTAD, 2015b). For instance, in Senegal, women are active in contract-farming activities in horticulture but without any jurisdiction over the income generated from that farming, as payments are often received by male household members (Broeck et al., 2016; Maertens and Swinnen, 2012).[51]

Additionally, gender segregation by crop may also be due to long-standing gender norms and social traditions. In the tea industry in the United Republic of Tanzania, male domination was in part due to the prevalence of male workers in the plantation sector, but more interestingly, smallholders in colonial times were banned from growing tea. As smallholders were mostly women working on their own account, this created a long-standing barrier for women to enter the tea export industry (Loconto, 2015). Women are also held back in subsistence farming due to their role in the domestic sphere for food security and nutrition, as it is women's responsibility to grow, process and store subsistence crops. This discourages women from switching to or complementing farming activities with non-traditional agricultural exports (e.g. fruit, horticulture, and flowers) despite the higher gains and stability in income (Whitehead et al., 2000).

These gender patterns are also strongly associated with gender gaps in productivity and earnings in the agricultural sector in the LDCs. For example, in Uganda, there is a considerable productivity gap between male and female farmers that is partly driven by the type of crops being grown. Specifically, female-managed plots primarily consist of staple crops like roots and pulses, whereas male-managed plots are mostly used for coffee and other cash crops. Due to the difference in earnings potential between the two types of crops, women generate substantially less income (Ali et al., 2016). Similar findings are documented for Malawi, where female-managed plots are 25 per cent less productive; this is mainly explained by the differential returns to the type of crops being grown by women (staple crops) and men (cash crops such as tobacco and cotton) (Kilic et al., 2015).

Gender inequality in agriculture and its implications for female producers

Female agricultural producers in the LDCs face gendered supply-side constraints, as in most countries. This subsection first details these gendered constraints (table 10), and then discusses their implications for women's production and export capacity in agriculture.

Table 10

Women in agriculture with respect to three domains of gender inequality

Country- Study	Impact	Domain
Uganda - Whitehead et al. (2000)	Women can access land only through male members of the family and cannot make decisions on what to cultivate or how much.	Access to resources and opportunities
United Republic of Tanzania - Kweka and Haji (2013)	86.7 per cent of male-headed households are likely to receive credit as opposed to 13.2 per cent of female-headed households.	
Solomon Islands - Kruijssen et al. (2013)	Women are not likely to own tools and productive assets required for high-value fishing activities, such as proper fishing gear.	
The Gambia - UNCTAD (2014d)	Women lack the tools to participate in fishing activities outside of subsistence catch.	
Bangladesh - UNCTAD (2020b)	Tools and technology are not geared towards the physical attributes of women.	
Mozambique - Florence et al. (2016)	Extension services disseminated by male workers exacerbate prevailing gender inequalities and mostly benefit male farmers.	
Uganda - Ali et al. (2016)	The proximity of the farming plot to the nearest major road disproportionately affects agricultural productivity in female-managed plots more than their male counterparts, largely due to asymmetric costs of travel faced by women.	
Solomon Islands - Lawless et al. (2017)	Women face mobility constraints to work away from home because of social and gender norms, limiting their participation in fisheries.	
Uganda - Ali et al. (2016)	Child-rearing responsibilities are a major driver of the agricultural productivity gap between men and women.	Capabilities
Malawi - Kilic et al. (2015)	Child-dependency ratios have a significant and negative impact on agricultural productivity in female-managed plots.	
Solomon Islands - Kruijssen et al. (2013)	Due to poor financial literacy, women report receiving lower prices from buyers than their male counterparts.	
Samoa - AusAID (2008)	Women have poor financial literacy and lack advanced farming skills and knowledge.	
Uganda - Kasente (2002)	Childcare and domestic burdens inhibit women from engaging in paid formal work in agro-industries.	
United Republic of Tanzania - Kweka and Haji (2013)	Most unpaid family farm labour is carried out by women.	
Solomon Islands - Krushelnytska (2015)	Gender-based violence and sexual harassment inhibit the participation and success of women in the fisheries sector.	Security

Source: UNCTAD secretariat compilation based on the review of literature.

Men and women have equal ownership rights to immovable property in 37 LDCs. Though to a lesser extent, equal inheritance rights for assets are granted to sons and daughters in 30 LDCs and to female and male surviving spouses in 29 out of 46 LDCs for which data were available.[52] Despite legal steps taken in civil law, customary law prevails in most societies, preventing women from owning land and other property. Table 11 presents selected gender indicators of land ownership across the LDCs. Joint ownership is much more prevalent than sole ownership for women in the LDCs, as is typical in most developing countries. The share of female sole landowners in the total female population ranges between 5 per cent in Senegal and 33 per cent in Malawi.

Due to the lack of formal titling in most developing countries, land is often managed by women without any land use rights (e.g. the right to sell or mortgage). For example, in Myanmar, despite high levels of female participation in agricultural activities, women are not included in land tenure and use contracts. Moreover, complexity and costs related to registration impede women from getting land titling (UNCTAD, 2020c). Inequalities in land ownership as well as in land tenure security limit women's success in agricultural activities because land is commonly used as collateral to get credit. In turn, lack of credit limits female producers from obtaining other agricultural inputs (fertilizers, manure, insecticides, hired tractors, etc.) or labour that would enable them to expand production capacity and participate in international trade, as seen in the case of Uganda (Whitehead et al., 2000).

Access to technology is another important factor that facilitates greater integration into local and international markets, especially for women. For instance, in Senegal, having mobile phones, particularly for rural women, is seen as a resource imperative for access to market information, partly due to women's otherwise

Table 11

Indicators of land ownership across the least developed countries (per cent)

Country	Incidence of female agricultural landowners			Share of female agricultural landowners	Share of agricultural land area that is solely owned by women
	Year	Sole or joint	Sole only		
Bangladesh	2011–2012	8.5		22.6	10.1
Burkina Faso	2010	32	12		
Burundi	2010	54	11		
Cambodia	2010	51	15		
Ethiopia	2011	50	12		15
Lesotho	2009	38	7		
Malawi	2013	41.6	32.8	57.3	40 (2010–2011)
Nepal	2011	10	10		
Niger	2011	35.3	14.1	39.5	9
Rwanda	2010	54	13		
Senegal	2010–2011	11	5		
United Republic of Tanzania	2013	31.7	13.2	45.2	16 (2010–2011)
Uganda	2011	31	9.1	49.6	18 (2009–2010)

Source: Food and Agriculture Organization, Gender and Land Rights Database (www.fao.org/gender-landrights-database) (accessed on 14 November 2020).
Note: The incidence of female agricultural landowners measures the share of female agricultural landowners in the total female adult population.

limited interactions outside of the household (Broeck, 2016). Moreover, access to technology in agriculture is imperative to enhance productivity and increase output to serve international markets with competitive prices.

However, in developing countries overall, there exists a gender gap for a wide range of agricultural inputs and technologies including machines and tools, fertilizers, animal breeds, improved plant varieties, and irrigation schemes (Croppenstedt et al., 2013; FAO, 2018; Peterman et al., 2014). These gender gaps are more severely experienced in the LDCs given their lower productive capacity. For instance, in Myanmar, men are the first to learn how to use a new technology when it is acquired. Female farmers also struggle to gather the financial means to buy or rent new tools and machinery (UNCTAD, 2020c). Farmers are often equipped only with tools and equipment that are instrumental to their specific roles and activities. For instance, in the Solomon Islands, women are more likely to own rudimentary fishing gear for subsistence catch while men own a wider range of productive assets that support higher-value fishing activities (Kruijssen et al., 2013).

The gender gap in access to technology in farming activities may also be engendered because of the lack of available technology geared specifically to the needs, activities or even the physical strength of women. For example, in Bangladesh, ploughs are often too heavy for women and pumps in irrigation fields corroborate with average male height and strength (Beintema and Marcantonio, 2010; Croppenstedt et al., 2013; UNCTAD, 2020b). Finally, compared to developing countries overall, the LDCs have both a lower Internet penetration rate for women (13.9 per cent in LDCs vs. 40.7 per cent in developing countries) and a larger gender gap in Internet use (a Gender Parity Index score of 0.57 in LDCs vs. 0.77 in developing countries) (ITU, 2019).[53] This further inhibits the use of ICT solutions to market access and information issues by female farmers in the LDCs.

Besides land and technological adoption, access to information and business development training through extension services is also key to participating in international trade in agriculture (UNCTAD, 2020b). As with technology, extension services also get trapped in a self-perpetuating gender bias in access to resources, as these services target higher-value cash crops and commercial activities and are consequently more applicable to male than female farmers (FAO, 2011; UNCTAD, 2020b). In addition, due to cultural restrictions germane to women's interaction with outsiders, women's access to extension services may also be preconditioned by the presence of a male household member, as seen in Mozambique. This could be overcome to some extent by female extension workers, which is seen to have a positive impact on women's access to information and adoption

Box 2

BRAC: Building the capabilities of women in rural Bangladesh

Building Resources Across Communities (BRAC) is an international nongovernmental organization based in Bangladesh that administers an array of gender- and poverty-focused initiatives in rural areas in economic development, primary education, public health and disaster relief. BRAC also operates in other least developed countries (LDCs) such as Liberia, Uganda and Zambia.

An example of a BRAC programmes is the Asset+ training programme in Bangladesh. Poor rural women in Bangladesh tend to rely heavily on casual wage labour in agriculture. In contrast, women from wealthier households participate in livestock rearing, which generates a higher and more stable income throughout the year as opposed to seasonal employment. BRAC provided livestock valued at about US$140 per women in the programme coupled with a two-year-long training program. Hours spent on livestock rearing went up by 361 per cent across all the participating households and earnings increased by 37 per cent. Moreover, there was a reduction by 8.4 per cent in the number of poor households living on less than US$1.25 per capita per day four years after the launch of the programme (Green, 2015).

Note: See http://www.brac.net/ for further details about the different programmes they offer.

of new technology in Mozambique (Florence et al., 2016). However, there has been little progress along those lines in most LDCs (FAO, 2011). Additionally, extension services and training programmes, which do not include financing and mentoring, have been rather ineffective for both male and female farmers, as evident in Lesotho (UNCTAD, 2018b). In contrast, in Bangladesh, a comprehensive programme combining asset (livestock) and training increased the earnings of female farmers significantly (box 2).

Finally, women face time and mobility constraints ingrained in gender norms and societal traditions in the LDCs. For instance, women in the United Republic of Tanzania are expected to work closer to home and therefore have access to a smaller market (Kweka et al, 2013). Similarly, women in the Solomon Islands are confined to subsistence fishing because of gender and social norms that discourage women from participating in opportunities outside of their homes and communities (Lawless et al., 2017).

The various supply-side constraints that female agricultural producers face undermine their capacity to successfully participate in export markets, making them "underachievers of competitive advantage" in their economic roles as self-employed producers and small entrepreneurs, as discussed in Module 3 of the teaching manual. In Uganda, for example, evidence shows that men have better access to inputs and labour and have more time for paid economic activities owing to women's shouldering of the unpaid work burden. This in turn enables men to take up new opportunities in switching crops to non-traditional agricultural exports to a greater extent than women. In Senegal, women are largely underrepresented in contract-farming opportunities with export agro-industries because they are unable to guarantee a reliable flow of products due to lack of secure access to inputs and productive resources, including land (UNCTAD, 2018c).

Additionally, trade liberalization in agriculture can also indirectly impact women's livelihoods. As discussed in Module 2, in subsistence-based agriculture the influx of cheap food imports reduces the domestic price of subsistence-oriented crops and erodes the already low earnings of subsistence farmers, a group dominated by women in the LDCs. For example, female farmers in Senegal are predominantly active in import-competing food crops and therefore bear the brunt of trade liberalization because of the influx of cheaper imports (Cockburn et al., 2010) (see case study A.2.1 in annex 2). Trade liberalization can also crowd out subsistence agriculture and fishing (UNOHRLLS, 2006). For instance, in the case of The Gambia, export-oriented shrimp farming could have destructive ecological consequences on the coastal environment, with particularly adverse effects on women's subsistence farming (UNCTAD, 2014d). This can have lasting adverse impacts on rural livelihoods due to women's central role in sustaining household welfare in rural areas (Kweka et al., 2013).

Female wage workers in agriculture

Trade liberalization in agriculture has paved the way for the advent of medium- and large-scale farms in many of the LDCs, creating economic opportunities for women as wage workers. For example, the expansion of agricultural exports in Senegal and Ethiopia has been accompanied by growth in female wage employment. Similarly, in Zambia, women make up over 65 per cent of workers in vegetable and flower production, which have evolved to be important export sectors (UNCTAD, 2018c). However, female wage employment in agriculture tends to be seasonal, and therefore temporary, as documented for the horticulture sector in Zambia and Senegal, commercial shrimp farming in The Gambia, and the cut flower sector in the United Republic of Tanzania (Broeck et al., 2016; Cockburn et al., 2009; Kweka et al., 2013; UNCTAD, 2014d).

While female workers have no choice other than seasonal job positions in most cases, women may also themselves sometimes deliberately choose to work in seasonal and temporary job positions. For example, in the case of horticultural exports in Senegal, women with higher levels of literacy, household income, and assets prefer seasonal employment arrangements to be able to have the flexibility to own and manage farming or business activities. In contrast, women who do not have their own holdings value job security through longer contracts for income stability and employment-related benefits such as healthcare and pensions (Broeck et al., 2016). Hence, women's preferences for different types of contracts in wage employment in agriculture could be segmented by income class.

Agricultural wage employment is also characterized by a high degree of occupational gender segregation in the LDCs. Women are often segregated into low-skilled and low-paying job positions while men hold relatively more managerial and higher-skilled positions, as observed in many developing countries. This is also the case for the horticulture supply chain in Zambia (Cockburn et al., 2009) and the cut flower sector in the United Republic of Tanzania (Kweka et al., 2013). Similarly, in the case of commercial shrimp farming in The Gambia, women make up most of the workforce in low-skilled tasks such as processing and packaging for export. Men, on the other hand, dominate higher-paying positions, including management staff and harvesters (UNCTAD, 2014d). Moreover, gendered supply-side constraints limit skill upgrading and promotion opportunities for female wage workers. For instance, in Malawi, female agricultural wage workers' relatively low literacy rates relegate them to low-skilled tasks and keep them there. In the Solomon Islands, lack of childcare services and the domestic care burden limit women's ability to move out of low-skilled jobs in the fisheries export sector (Krushelnytska, 2015).

Increased job opportunities without substantial changes in domestic work and the care burden also translate into a double burden and time poverty, negatively affecting the well-being of women workers, as seen in the horticultural export sector in Senegal (Cockburn et al., 2009; Broeck et al., 2017). Time poverty is also segmented by income class. For example, in Senegal, poor female workers report greater subjective well-being from employment opportunities because income generation to support family income outweighs the lack of leisure time. In contrast, female workers who are relatively wealthier (e.g. with higher assets such as livestock) report less subjective well-being due to the double burden of combining paid work with unpaid domestic and care work (Broeck and Maertens, 2017).

In addition to occupational gender segregation and the double burden, women also face a gender wage gap as agricultural wage workers. Women in the agricultural sector earn 88 per cent of what men earn in the United Republic of Tanzania and 63 per cent in Uganda (UNCTAD, 2017b).[54] Moreover, there is also a wage premium for urban and skilled workers that penalizes rural and unskilled workers, who tend to be women.

Women's acceptance of low wages and flexibility to work temporarily makes them a source of competitive advantage for these firms, especially to meet seasonal demand peaks in foreign markets (UNCTAD, 2018c). As discussed in Module 3 of the teaching manual, existing gender inequalities in these domains have direct implications for participation in trade and export competitiveness. For example, women workers may become "sources of competitive advantage" for exporting firms in international markets that pursue a cost-cutting strategy by taking advantage of gender inequalities in the labour market, such as occupational segregation and gender wage gaps.[55,56]

Gender-sensitive programmes are crucial to provide women with decent working conditions without facing the threat of job losses while participating in agricultural exports in LDCs. For example, certification schemes may positively contribute to women's well-being both as producers and workers in agricultural export sectors, as seen in Rwanda, Uganda, United Republic of Tanzania and Senegal (box 3). Intra-African trade liberalization under the AfCFTA will bring considerable opportunities and associated risks. As African LDCs shift to targeting new opportunities in the agricultural sector, further consideration should be given to addressing existing inequalities and gender differences in the constraints confronting women and men in this sector.

It should be noted that without globally accepted minimum labour standards, international cooperation is important to avoid a "race to the bottom," as will highlighted later in section 4.2.3. The COVID-19 pandemic has also shown how GVCs could be vulnerable to global economic shocks, especially for the lower end of these chains where women tend to concentrate. It is therefore important to introduce gender-sensitive support measures to cope with such economic shocks in GVCs.

Box 3

Certification schemes and the advancement of gender equality in agricultural exports: The cases of Rwanda, Uganda, United Republic of Tanzania and Senegal

There is increased demand for imported products that meet sustainability standards in developed countries (Chiputwa and Quaim, 2016). One way of administering sustainability standards is through certification schemes that pursue the achievement of social and environmental objectives, and help smallholder farmers participate in global value chains. Voluntary certification schemes are also a way of shifting production towards high-value market segments in agricultural exports such as coffee, tea, cocoa and tropical fruits. Such schemes could play an important role in transforming established gender inequalities in agricultural production and help support women's empowerment as workers and producers in agriculture.

In the coffee sector, certification schemes such as Fair Trade, Organic, Rainforest Alliance and Utz Certified have been introduced in several least developed countries (LDCs). Ac cording to the findings of a field survey in 2012 in Uganda, certification programmes had positive gender effects such as increased gender awareness about the equitable division of labour, women's increased access to resources (e.g. through workshops with the mandatory presence of both partners), and women's increased control over sales revenue (e.g. through cooperatives requiring both spouses to be present to receive payments on shipments). They were also associated with better representation of women as extension workers and in leadership positions (Chiputwa and Quaim, 2016). Similar positive effects on decision-making power in cooperatives were documented for women in Rwanda, which has one of the highest numbers of certified coffee producers in Africa, ac cording to a study conducted in 2009 (Elder et al., 2012).

Similar benefits are seen in horticultural exports in Senegal (e.g. beans, mangos and tomatoes) (Broeck et al., 2017). These medium- and large-scale export companies can employ female workers in large numbers in harvesting, processing and packaging activities. Indeed, in the transition of bean exports from smallholder contract farming to integrated production in bigger export companies, female employment rose over 20 per cent as a share of local households. More importantly, the Senegalese tomato agro-industry companies under the Ethical Trade Initiative reported a much lower gender wage gap than their counterparts in the bean export industries that do not participate in any similar schemes (Maertens et al., 2009). This was because of targeted efforts requested by the codes of conduct associated with the certification schemes.

However, it is important to note that gender equality achievements should not solely be considered as the outcome of certified value chains but should be evaluated in a broader policy framework. For example, increased gender equality in tea value chains in the United Republic of Tanzania is partly due to improved standards, but more importantly reflects long-term socio-technical changes in the country (Loconto, 2015). Also, these findings on certification schemes are not conclusive across all the LDCs, though they do hold the potential to support women's suc cessful participation in agriculture as producers and workers. They also bring benefits, such as increased schooling of children, from which the entire household and not just women benefit (Broeck and Maertens, 2017).

4.2.2. Fuel and minerals

Angola and Chad specialize in fuel exports, and Burkina Faso, Democratic Republic of the Congo, Guinea, Mali, Sierra Leone and Zambia in minerals, ores and metals, including precious stones, as presented in table 9 in section 4.1.[57] LDCs specializing in extractive sectors generally lack export diversification into other sectors (UN Women, 2012). Countries such as Angola attain 99 per cent of their export revenues from fuel and mineral resource exports, followed closely by Chad and Sierra Leone at 94 per cent, Democratic Republic of the Congo at 83 per cent, and Niger at 81 per cent, reflecting the extremely high level of dependence on fuel and mineral exports (Hilson et al., 2018). Overdependence on the extractive sector has undermined the agricultural sector that provides food security and livelihoods for the rural population. For example, the agricultural sector in Angola is the main employment sector, with a share of 82 per cent in total employment. However, the sector has low productivity and is confined to non-tradable and low-income activities. As a result, Angola imports over 70 per cent of its food consumption (UNCTAD, 2013a; Czech, 2018).

Gender implications of large-scale mining

In some African LDCs such as Burkina Faso, Guinea, Mali and the United Republic of Tanzania, reforms to promote large-scale mining for economic growth attracted considerable foreign direct investment in the late 1980s and 1990s. However, this process was accompanied by high levels of de-employment because many of the mining workers became redundant. This was predominantly because foreign investors highly mechanized the mining processes and prioritized profit generation over employment. To illustrate, the establishment of a gold mine in Mali under a globally renowned brand, AngloGold Ashanti, only created 127 jobs, which equated to one job created for every US$1.23 million invested. Similarly, in another Malian gold mine under the same brand, one job was created for every US$700,000 invested (Banchirigah, 2006).

Extractive sectors are predominantly seen as the domain of men. For instance, in large mining companies, women are mostly concentrated in administrative or ancillary positions (low-skilled white collar) while men primarily fill production (blue collar) and management (high-skilled white collar) positions (Jenkins, 2014). The small proportion of female production workers is mostly engaged in transporting ore and water, washing and cooking on mining sites, and some delicate activities such as panning, amalgamation and amalgam decomposition (Hinton et al., 2003). These instances of occupational segregation in extractive industries are deep-seated and driven by entrenched social and gender norms. For instance, a common superstition at mining sites is that women (particularly menstruating women) will bring bad luck and repel the minerals, making them harder to extract (Buss et al., 2017; Jenkins et al., 2014).

There are also economic factors associated with oil and mineral wealth driving women out of the labour force. First, the extractive sector tends to be associated with lower economic diversification, and usually crowds out export-oriented manufacturing, which is an important source of employment for women.[58] Second, mining opportunities for male family members or government transfers following oil windfalls can raise total household income, which reduces the incentive of women to participate in the labour force as secondary breadwinners. Reduced presence of women in the labour force dampens the development of their economic and political rights, whether because there is reduced demand for female workers or because fewer women choose to or are allowed to enter the labour force (Ross 2008, 2017).

Both weak employment-generation capacity and male dominance of employment in large-scale extractive export sectors result in limited employment opportunities for women. In addition, the sector has several other important gender implications. First, the advent of extractive sectors in rural areas and their associated environmental degradation leaves women disproportionately vulnerable to polluted water and loss of arable land given the major role they play in agricultural production (Jenkins, 2014). Second, the lack of female voices in the community-level dialogue with large mining companies is often problematic. For example, in Malawi, male-headed households preferred cash compensation for resettlement for new mining sites while female-headed households preferred guaranteed alternative land for farming and livelihood security. The final decision was determined by the preference of male-headed households due to their dominant number. Since income from cash compensation was spent on items ineffectual to household well-being, women as producers were left with limited resources to ensure food security and good health of their families, leading the households into poverty. Incorporating women's preference for guaranteed alternative land would have circumvented most of the potential hardship caused by the misspending of cash compensation for resettlement (UN Women, 2014).

Gender implications of artisanal and small-scale mining

In several fuel- and mineral-exporting LDCs, trade liberalization in the extractive sector has caused job losses due to the switch to a capital-intensive structure, and has dampened the growth of employment opportunities. This has forced locals to turn to artisanal and small-scale mining, as widely seen in sub-Sharan Africa (Banchirigah, 2006). Consensus is yet to be reached on the formal definition of this type of mining, as it varies considerably across countries. However, artisanal and small-scale mining is largely informal and is a way of complementing income from traditional rural subsistence activities. Artisanal mining is generally carried out with low-technology tools or even by hand, and consequently, yields are low and working conditions tend to be precarious (Buss et al., 2017). Artisanal and small-scale mining exists to varying degrees across the LDCs. For example, it accounts for about 90 per cent of total mineral production in the Democratic Republic of the Congo, and all mining activities for diamonds are undertaken by artisanal and small-scale mining in the Central African Republic (World Bank, 2009; Bashwira et al., 2014). In Sudan, 1 million people participate in artisanal and small-scale mining, and about 14 per cent of the population relies on income from it (Ibrahim, 2015).

Although mining is historically seen as the domain of men, women have been quick to adopt artisanal and small-scale mining in some of the LDCs (Hilson et al., 2018). For example, women make up around 75 per cent of workers in small-scale mining in Guinea and 50 per cent in Mali, with over 100,000 female workers (Jenkins, 2014). The social and economic landscape of artisanal and small-scale mining and its implications for women, whether as workers, producers or traders, vary significantly by country, as summarized in table 12.

Table 12

Women and artisanal and small-scale mining

Country - Study	Summary	Role of women
Sierra Leone - Hilson et al. (2018)	Income from artisanal and small-scale mining helps women expand and improve their agricultural activities, which are otherwise constrained by lack of finance.	Producer
Burkina Faso - Jenkins (2014)	Women are predominantly engaged in activities with low economic returns and low technology, such as extracting mineral remnants by hand and gold panning.	
United Republic of Tanzania - Fisher (2007)	Wealthier women can invest and profit from mining operations, but this involves a small proportion of the female population.	
Malawi - UN Women (2014)	Women often lack the capital to invest in value-addition equipment, and therefore, struggle to meet export standards.	
Ethiopia - Lawson (2017)	Female mine owners often report that male workers refuse to follow their orders and instructions.	
Malawi - UN Women (2014)	Women trade gemstones through middlemen who are exploitative and pay meagre proportions of the international market prices.	Trader
United Republic of Tanzania - ILO (2007)	Girls between the ages of 12 and 17 work 42-70 hours a week in gemstone brokering, but sales receipts are controlled by male family members.	
Democratic Republic of the Congo - Bashwira et al. (2014)	Women in artisanal and small-scale mining are highly subject to sexual violence and abuse.	Worker
Democratic Republic of the Congo -Byemba (2020)	There is high occupational gender segregation, with women concentrated in low-paid jobs such as transportation of gold, stone grinding and sand washing.	
Democratic Republic of the Congo - Byemba (2020)	Women are paid less than men for the same work, and consequently households headed by female workers are poorer than those headed by male workers.	
Uganda, Rwanda, Democratic Republic of the Congo - Buss et al. (2019)	Women are concentrated in low-paid activities such as washing and grinding ores, and carrying ore, water, and firewood; consequently, their monthly earnings are lower than those of male workers.	
United Republic of Tanzania - ILO (2007)	Young girls are not adequately paid for their work by male business owners and their income is often contingent on sexual favours.	
Niger - ILO (2007)	In their quest to get food and necessities to male mine workers, women and young girls are often subject to dangerous terrain and cave-ins.	
Niger - ILO (2007)	Most women included in the study sample reported breathing difficulty due to dust and lack of protective gear.	
United Republic of Tanzania - Fisher (2007)	Women are legally unable to own small, informal diamond mining pits and their labour is largely unpaid as their husbands own the pit and sell the diamonds.	
Mozambique - Hinton et al. (2003)	Lower productivity for female artisanal miners is primarily attributed to the lack of tools and knowledge about processing methods.	
Zambia - Hinton et al. (2003)	Women are particularly involved in activities with a lower degree of mechanization but high risk, such as the manual crushing of marble, which causes pneumoconiosis.	
Mali - Hinton et al. (2003)	Women are forced to partake in mining work under unsafe working conditions in order to provide necessities and food for the family, mainly due to lack of income-generating opportunities in agriculture.	
Mali - Hinton et al. (2003)	In select artisanal and small-scale mining communities, much of women's work is unpaid because women are not allowed to trade the gold recovered from panning and must hand it over to their husbands.	
Madagascar - Lawson (2017)	Most women's work in artisanal and small-scale mining is unpaid labour, such as sieving for sapphires in between domestic chores; therefore, it goes unrecognised.	
Burkina Faso - Werthmann (2009)	Women and especially young girls working in artisanal and small-scale mining camps report greater personal freedom and satisfaction from earning cash income instead of providing unpaid labour on farms.	

Source: UNCTAD secretariat compilation based on the review of literature.

There has been a large push in African mineral-producing countries to formalize the artisanal and small-scale mining subsector. This could, however, have unintended negative consequences for vulnerable groups, including women, who earn income through such activities (Buss et al., 2019).[59] The formalization process may introduce entry barriers more severely experienced by women than men due to existing gender inequalities. For example, in Sierra Leone, women have been able to adapt to the difficult work environment of gold artisanal and small-scale mining and are financially better off. However, this is also the result of the sector being informal and unregulated. Once formalized, unless the formalization process is designed through a gender lens, there is a risk that the sector will be taken away from women (Hilson et al., 2018). Indeed, evidence across many African LDCs suggests that licensing, a common formalization tool, tends to be an expensive and cumbersome process, particularly for women who are constrained in terms of time, mobility and resources (Hilson et al., 2018; Buss et al., 2019). Therefore, formalizing artisanal and small-scale mining should go hand-in-hand with capacity-building programmes that will help female artisanal and small-scale mining entrepreneurs formalize and sustain their operations, as in the cases of the United Republic of Tanzania and Zambia (box 4).

Box 4

Enhancing female participation in the extractive sector in least developed countries

Capacity-building programmes could be instrumental in supporting women's participation in the extractive sector. For instance, the Mining Sector Diversification Programme in Zambia helps small miners, especially women, develop their production processes and pursue business expansion by integrating more capital. More importantly, it has provided funding for members of women's mining associations to attend international trade fairs to connect with foreign buyers, among other marketing assistance initiatives (Hinton et al., 2003). Another suc cessful programme is the local auction in Zambia facilitated by the Association of Zambian Women in Mining that provides a platform for female mining entrepreneurs to sell their low-grade gemstones to international buyers (UN Women, 2014). Additionally, in the United Republic of Tanzania, the Tanzania Women Miners Association, established in 1997, provides training to small-scale female mining operators in health and safety protocols as well as business management (Hilson et al., 2018).

4.2.3. Manufactures

The manufacturing sector has been central to the process of export-oriented growth strategies in many developing countries, especially in Asia and Latin America. Among the LDCs, Bangladesh, Bhutan, Cambodia, Haiti and Lesotho have been classified as manufacture exporters, as was shown in table 9. Achieving economic diversification from agriculture into manufacturing or other industrial sectors has been a challenge in most developing countries due to a poor investment climate (Cirera and Lakshman, 2017). Export processing zones (EPZs), which process or assemble imported intermediate products before re-exporting them as final products, have been instrumental in attracting investment through various export incentives granted also in many LDCs (table 13) (Mpunga, 2016). EPZs complement the local non-EPZ manufacturing sector to varying degrees in several LDCs. This depends on their structure and extent of specialization, varying from multi-activity zones to zones specialized by industry, as seen in the case of apparel and textiles in Bangladesh (UNCTAD, 2019e). In terms of labour market implications, EPZs may create new employment opportunities and contribute to rural-urban migration, or may simply shift employment from non-EPZ firms to EPZ firms without any significant change in sectoral or geographical reallocation of labour (Cirera and Lakshman, 2017). EPZs may also be used as a tool to address uneven development and create employment in rural provinces, which is an important objective pursued, for example, in the development of EPZs in Cambodia (UNCTAD, 2019e).

Among the LDCs, there are both successful cases of EPZs (e.g. Bangladesh, Cambodia, Lesotho and Madagascar) and less successful ones, especially among the African LDCs (e.g. Mali, Malawi, Senegal and the United Republic of Tanzania) (Newman and Page, 2017). For example, EPZs were not conducive to attracting foreign direct investment in the United Republic of Tanzania; EPZs were affected by a civil war in the 1990s in Liberia; and the success of EPZs was inhibited by labour market regulations and low labour productivity in Senegal despite generous tax exemptions (Newman and Page, 2017; Adu-Gyamfi et al., 2020).

Women as wage workers

This sub-section presents a review of the gender implications of EPZs and, more broadly, trade liberalization in manufacturing in the LDCs in terms of employment, wage levels, the gender wage gap and working conditions (table 14).

Table 13

Export processing zone incentives in selected least developed countries

Countries	Main export processing zone incentives	Examples of incentives
Democratic Republic of the Congo, Eritrea, the Gambia, Madagascar, Malawi, Mozambique, Rwanda, Senegal, Sierra Leone, Sudan, United Republic of Tanzania, Togo, Uganda, Zambia	Tax exemptions	Exemptions from export duties, import duties on inputs, profit and property taxes, direct taxes, and value-added taxes
Angola, Eritrea, Sudan, Zambia	Infrastructure incentives	Exemptions from foreign exchange controls, no controls on profit repatriation, and, sometimes, derogation of specific sections of labour laws such as working hours or minimum wages
Djibouti	Regulation exemptions	Specific streamlined government services (i.e. custom services, business registration, etc.); provision of enhanced specific infrastructure for production, logistics and transport (i.e. better roads, free or subsidised lease of land or industrial plants, etc.); and subsidised prices in public utilities such as electricity or water

Sources: Newman and Page (2017); and Cirera and Lakshman (2017).

Table 14

Gender implications of export processing zones

	Effect	Country - Study
Employment	Export processing zones (EPZs) created about 300,000 jobs within the first decade of their establishment, mostly for women.	Madagascar - Vastveit (2013)
	Substantially more women are employed in EPZs than in any other type of non-agricultural employment.	Madagascar - Farole and Gokhan (2011)
	For 49 per cent of exporting firms, the majority (over 51 per cent) of the employees are female.	Cambodia - ITC (2015)
	Women make up 62-68 per cent of the EPZ workforce.	Haiti - Shamsie (2010)
Wages	Less gender segregation by occupation level than non-EPZ ready-made garment firms.	Bangladesh - Hossain (2011)
	Higher wages for female workers compared to firms outside the zone.	Bangladesh - Cirera and Lakshman (2017)
	Averages wages and the overall gender wage gap in the EPZ are equivalent to other formal activity sectors.	Madagascar - Cling et al. (2009)
	Better pay and a lower gender wage gap than alternative employment in the informal sector.	Madagascar - Glick and Roubaud (2006)
	Level of income is lower than other formal sectors, but rate of monthly increase is higher.	Madagascar - Razafimahefa (2006)
	Workers have highest probability to get promoted to higher-income activities compared to the private informal sector.	Madagascar - Razafimahefa (2006)
	Wages in EPZs are 17 per cent higher than the national minimum wage.	Lesotho - Vastveit (2013)
Working conditions	More compliant with working conditions and safety guidelines than non-EPZ private firms.	Bangladesh - Asadullah and Talukder (2019)
	Lower incidence of long working hours than non-EPZ manufacturing firms.	Bangladesh - Cirera and Lakshman (2017)
	Higher constraints on unionization rights than in non-EPZ private firms.	Bangladesh - Hossain (2011), Cirera and Lakshman (2017); Lesotho - Cirera and Lakshman (2017)
	Working hours (long) are same as those outside of the EPZs.	Liberia - Cirera and Lakshman (2017)
	Higher unionization rates than non-EPZ private sector but no difference in long working hours.	Madagascar - Cirera and Lakshman (2017)
	Higher labour standards than private formal and informal sectors.	Madagascar - Cling et al. (2009)
	Better non-wage benefits than in private informal sector.	Madagascar - Razafimahefa (2006)

Source: UNCTAD secretariat compilation based on the review of literature.

Employment

The manufacturing export sector in the LDCs is generally labour-intensive and female-intensive. For example, 85 per cent of workers in Cambodia's textile sector are women (Better Factories Cambodia, 2018), as well as 90 per cent in Myanmar's garment sector (UNCTAD, 2020c). This is mainly because female workers provide firms with a competitive advantage in international markets based on the relatively low bargaining power they have to negotiate better wages, resulting in a significant gender wage gap that help firms cut their production costs, as discussed in Module 2 of the teaching manual. This approach, which is termed a "race to the bottom" among developing countries, erodes the standards of living in these countries. It is therefore necessary to introduce measures such as the International Labour Organization's Better Factories Programme to counteract this tendency and support employment growth without eroding working conditions and standards of living. The case of Cambodia provides a good example in this regard (box 5).

Box 5

Gender implications of the "race to the bottom" approach in female-intensive manufactures exports

Low wages in the ready-made garment sector in Bangladesh helped it withstand the sunset of the Multifiber Arrangement (MFA) in 2005 and the global financial crisis of 2008–2009. However, the prevailing low wages alongside rising costs of living and a food price hike in 2008 eroded the standard of living for female workers (Hossain, 2011). Moreover, Bangladesh gave in to strong pressures to cut labour costs and indirectly eroded already poor working conditions (Berik et al., 2010).

One country that has managed to stay resilient in the post-MFA era while retaining low-wage workers without further degradation in wages has been Cambodia. As the MFA was phasing out, Cambodia pursued a unique trade agreement with the United States and obtained an 18 per cent additional quota for its exports than it was entitled to originally (Sibbel and Boormann, 2007). This programme, in partnership with the International Labour Organization (ILO), offered positive trade incentives in exchange for proven enforcement of better labour standards under the ILO's Better Factories Cambodia programme. This has resulted in remarkably improved working conditions under increased monitoring of compliance and is even associated with a reduction of the gender wage gap and discrimination against women, in stark contrast to the non-textile manufacturing sector, which was unaffected by the agreement (see case study A.2.2 in annex 2) (Berik and Van Der Meulen Rodgers, 2010, Samaan and Mourelo 2018).

Societal gender norms could also play a role in the increased share of female employment in certain labour-intensive sectors. For instance, with the boom of the export-oriented ready-made garment sector in Bangladesh, the number of women employed in the sector reached 3 million in the late 2000s (Hossain, 2011). Despite conservative views that discourage women's participation in the labour market, the transition of rural young women into the ready-made garment sector was facilitated by the notion that tailoring work is traditionally associated with women (Hossain, 2011; WTO, 2020). Additionally, poverty may take precedence over societal gender norms in certain cases and allow women to work in factories. For example, in Myanmar, women from poor households are likely to seek employment in the manufacturing sector despite social norms discouraging female paid employment away from home (Mueller et al., 2020).

The female-intensity of low-skilled employment in labour-intensive manufacturing sectors also implies that layoffs impact women disproportionately, as observed when the COVID-19 pandemic caused garment orders from Bangladesh to drop (Kabir et al., 2020). In Myanmar, garment factories saw orders fall by 75 per cent due to the COVID-19 pandemic, which prompted many factories to cut their workforce or permanently close.[60]

Wages

Employment in the export-oriented manufacturing sector is characterized by high occupational segregation with a concentration of women workers in low-paid jobs. In Cambodia, this is evident in job announcements that often state a preference for women (as factory workers) or men (as supervisors) (Better Factories Cambodia, 2018). In Bangladesh, a study of ready-made garment export factories found that female employees are paid less than men across all positions from production to management. Even with comparable skills and education, women earn less than men for the same work. Moreover, the gender wage gap is the widest for low-skilled workers who are already low-paid and primarily women (Rahman, 2011). In Madagascar, male factory workers receive about a 30 per cent wage premium in the textile and apparel industry.

Working conditions

Table 14 showed that in some LDCs, EPZs are associated with better compliance with labour and safety standards. In the non-EPZ sector, poor working conditions and health and safety standards are much more common. One of the most dramatic examples of precarious working conditions was the collapse of a garment factory building in Bangladesh in 2013, which killed 1,134 people and injured about 2,500 more, most of whom were women.[61] In fact, poor compliance with fire and safety norms is common among garment factories in Bangladesh. In some cases, factories are even locked from the outside to make sure that workers meet deadlines and to prevent the possibility of material theft (Hossain, 2011).[62] Actively ensuring workers' compliance, and to some extent their acceptance of working conditions and avoidance of any form of unrest, is indeed an important management strategy in this sector (Better Factories Cambodia, 2018).

Female factory workers may also be exposed to sexual and verbal abuse both in the workplace and during their commute to and from the factories, which can often be late at night (Hossain, 2011; ILO and UN Women, 2020). Moreover, in Cambodia, the underrepresentation of women in leadership positions is regarded as one the factors contributing to power imbalances in the workplace and to a high incidence of verbal or sexual harassment by male supervisors (Better Factories Cambodia, 2018). Similar issues are seen in the ready-made garment sector in Lesotho, where abusive language by foreign managers and supervisors is lamented by local female workers (UNCTAD, 2012a).

The availability of childcare facilities is an important dimension of working conditions for women with children. However, the extent of such benefits is quite limited in the LDCs and affects women's labour force participation. For example, in Bangladesh, women cannot sustain the long hours and demanding nature of the work as their domestic care burden increases after childbearing, unless there are other women at home who can share childcare responsibilities (Hossain, 2011). Even in Cambodia, which is touted as an example of providing remarkably better working conditions and benefits than comparable sectors in other LDCs, most firms (about 72 per cent of the sample of the study) do not provide childcare and nursing rooms, despite legal provisions requiring them to do so (Better Factories Cambodia, 2018).[63] Moreover, under the relatively new Working Lactating Mother Allowance scheme in Bangladesh, women are often asked to verbally commit to having no more than two children, in breach of their sexual and reproductive rights (ESCAP and ILO, 2020).

Despite prevailing gender wage discrimination and poor labour standards, evidence shows that women tend to report higher levels of satisfaction with their personal and financial situation than their male counterparts (Asadullah and Talukder, 2019; ILO and UN Women, 2020). This may be the result of lack of employment alternatives and/or the critical need to provide for family members.

Women as producers

Small and medium-size enterprises (SMEs) are an important source of employment and income generation in the LDCs, and therefore tend to be at the forefront of poverty alleviation initiatives. SMEs in the LDCs participate in international markets either directly or indirectly through larger firms. SMEs also provide backward linkages for larger enterprises in export sectors in the LDCs, especially in low-skilled manufacturing. For instance, subcontracting to SMEs for packaging, materials, accessories, etc. is prevalent in the apparel and footwear export industries in Bangladesh (Dhungana, 2003). According to a study based on SMEs in seven LDCs (Afghanistan, Nepal, Mali, Mozambique, Senegal, Zambia and Yemen), access to the international market helps them develop and sustain long-term growth and even be competitive (Maksimov et al., 2017). An integrated continental market offers tremendous potential for women-led SMEs, including by boosting demand for manufactured goods. With the AfCFTA, SMEs in the African LDCs would benefit from economies of scale and increased access to new export markets.

According to the LDC SME Impact Survey conducted across 2,245 firms in all LDCs, about 73 per cent of firms have a female owner or board member and 72 per cent of them are micro firms with less than 10 employees mainly operating in the sectors of tourism (20 per cent), textile and crafts (18 per cent) and industrial goods (15.3 per cent) (UNCDF, 2020). Female producers are associated with higher organizational efficiency and, consequently, pay higher wages to their workers. Female-owned SMEs are also associated with local spillovers that are conducive to growth and poverty reduction (Maksimov et al., 2017).

However, in some LDCs, SMEs struggle to achieve competitive capacity and access the additional resources needed for investment, marketing, and technological upgrading (Dhungana, 2003). For example, in the United Republic of Tanzania, SMEs in processed food, marine products/seafood, textiles and leather sectors are inhibited by limited access to resources, capital, market information, and the red tape around export procedures, all of which are particularly problematic for women (Mpunga, 2016). Similar disadvantages, especially for women-owned SMEs, are also evident in Bangladesh, Ethiopia, Samoa and the United Republic of Tanzania (Solomon, 2008; AusAID, 2008; Ahmed and Kar, 2019). Limited access to finance, market information and digital technology, along with socio-cultural barriers, inhibit women-led SMEs from scaling up operations and leveraging new opportunities.

Gendered supply-side constraints also make women producers more vulnerable to the impacts of shocks and crises. According to the LDC SME Impact Survey, the COVID-19 pandemic hit female-intensive sectors such as textiles and crafts more severely than male-intensive sectors. Moreover, female-led SMEs have reported higher rates of lay-offs and fewer resources to sustain their businesses in the short and medium terms compared to male-owned SMEs (UNCDF, 2020).

Considering the inhibiting factors discussed above and the disproportionate impact of the pandemic on women-owned businesses, targeted capacity-building programmes become particularly important. For instance, Business Environments Strengthening for Tanzania (BEST), jointly implemented by the Tanzanian government and aid organizations, is helping make the business and trade environment more favourable for SMEs and is advocating for increased women's participation (Mpunga, 2016; Tax-Bamwenda and Mlingi, 2005). One of the important components of the BEST programme is regulatory reform. In the United Republic of Tanzania, over 80 per cent of the SMEs are in the informal sector, and small businesses and women-owned businesses are negatively affected by complex regulations and business registration and licensing processes. Therefore, the programme aims to reduce the red tape and high costs associated with those regulations and processes.

4.2.4. Services

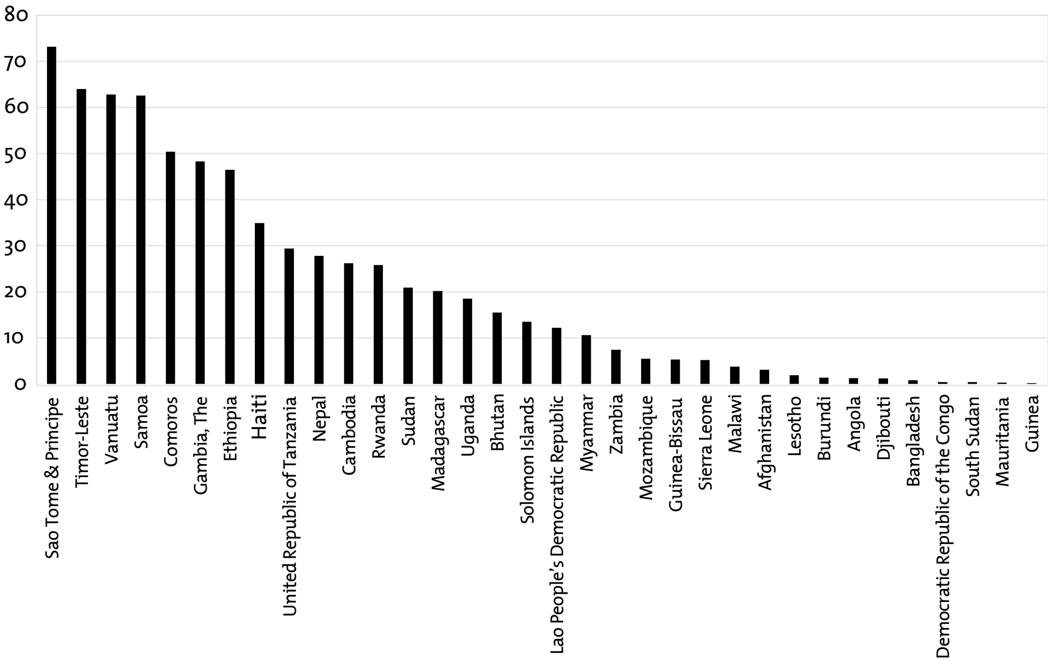
Following agriculture, the services sector accounts for the largest share of employment in the LDCs, as presented in section 3.3. This subsection will discuss the gender implications of services exports with a focus on tourism services.

Women as workers and producers: The case of tourism

Tourism plays an important role in some LDCs, with significant implications for employment generation, economic growth and foreign exchange earnings. Tourism contributes to more than 40 per cent of export revenue in Sao Tome and Principe, Timor-Leste, Samoa, Vanuatu, Comoros, The Gambia, Ethiopia and Haiti (decreasing order) (figure 13). The tourism sector has significant gender implications in

Figure 13

Inbound tourism expenditures as a percentage of exports in selected least developed countries, 2018



Source: World Bank, World Development Indicators database (https://databank.worldbank.org/source/world-development-indicators) (accessed on 27 September 2020).
Note: Data are missing for Yemen, Senegal, Eritrea, Chad and the Central African Republic.

terms of women's participation in the economy. Tourism provides women with opportunities for employment (both formal and informal), entrepreneurship (e.g. hosting, handicrafts, tour guiding, food services and products, etc.) and training, particularly in developing countries. Employment opportunities are both direct (e.g. hotels, restaurants, travel agencies, aircrafts, resorts, shopping outlets, etc.) and indirect (e.g. restaurant suppliers, construction facilities, handicraft producers, etc.) (UNWTO and ILO, 2014).

Women as workers in tourism

Tourism is an important source of paid employment for women across the LDCs due to lower entry barriers compared to other sectors outside agriculture (UNWTO et al., 2017). Flexible forms and hours of work (e.g. part-time and shift work) also help women access these opportunities more easily given their unpaid domestic work burden. As depicted in section 3.3, in the African LDCs and Haiti and the Island LDCs, women make up a higher share of employment than men in the hotels and restaurants sub-sector, which constitutes a major part of the tourism sector. However, the tourism sector is marked by a high degree of occupational gender segregation, as discussed below.

Global trends show that the gender wage gap tends to be lower in the tourism sector compared to the broader economy. This is the case for Myanmar, Rwanda, and Uganda among the LDCs. In contrast, women's earnings as a percentage of men's earnings is lower in the tourism sector than it is in the broader economy in Bangladesh, Burundi, Cambodia, Ethiopia, United Republic of Tanzania and Zambia, while earnings are close to each other in Lao People's Democratic Republic and Madagascar (UNWTO, 2019). Furthermore, in many LDCs, such as Comoros, Madagascar, Zambia and Mozambique, the tourism sector is marked by intense occupational segregation, whereby men are concentrated in management and leadership positions while women primarily participate in low-skilled tasks such as room cleaning, kitchen work and waitressing. Another example is Lao People's Democratic Republic, where women's role in the budding tourism sector is in activities such as providing massages, while men are traditionally tour guides, who get paid more (UNWTO, 2019). Similar patterns are seen in the United Republic of Tanzania and Rwanda, where some studies find most tour guides to be male, while women are more likely to be in low-skilled positions in hotels and restaurants (UNCTAD, 2017a). Likewise, in the mountain communities of Nepal, women's roles in the tourism sector are confined to being maids, cleaners, cooks, and masseurs. More permanent positions such as managerial and executive-level work are held mostly by men (Acharya et al., 2013, Upadhaya et al., 2008). Also, about 73 per cent of contributing unpaid family workers in tourism in Africa are women (UNCTAD, 2017a). In contrast to most other LDCs, Vanuatu has seen an increase in tourism-related female employment in both low-paying jobs and managerial positions (Bowman et al., 2009).

On top of the gender wage gap and occupational segregation, employment in the tourism sector is mostly informal and temporary, for both men and women, as seen in Africa. For instance, in the United Republic of Tanzania, 38 per cent of men and 39 per cent of women in the tourism sector do not have formal written contracts. In Mozambique, that is the case for 50 per cent and 46 per cent of men and women, respectively (UNWTO, 2019). In Nepal, women are concentrated in informal and seasonal work, which tend to be characterized by low job security (Acharya and Halpenny, 2013; Upadhaya and Upreti 2008). Overall, despite accessing relatively more employment opportunities than men, women in tourism are segregated into low-skilled jobs and face a gender wage gap.

Women as entrepreneurs in tourism

In some LDCs, women also participate in tourism as entrepreneurs running small hotels and restaurants. This subsection provides a review of case studies to delineate some of the obstacles faced by women as entrepreneurs in tourism – including access to finance, time and mobility constraints, and security issues – and then discusses how intersectoral linkages can enhance business opportunities for women.

Access to finance in LDCs is a major constraint faced by entrepreneurs in general and more severely by women in different sectors of the economy, including tourism. For example, in Vanuatu, female owners of bungalows report that they largely rely on personal savings and cannot expand their businesses due to lack of capital and issues with access to credit, including hostile behaviour and harassment from debt collectors (Bowman et al., 2009). In some rural communities of Lao People's Democratic Republic, customary practices prohibit women from owning businesses or managing tourism-related economic activities.

Time and mobility constraints also affect female entrepreneurs in tourism, which is why homestay tourism is becoming attractive among female entrepreneurs, as in the case of Nepal (box 6).

Box 6

Homestay initiative in Western Nepal

The homestay initiative was founded by seven indigenous women in Barpak in western Nepal to enable female entrepreneurs to stay close to home while running a tourism business. The homestay initiative allows tourists to get a true taste of the local culture, food and traditions by staying at a local home. Women are integral to this programme because of its affinity to the skills and resources known to women in the domestic care domain. Given that hosting is closely related to the general household responsibilities that women have to perform, and considering that this activity does not imply the shortcomings of other tourism endeavours that may require being away from home for long hours, homestays can be a pro-women tourism opportunity (Acharya and Halpenny, 2013).

Although, the role of female entrepreneurs should not be limited to activities congruent to the reproductive sphere, this is an important initiative for women who are subject to time and mobility constraints on top of social and cultural norms that overshadow their entrepreneurial opportunities (UNCTAD, 2017a). Indeed, although founded by women, the advisory board of the homestay initiative is all male. This is primarily because tourism in western Nepal is known to have a "dark" side that is associated with sexual violence against women, often perpetrated by male tourists. This underpins the view of the local society that male oversight is necessary for female participation in the tourism sector (Acharya et al., 2013; Upadhaya et al., 2008).

Female entrepreneurs are also indirectly linked to the tourism sector through the production and sales of various products and services, including handicrafts, garments, local cuisine and art. There is both domestic competition among local women who produce and sell by and large the same products, and import competition with similar imported products, which could adversely affect the women's business success. For example, women in Vanuatu compete fiercely among themselves in local markets to sell island dresses, bead jewellery, purses made from grass, and other handicraft items to tourists. This is worsened by cheaper imports from China (Bowman et al., 2009). Hence women entrepreneurs are affected by import competition in addition to facing gendered supply-side constraints.

Establishing direct business linkages between tourism establishments and local suppliers of crafts and other products could be useful to counterbalance some of the negative effects of cheap imports and support livelihoods in local communities. Besides creating jobs, this would help preserve local culture and heritage. Direct sourcing from local producers also allows local women to increase their profits (UNCTAD, 2017a). Evidence in Ethiopia shows that local women have benefitted substantially from tourist expenditures on their handicrafts, amounting to about 5.5 per cent of total tourist expenditures. Similar outcomes are becoming evident in Burkina Faso through a project called "Down the Salt, Fish, Gold and Cola Routes" that cultivates the direct relationship between tourists and female artisans and locals to promote their handicrafts, arts and local cuisine (UNCTAD, 2017a). In Lao People's Democratic Republic, crafts made by ethnic minority women are also seen as supporting the local economy because of high local sourcing of raw materials (such as silk, cloth, paper, etc.) (Mitchell and Ashley, 2009). Local linkages are important because small-scale female producers often cannot meet quality standards and obtain certifications to trade internationally, as documented for Vanuatu (Bowman et al., 2009). Similarly, in Shan State, Myanmar, female farmers report various obstacles to selling in foreign markets, such as the language barrier, lack of information about foreign markets, export procedures, quality standards, etc. (UNCTAD, 2020c). In this context, the tourism sector could increasingly become an outlet for agricultural goods produced by local female farmers if adequate linkages were to be put in place, as in the case of handicrafts discussed above.

The COVID-19 pandemic and the resulting restrictions on mobility have negatively affected most services, including tourism-related ones. The United Nations World Tourism Organization (UNWTO) predicts that international tourist arrivals will decline by 70-75 per cent for the whole of 2020,[64] which would translate into a loss of up to US$1.1 trillion in international tourism receipts. The decline in tourism is estimated to result in an economic loss of over US$2 trillion in global GDP (more than 2 per cent of global GDP in 2019) (UNWTO, 2020). The World Travel & Tourism Council estimates that the job losses due to the pandemic could be as high as 174 million jobs globally in 2020 (WTTC, 2020). The LDCs are more severely hit by the downturn in tourism because of the high share of tourism in their GDP and employment (around 9.5 per cent in both). The economic downturn has displaced workers along the tourism value chain. For example, women constitute more than half of the informal sector in food services and traditional handicrafts in Vanuatu and are directly affected by the downturn in tourism. The halt in tourism has also increased the incidence of environmental crimes, with negative repercussions for eco-tourism, especially in the African LDCs, and has disrupted air transport services to remote LDCs (Kampel, 2020). Given the highly female-intensive nature of employment in tourism and women's segregation in lower-skilled jobs, the pandemic is likely to hit women workers and entrepreneurs in tourism the hardest.

4.3. The case of informal cross-border traders

Informal cross-border trade refers to trade in legitimately produced goods and services that escape the regulatory framework set by the government (i.e. avoiding certain taxes and regulatory rules).[65] This type of trade supports livelihoods by creating jobs especially for vulnerable groups such as poor women and unemployed youth. In the case of the African LDCs, informal cross-border trade is characterized by a predominance of female traders for whom such trade is often their main or even only source of income. Female cross-border traders in Africa trade a wide range of products, including both agricultural products (e.g. fruits, vegetables, fish) and manufactured products (e.g. new and second-hand clothes and shoes, kitchen tools, blankets, bed sheets). In that sense, such trade also contributes to food security (UNCTAD, 2019b).

Supply-side constraints faced by women traders

Supply-side constraints hinder traders' capacity to sell goods through cross-border trade and expand their businesses. Many of these constraints are gendered, affecting women to a greater extent than men.

Societal gender norms at the household or community level can limit women's ability to run a business and control their income, as documented for women traders at the Tunduma border in the United Republic of Tanzania (UNCTAD, 2019b).

Access to finance is a major constraint faced by traders, and especially women, mainly due to lack of collateral, high interest rates, lengthy procedures, institutional discrimination, and low presence of financial institutions in rural areas, according to an UNCTAD survey carried out in October 2017 at border crossings between Malawi, United Republic of Tanzania and Zambia. Instability of exchange rates and lack of foreign exchange services at borders also adversely affect cross-border trade (UNCTAD, 2019b). In the absence of secure sources of credit, women traders rely heavily on personal savings to run their businesses, as seen among traders at the South Sudan and Uganda border (Yoshino et al., 2011) and the Lao People's Democratic Republic and Cambodia border (Seror et al., 2017).

Access to markets and information is critical for business success, but finding profitable markets beyond occasional street selling in border areas is a challenge, especially for female cross-border traders, as seen in Malawi, United Republic of Tanzania and Zambia (UNCTAD, 2019b). Lack of technical and managerial skills (e.g. processing, packaging, marketing, account keeping) further inhibit traders' capacity to sell, in particular, non-agricultural goods (e.g. clothes, bags, shoes) and processed food items (e.g. oil, butter).

Access to transportation is important for traders' ability to transport large quantities of goods, serve a higher number of customers, tap into wider distribution networks, and/or reach more profitable markets. Women have fewer resources than men to gain access to a vehicle or paid transportation by truck, bus, or van (UNCTAD, 2019b). This, together with lack of capital and limited access to finance, has led to women's concentration as small-scale retailers, while wholesalers in informal cross-border trade tend to be predominantly men, as seen in Uganda (Yoshino et al., 2011). Moreover, large-scale informal traders, who are primarily men, are more likely to benefit from economies of scale, for example by paying flat minimum customs rates for their container trucks regardless of the value of the goods in them, as documented for Sierra Leone (Van den Boogard et al., 2018).

Time is a critical factor for cross-border traders' economic performance, which depends on the number of trips completed across the border in a given time period and involves travelling to find good-quality and a variety of products and selling them in profitable markets. Customs clearance processes are also lengthy at the borders. Women's higher unpaid work burden therefore significantly constrains their trade performance (UNCTAD, 2019b) and creates a struggle for women in many of the LDCs, including Cambodia, Lao People's Democratic Republic, Mozambique, Sierra Leone, the United Republic of Tanzania and Zambia (USAID, 2012; UNCTAD, 2019b).

Education is another supply-side obstacle that adversely affects cross-border trade activities, as traders, and particularly women traders, often lack the necessary reading, writing, numeracy and technical and business management skills. Low education and skill levels make it difficult for women traders to utilize market information on prices and attenuate overall profitability, as documented in Malawi, the United Republic of Tanzania and Zambia. The lack of such skills also inhibits traders from understanding formal border procedures and simplified trade regimes. This is exemplified by the lack of awareness of simplified procedures and associated benefits among female traders in the Mutukula border between the United Republic of Tanzania and Uganda (UNCTAD, 2019b).[66] Even if traders are aware of the benefits under simplified trade regimes, low literacy and awareness among border officials and arbitrary implementation of the regimes make it difficult to claim these benefits, as has been documented in Zambia, Malawi and elsewhere. In such cases, informal traders, both men and women, are disincentivised to trade through formal channels and see themselves as better off resorting to bribes, even if it consumes some of their earnings (Brenton et al., 2014).

Finally, a conducive *business regulatory environment* is another major factor relevant to the success of cross-border traders. A business environment characterized by lengthy procedures, unpredictable regulations, prohibitive taxes and limited transparency might force traders into informality altogether, triggering a vicious circle of tax evasion and little prospect for business growth, as well as a lack of social security for these traders. This is more likely for women traders given the gendered supply-side constraints they more severely face (UNCTAD, 2019b).

Border obstacles faced by women traders

In the LDCs, several border obstacles impact women cross-border traders disproportionately compared to men. First, inadequate border infrastructure, such as lack of transportation, warehousing facilities, and border facilities (banking, accommodation, information desks, etc.), adversely impact women more than men. For instance, women in informal cross-border trade in Lao People's Democratic Republic and Cambodia are likely to spend more than twice as much on transportation costs than their male counterparts. This is especially due to the greater need for women than men to hire help to pull carts or pay someone with a motorbike to transport a shipment faster (Seror et al., 2017). Moreover, at several crossing points in Malawi, the public transportation system stops running by sunset, which impedes traders from reaching targeted markets and causes them to incur costs of overnight stays, especially for women, who tend to rely on public transportation more than men. Also, particularly for female traders, the long waiting times at the border are exacerbated by the lack of proper sanitation facilities due to unhygienic conditions, which makes them vulnerable to diseases like typhoid and cholera (UNCTAD, 2019b).

Second, paying bribes to circumvent legal procedures is a recurring aspect of engaging in informal cross-border trade. Corruption may be initiated by various public and law enforcement officers, such as immigration officers, revenue authority officials and police, who prey on local traders' lack of knowledge of customs procedures or their inability to pay official taxes and fees. In some cases, female traders may suffer to a greater extent than their male counterparts from the prevalence of corruption at the border crossings. For example, at the border between Mozambique and Malawi, small-scale female traders are particularly subject to strict checking at customs, treated as "smugglers," and forced to pay much higher bribes than their male counterparts to transport their goods across the border (USAID, 2012; UNCTAD, 2019b). Moreover, besides border and customs officials, there are often private agents and brokers who play a critical role in helping informal traders circumvent formal procedures and need to be bribed. For instance, in Sierra Leone, brokers take bribes from informal traders to help them go through customs without having their goods confiscated for not following formal procedures. Field findings show that women are 22 per cent more likely than men to depend on these brokers at the borders of Sierra Leone (Van den Boogard et al., 2018). Similarly, at the borders of South Sudan and Uganda, women are more likely to trade informally and, therefore, spend more on bribes to agents who help them go through customs without complex formal paperwork (Yoshini et al., 2011).

Third, in the context of informal cross-border trade, the lack of safety and security has serious implications for the well-being of female traders (Van den Boogard, et al., 2018; UNCTAD, 2019b). For instance, with regard to overnight stays due to long wait times at the borders, evidence across Burundi, Rwanda, Uganda and the United Republic of Tanzania shows that female traders are more fearful than male traders for their own security and that of their goods. In this context, women often incur additional costs such as hiring a security guard (Ogalo, 2010). Furthermore, a survey conducted among female cross-border traders in Liberia found that 37 per cent of respondents had experienced sexual violence at border crossings, and 15 per cent reported to have been raped or forced to have sex in exchange for favours (UNCTAD, 2014a). The perpetration of both verbal and physical abuse, predominantly by brokers and custom officials, is reported to be common in the Democratic Republic of the Congo, Rwanda, Uganda, Malawi, Mozambique and Sierra Leone (USAID, 2012; UNCTAD, 2019b; Van den Boogard, et al., 2018; UNCTAD, 2014a).

Finally, the COVID-19 pandemic has had adverse implications for women cross-border traders. For instance, in Rwanda, informal cross-border trade corresponds to about 40 per cent of Rwanda's total exports and accounts for the single source of income for informal traders, most of whom are women. Due to border closures resulting from to the pandemic, these women have experienced a complete depletion of their savings and have struggled to provide necessities for their families (EIF, 2020). Besides missed income opportunities, the pandemic has adversely affected the food security of rural communities that rely on informal cross-border trade of staples and other agricultural products. SMEs also face the challenges of survival in the absence of support mechanisms (Zarrilli and Linoci, 2020).

A more targeted approach to incorporating gender mainstreaming in international trade agreements, such as that of African Continental Free Trade Area (AfCFTA), is also paramount to provide long-term support to women in informal cross-border trade in the African LDCs (box 7). AFCFTA's Continental Simplified Trade Regime is expected to promote formalization of small-scale informal cross-border traders, enabling them to participate in regional and global value chains and other opportunities arising from the AfCFTA (Sommer and Nshimbi, 2018).[67] The establishment of this regime could also provide support for small traders to confront future shocks to cross-border trade. Simplified trade regimes need to incorporate a gender perspective in terms of lists of eligible products, thresholds (commonly US$2,000 per consignment), rules of origin, and the number of procedures at borders. They also need to make simplified documents available in local languages and brochures with visuals. Increasing the spread of electronic solutions such as e-payment services or mobile money would also help informal cross-border traders carry out domestic and cross-border payments and access credit (Zarrilli and Lopez, 2020).

Box 7

Gender mainstreaming implementation of the African Continental Free Trade Area (AfCFTA)

The African Continental Free Trade Area (AfCFTA) aims to deepen the economic integration of the continent and enhance intra-regional trade through liberalization. Under the auspices of the agreement, countries commit to remove tariffs on 90 per cent of goods and eliminate various non-tariff barriers. Although the agreement does not include a separate chapter on gender, its implementation can have direct and positive implications for informal cross-border traders. The agreement engenders new trading opportunities for female informal cross-border traders through key provisions on trade facilitation, customs cooperation, transit, non-tariff barriers, sanitary and phytosanitary measures and preferential trade regimes for small-scale trade (UNECA, 2020). Therefore, incorporating gender mainstreaming into its implementation strategies could help overcome the various supply-side and border obstacles that plague female traders, especially in the wake of the COVID-19 pandemic (UN Women, 2019). This can be achieved through complementary measures such as establishing capacity-building and expertise training on meeting AfCFTA requirements and trade standards. Specialized training for female traders on financial literacy and management, combined with mentorship, market information and digital skills training, can also ensure that men and women benefit equally from implementation of the AfCFTA (UNECA, 2020).

4.4. The case of migrant workers

Migration and remittances are important external finance sources for development and tend to be more stable than FDI (UNCTAD, 2012b). Figure 14 delineates migrant remittances as a share of gross national income (GNI) across LDC groups, and table 15 presents countries that have over 5 per cent of their GNI coming from remittances. Both graphics serve to shed light on country-level caveats.

In the LDCs overall, men emigrate to a greater extent than women. However, female emigration from the LDCs has been on the rise, particularly by virtue of globalization of the care economy. Against this backdrop, this subsection discusses the gender implications of the growing demand for female migrant workers in domestic and health services in high-income countries

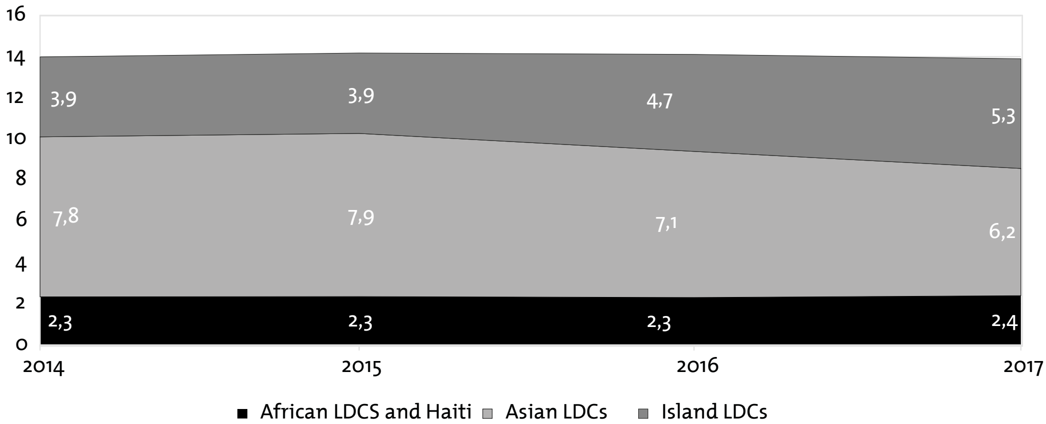
Table 15

Countries with remittances of over 10 per cent of GNI in 2017	
Nepal	29.8
Haiti	29.3
Gambia, The	22.8
Liberia	22.5
Comoros	22.4
Senegal	14.9
Lesotho	14.1
Countries with remittances between 5-10 per cent of GNI in 2017	
Togo	8.5
Guinea-Bissau	8.4
Tuvalu	7.7
Mali	7.3
Kiribati	5.7
Bangladesh	5.6
Sao Tome and Principe	5.0

Source: UNCTAD Statistical Tables on the Least Developed Countries – 2018 (https://unctad.org/system/files/official-document/ldcr2018stats_en.pdf) (accessed on 20 September 2020).
Note: GNI: gross national income.

Figure 14

Migrant remittance inflows to least developed countries by region and select countries (per cent of GNI)



Source: UNCTAD Statistical Tables on the Least Developed Countries – 2018 (https://unctad.org/system/files/official-document/ldcr2018stats_en.pdf). (accessed on 20 September 2020).
Note: GNI: gross national income; LDC: least developed country.

(UNCTAD, 2012b). The COVID-19 pandemic has taken a toll on remittance receipts, and most LDCs are projected to be affected more than the world average. To illustrate, in 2020, 1 million Bangladeshis, 200,000 Ethiopians and 100,000 nationals of Myanmar and Afghanistan returned home due to pandemic-induced job losses. Falling remittance receipts will impact rural households and agricultural workers the most, as they tend to rely heavily on remittance inflows, thereby worsening poverty in the LDCs (UNCTAD, 2020c).

Work characteristics of female migrants from the least developed countries

In South Asian and Island LDCs, decisions by women to emigrate are governed by social norms and patriarchal structures. For instance, in Nepal, women are required to obtain consent from a male guardian to get a passport and emigrate. The Foreign Employment Act of 1985 mandates that recruiting agencies double-check consent from male guardians before employing women for foreign jobs (Adhikari, 2006). In Vanuatu, the community decides whether women will participate, or even which women will emigrate. This tends to dampen female participation in emigration programmes and, as a result, men from Vanuatu tend to emigrate more than women (Bowman et al., 2009). Emigration patterns for women in the African LDCs are predominantly motivated by local conflict and civil unrest, as seen in Ethiopia and Somalia, or by poverty and lack of economic opportunities, as seen in Lesotho, Uganda, Malawi and Mozambique (UNCTAD, 2018d).

Female migrants from the LDCs tend to be concentrated in low-skilled positions in domestic work and health sectors, while male migrants in care work are less common (UNCTAD, 2012b). For example, male emigrants from Lesotho and Mozambique predominantly work in mining-related occupations, while female emigrants dominate positions in domestic work (Dodson et al., 2008). In the Island LDCs, emigration trends are often associated with temporary and seasonal work and are formalized into cross-country agreements, such as the Seasonal Work Scheme for Pacific Islanders in New Zealand. The work types pertaining to this programme are generally low- skilled, and concentrated in agriculture, domestic work, and hospitality. Female emigration through this channel has been on the rise (Voigt-Graf, 2007, UNCTAD, 2019a). There are also the Samoa Access and Pacific Access Quotas that allow locals in Samoa, Kiribati, and Tuvalu to work in Australia and New Zealand. However, this is limited by number, designed for relatively skilled and educated migrants, and contingent on qualifications such as knowing the English language and having a formal employment letter before entering the host country, all of which favour male migrants (Voigt-Graf, 2007). In Tuvalu and Kiribati, opportunities to work as seafarers on merchant ships, fishing boats and cruise ships are also readily available to men (Voigt-Graf, 2007). Conversely, women are employed in housekeeping and stewarding positions on the ships, as seen in the case of Kiribati. Some of the local women also work as sex workers on the ships (Kagan, 2016).

The well-being of female migrant workers in health and domestic care sectors

The healthcare sector has been an important source of employment for semi-skilled and skilled female migrant workers from Asia and the Pacific in various high-income countries, including the Gulf states and the United Kingdom.[68] However, their skills and academic qualifications are often deemed invalid, so these migrants then have to go through additional training and obtain certifications, or work in low-skilled jobs (Sijapati, 2016). For instance, in Nepal, burgeoning nursing schools have helped women learn the skills to transition into semi-skilled and skilled work in nursing, which has evolved into a highly feminized sector due to gender biases that tend to associate women with care work. However, migrant nurses from Nepal increasingly work in low-skilled care work in the host countries into which they migrate. For instance, in the United Kingdom, Nepali migrant nurses are required to be permanent residents in order to work in a skilled occupation such as nursing. While waiting to get residency status, many migrant nurses resort to working in private nursing homes, where they perform low-grade jobs like cleaning, housekeeping and other menial tasks related to senior caregiving. Ultimately, most of these women de-skill, get out of touch with their clinical skills and remain stuck in subservient work in the private sector (Adhikari, 2012).[69]

It is common for low-skilled women to emigrate to find domestic work within Africa (e.g. Lesotho and Zimbabwe to South Africa), as well as from Africa to the Middle East (e.g. Ethiopia to Saudi Arabia). However, these female migrant domestic workers are subject to poor working conditions and pay. Cases in which women have been deceived about their rights by recruitment agencies and employers have been reported. These types of situations have been aggravated by the pandemic, as outlined below.

In Africa, formal recruitment agencies help place female migrants with prospective families and oversee migration procedures, training for household work, medical screening, and other pre-departure formalities. However, these formal agencies may sometimes be expensive for women who wish to emigrate, in which case they resort to unregulated recruitment agencies, which tend to mislead women about the nature of the work at the destination, may channel them through illegal routes, and may even trap them in debt-bondage situations (UNCTAD, 2018d).[70]

Travelling and working illegally puts female migrant domestic workers in a vulnerable situation. For instance, some Ethiopian female domestic workers in Yemen either enter the country illegally by smuggled boats or overstay their tourist visa. In this case, their mobility to a country with better work opportunities, or even to go back home through official routes, is problematic. Moreover, without proper documentation, domestic care work is one of the few opportunities available to them, especially with food and shelter (De Regt, 2007). Likewise, in South Africa, migrant domestic workers in private households who tend to confront difficulties with obtaining the required work permit are vulnerable to deportation due to their unauthorized status. Given that women who migrate to South Africa as domestic workers from neighbouring countries are often driven by poverty, loss of employment (and remittances) and sudden deportation can have serious implications for their households (UNCTAD, 2018d).

Employment in domestic service is also marked by poor working conditions, low wages, and long working hours, as seen in the Middle East (UNCTAD, 2018d; Esim and Smith, 2004). For instance, Somalian and Ethiopian domestic workers in the Middle East to earn meagre wages, working 16-18 hours a day, seven days, and without overtime pay. In fact, the flexibility of women from Somalia and Ethiopia to work for lower wages than Asian migrants, especially from the Philippines, drives up demand for them even more, as seen in Yemen (De Regt, 2007). Additionally, female migrant domestic workers predominantly stay with their employers, and their mobility outside the house is highly restricted. Sometimes their passports are even withheld either by employers or the recruitment agencies, as seen in the case of Ethiopian migrant domestic workers in the Middle East (Esim and Smith, 2004).

There are several barriers to ensuring the rights of domestic workers and their access to social and health benefits. First, institutional capacity to make and implement labour laws pertaining to domestic workers is insufficient. In Bahrain, Lebanon, Kuwait and the United Arab Emirates, domestic workers are exempted from national labour laws because their work is viewed as a private, household matter (Esim and Smith, 2004). Second, female migrants who work as domestic workers tend to be less educated, which makes them more vulnerable because they do not fully understand their rights, as seen in Cambodia (ESCAP, 2006).

ILO (2020) finds that the COVID-19 pandemic has intensified the vulnerability of domestic workers in several ways. Live-in migrant domestic workers have seen an uptake in hours and workload in cooking and cleaning due to school and office closures, as seen in the Middle East. More importantly, some employers have stopped paying their domestic workers due to loss of income themselves, or because they think that domestic workers do not need money because there are no opportunities to spend it during the lockdown. As a result, remittance-dependent families in home countries risk being driven into poverty and hunger. Furthermore, if migrant domestic workers wish to go back home in the event they lose their jobs or do not get paid, bans on international travel due to the pandemic restrict their mobility (ILO, 2020; UNCTAD, 2020c).

5. Conclusion and policy recommendations

This module has examined the trade and gender nexus in the least developed countries by applying the concepts covered in Volume 1 of UNCTAD's *Teaching Manual on Trade and Gender* (UNCTAD, 2014a). It looked at the situation in 47 LDCs from different geographical regions and with different structural characteristics. LDCs face common development challenges such as persistent poverty, deficient infrastructure, limited productive capacity, and an unskilled labour force. Commodity dependence is a major issue shared by many LDCs, especially in Africa. Moreover, structural transformation and integration into the global economy are quite limited in most LDCs despite many years of duty-free, quota-free access to international markets and aid commitments by developed countries.

Services dominate economic activity in the LDCs, and agriculture has lost its share in all the LDCs in all regions over time. Structural transformation is a major challenge for most LDCs – especially for the African LDCs and Haiti and the Island LDCs – to reduce commodity dependence, avoid premature deindustrialization (e.g. the shift of economic activity from agriculture to the mostly informal, low-skilled services sector), support the growth of high-value-added production, and hence increase labour productivity. To make the industrialization process inclusive, there is a need for complementary policies to address gendered supply-side constraints as well as societal discriminatory norms.

Agriculture is still a major source of employment in most LDCs, especially for women. Vulnerable employment (i.e. own account work and contributing family work) and informal employment are also widespread and much more prevalent among women in the LDCs. There is need for targeted policies to support women's transition from subsistence agriculture to export crop and non-traditional agricultural exports sectors, the manufacturing sector, and medium- and high-skilled services sectors. These policies include training and skill development programmes, firm incentive programmes, anti-discrimination legislation, targeted loan programmes, care facilities, and public health and education services. Alternatives to commercial banking such as solidarity finance schemes could also be instrumental to reach greater numbers of women producers and traders, especially in rural areas.

Section 4 of this module examined the gender implications of trade liberalization in the four major export sectors of the LDCs (i.e. agriculture, fuel and minerals, manufacturing and services) through a review of country case studies. It also discussed the cases of informal cross-border traders and migrant workers.

There is a high degree of gender segregation in the crops being grown and in the production roles and responsibilities in the agricultural sector in the LDCs. Unequal access to finance, productive assets, extension services, and transportation, as well as security issues and the unpaid work burden, adversely affect women's participation in agricultural export markets as producers. Through gender value chain analyses in key export sectors, targeted capacity-building programmes could be developed to address the gender gaps in the agricultural export sector in each country context. Extension services could also be designed according to the needs of women producers and supported by financing and mentoring programmes to increase their efficacy. Governments could undertake long-term cooperation initiatives with international development organizations to finance training and skill development programmes and targeted loan programmes for women and other disadvantaged groups in key export sectors. Given the high degree of gender inequality in access to land, targeted tenure programmes need to be introduced as part of agricultural and trade policy in export cash crop sectors.

Additionally, certification schemes have proven to support women directly as producers and indirectly as workers in agricultural export sectors in some LDCs, and good examples of such programmes could be developed in other LDCs. It is also important to support women's participation in producer organizations and certification schemes by easing the process for membership and reducing its cost.

Customary law and cultural norms still prevail over civil law in most societies in the LDCs, negatively affecting women's access to key inputs and resources (e.g. land, credit) as well as training programmes. Therefore, awareness-raising programmes in partnership with local communities are as important as capacity-building programmes to support producers and traders. This way women's access to these programmes could be expanded.

In the case of fuel- and mineral-exporting LDCs, mostly in Africa, informal employment in artisanal and small-scale mining provides an important source of income for women in a traditionally male-intensive sector. The push towards formalization in the artisanal and small-scale mining sector might hurt women, as they face many barriers to formalize their businesses. It is therefore important to introduce a gender-sensitive perspective and develop capacity-building programmes to support business registration and expansion of female artisanal and small-scale mining producers and simplify the formalization procedures.

Manufacturing exports are especially important in the Asian LDCs and a few of the African LDCs. As in developing countries in general, there is a feminization of labour in EPZs and in low-skilled manufactures exports and a high degree of occupational gender segregation in the LDCs. EPZs feature relatively higher pay, a lower gender wage gap and overall better labour and safety standards than the non-EPZ sector. However, unionization is highly limited in EPZs in the LDCs and labour standards may not be adequate in some of the countries. It is therefore important to ensure the adequate application of labour laws to EPZs and build a regional setting to support positive spillovers from EPZs to non-EPZs. Moreover, both EPZ and non-EPZ manufacturing sectors are characterized by a high degree of occupational gender segregation. Active labour market policies such as vocational training programmes and employment offices, as well as demand-side policies including sectoral incentive programmes, could help break the concentration of women in low-skilled jobs. International cooperation on enforcing labour standards is also critical to avoid a "race to the bottom" among the LDCs.

In services, tourism has considerable potential to support women's economic empowerment if targeted policies are put in place. A tourism model based on SMEs such as agri-tourism, eco-tourism or community tourism is more useful to serve the goals of gender equality, especially in entrepreneurship. Another policy option to support women in the LDCs is through the formulation of links between tourism and other sectors of the economy, including agricultural value chains, garments and handicrafts production. Building intersectoral linkages could support the productive capacity of local producers. For instance, in an agriculture–tourism linkage, local farmers can benefit both directly (through sales of products at farmers' markets, farm tours, etc.) and indirectly (by supplying goods to tourism establishments) (UNCTAD, 2020c). Non-governmental organizations, cooperatives and producer associations could act as intermediaries and streamline the sourcing channel between local female farmers and tourism establishments. This could be further supported by a community-based tourism model adopted by tourism establishments that showcases local produce, cuisine, and crafts, among other cultural tourism products (UNCTAD, 2020c).

Informal cross-border trade provides a major source of income for women traders, especially in the African LDCs. More so than men, women face both supply-side constraints (e.g. access to finance, markets and information, and transportation and education, as well as issues with time use and the business regulatory environment) and border obstacles (e.g. inadequate border infrastructure, cumbersome custom procedures, lack of safety and security). Similarly, tourism is very important for employment and income generation, especially in Island LDCs and some of the African LDCs. The tourism sector in the LDCs is characterized by high occupational gender segregation, as in most developing countries, with women workers concentrated in low-skilled jobs. Even though entry barriers are relatively lower, women entrepreneurs in tourism face finance, time and mobility-related constraints.

In the case of informal cross-border trade, there is a need to address both gendered supply-side constraints and border obstacles. Access to finance is a major obstacle that women traders face more severely than men. Introducing flexible lending schemes, offering preferential terms to small-scale traders, and combining those initiatives with training and mentoring would help fill this gap given the limited reach of commercial banking facilities in remote areas. Introducing exchange bureaus is also necessary at major border crossings. Investing in border infrastructure such as sanitation, sleeping and storage facilities would address both security and time-related constraints that women face as well as help them expand their trading capacity. To curtail some of the issues ingrained in informal cross-border trade, formalization has been one of the leading countervailing solutions. However, formalization alone cannot transform the informal cross-border trade landscape for women. The process must go hand-in-hand with adequate gender-focused progression on rights, protection and access to resources (UNCTAD, 2014a).

Moreover, with the advent of the simplified trade regimes within regional networks such as COMESA and EAC, cross-border traders' associations have gained traction to offer counselling on formal trade procedures and simplified procedures to small-scale traders, as well as to provide important financial resources.[71] Trade facilitation measures through the introduction of a Continental Simplified Trade Regime and other targeted interventions could extend the benefits of the AfCFTA to small-scale traders in the African LDCs.

Cross-border traders' associations could be improved and expanded in the LDCs – or introduced if they do not yet exist – to educate small-scale traders on their rights and obligations and to advocate for meeting their needs (UNCTAD, 2019b). Finally, cooperatives, women's networks and informal associations can also help disseminate important market information, impart literacy and business skills, and mitigate capital constraints for female cross-border traders, especially in light of the COVID-19 pandemic (Mwanabiningo, 2015; EIF, 2020).

In terms of migrant women, recognizing migration patterns in domestic service and addressing worker rights and protection is paramount, especially considering the COVID-19 pandemic. An important development in this regard is the bilateral labour agreements between governments in Africa and the Middle East to better facilitate the recruitment of domestic workers (e.g. between Ethiopia and Saudi Arabia) (UNCTAD, 2018d). Establishing a database to match potential migrant workers with the needs of employers could also be integrated into bilateral labour agreements (UNCTAD, 2018d). Even though bilateral labour agreements constitute an important steppingstone towards protecting the rights of domestic workers, these agreements tend to be highly political and incongruent with international labour standards. Compliance with and enforcement of the agreements in place is still weak, and for the moment the lack of rights and social protection for domestic workers prevails (ILO, 2014, 2017). Therefore, bilateral labour agreements need to be both strengthened and made more widespread to help migrant workers, especially in the domestic services sector. Moreover, LDCs could try to facilitate the return of migrants who have acquired new skills and accumulated savings in the host country. Finally, remittances need to be directed to new investments in the economy and not just to fight poverty at the household level.

The economic impacts of the COVID-19 pandemic are experienced more severely in female-intensive sectors in the LDCs, such as horticulture and informal cross-border trade in the African LDCs, garments in the Asian LDCs, and tourism in the Island LDCs. Moreover, informal employment is widespread across all the LDCs. There is a need to develop gender-responsive policies while tackling the economic and social crisis driven by the pandemic to avoid the exacerbation of gender inequalities. For example, in the short term, incentive programmes for job retention (e.g. wage subsidies and/or social security and other fiscal payment relief) and income-support schemes (e.g. unemployment benefits) could protect wage workers. These mechanisms could be extended to informal workers, including domestic workers. Direct income support and cash transfers could support own-account workers, and measures such as sectoral funds, social security and fiscal payment exemptions or deferrals, fast and subsidized loans, relaxation of regulations, and taxes on targeted sectors could help avoid the closure of SMEs. Governments could prioritize women-owned enterprises in public procurement and introduce a gender perspective in all social and capacity-building programmes as a longer-term goal. Given the severity of gender-based violence during lockdowns, policy instruments such as hotlines, abuse reporting points in women's organizations, and shelters could be introduced to help the victims of gender-based violence.

Any policy measure on trade-related issues needs to adopt a gender perspective. This requires the analysis of the issue at hand in terms of its gender implications. Any concrete analysis in turn relies on rich sex-disaggregated data on gender and trade-related issues. In partnership with international development organizations and international organizations such as UNCTAD, UN Women and the ILO, governments could further develop their capacity to collect quantitative gender statistics. Finally, the 2030 Agenda for Sustainable Development could play a guiding role in the design of national development strategies for the LDCs (UNCTAD, 2018a).[72] SDG 5 on gender equality and women's economic empowerment is important for all the SDGs as a cross-cutting issue, as greater gender equality also has direct implications for achieving sustainable development in the LDCs.

Exercises and questions for discussions

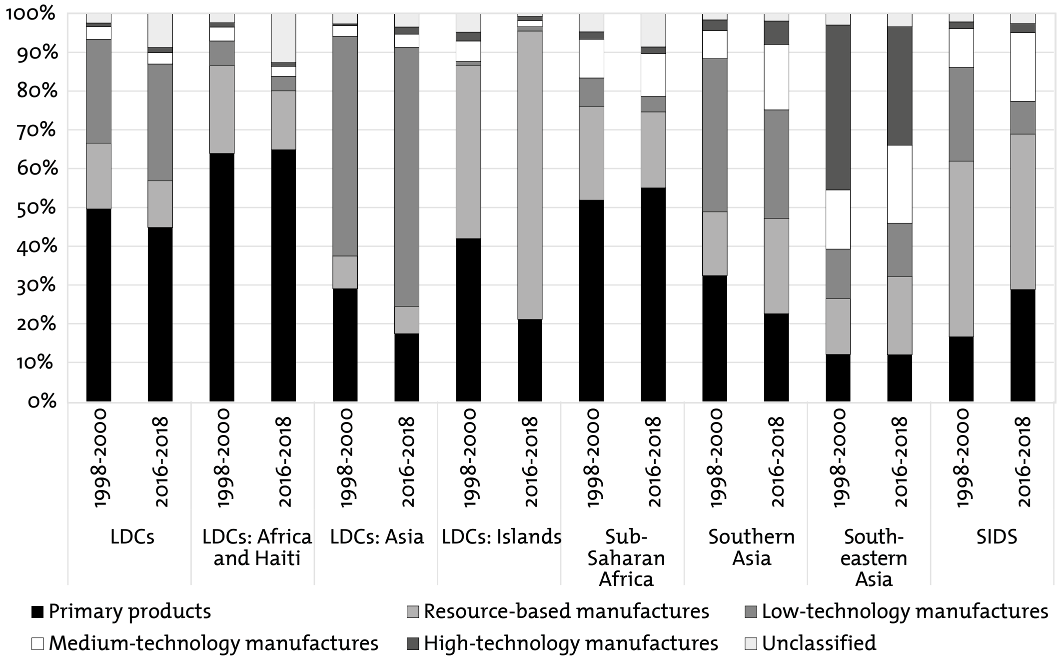
1. What are some of the benefits of LDC status regarding international trade? Choose one of these benefits and discuss its impact on structural transformation and global economic integration.
2. Consider the agricultural sector in an LDC you are familiar with. How has it evolved over time as a share of total economy activity? What are the underlying factors affecting this change?
3. What are the gender implications of the transition from subsistence farming to commercialization and agricultural exports? Please provide country and product examples.
4. What is the sectoral composition of employment for men and women in an LDC you are familiar with? Compare this with the sectoral composition of employment in another LDC you are interested in. Discuss the differences in the sex-disaggregated composition of employment by sub-sectors and work status with respect to the two countries.
5. How do men and women across LDCs compare in the different dimensions of the access to resources and opportunities domain? Please provide examples in your answer.
6. How has trade structure in terms of product groups and trading partners changed in an LDC you are familiar with? What are the underlying forces and what does it imply for women's economic participation?
7. What does it mean to be a "source of competitive advantage" for women in the context of agricultural participation in the LDCs? Compare and contrast with women as workers and producers in the manufacturing and tourism sectors. Please provide supporting examples.
8. What does it mean to be "underachievers of competitive advantage" for women in the context of agricultural participation in the LDCs? Compare and contrast with women as workers and producers in the manufacturing and tourism sectors. Please provide supporting examples.
9. How can certification schemes promote gender equality in agricultural exports? Discuss with country and product examples.
10. How has trade liberalization impacted women's and men's employment in extractive sectors? Describe three ways that large-scale mining activities impact local women, including at least one possible positive and one possible negative impact. Please provide supporting examples.
11. What are the gender implications of informal artisanal and small-scale mining, and how will formalization impact women's economic participation? Discuss with specific examples.
12. What are the features of the "feminization of labour" in the manufacturing industry, and how do they impact trade performance during external shocks? Discuss with specific examples.
13. What obstacles do women informal cross-border traders face? Discuss both supply-side and border obstacles and their associated impact on women's success.
14. What is the role of intersectoral linkages in strengthening local productive capacity in tandem with the advancement of the tourism sector? Provide examples of such linkages.
15. What are the implications of globalization of the care economy on the well-being of women emigrants from LDCs? Please provide examples.

ANNEXES

Annex 1. Trade structure figures

Figure A.1.1

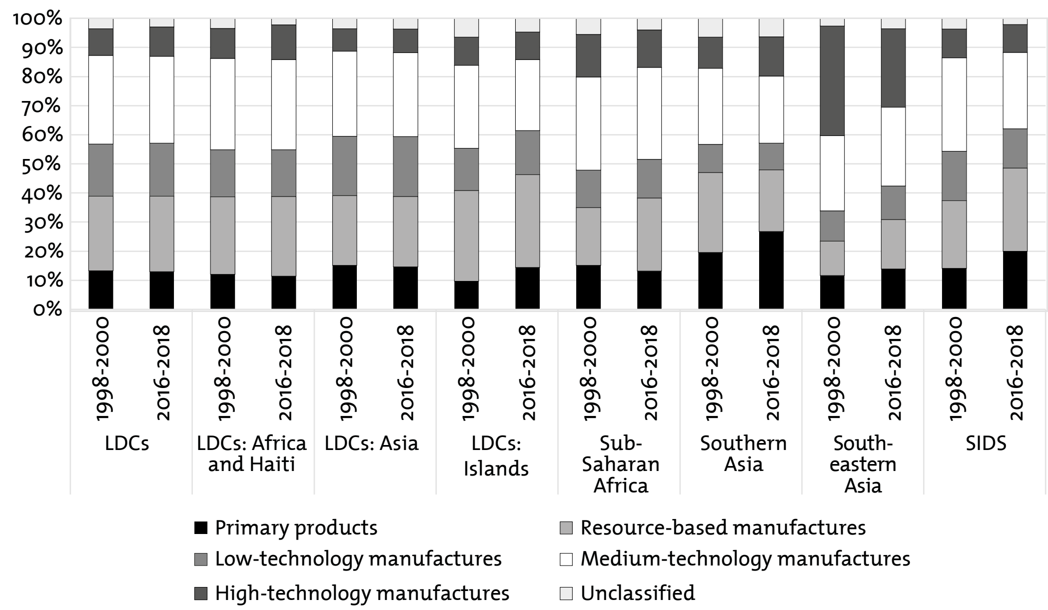
Merchandise exports by product group, 1998–2000 and 2016–2018 averages (percentage shares)



Source: UNCTAD secretariat calculations based on UNCTADStat (https://unctadstat.unctad.org/) (accessed on 7 September 2020).
Note: According to the Lall (2000) classification, primary products refer to agriculture and mining products; resource-based manufactures refer to agro-based and other resource-based products; low-technology manufactures refer to textile, garment, footwear, etc.; medium-technology manufactures refer to automotive, process, and engineering products; high-technology manufactures refer to electronic and electrical, etc. products; and unclassified products refer to commodities and transactions not elsewhere specified. LDC: least developed country; SIDS: small island developing states.

Figure A.1.2

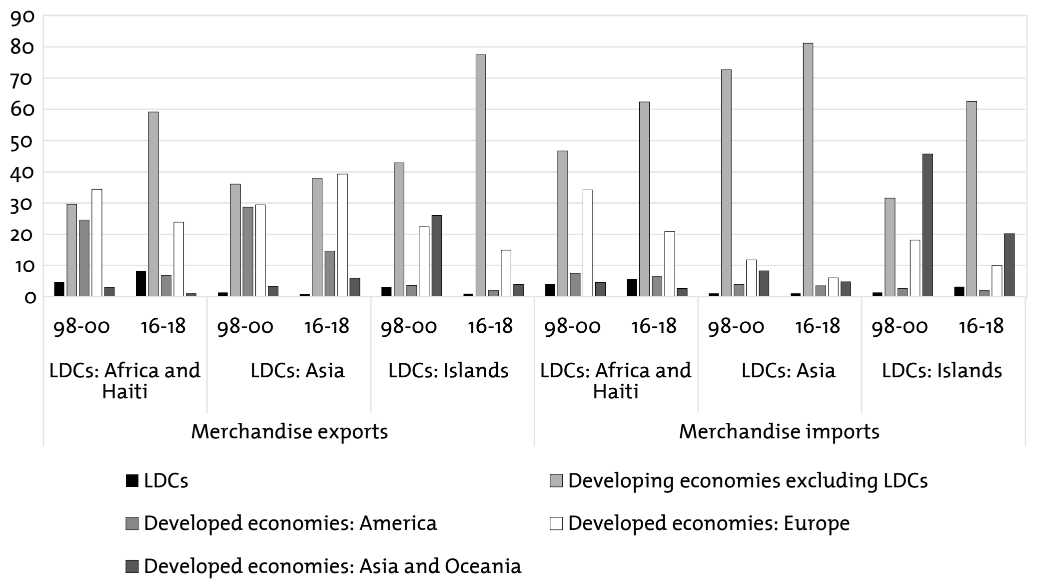
Merchandise imports by product group, 1998–2000 and 2016–2018 averages (percentage shares)



Source: UNCTAD secretariat calculations based on UNCTADStat (https://unctadstat.unctad.org/) (accessed on 7 September 2020).
Note: LDC: least developed country.

Figure A.1.3

Geographic composition of merchandise exports and imports, 1998–2000 and 2016–2018 averages (percentage shares)



Source: UNCTAD secretariat calculations based on UNCTADStat (https://unctadstat.unctad.org/) (accessed on 7 September 2020).
Note: LDC: least developed country.

Annex 2. Case Studies

A.2.1. John Cockburn, Erwin Corong, Bernard Decaluwe, Ismael Fofana and Veronique Robichaud (2010): "The gender and poverty impacts of trade liberalization in Senegal"

Objective and background

As in many other developing countries, the onset of trade liberalization in Senegal has been the result of a reform package and structural adjustments advanced by the International Monetary Fund and the World Bank in the 1980s, predominantly led by the view that free markets constitute the driving force of economic growth and development. Senegal, as an LDC, has been able to advance its integration into the global market through preferential access to European and North American markets. However, due to high production costs and low product quality, Senegalese exports have generally struggled to compete in the international market. Moreover, import liberalization is seen to have stunted the growth of the agricultural sector, adversely affecting the rural population because businesses are unable to compete with the low prices of European primary products.

The trade structure in Senegal is highly segregated by gender, with a strong male intensity of employment in export industries in contrast with female concentration in import-competing subsistence farming. In this context, this study combines a macro- and micro-empirical model to simulate a complete elimination of tariffs to outline the gender implications of trade liberalization. This mixed-method approach allows for short- and long-term effects at both the economy and household level, and therefore allows for a better understanding of a trade policy reform. The study finds that trade liberalization increases the gender-wage gap by favouring male labour-intensive export industries. This finding is corroborated with a gender earnings gap that is depicted through greater poverty reductions for male-headed households compared to their female counterparts.

Data and methodology

The study draws on information from the 2004 Social Accounting Matrix in conjunction with the Supply and Use Table prepared by the Senegalese National Statistical and Demographic Agency. The matrix includes 35 industries across primary, industrial and service sectors, eight productive factors, and six labour categories based on gender, location (urban or rural), skill and one representative household. The capital stock is updated endogenously through a capital accumulation equation, while total labour supply pulled from the population data is revised exogenously at each time period. These data are used for a sequential dynamic computable general equilibrium (CGE) model over a 15-year time period that demonstrates wage and growth effects from trade liberalization.

The macroeconomic model is combined with a microsimulation model that highlights the poverty effects of trade liberalization through changes in household income and consumption. The micro model uses the 2001/2002 Senegalese gender-disaggregated household survey and categorizes the sector, productive factor and labour data in tandem with the dynamic CGE model. Unlike the CGE model that has one representative household in the economy, the microsimulation model appends household heterogeneity by adding fixed household-specific savings and tax parameters. The factor prices (e.g. wages) generated in the CGE model are fed into the micro model to calculate income variations for all households. This in turn dictates the change in total consumption for each household and corresponding poverty and inequality measures. It is important to note that while the CGE model captures gender-specific nuances through wages, the microsimulation model equates the poverty of individuals with that of their household, thereby capturing gender impacts through the gender of the head of the household.

Findings

Trade liberalization is associated with a wider gender wage gap in favour of men, especially among unskilled workers. This is bolstered by the reallocation of resources towards export-oriented sectors such as meat products, rubber and leather, which are male-intensive, and away from import-competing sectors such as paper products and textiles, which are female-intensive.

Furthermore, the gender wage gap is higher for rural workers compared to their urban counterparts. Rural labour is concentrated in agricultural activities in subsistence farming, cash crops and livestock, and a major share of income of rural female workers accrues from the agricultural sector. Notably, agricultural products have seen the largest fall in value-added prices compared to other sectors such as services or manufacturing. This is because output prices have fallen the most in the agricultural sector due to import competition without corresponding reductions in prices of inputs used in production. This also shifts the burden of adjustment to factor prices, i.e. real wages, which leads to a decline in real wages in the sector.

Additionally, trade liberalization through tariff cuts also reduces the price of capital goods, allowing for greater real investment for a given pool of savings. This boosts industrial production that augments demand for skilled labour as well as associated wages, which induces a gender bias in trade liberalization in favour of men who tend to provide skilled labour. Although women make up a smaller share of skilled workers, skilled female workers benefit from high wages as well, and their gender wage gap is low compared to unskilled labour.

All of the key findings outlined above are corroborated in greater poverty reduction in male-headed households in an open economy. In conclusion, this study posits that in the context of acute occupational and sectoral segregation, women are more likely to bear the brunt of trade liberalization in import-competing activities. Therefore, female employment in export industries should be promoted to attenuate gender disparities in the distributional outcomes of trade liberalization.

A.2.2. Daniel Samaan and Elva López Mourelo (2018): “Can labour provisions in trade agreements promote gender equality? Empirical evidence from Cambodia”

Objective and background

In Cambodia, the adoption of free market measures in the early 1990s boosted international trade. Greater global integration salvaged the poor economic growth in the country that prevailed due to civil strife for over three decades. Trade liberalization has been largely led by the manufacturing sector, particularly textiles, which continue to be a major driver of the country’s economic growth. In fact, the textile industry accounted for 65 per cent of gross value added in manufacturing in 2015 and 25 per cent of the country’s GDP growth in 2014. Furthermore, the textile industry employs over 500,000 low-skilled workers, with women making up about 75-85 per cent of the workers. However, employment in the sector has been marked by low pay and precarious working conditions.

In this context, regional and bilateral agreements can be instrumental to consolidate labour provisions in trade partnerships, such that distributional outcomes of globalization can be improved for workers in the textile industry, especially women. To confirm this as a viable policy option for similar textile-reliant developing economies, this study examines the

Cambodia and United States Bilateral Textile Agreement (CUSBTA) that was in effect from 1999–2005. The agreement granted annually increasing export quotas for Cambodian textile manufactures in the United States market in exchange for compliance with international labour standards and elimination of discrimination in factories. In 2000, an additional agreement was signed between the International Labour Organization (ILO) and the government of Cambodia to establish a monitoring system to complement the trade agreement and oversee compliance in the factories. Taking into account the high female intensity in the industry, the study particularly investigated the impact of the CUSBTA on the gender wage gap and discrimination against women in the textile sector compared to the non-textile manufacturing sector. The findings confirm that the trade agreement has indeed prompted a statistically significant reduction in the gender wage gap as well as wage discrimination.

Data and methodology

The study draws from the Cambodian Socioeconomic Survey conducted by the National Institute of Statistics of the Ministry of Planning for 1993/1994, 1996, 1999, 2004 and annually from 2007 to 2012. The dataset includes comprehensive information on both labour characteristics (education, occupation, industry, etc.) as well as earnings for textile and other manufacturing sectors. To garner the specific impact of the trade agreement, the data are grouped into four time periods: pre-agreement (base), agreement without ILO monitoring, agreement with ILO monitoring, and post-agreement with continued ILO monitoring.

The study uses a difference-in-differences model to compare changes in the gender wage gap in each time period in both textile (treatment group) and non-textile manufacturing sectors (control group), which were not impacted by the trade agreement. While the gender dummy in the difference-in-differences model provides an estimate of the average wage premium for male workers, the study also employs the Blinder-Oaxaca decomposition model to see whether the prevailing gender wage gap is due to discrimination against women or to differences in endowment (education, skill, etc.) between male and female workers.

Findings

The difference-in-differences estimation results show that compared to the base results of the pre-agreement time period, the impact of CUBSTA on reducing the gender wage gap in the Cambodian textile industry is statistically significant when CUBSTA is combined with the ILO monitoring system. The gender wage gap is reduced by 37 per cent when the agreement is combined with ILO monitoring and by 31 per cent in the post-agreement time period.

Furthermore, the empirical results of the Blinder-Oaxaca decomposition methodology find that for both textile and non-textile manufacturing sectors, the largest share of the difference of the average wages between men and women is due to discrimination in the labour market, as opposed to differences in endowments. Additionally, the decomposition findings build on those of the difference-in-differences model and confirm that the discrimination against women in the textile sector declines considerably between the pre-agreement base time period and the time-period when both the agreement and ILO monitoring are in effect. In contrast, the discrimination effect remains virtually unchanged, and increases slightly in the last time period, for the non-textile manufacturing sector.

Therefore, from both difference-in-differences estimations and the Blinder-Oaxaca decomposition, the study concludes that combining CUBSTA with the monitoring mechanism has had a statistically significant and positive impact on the reduction of the gender wage gap and associated discrimination against women. These improvements were maintained after the export incentives were terminated in 2004, and the ILO monitoring continued. These findings show that CUSBTA in conjunction with the ILO monitoring mechanism has been a successful policy option to improve working conditions in the Cambodian textile industry and to ensure that the benefits from trade are more inclusive. The authors caution that while this may have been successful due to the relatively small size of Cambodia and the geographical concentration of the textile industry, the findings support the notion that similar agreements and monitoring mechanisms could be effective in other developing countries and sectors as well.

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Endnotes

[1] The teaching manual is comprised of Volume 1 (*Unfolding the Links*) (UNCTAD, 2014a) and Volume 2 (*Empirical Analysis of the Trade and Gender Links*) (UNCTAD, 2014b).

[2] Most African LDCs are part of sub-Saharan Africa. Afghanistan, Bangladesh, Bhutan, and Nepal correspond to South Asia. Cambodia, Lao People's Democratic Republic, and Myanmar are in South-eastern Asia. Most Island LDCs are among the Pacific Island Small States or Small Island Developing States.

[3] All figures are based on UNCTAD secretariat calculations using data from the World Bank's World Development Indicators (https://databank.worldbank.org/source/world-development-indicators) (accessed on 2 October 2020).

[4] Based on UNCTADStat (https://unctadstat.unctad.org/) (accessed on 3 October 2020). Low-income developing economies are defined as economies with an average GDP per capita below US$1,235 for 2016–2018. Most LDCs belong to this group of developing countries.

[5] Based on UNCTADStat (https://unctadstat.unctad.org/)w (accessed on 3 October 2020). In Asian LDCs, real GDP per capita grew by 4.5 and 3.4 per cent during 2001–2010 and 2011–2019, respectively. The rates for the same indicator for the two periods were 3.5 and 1.6 per cent in African LDCs and Haiti, and 4.1 and -0.8 per cent in Island LDCs.

[6] Commodities refer to (1) agricultural products, (2) fuels, and (3) ores, metals, precious stones and non-monetary gold. They include food and live animals; beverages and tobacco; crude materials, inedible, except fuels; mineral fuels, lubricants and related materials; animal and vegetable oils, fats and waxes; non-ferrous metals; pearls, precious and semi-precious stones; gold, non-monetary (excluding gold ores and concentrates) (UNCTAD, 2019d).

[7] Even though the study did not investigate the sub-sectors, it should be noted that women benefit from employment expansion in low-skilled manufacturing sectors to a greater extent than men in most LDCs.

[8] This phenomenon is known as the feminization U hypothesis and refers to the U-shaped relationship between female employment (usually proxied by the labour force participation rate) and the level of development/industrialization of an economy.

[9] Cambodia (51 per cent), Lesotho (42 per cent), Solomon Islands (40 per cent), Angola (35 per cent) and Guinea (34 per cent) are the five LDCs with the highest share of merchandise exports in GDP. Sixteen out of 47 LDCs have merchandise exports that are less than 10 per cent of their GDP, reflecting the big discrepancies across the LDCs in terms of integration in international markets. Services exports are relatively more significant as a share of GDP in Vanuatu (45 per cent), Djibouti (35 per cent), Somalia (27 per cent), Cambodia (22 per cent) and Sao Tome and Principe (18 per cent) than in the rest of the LDCs.

[10] Based on UNCTADStat (https://unctadstat.unctad.org/) (accessed on 2 September 2020).

[11] However, LDCs are not fully benefiting from the DFQF market access. LDCs that have improved their productive capacity the most are the ones that use DFQF to a greater extent (UNCTAD, 2020a).

[12] Rules of origin are the criteria used to define where a product was produced and thereby determine the eligibility of products for preferential treatment. Less strict rules of origin are critical for benefiting from preferential market access for the LDCs. For example, when applying an ad valorem percentage criterion to determine substantial transformation, non-originating materials could be allowed to be used for up to 75 per cent of the final value of the product. When applying a manufacturing or processing operation criterion to determine substantial transformation, assembling of fabrics into finished products, transforming of raw agricultural products into processed agricultural products, or assembling of parts into finished products (as long as it is not simple assembly) could be allowed. For the full list of preferential rules of origin, see https://www.wto.org/english/thewto_e/minist_e/mc10_e/l917_e.htm.

[13] United Nations LDC portal (https://www.un.org/ldcportal/preferential-market-access-for-goods/) (accessed on 10 October 2020).

[14] LDCs have 10 years to achieve 90 per cent liberalization, while that period is five years for non-LDCs. LDCs also have 13 years (as opposed to 10 years for non-LDCs) to eliminate tariffs on sensitive products (7 per cent of tariff lines). For both LDCs and non-LDCs, 3 per cent of tariff lines may be excluded, but excluded products should not be more than 10 per cent of total trade (Hartzenberg, 2019).

[15] United Nations LDC portal (https://www.un.org/ldcportal/global-system-of-trade-preferences-among-developing-countries/) (accessed on 10 October 2020).

[16] Other benefits include travel assistance, reduced budgetary contributions to international organizations, and scholarships.

[17] The OECD requests that DAC donors indicate whether each activity they report to the Creditor Reporting System among their bilateral official development assistance commitments targets gender equality as one of its policy objectives. An activity needs to explicitly promote gender equality and women's empowerment, either as its principal objective or as a significant objective, to be considered as gender-equality-focused (UNCTAD, 2019c).

[18] Small island developing states also graduate through the expansion of existing economic activities such as tourism and fisheries or new activities. Given their small economies, even a limited number of investment projects in new sectors in small island developing states may represent an economic transformation. UNCTAD (2016) projects that Bangladesh, Bhutan, Lao People's Democratic Republic and Myanmar will graduate with broad-based development of productive capacities and diversification.

[19] Landlocked LDCs include Afghanistan, Bhutan, Burkina Faso, Burundi, Central African Republic, Chad, Ethiopia, Lao People's Democratic Republic, Lesotho, Malawi, Mali, Nepal, Niger, Rwanda, South Sudan, Uganda and Zambia.

[20] Long distance from world markets is also the case for Island LDCs in the Pacific.

[21] See the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS) website at http://unohrlls.org/about-lldcs/.

[22] Between 2000 and 2019, Asian LDCs had by far the largest increase in their per capita income (2.6 fold) compared to an increase of 1.7 fold in the African LDCs and Haiti, and 1.2 fold in the Island LDCs (UNCTAD secretariat calculations using data from the World Bank's World Development Indicators (https://databank.worldbank.org/source/world-development-indicators)(accessed on 20 August 2020).

[23] The Gini coefficient is the most commonly used indicator of income inequality. It measures the extent to which income distribution among individuals or households in an economy deviates from a perfectly equitable distribution. A Gini index score of 0 denotes perfect equality (i.e. everyone has the same level of income), while an index score of 100 implies perfect inequality (i.e. one person has all the income). Hence the closer the index number is to 100, the higher the degree of inequality.

[24] Among the 30 African LDCs for which data were available for the 2010s, Zambia, Central African Republic, Mozambique, Angola and Guinea-Bissau (decreasing order) had a Gini index score above 50; Benin, South Sudan, Lesotho, Malawi, Rwanda, Chad, Togo, Uganda, Madagascar, Democratic Republic of the Congo, Djibouti, Haiti, United Republic of Tanzania and Senegal (decreasing order) had a Gini index score above 40.

[25] This was mainly the outcome of decreasing inequality in Bhutan and Nepal, while the rest either had a slight rise or no change.

[26] Among the African LDCs, Madagascar, Democratic Republic of the Congo, Burundi, Malawi, Guinea-Bissau, Central African Republic, Mozambique, Zambia and Rwanda (decreasing order) have the most severe poverty.

[27] The HDI is a composite measure of development and is calculated as the geometric mean of three sub-indices relating to health, knowledge and living standards. The first is measured by life expectancy at birth; the second by expected years of schooling and mean years of schooling; and the third by GNI per capita (UNDP, 2019).

[28] Among all the LDCs, Timor-Leste, Kiribati, Bhutan, Bangladesh and Sao Tome and Principe had the highest HDI scores in 2018, while Burundi, South Sudan, Chad, Central African Republic and Niger had the lowest.

[29] The GII measures gender inequalities in three important aspects of human development – reproductive health, empowerment and economic status. The first is measured by the maternal mortality ratio and adolescent birth rates; the second by the proportion of parliamentary seats occupied by females and the proportion of adult females and males aged 25 years and older with at least some secondary education; and the third by the labour force participation rate of female and male populations aged 15 years and older

[30] In fact, Bhutan, Myanmar, Lao People's Democratic Republic, Cambodia and Nepal have lower GII scores than all the African LDCs except Rwanda. By contrast, Yemen has the highest gender inequality as measured by the GII.

[31] *Mobility* examines whether women are treated on par with men while applying for a passport, travelling outside the country and home, and choosing where to live. *Workplace* refers to whether a woman can get a job in the same way as a man, the presence of the law mandating non-discrimination based on gender in employment, legislation on sexual harassment in employment, and criminal penalties or civil remedies for sexual harassment in employment. *Pay* is related to whether there is equal remuneration for work of equal value and equal working rights (i.e. same night hours, same jobs deemed hazardous, arduous or morally inappropriate, same industries). *Marriage* is about civil marital rights such as not being legally required to obey one's husband, being able to become the head of the household/family, being able to obtain a judgment of divorce, having the same rights to remarry, and the presence of domestic violence legislation. *Parenthood* concerns the availability of paid leave of at least 14 weeks for women, full government coverage of benefits, the availability of paternity and parental leave, and the prohibition of dismissal of pregnant women. *Entrepreneurship* is based on the ability of a woman to legally sign a contract, register a business, and open a bank account in the same way as a man, as well as on the prohibition of discrimination by creditors on the basis of sex or gender. *Assets* is related to equal ownership rights of married men and women, equal inheritance rights of sons and daughters and of female and male surviving spouses, equal administrative authority over assets during marriage, and the availability of a law providing for the valuation of non-monetary contributions. *Pension* looks at the equality of ages at which men and women can retire with full and partial benefits, the equality of the mandatory retirement age, and the availability of a law that provides explicit pension care credits for periods of childcare.

[32] Between 75 and 90 per cent of women are literate in Sao Tome and Principe, Vanuatu, Lesotho, Zambia, Lao People's Democratic Republic and Cambodia (decreasing order). These are the LDCs with the highest literacy rates.

[33] Between 30 and 45 per cent of women hold at least some secondary education in Bangladesh, Zambia, Democratic Republic of the Congo, Lao People's Democratic Republic, Lesotho, Sao Tome and Principe and Gambia (decreasing order). These are the LDCs with the highest secondary education rates for women.

[34] The raw earnings gap reflects both differences in qualifications such as education and experience as well as the influence of discriminatory factors faced by women (e.g. unequal access to resources, discriminatory hiring practices and wages, and lower hours of work due to unpaid work burden) in the economy.

[35] Employment figures are based on household survey data; they therefore cover both formal and informal employment.

[36] Agriculture corresponds to between 70 and 94 per cent of female employment in Burundi, Mozambique, Democratic Republic of the Congo, Madagascar, Chad and United Republic of Tanzania (decreasing order), and between 40 and 70 per cent of female employment in Vanuatu, Bhutan, Afghanistan, Ethiopia, Mali, Bangladesh, Sudan, Sierra Leone, Angola, Yemen, Timor-Leste, Uganda, Rwanda, Myanmar and Cambodia (decreasing order). Manufacturing corresponds to between 20 and 38 per cent of female employment in Niger, Lesotho, Kiribati, Afghanistan, Cambodia and Burkina Faso (decreasing order), and between 10 and 17 per cent of female employment in Togo, Mauritania, Comoros, Bangladesh, Myanmar, Nepal, Yemen, Chad and Lao People's Democratic Republic (decreasing order).

[37] Services make up between 69 and 84 per cent of total female employment in The Gambia, Haiti, Tuvalu, Sao Tome and Principe and Zambia (decreasing order), and correspond to between 40 and 65 per cent of female employment in Senegal, Liberia, Lesotho, Kiribati, Mauritania, Togo, Burkina Faso, Nepal, Comoros, Benin, Solomon Islands, Lao People's Democratic Republic, Uganda, Rwanda, Niger, Timor-Leste, Sierra Leone and Myanmar (decreasing order).

[38] The wholesale and retail trade sector corresponds to between 30 and 40 per cent of female employment in Haiti, Liberia, Benin, Sierra Leone, Zambia, Burkina Faso, Mauritania and Togo (decreasing order), and between 18 and 27 per cent of female employment in Senegal, Myanmar, Sao Tome and Principe, Lao People's Democratic Republic, Comoros, Nepal, Mali, Uganda, Cambodia and Rwanda (decreasing order).

[39] Breaking down the two forms of vulnerable employment, own-account work accounts for between 51 and 83 per cent of total female employment in a large number of LDCs, namely Sierra Leone, Liberia, Niger, Benin, Vanuatu, Angola, Burkina Faso, Sudan, Comoros, Chad, Mozambique, Uganda, Gambia, Mali, Democratic Republic of the Congo, Mauritania, Guinea, Malawi, Cambodia, Haiti and Zambia (decreasing order). Contributing family work accounts for more than half of female employment in Afghanistan, Burundi, Madagascar, Ethiopia, Solomon Islands and the United Republic of Tanzania.

[40] Contrary to the relatively low share of wage and salary work in female employment on average, employees dominate women's employment structure in a few LDCs, including Lesotho (78 per cent), Tuvalu (70 per cent), Rwanda (66 per cent), Sao Tome and Principe (62 per cent) and Kiribati (52 per cent).

[41] In fact, the gender gap in Internet use in the LDCs increased from 30 per cent in 2013 to 43 per cent in 2019. The Internet use gender gap is measured as the difference between the Internet use penetration rates for males and females relative to the Internet user penetration rate for males, expressed as a percentage (ITU, 2019).

42 The use of mobile-phone-based banking services could help address this issue provided that mobile phone coverage is increased.

43 Rwanda is followed by Senegal (42 per cent), Mozambique (41 per cent), Ethiopia (39 per cent), United Republic of Tanzania (37 per cent), Burundi (36 per cent) and Uganda (35 per cent).

44 This is in contrast to Sao Tome and Principe (15 per cent), Tuvalu and Comoros (both 6 per cent), Solomon Islands (4 per cent), and Vanuatu, where there are no women in the national parliament.

45 The countries are Cambodia (57 per cent), Lao People's Democratic Republic (43 per cent) and Myanmar (41 per cent). Afghanistan, Bangladesh and Yemen are among the countries with very low shares of firms with a female top manager, driving the regional average down.

46 Among LDCs, the share of firms with female participation in ownership is highest in Timor-Leste (64 per cent), Angola (57 per cent), Central African Republic (53 per cent) and Vanuatu (51 per cent).

47 Togo (70 per cent), Lao People's Democratic Republic (50 per cent), Burkina Faso (58 per cent) and Niger (49 per cent) do exceptionally well.

48 Angola is the only LDC with a trade surplus (UNCTAD, 2019c).

49 Both the European Union's EBA initiative, which covers all LDCs, and the United States Africa Growth and Opportunity Act, which applies to African countries including African LDCs, have been influential in the growth of trade with these regions.

50 Agriculture as a broad sector refers to agriculture, forestry and fisheries. The term agriculture is used as a shortcut as commonly done in the literature.

51 Contract farming is an avenue for small-scale farmers to participate in international markets by providing a steady supply of high-value and high-quality produce to large-scale agro-processing firms (FAO, 2011).

52 Based on the World Bank's Women, Business and the Law database (https://wbl.worldbank.org/) (accessed on 14 November 2020).

53 The Gender Parity Index indicates the ratio of female to male values of a given indicator. A score of 1 indicates parity between females and males.

54 These figures show the raw gender wage gap, which is calculated as the ratio of mean monthly earnings (gross remuneration in cash and in-kind) of women to that of men.

55 As explained in Module 1, the principle of comparative advantage suggests that countries compete on relative unit costs. Accordingly, a country exports the goods and/or services it can produce at a relatively lower cost. According to the principle of absolute or competitive advantage, countries compete on absolute unit costs (rather than relative costs) and use different strategies such as unit cost reduction and price-cutting to outperform their competitors and gain market share.

56 One should note that using gender inequality as a source of competitive advantage is not peculiar to export-oriented firms; domestic-market-oriented firms may also follow a similar path.

57 Timor-Leste also exports fuel, but its share is relatively lower in total exports of goods and services, as services exports play an important role in the country.

58 A study of 874 mining sites in 29 countries in North and sub-Saharan Africa found that establishing mining sites led to a rise in jobs for men and a decline in jobs for women (Ross, 2017).

59 Formalization in artisanal and small-scale mining is particularly intended to streamline tax collection and address underpinning problems associated with it. These issues are largely manifested in environmental pollution and degradation, dangerous working conditions, and persistent armed conflict over artisanal and small-scale mining revenues, as seen in Dthe emocratic Republic of the Congo, Rwanda and Uganda (Buss et al., 2019). See Hilson et al. (2018), Byemba (2020) and Buss et al. (2019) for detailed explanations of the gender implications of formalizing artisanal and small-scale mining and how it can marginalize and disengage women from participating in it.

60 Hannah Abdulla, "Myanmar garment factory orders fall by 75 per cent," *Just-style*, 3 September 2020 (https://www.just-style.com/news/myanmar-garment-factory-orders-fall-by-75_id139507.aspx).

61 International Labour Organization, "The Rana Plaza Accident and its aftermath" (https://www.ilo.org/global/topics/geip/WCMS_614394/lang--en/index.htm).

62 There have been some regulatory changes to improve working conditions in the garment sector in Bangladesh since the Rana Plaza tragedy in 2013. For example, the Accord on Fire and Building Safety in Bangladesh, covers more than two million workers, is a legally binding multi-corporate agreement that requires its parties to source from factories that comply with fire and safety regulations. The government also passed the Bangladesh Labour Amendment Act to improve the enforcement of labour laws, but problems remain (Schoen, 2019). The Alliance for Bangladesh Worker Safety was established by North American retailers, but it operates on a voluntary basis.

63 Labour Law Article 186, AC Award 63/04, 68/04 mandates that an employer who employs 100 women or more must set up an operational nursing room (Better Factories Cambodia, 2018).

64 International tourist arrivals (overnight visitors) fell by 72 per cent (equivalent to 900 million fewer international tourist arrivals) during the January-October 2020 period compared to previous year (UNWTO, 2020).

65 These goods and services may be traded by (i) informal (unregistered) traders operating entirely outside the formal economy and passing through unofficial routes, or by (ii) formal (registered) traders who fully or partially evade trade-related regulations and duties (UNCTAD, 2019b).

66 Simplified trade regimes are introduced to streamline trade procedures at the border and encourage formalization of informal cross-border trade. For instance, within the COMESA region, simplified trade regimes entail a list of approved products based on goods that are commonly traded by small-scale traders, a simplified customs document, and a simplified certificate of origin (UNCTAD, 2019b).

67 The negotiations on the Continental Simplified Trade Regime have not started and there was no specific protocol for it as of January 2021.

68 The Gulf states are the six member countries of the Gulf Cooperation Council: United Arab Emirates, Saudi Arabia, Qatar, Oman, Kuwait and Bahrain.

[69] Besides emigration from developing to developed countries, there is also emigration of nurses from LDCs to higher-income developing countries.

[70] Debt-bondage is the debt-financed migration route opted for by emigrants whereby unregulated recruitment agencies help them emigrate without having to pay the hefty amount charged by formal agencies. As migrants earn meager wages as domestic workers, they are unable to pay back these agencies and are trapped in precarious and vulnerable employment in foreign countries (UNCTAD, 2018d).

[71] For example, there are well-established cross-border traders' associations in Malawi and Zambia that have also helped facilitate cross-border trade during the pandemic.

[72] In particular, the following SDGs are directly relevant for the many economic and social challenges faced more severely by LDCs among all developing countries: SDG 1 on ending poverty, SDG 2 on ending hunger, SDG 3 on good health and well-being, SDG 7 on affordable and clean energy, SDG 8 on decent work and economic growth, SDG 9 on industry, innovation and infrastructure, SDG 10 on reduced inequalities, SDG 13 on climate change, and SDG 17 on partnerships to attain the SDGs.

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