



May 2022

INTERNATIONAL TRADE

Trade Agreements
Increasingly Promote
Women's Rights and
Economic Interests,
but Barriers Remain

Why GAO Did This Study

U.S. trade agreements can create opportunities and grow the U.S. economy. Yet questions have been raised about whether women can fully benefit from them. In 2020, GAO reported on trade preference programs' protection of women and identified a range of barriers facing some women, such as gender-based violence and denying them the right to own land. This report focuses on U.S. trade agreements' protection and promotion of women's rights and economic interests.

GAO was asked to review U.S. trade agreements' promotion of women's interests in trade. This report examines (1) protections of women in U.S. trade agreements and how they compare to protections in other countries' trade agreements; (2) U.S. government agencies' efforts to monitor, report on, and enforce trade agreement provisions pertinent to women's rights and economic interests; and (3) the effects of trade, including U.S. trade agreements and preference programs, on women, and efforts to ensure women's access to the benefits of trade.

GAO analyzed U.S. free trade agreements and TIFAs, agency reports, information on agency monitoring efforts, and studies on trade's effects on women. GAO also interviewed officials who focus on trade from U.S. agencies, multilateral organizations, and other countries with agreements containing gender-specific provisions.

View [GAO-22-104711](#). For more information, contact Latesha Love at (202) 512-4409 or love@gao.gov.

INTERNATIONAL TRADE

Trade Agreements Increasingly Promote Women's Rights and Economic Interests, but Barriers Remain

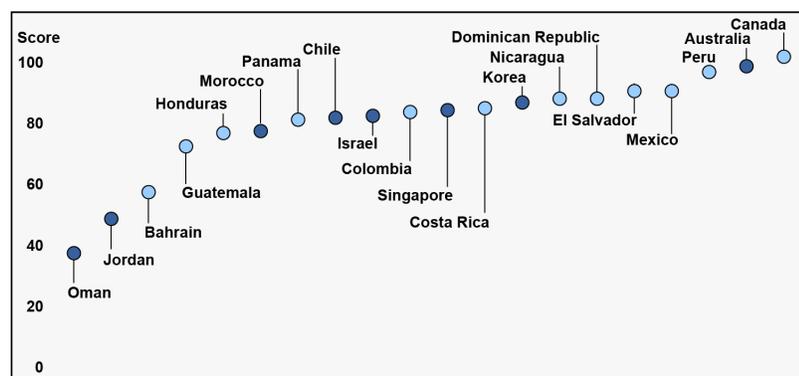
What GAO Found

International trade is recognized as an important tool for global growth and reductions in poverty. However, women may disproportionately face barriers to trade's benefits. Less than half (6 of 14) of U.S. Free Trade Agreements (FTA) and seven of the 62 Trade Investment Framework Agreements (TIFA) include provisions explicitly protecting or promoting women's rights and economic interests. The U.S.-Mexico-Canada FTA, signed in 2020, is the only one with such provisions in the body of the agreement. However, 13 of the 14 FTAs include general protections for all workers (which may include women) and have strengthened in subsequent agreements over time. In addition, a growing number of other countries' trade agreements contain gender-specific provisions.

Though not required, the U.S. Trade Representative (USTR) and the U.S. International Trade Commission (USITC) have reported a few times on barriers that may affect women in their annual monitoring and reporting on U.S. trade agreement implementation. For example, they both reported on harassment of women in garment factories in Jordan, and on cooperative efforts to improve labor protections. Most U.S. FTAs allow parties to submit concerns about implementation of labor commitments. Our review found 10 submissions with issues specific to women that were investigated for compliance with FTA labor provisions and possible enforcement; one led to a dispute settlement proceeding.

A lack of sex-disaggregated data has limited U.S. agencies' ability to assess the effects of trade agreements and programs on women. In response, USTR has asked USITC to report specific data issues that hinder this type of assessment. According to existing studies, women have experienced a range of benefits from U.S. trade agreements and preference programs, but barriers persist. USITC found that U.S. women had employment gains and wage increases because of trade agreements, but gains were lower for women in some sectors. Other studies show that U.S. FTA partners are at different places on World Bank indicators of women's rights (see fig.) and experienced a range of benefits, such as technology upgrades, and barriers, such as access to capital. The U.S. and other countries have undertaken steps to help reduce these barriers for women.

U.S. FTA Partners' Scores on the World Bank's Women, Business and the Law Index



● Countries with explicit provisions on women's rights and economic interests in their FTA or FTA annex
 ○ Countries without explicit provisions on women's rights and economic interests in their FTA or FTA annex
 Source: GAO presentation of World Bank information. | GAO-22-104711

Contents

Letter		1
	Background	5
	Few Trade Agreements Contain Provisions Explicitly Promoting Women’s Rights and Economic Interests; Labor Provisions for All Workers Have Increased Over Time	9
	U.S. Agencies Monitor and Report Some Information on Women’s Rights and Economic Interests; Enforcement Mechanisms Have Addressed Few Cases	17
	Data Poses a Challenge to Assessing the Effects of Trade on Women, but Several Studies Show a Range of Trade-Related Benefits and Barriers Facing Women	31
	Agency Comments, Third-Party Views, and Our Evaluation	51
Appendix I	Objectives, Scope, and Methodology	52
Appendix II	Reports, Working Papers, and Studies from Literature Review	58
Appendix III	Timeline of Legislation and Executive Action to Incorporate Labor Protections in U.S. Trade Agreements	62
Appendix IV	Scores of the U.S. and Its Trade Agreement Partners on the World Bank’s Women, Business and the Law Index	65
Appendix V	Comments from the U.S. Agency for International Development	67
Appendix VI	GAO Contact and Staff Acknowledgments	69

Table

Table 1: Dimensions Tracked by Multilateral Organizations That Are Pertinent to Women in Trade	56
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Figures

Figure 1: Countries or Economies with Free Trade Agreements or Trade and Investment Framework Agreements with the United States, as of September 2021	6
Figure 2: Women Participate in Trade in Different Capacities	9
Figure 3: Timeline of Entry into Force of U.S. Free Trade Agreements and Key Legislation and Executive Actions for the United States' Incorporation of Labor Protections in Its Agreements	12
Figure 4: Department of Labor's Office of Trade and Labor Affairs (OTLA) Submission Review Process	26
Figure 5: Number of Submissions of Alleged Non-Compliance with Labor Provisions and How Many Include Issues Specific to Women	27
Figure 6: The United States' and Its Free Trade Agreement Partner Countries' Scores on the Women, Business and the Law (WBL) Index in 2021	35
Figure 7: U.S. International Trade Commission (USITC) Estimates on the Effect of U.S. Trade Agreements on U.S. Levels of Employment by Gender, Occupation, and Education Level, Using 1984–2017 Data	37
Figure 8: U.S. International Trade Commission (USITC) Estimates on the Effect of U.S. Trade Agreements on U.S. Real Wages by Gender, Occupation, and Education Level, Using Data from 1984–2017	39
Figure 9: Percentage of U.S. FTA Partner Countries Where Women's Mobility Rights Match Men's across Related Indicator Data in the World Bank's Women, Business and the Law Index 2021	47
Figure 10: Timeline of Entry into Force of U.S. Free Trade Agreements and Key Legislation and Executive Actions for the United States' Incorporation of Labor Protections in Its Agreements	62
Figure 11: The United States' and Its Trade and Investment Framework Agreement Partner Countries' Scores on the Women, Business and the Law (WBL) Index in 2021	66

Abbreviations

AFL-CIO	American Federation of Labor and Congress of Industrial Organizations
AGOA	African Growth and Opportunity Act
APEC	Asia-Pacific Economic Cooperation
BLS	Bureau of Labor Statistics
CAFTA-DR	Dominican Republic–Central America FTA
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
Commerce	Department of Commerce
CPS	Current Population Survey
DOL	Department of Labor
FTA	Free Trade Agreement
GBA+	Gender-Based Analysis Plus
GSP	Generalized System of Preferences
GTAGA	Global Trade and Gender Arrangement
ILAB	Bureau of International Labor Affairs
ILO	International Labour Organization
ISDS	Investor-State Dispute Settlement
LGBTQ+	Lesbian, Gay, Bisexual, Transgender, and Queer
META	Division of Monitoring and Enforcement of Trade Agreements
MOU	Memorandum of Understanding
NAALC	North American Agreement on Labor Cooperation
NAFTA	North American Free Trade Agreement
NAO	National Administrative Office
OECD	Organisation for Economic Co-operation and Development
OHCHR	Office of the United Nations High Commissioner for Human Rights
OTLA	Office of Trade and Labor Affairs
RTA	Regional Trade Agreement
SME	Small and Medium-Sized Enterprises
SSDS	State-to-State Dispute Settlement
State	Department of State
TIFA	Trade and Investment Framework Agreement
TPA	Trade Promotion Authority
Treasury	Department of the Treasury
UNCTAD	United Nations Conference on Trade and Development
USAID	U.S. Agency for International Development
USITC	U.S. International Trade Commission

Abbreviations

USMCA	United States-Mexico-Canada Agreement
USMCAME	Division of USMCA Monitoring and Enforcement
USTR	Office of the U.S. Trade Representative
WBL	Women, Business and the Law
WEF	World Economic Forum
WTO	World Trade Organization

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May 4, 2022

The Honorable Earl Blumenauer
Chairman
Subcommittee on Trade
Committee on Ways and Means
House of Representatives

The Honorable Robert P. Casey, Jr.
United States Senate

Trade has been recognized by researchers as an important engine for global growth and a contributor to worldwide reductions in poverty. As we have previously reported, women play an important role in this growth because research shows that economies with greater participation of women, including in trade, enjoy greater economic growth than similarly situated countries that restrict access to women's economic participation.¹ Given this context, many governments and trade organizations have placed an increased focus on empowering women to engage in trade and examining the effects of trade on women. Further, the United Nations' Sustainable Development Goals, the global initiative designed to address global issues such as ending poverty, includes a focus on the economic empowerment of women.

However, women may disproportionately face barriers that affect their opportunity to participate in and benefit from international trade. We have previously reported on the extent to which provisions in U.S. trade preference programs, including the Generalized System of Preferences (GSP),² protected or promoted women's rights and economic interests.³ We identified a range of barriers facing women in some trade preference program beneficiary countries that had been reported by U.S. agencies, such as gender-based violence and denying women the right to own land.

¹GAO, *International Trade: Observations on Whether Women's Rights and Economic Interests Are Protected or Promoted by U.S. Trade Preference Programs*, [GAO-21-190](#) (Washington, D.C.: Dec. 9, 2020).

²GSP's authorization expired on December 31, 2020.

³[GAO-21-190](#).

U.S. trade agreements, including free trade agreements (FTA) and Trade and Investment Framework Agreements (TIFA), can be used to establish rules and guide dialogue between the United States and its trade partner countries about priorities related to trade.⁴ The 2021 *President's Trade Policy Agenda* indicated that the United States would promote women's economic empowerment through its trade policy and monitoring and enforcement efforts.⁵ The 2022 *President's Trade Policy Agenda*, transmitted to Congress on March 1, 2022, outlines the administration's plan to promote equitable, inclusive, and durable trade policy and commitment to expanding stakeholder engagement. The accompanying 2021 *Annual Report* included updates on Office of U.S. Trade Representative (USTR) initiatives to advance racial and gender equity in U.S. trade policy. Further, certain members of Congress have stated that Congress should consider whether to renew Trade Promotion Authority. In addition, both the House and the Senate are considering legislation to renew U.S. trade preference programs, and under what conditions.

You asked us to review what is known about U.S. trade agreements and their coverage of and impact on women's rights and economic interests. This report examines (1) what, if any, protections of women's rights and economic interests U.S. trade agreements contain, and how gender-specific provisions in U.S. trade agreements compare to those in selected other countries' trade agreements; (2) whether selected U.S. government agencies monitor and report on trade agreements' provisions pertinent to women's rights and economic interests, and the extent to which they have enforced labor provisions in FTAs; and (3) the effects of trade, including U.S. trade agreements and preference programs, on women, and what is being done by U.S. agencies as well as others to help ensure women's access to the benefits of trade.

For the purposes of this report, we use "women's rights and economic interests" to include rights afforded women by federal laws or international conventions and declarations, as well as other factors that may affect women's ability to participate in or benefit from trade. These may include factors identified and tracked by multilateral organizations such as the

⁴Although there are other types of trade agreements, this report focuses specifically on U.S. free trade agreements and U.S. trade and investment framework agreements.

⁵The full report title is the *President's Trade Policy Agenda and the Annual Report on the President's Trade Agreement Program*. For the purposes of this report, we will refer to the first portion of the report as the *President's Trade Policy Agenda* and the second portion of the report as the *Annual Report*.

World Bank, or internationally recognized women’s rights in international agreements that have been signed but not ratified by the United States.⁶

To address the first objective, we performed an analysis of U.S. FTAs and TIFAs to identify any gender-specific provisions or other protections in the agreements that protect or promote women’s rights and interests.⁷ We then compared them to similar information that had been developed by the World Trade Organization (WTO) Secretariat for other countries’ trade agreements with gender-specific provisions.⁸ We also interviewed U.S. agency officials from the Departments of Commerce, Labor (DOL), State, and the Treasury; USTR; and U.S. Agency for International Development (USAID) to determine which provisions they deemed relevant to protecting women’s rights and interests in pertinent trade agreements. We also interviewed officials from Canada and Chile to learn more about their decision to include gender chapters in their trade agreements.

To address the second objective, we identified USTR and USITC as agencies that are statutorily required to report on U.S. trade agreements and reviewed USTR *Annual Reports* from 2011 through 2020 and USITC annual *Year in Trade* reports from 2010 through 2019. To assess what information these reports contained that was pertinent to women’s rights and economic interests in trade, we analyzed the reports to find references to relevant terms, such as “women,” “woman,” “gender,” and “sexual harassment.” We reviewed the identified references to the key terms to determine what, if any, references provided substantive information about the status of women in partner countries. (See app. I for

⁶For example, the United Nations Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) aims to guarantee women “the exercise and enjoyment of human rights and fundamental freedoms on a basis of equality with men.” The convention defines discrimination as “any distinction, exclusion or restriction made on the basis of sex which has the effect or purpose of impairing or nullifying the recognition, enjoyment or exercise by women, irrespective of their marital status, on a basis of equality of men and women, of human rights and fundamental freedoms in the political, economic, social, cultural, civil or any other field.” It is an international treaty adopted in 1979 by the United Nations General Assembly and is described as an international bill of rights for women. It entered into force on September 3, 1981, and 189 member states are parties to the treaty. The United States has signed but not ratified CEDAW.

⁷Our review of U.S. trade agreements focused on identifying what, if any, protections are afforded to women, both in the United States and in countries with U.S. trade agreements.

⁸Throughout this report, we use the term “women” to describe the population affected by trade agreements and trade preference programs, according to the literature and data sources we use. However, these sources may not include information on all people who identify as women, regardless of gender identified at birth, or who do not identify as male or female but experience these outcomes.

more details on our search terms). We also interviewed U.S. agency officials as noted above to obtain information on their processes and policies for monitoring country compliance with trade agreements. Finally, we identified mechanisms for individuals or entities to request a review of a country's alleged noncompliance with free trade agreement obligations; we also analyzed the submissions to determine which of them included issues specific to women.

To address the third objective, we conducted a literature search of studies and reports that quantitatively analyze the impact of trade agreements or preference programs on women. We focused on quantitative research to assess the extent to which existing data have been used to support or contradict qualitative research on the linkage between trade and women's rights and economic interests. (See apps. I and II for more details on our literature review). We interviewed officials from U.S. trade-related agencies; selected foreign trade-related agencies in Canada, Chile, and Indonesia; and multilateral organizations such as the WTO, International Labour Organization (ILO), Organisation for Economic Co-operation and Development (OECD), and Asia-Pacific Economic Cooperation (APEC). We selected countries that (1) represented a range of types of trade agreements with the United States, as well as geographic diversity, and (2) U.S. agency officials identified as either leading examples of protecting women's access to trade or recipients of capacity building activities to help address challenges related to women's rights and economic interests in the trade arena. We also interviewed officials from organizations representing women involved in trade, such as the Organization of Women in International Trade and the Women's Enterprise Organizations of Canada. We used this information to determine whether and how they had analyzed the impact of trade agreements on women or how efforts to address trade-related barriers for women compared with U.S. efforts. This information is not generalizable. See appendix I for more detailed information on our objectives, scope, and methodology.

We conducted this performance audit from January 2021 to May 2022 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

U.S. Trade Agreements and Trade Preference Programs Create Opportunities

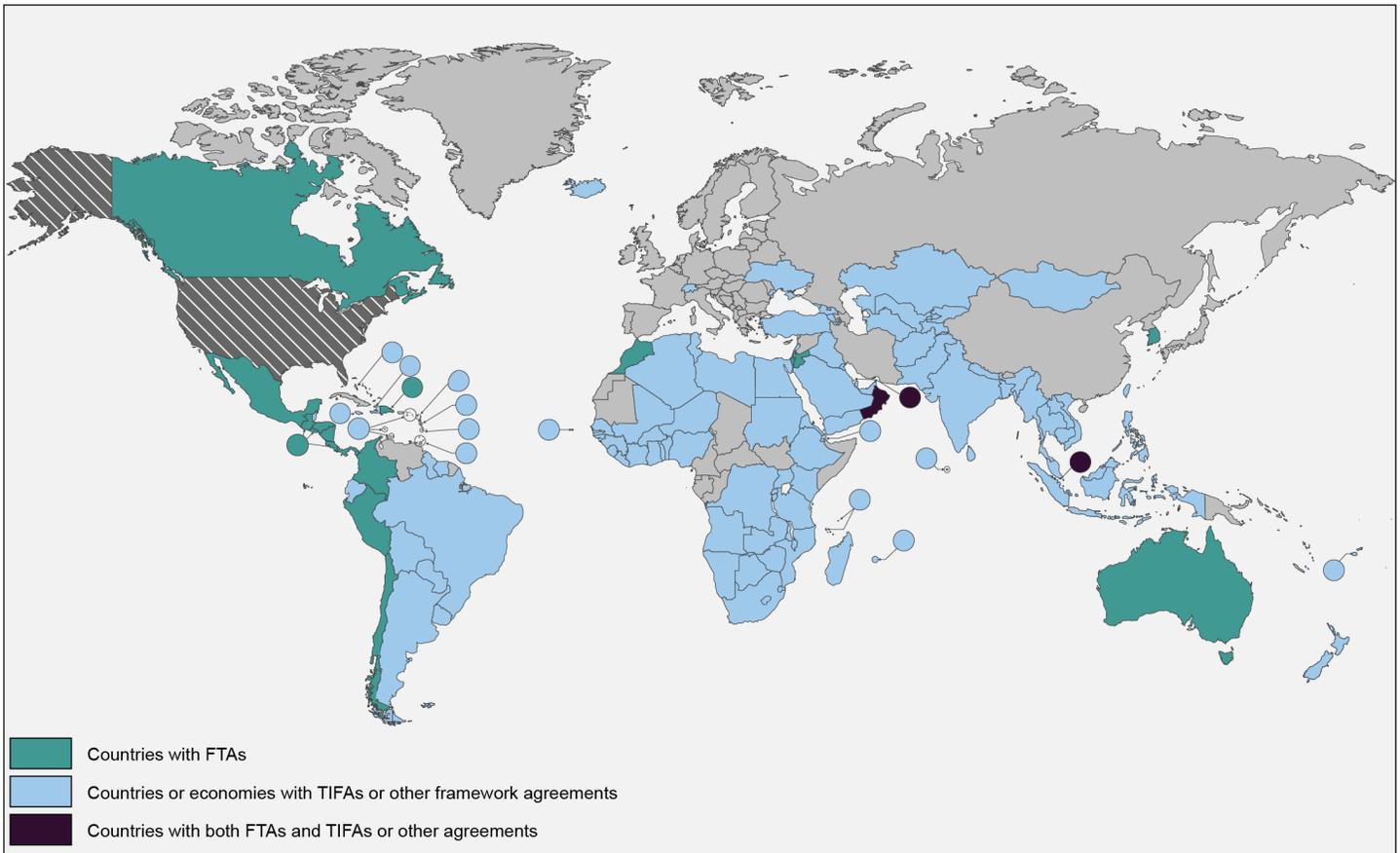
According to USTR information, U.S. trade agreements can create opportunities and grow the U.S. economy. Since 1975, Trade Promotion Authority (TPA) laws have provided time-limited authority to the President to negotiate reciprocal (two-way) trade agreements. These authorities enable the pursuit of trade agreements that support U.S. jobs by expanding exports, eliminating barriers in foreign markets, and establishing rules to stop unfair trade. Among other things, TPA contained congressional guidance to the President on U.S. trade priorities and negotiating objectives. The latest TPA authority expired in July 2021, and there have been calls to renew TPA so that additional trade agreements can be concluded using special procedures.⁹

Two types of trade agreements are FTAs and TIFAs.

- **FTAs.** FTAs are agreements between two or more countries where the countries agree on certain binding obligations that affect trade in goods and services, and protections for investors and intellectual property rights, among other things. The United States has 14 such agreements with 20 countries, shown in figure 1, all of which Congress approved through implementing legislation under TPA procedures.
- **TIFAs or other trade framework agreements.** TIFAs and other trade framework agreements are agreements that provide strategic frameworks and principles for dialogue on trade and investment issues between the United States and other parties, and provide a means to identify and cooperatively work on trade-related capacity building. The agreements do not require Congress' approval. The United States has 62 such agreements, shown in figure 1.

⁹TPA expired on July 1, 2021. See 19 U.S.C. § 4202. Members of Congress introduced a bill in the 117th Congress to reauthorize it. See H.R. 4711, the International Pharmaceutical Supply Chain Security Agreement Act of 2021. TPA was first authorized on January 3, 1975, under the Trade Act of 1974. TPA, sometimes called "fast track," established expedited procedures for the President to negotiate and for Congress to consider and implement certain international trade agreements, provided certain statutory requirements were met.

Figure 1: Countries or Economies with Free Trade Agreements or Trade and Investment Framework Agreements with the United States, as of September 2021



Legend: FTA = Free Trade Agreement, TIFA = Trade and Investment Framework Agreement.
 Source: GAO presentation of Office of the U.S. Trade Representative information. | GAO-22-104711

Note: We used the label “TIFA” to represent both TIFAs and other trade framework agreements.

Trade agreements are just one way in which the United States works with other countries in the trade area. Since the 1970s, the United States has offered preferential access to the U.S. market for several exports from developing countries in the form of trade preference programs. Trade preferences reduce tariffs for many products from eligible countries and are granted unilaterally, without requiring reciprocal treatment for U.S. goods. In 2020, we reported that women’s rights and economic interests are not specifically protected, promoted, or monitored in trade preference programs, though some information about women’s rights and economic interests is available in reports by U.S. agencies and multilateral

organizations.¹⁰ Since our 2020 report, one of the four programs in operation at that time, the Generalized System of Preferences (GSP), expired on December 31, 2020.¹¹

Several U.S. Agencies Are Responsible for Overseeing Implementation of Trade Agreements

USTR has the primary responsibility for administering U.S. trade agreements and leads U.S. interagency efforts to monitor and enforce trade agreements. Other federal agencies also have specialized roles in this area, including DOL, State, Treasury, Commerce, USITC, and USAID. For example, DOL monitors implementation of FTA labor provisions and USAID and other U.S. agencies have provided trade capacity building assistance to help partner countries meet their obligations under FTAs with the United States.¹² We previously reported that U.S. efforts by agencies to monitor and enforce trade agreements pursue three broad goals: ensuring foreign compliance, providing credible deterrence, and inspiring confidence that trade agreements benefit U.S. citizens as intended.¹³ We have also reported on U.S. agencies' efforts to implement their trade-related responsibilities such as monitoring, reporting, and enforcement related to trade agreement commitments.¹⁴ For example, in a 2014 report, we found that USTR's *Annual Report to Congress* about trade agreement programs provided limited details of the results of agencies' monitoring and enforcement of compliance with FTA labor provisions and recommended more monitoring and enforcement by U.S. agencies.¹⁵ USTR and DOL both took several actions in response, and we closed the recommendations as implemented.

¹⁰[GAO-21-190](#).

¹¹Our 2020 report included information on the Generalized System of Preferences, which was the largest program with 119 eligible countries and territories as of September 2020. See [GAO-21-190](#).

¹²GAO, *Trade Enforcement: Information on U.S. Agencies' Monitoring and Enforcement Resources for International Trade Agreements*, [GAO-17-399](#) (Washington, D.C.: Apr. 13, 2017).

¹³GAO, *International Trade: Four Free Trade Agreements GAO Reviewed Have Resulted in Commercial Benefits, but Challenges on Labor and Environment Remain*, [GAO-09-439](#) (Washington, D.C.: Jul. 10, 2009).

¹⁴GAO, *Free Trade Agreements: U.S. Partners Are Addressing Labor Commitments, but More Monitoring and Enforcement Are Needed*, [GAO-15-160](#) (Washington, D.C.: Nov. 6, 2014); and [GAO-17-399](#).

¹⁵[GAO-15-160](#).

Multilateral Organizations Play a Role in Promoting Women’s Rights Related to Trade

Several multilateral organizations, such as APEC, the World Bank, the WTO, the United Nations Conference on Trade and Development (UNCTAD), and OECD have focused efforts on activities related to promoting women’s rights and economic interests related to trade. These efforts include developing publications and tools as well as promoting international collaboration. For instance, in 2021, USTR announced that for the WTO’s 12th ministerial conference, the United States would join the Joint Declaration on the Advancement of Gender Equality and Women’s Economic Empowerment Within Trade. This is consistent with the President’s priorities as well as a broader effort to promote equity and equality.¹⁶

Women Participate in Trade as Workers, Consumers, and Entrepreneurs

Women participate in trade as workers, consumers, entrepreneurs, or some combination of the three (see fig. 2). As a result, the ways in which women may be affected by certain provisions in trade agreements and preference programs are broad and multifaceted. For example:

- Trade agreements and preference programs can affect women’s jobs and pay, according to USTR officials and several academic studies. According to the OECD, sectors that are supported by trade tend to pay higher wages, but women work in fewer trade-dependent jobs than men.
- Women can be significantly affected by certain trade provisions as consumers because, according to the OECD, women are disproportionately represented in low income households, which are more affected by prices of traded goods. Further, research has shown that women are more often responsible for shopping for the household as consumers.¹⁷
- Trade agreements and preference programs can affect women business owners differently than men because women can face

¹⁶USTR officials use the term “gender equity and equality.” Executive Order 13985 defined the term “equity” to be “consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment, such as Black, Latino, and Indigenous and Native American persons; Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality.” The National Strategy on Gender Equity and Equality defined gender equality as “a world in which equal opportunity is afforded to all people regardless of gender or any other factor.”

¹⁷J. Korinek, E. Moisé, and J. Tange, *Trade and Gender: A Framework of Analysis*, Organisation for Economic Co-operation and Development (OECD), OECD Trade Policy Paper, no. 246 (March 2021).

certain barriers to conducting business, which we discuss later in this report.

Figure 2: Women Participate in Trade in Different Capacities



Source: GAO summary of OECD information. | GAO-22-104711

Few Trade Agreements Contain Provisions Explicitly Promoting Women’s Rights and Economic Interests; Labor Provisions for All Workers Have Increased Over Time

Less than half (six of 14) of all U.S. FTAs contain provisions explicitly protecting or promoting women’s rights and economic interests. However, most of the FTAs include general protections for workers—regardless of sex—as labor rights, and these protections have strengthened over time. In addition, according to a WTO study, the number of trade agreements that contain gender-specific provisions is small but has steadily increased over the last 20 years.¹⁸

¹⁸According to USTR officials, Ecuador’s reference to women’s rights and economic interests appears in the Trade Facilitation Protocol signed under the TIFA, and not in the language of the TIFA itself.

Less Than Half of U.S. FTAs and a Few TIFAs Include Provisions Explicitly Protecting or Promoting Women’s Rights and Economic Interests

Our review of U.S. FTAs and TIFAs found that six of the 14 FTAs and seven of the 62 TIFAs include provisions explicitly protecting or promoting women’s rights and economic interests. The United States-Mexico-Canada Agreement (USMCA), signed in 2020, is the only U.S. FTA that includes provisions explicitly protecting and promoting women’s rights and economic interests in the body of the agreement, making these provisions binding and able to be enforced through a dispute settlement process. Specifically, the USMCA’s labor chapter protects women by requiring the parties to implement policies they consider appropriate to protect workers against employment discrimination based on sex (including with regard to sexual harassment), pregnancy, sexual orientation, gender identity, and caregiving responsibilities. The chapter also requires the implementation of policies the parties consider appropriate to provide job-protected leave for birth or adoption of a child and care of family members and protect against wage discrimination.¹⁹ It is also the first U.S. FTA to include a small and medium-sized enterprises (SME) chapter in the body of the agreement that calls for signatory parties to promote SMEs for underrepresented groups, including women.²⁰

In addition, five of the 14 FTAs²¹ include provisions in their Labor Cooperation Mechanisms, annexes to the FTAs, which explicitly call for parties to cooperate in addressing gender-related issues, including eliminating gender discrimination in employment. The Labor Cooperation Mechanisms generally recognize that cooperation between parties enhances opportunities to improve labor standards and further advance common commitments with respect to labor matters. However, because these annexes are non-binding, if a party does not choose to cooperate on an issue enumerated in the Labor Cooperation Mechanisms, there is no formal recourse to address the issue.

Seven of the 62 TIFAs, and a couple of memorandums of understanding (MOU) signed to support TIFAs, include language explicitly promoting the

¹⁹Agreement between the United States, Mexico, and Canada, Article 23.9: This provision states that “The Parties recognize the goal of eliminating discrimination in employment and occupation, and support the goal of promoting equality of women in the workplace,” and enumerates the policies each party must implement, as appropriate.

²⁰Agreement between the United States, Mexico, and Canada, “Small and Medium-Sized Enterprises,” Chapter 25, Article 25.2.

²¹The five FTAs are with Bahrain, the Dominican Republic and Central America (CAFTA-DR), Peru, Colombia, and Panama.

advancement of women's rights and economic interests among parties. These seven TIFAs²² include one of the following clauses: (1) recognizing the importance of enhancing opportunities for women's participation in the domestic, regional, and global economy; (2) agreeing to work on the empowerment of women; or (3) identifying and promoting women-owned businesses as an area for collaboration.²³ The United States has also signed two MOUs on women's economic empowerment under the auspices of the U.S.-Afghanistan and U.S.-Pakistan TIFAs. These MOUs are aimed at increasing the participation of women entrepreneurs, women's business associations, and sectors highly represented by female workers in the bilateral trade relationship.

Most U.S. FTAs and TIFAs Include General Protections of Labor Rights for All Workers, and These Protections Have Strengthened over Time

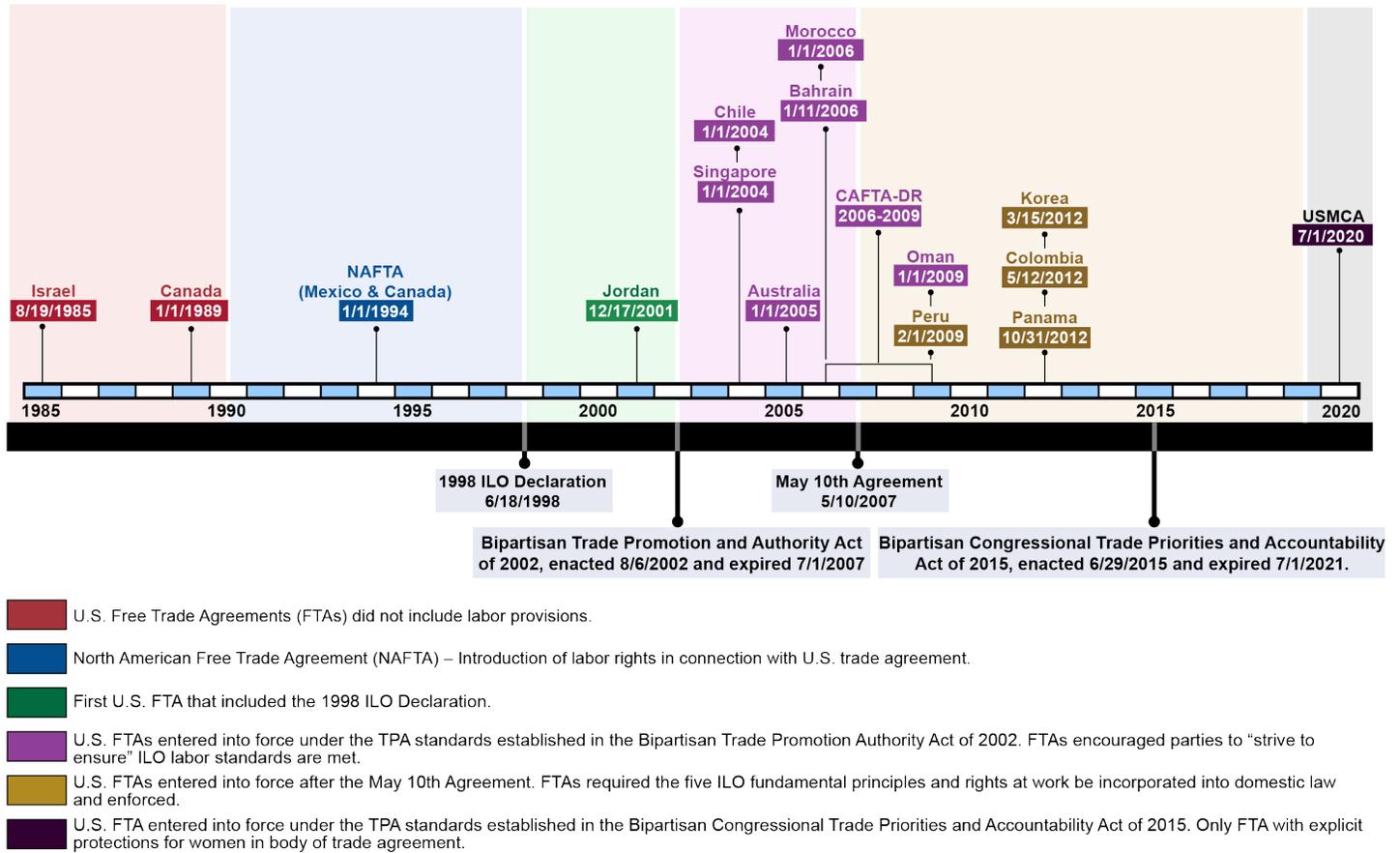
Most U.S. FTAs' labor provisions include general protections of labor rights that apply to all workers regardless of sex. Such protections are found in the labor-related chapters and provisions in 13 of the 14 U.S. FTAs for 19 countries (all but Israel).²⁴ Labor provisions in FTAs are the most relevant existing provisions for protecting women's rights and economic interests, according to our analysis of U.S. FTAs and TIFAs and discussions with U.S. agencies. According to a Congressional Research Service report and as explained more fully below, labor rights began to appear in trade agreements in 1994 and became more extensive, explicit, and enforceable with subsequent FTAs, in part because of TPA and congressional guidance. See figure 3 and appendix III for a detailed timeline and description of how the United States has strengthened labor provisions in trade agreements over time.

²²The seven TIFAs are with Argentina, Armenia, Ecuador, Fiji, India, Laos, and Paraguay.

²³TIFAs provide strategic frameworks and principles for dialogue on trade and investment issues, including promoting cooperation on labor issues, and do not contain dispute settlement mechanisms.

²⁴The following U.S. FTAs include general protections for all workers, including women as workers: Jordan, Chile, Singapore, Australia, Morocco, Bahrain, CAFTA-DR (whose members include Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic), Oman, Peru, Korea, Colombia, Panama, and the USMCA (which covers Mexico and Canada). The FTA with Israel in 1985 does not include these provisions protecting workers.

Figure 3: Timeline of Entry into Force of U.S. Free Trade Agreements and Key Legislation and Executive Actions for the United States' Incorporation of Labor Protections in Its Agreements



Source: GAO analysis. | GAO-22-104711

The labor rights in the 13 FTAs that include general protections for workers are drawn principally from the *ILO Declaration on Fundamental Principles and Rights at Work and its Follow-Up*.²⁵ The United States has included, in some form, the following internationally recognized worker rights as part of its labor provisions in all of its FTAs after NAFTA:

²⁵ILO is a multilateral organization that promotes labor standards through international conventions and recommendations. The United States has ratified 14 of 190 ILO conventions, including two of the ILO's fundamental conventions: No. 105, The Abolition of Forced Labor, and No. 182, The Elimination of the Worst Forms of Child Labor.

-
- Freedom of association
 - Right to organize and bargain collectively
 - Minimum age for employment of children
 - Prohibition and elimination of the worst forms of child labor²⁶
 - Prohibition of forced labor
 - Acceptable conditions of work, with respect to minimum wages, hours of work, and occupational safety and health

Besides FTAs, many TIFAs include language for relevant parties to recognize the importance of respecting, promoting, and realizing in each party's laws and practices the fundamental rights enumerated in the *ILO Declaration on Fundamental Principles and Rights at work and its Follow up (1998)* and of ensuring effective enforcement by the parties of their respective labor laws. Thus, to the extent TIFAs reinforce respect for such labor rights, they can support women's rights. To support these efforts, DOL's capacity building activities that include gender components have promoted women's rights in some TIFA countries.²⁷ According to DOL officials, some of DOL's capacity building and direct services projects include gender components, and all include women among the target populations for project activities.

²⁶The "worst forms of child labor" means (A) all forms of slavery or practices similar to slavery, such as the sale or trafficking of children, debt bondage and serfdom, or forced or compulsory labor, including forced or compulsory recruitment of children for use in armed conflict; (B) the use, procuring, or offering of a child for prostitution, for the production of pornography or for pornographic purposes; (C) the use, procuring, or offering of a child for illicit activities in particular for the production and trafficking of drugs; and (D) work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety, or morals of children. 19 U.S.C. § 2467(6); The Worst Forms of Child Labor Convention, 1999 (No. 182), Article 3.

²⁷According to DOL officials, the Better Work project (December 2010–the present), implemented by the ILO, reduced gender pay gaps and increased factories' productivity and profitability through measures such as training female supervisors, reducing incidents of sexual harassment, and including women's perspectives. The ILO started implementing its Gender Strategy in 2018, and DOL started funding this strategy in 2019 in TIFA partner countries Cambodia, Bangladesh, and Vietnam.

A Growing Number of Other Countries' Trade Agreements Contain Gender-Specific Provisions

According to a WTO report, the number of regional trade agreements (RTAs) with gender-specific provisions in other countries is small but has steadily increased over the last 20 years.²⁸ Some countries have favored the inclusion of gender-related provisions in preferential trade agreements as a tool for promoting women's economic empowerment, according to the OECD. Multilateral organizations such as the WTO and OECD have recently released reports about gender-related provisions in countries' trade agreements.

A recent WTO staff research study found that provisions explicitly mentioning gender have been incorporated into a limited but increasing number of RTAs. The study found that over two dozen countries had included provisions explicitly protecting or promoting women's rights and economic interests in their trade agreements.²⁹ It also mentioned that most gender-related provisions do not follow a specific and unique template, even in most RTAs negotiated by the same country, suggesting that the views on the decision to incorporate gender-related provisions in RTAs and the approach to adopt remain different among countries. As a result, the study found that gender-related provisions are very heterogeneous in terms of structure, location, language, scope, and commitments.

According to the study, of the 577 RTAs the WTO analyzed, 14 percent included at least one provision explicitly mentioning gender or women, and 45 percent included general protections for workers regardless of sex. Further, most RTAs negotiated in the last 2 decades include detailed provisions on trade and investment that can improve women's access to trade and enhance women's participation in international trade. Over the years, the number of RTAs with explicit gender-related provisions has increased slowly but relatively steadily. As of December 2020, 83 RTAs included at least one explicit provision, and 257 included general protections.

In a March 2021 report, the OECD used the WTO analysis above and developed categories to explain the different ways gender-related

²⁸José-Antonio Monteiro, "The Evolution of Gender-Related Provisions in Regional Trade Agreements," World Trade Organization, Economic Research and Statistics Division, December 30, 2021.

²⁹Monteiro, "The Evolution of Gender-Related Provisions in Regional Trade Agreements."

provisions are incorporated into countries' trade agreements.³⁰ Specifically, the OECD categorized these provisions as reaffirming commitments, preventing adverse effects, actively promoting gender-responsive policies or cooperation, and including a dedicated gender chapter.³¹ According to the OECD, these categories can be viewed as displaying gradually increasing ambition or commitment to the promotion of women's rights. Nevertheless, the OECD noted, the concrete effect they may have on women's economic empowerment will depend on a number of factors, including the extent to which they address the main gender-specific challenges to reaping the benefits of trade liberalization. Further, the OECD found that most of the provisions in these categories have limited enforceability.³² Specifically, it found that most of the gender-related provisions are aspirational in language and do not identify actions or inactions with a level of specificity sufficient to enable a challenge. Further, according to the WTO analysis, most are not subject to the dispute settlement mechanism of the agreement, with the exception of provisions in some of the labor chapters (namely those involving the United States and its FTA partners).

A few countries have included dedicated gender chapters in their trade agreements. For example, Canada has two active agreements that include dedicated gender chapters, the Canada-Chile and Canada-Israel free trade agreements. According to Canadian officials, Canada has also mutually agreed with the European Union, in the context of its FTA, to undertake a series of cooperative actions to better understand and advance gender equity.³³ According to Chilean officials, Chile also has four agreements in force that include dedicated gender chapters—the

³⁰Korinek, et al., *Trade and Gender: A Framework of Analysis*.

³¹According to OECD, the United States does not have provisions that fall into its category of reaffirming commitments because it has not ratified any of the international conventions or declarations related to women's rights or economic empowerment. For example, as mentioned earlier, the United States is a CEDAW signatory but has not ratified the convention. The United States also is not a signatory on the 2017 Buenos Aires Declaration on Women and Trade, which, according to the WTO Secretariat, was a collective initiative to increase the participation of women in trade and help women reach their full potential in the world economy.

³²See Korinek, et al., *Trade and Gender: A Framework of Analysis*.

³³For further information about Canada's work with the European Union on gender in the context of its FTA, see "[Trade and gender in free trade agreements: The Canadian approach](#)" for entries describing the Comprehensive Economic and Trade Agreement between Canada and the European Union.

Chile-Brazil, Chile-Canada, Chile-Uruguay, and the Chile-Argentina agreements.³⁴ Canada's and Chile's dedicated gender chapters within their FTAs reaffirm commitment to international agreements, such as the United Nations Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), and provide a framework for parties to undertake cooperative activities on related issues. Some of them also establish a committee to consider matters related to the implementation and operation of the gender chapter, among other things.

Canadian and Chilean officials we met with said these chapters have several benefits, such as increasing visibility of (and focus on) gender issues in the trade policy context. Further, they allow parties to identify barriers women face to participate in trade, outline cooperation-based activities to address these barriers, and share best practices. For example, Canadian and Chilean officials said they exchange information on domestic and international programs that support women entrepreneurs and leading practices for conducting gender-based analysis of trade agreements. Canadian officials said they promote women's financial inclusion and education as well as leadership development—areas they identified as barriers. According to Canadian and Chilean officials, provisions in their dedicated gender chapters are cooperation-based and call for parties to resolve compliance issues through dialogue.

USTR officials told us they are currently reviewing the benefits and limitations of the approaches taken in other governments' dedicated gender chapters in their trade agreements. Further, USTR indicated it is expanding stakeholder engagement to inform the development and implementation of inclusive trade policy. Besides the USMCA, as we detailed above, our analysis found that nearly all of the United States' FTAs contain labor provisions that can be enforced through the respective dispute settlement mechanism.

³⁴Chile is developing one agreement, the Chile-Ecuador agreement, that is not yet in force but will be negotiated under the same framework to include a dedicated gender chapter, according to Chilean government officials.

U.S. Agencies Monitor and Report Some Information on Women’s Rights and Economic Interests; Enforcement Mechanisms Have Addressed Few Cases

U.S. agencies are not required to monitor the effects of U.S. trade agreements on women or on women’s interests in general.³⁵ However, USTR’s and DOL’s efforts to monitor countries’ compliance with labor provisions have included monitoring protections of women as workers and engaging with countries and multilateral organizations’ efforts on advancing women’s economic interests.³⁶ Our review of agency reports found that those agencies reported on issues facing women. Several mechanisms exist for resolving disputes related to labor provisions under FTAs. Our review of submissions alleging violations of labor provisions found that some submissions included issues specific to women. One was unsuccessfully pursued through dispute settlement under the CAFTA-DR, and two actions have been taken using the USMCA’s new rapid response mechanism.

U.S. Agencies Have Included Women’s Economic Interests in Their Efforts to Monitor U.S. Trade Agreements’ Labor Provisions

USTR leads interagency efforts to monitor foreign governments’ compliance with U.S. trade agreements and is the lead agency with responsibility for enforcing provisions of trade agreements, including labor provisions.³⁷ USTR officials stated that all USTR offices play a role in monitoring the implementation of FTAs. Of particular relevance to women’s economic interests, the agency’s Office of Labor Affairs and Office of the General Counsel closely monitor trading partners’ compliance with labor provisions of trade agreements, according to USTR officials. For example, officials said the Office of the General Counsel has several lawyers dedicated full- or part-time to monitoring and enforcement efforts related to the labor provisions of the USMCA. USTR’s annual *Trade Policy Agenda* and *Annual Report* describe information gathered

³⁵We previously reported that the Departments of Agriculture, Commerce, Homeland Security, Labor, State, and USTR have responsibility for monitoring U.S. trade agreements. See [GAO-17-399](#).

³⁶State’s workforce of overseas Foreign Service officers may also participate in monitoring partner countries’ implementation of labor and environment chapters in FTAs. See [GAO-17-399](#).

³⁷USTR has primary responsibility, with the advice of the interagency trade policy organization, for developing and coordinating the implementation of U.S. trade policy. Under the Trade Expansion Act of 1962, Congress established an interagency trade policy mechanism to assist with the implementation of these responsibilities. The principal mechanisms for advising USTR as it develops and coordinates U.S. Government positions on international trade and trade-related investment issues includes the Trade Policy Review Group (TPRG), with membership at the Deputy/Under Secretary level, and the Trade Policy Staff Committee (TPSC), with membership at the senior civil servant level. USTR chairs both the TPRG and TPSC.

through monitoring and have included information about the status of women in partner countries.

DOL's Office of Trade and Labor Affairs (OTLA) monitors and reports on the labor provisions of U.S. trade agreements to ensure that countries abide by their commitments and that all workers, including women, can thereby benefit. According to DOL officials, the work of OTLA's Division of Monitoring and Enforcement of Trade Agreements (META) involves (1) monitoring and reviewing trade partner countries' laws and practices related to labor commitments; (2) assessing potential labor issues; (3) engaging with partner countries to ensure compliance; and (4) encouraging other developed economies to do their part to make sure that mutual FTA partner countries abide by the agreements.³⁸ META also reviews complaints, known as submissions, alleging that a trading partner has not met its obligations under an FTA's labor chapter of a FTA and works with other U.S. government agencies to hold partner countries to their commitments. According to DOL officials, staff also proactively monitor labor issues that include women workers in FTA partner countries, conduct diplomatic engagement to identify and implement solutions to identified issues, and advise the Technical Assistance and Cooperation Divisions in OTLA and the Office of Child Labor, Forced Labor, and Human Trafficking. According to DOL officials, DOL-funded technical assistance projects collect data on project performance indicators, and in many instances the data are disaggregated by gender (e.g., number of participants in training).

In 2020, OTLA created the new Division of USMCA Monitoring and Enforcement (USMCAME). The USMCAME works closely with USTR on the Interagency Labor Committee for Monitoring and Enforcement, the entity charged with coordinating U.S. efforts to monitor the implementation and maintenance of other countries' labor obligations under the USMCA Implementation Act.³⁹ DOL officials said that USMCA monitoring differs from what occurs with respect to other FTA partners in a few ways, such as monitoring a dedicated hotline that offers

³⁸USTR officials noted that OTLA's Division of Monitoring and Enforcement of Trade Agreements collaborates with trade partners to support improved labor practices in FTA partner countries.

³⁹The U.S. Trade Representative and the Secretary of Labor are, by law, co-chairs of the Interagency Labor Committee for Monitoring and Enforcement. 19 U.S.C. § 4641(b). The USMCAME monitors Mexico's compliance with the labor chapter annex, staffs for DOL the relevant committees established by the USMCA, and drafts multiple regular reports, among other things.

stakeholders a way to provide confidential information on labor issues in Mexico, Canada, and the United States directly to the U.S. Government, which could include allegations of discrimination on sex, pregnancy, and sexual harassment.

According to DOL officials, besides FTA-specific work, DOL's Office of International Relations and Economic Research regularly tracks the labor market participation of women across the G20 countries, including four with which the United States has an FTA—Australia, Korea, Mexico, and Canada. According to DOL officials, such research focuses on gender gaps and trends in unemployment, wages, and participation in the labor market.

Several U.S. Agencies Have Reported Information About Issues Facing Women and on Efforts to Advance Women's Economic Empowerment

No U.S. agency is required to specifically address women's rights and economic interests in its reports about U.S. trade, but several agencies produce mandated reports that have included relevant information. Some of these are required reports on various aspects of U.S. trade, such as USTR and USITC reports. Our review of USTR *Annual Reports* from 2011 through 2020 and USITC annual *Year in Trade* reports from 2010 through 2019 found that they contain little information on barriers that may affect women's access to the benefits of trade.⁴⁰ However, for most years, USTR and USITC reported on U.S. efforts on advancing women's economic empowerment. DOL's and State's reports on human and labor rights are not trade agreement specific, but provide information to help with monitoring the implementation of trade agreements.

USTR and USITC Reports Include a Few Examples of Barriers Facing Women, Although Gender-Specific Information Is Not Required

USTR and USITC are required by law to submit annual reports to the Congress on various aspects of U.S. trade agreements, but not on the effects U.S. trade agreements have on women.⁴¹ Specifically:

⁴⁰Issued after our analysis was completed, the *2022 President's Trade Policy Agenda and 2021 Annual Report on the President's Trade Agreements Program* provides information on the Administrations' ongoing work on "Promoting Equitable, Inclusive, and Durable Trade Policy," including gender issues. Additionally, the Small and Medium-Sized Business Initiative section of the *2021 Annual Report* included references to women, minority, and Native American small business development centers under USMCA SME activities.

⁴¹19 U.S.C. § 2213, 19 U.S.C. § 2241(b), and 19 U.S.C. § 4204(f)(2).

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- USTR is required to submit annually to the Congress the *President's Trade Policy Agenda and the Annual Report on the President's Trade Agreement Program*.⁴²
 - USITC is required to submit to the Congress, at least once a year, a factual report on the operation of the trade agreements program—its annual *Year in Trade Report*.⁴³ Further, USITC produces reports on the probable economic effects prior to the start of negotiations⁴⁴ and after the President enters a trade agreement.⁴⁵ Under the Bipartisan Congressional Trade Priorities and Accountability Act of 2015, Congress required the USITC to produce two retrospective analyses of U.S. trade agreements.⁴⁶

These reporting statutes, however, do not require the agencies to report on the effects of trade agreements on women's rights and economic interests or on gender-specific information in general.

We reviewed USTR and USITC reports issued annually to determine the extent to which they included this type of information about women, even though there is no explicit requirement to do so.⁴⁷ Our review found that

⁴²19 U.S.C. § 2213(a). The responsibility for meeting this reporting requirement was delegated, by the President, to USTR in 2004. 69 Fed. Reg. 10133 (Mar. 1, 2004). The trade agreements program includes U.S. FTAs, TIFAs, BITs, and trade preference programs.

⁴³19 U.S.C. § 2213(c).

⁴⁴19 U.S.C. § 2151 Prior to the start of trade negotiation where the President may table a proposal involving a modification in tariff or nontariff matter, the USITC must, within 6 months advise the President of its judgment as to the probable economic effect of the modification on industries producing like or directly competitive articles and on consumers.

⁴⁵19 U.S.C. § 4204(c)(2) USITC must submit not later than 105 days after the President enters into a trade agreement, to the President and Congress a report assessing the likely impact of the agreement on the United States economy as a whole and on specific industry sectors.

⁴⁶19 U.S.C. § 4204(f)(2). USITC was required to submit two reports, 5 years apart, to the U.S. House of Representatives Committee on Ways and Means and the U.S. Senate Committee on Finance—one in 2016 and the second not later than June 2021—on the economic impact on the United States of trade agreements implemented under trade authorities procedures since 1984.

⁴⁷We reviewed USTR's *President's Trade Policy Agendas and Annual Reports* issued from 2012 through 2021 (USTR's *Annual Reports* cover activities from the year preceding their issuance) and USITC's annual *Year in Trade* reports from 2010 through 2019. We also reviewed USTR's *National Trade Estimate Report* from 2012 through 2021 and did not find any relevant coverage of women in FTA partner countries.

both USTR and USITC reported on barriers that may affect women's access to the benefits of trade in FTA partner countries, but the information reported was limited in frequency and scope. For example, USTR mentioned this type of information eight times. Seven of the eight occasions covered barriers women faced in Jordan, an FTA partner.

- From 2014 through 2020, USTR's *Annual Reports* mentioned labor concerns in Jordan's garment factories, including anti-union discrimination against foreign workers, poor conditions of accommodations for foreign workers, and gender discrimination and harassment. These reports also tracked steps that DOL and Jordan's Ministry of Labor had taken to address these concerns. For example, USTR's 2019 *Annual Report* stated that the United States' and Jordan's *Implementation Plan Related to Working and Living Conditions of Workers in Jordan*⁴⁸ improved Jordan's coordination of inspections in garment factory dormitories and continued those improvements in 2019 through additional technical support. It also noted that Jordan had passed several amendments to its labor laws, including making discrimination in wages between men and women illegal.
- USTR's only other coverage of barriers was in 2016, when USTR reported that Mexico had received a submission in July 2016 from two former H-2 workers and 27 organizations alleging gender discrimination in the U.S. H-2 visa system.⁴⁹ USTR's subsequent reports did not mention or provide updates on this issue.

USITC reported on similar labor issues in Jordan's garment factories three times. Specifically, USITC discussed labor concerns about Jordan in its 2014, 2018, and 2019 *Year in Trade* reports. The coverage also provided information on Jordan's steps to address these labor concerns. Additionally, USITC discussed the allegations of gender discrimination in

⁴⁸The United States' and Jordan's *Implementation Plan Related to Working and Living Conditions of Workers in Jordan* was created in 2013, according to USTR's 2020 *President's Trade Policy Agenda* and 2019 *Annual Report*.

⁴⁹According to USTR, the Mexican National Administrative Office (NAO) accepted the submission for review in August 2016. As part of the North American Agreement on Labor Cooperation, each party established an NAO within its Labor Ministry to serve as a contact point with the other parties and the Secretariat, to provide publicly available information to the Secretariat and the other NAOs, and to provide for the submission and review of public communications on labor law matters.

USTR and USITC Reported on Efforts to Advance Women's Economic Empowerment in Most of Their Annual Reports

the U.S. H-2 visa system in its 2016 report, but did not mention or provide updates on this issue in subsequent reports.

For most years of our review, USTR and USTIC reported on U.S. engagement with countries and multilateral organizations' efforts to advance women's economic empowerment. For example:

- USTR's reports from 2011 through 2020 mentioned the Central Asia TIFA Council meetings, which supported and promoted advancement of issues related to women's economic empowerment.⁵⁰ For example, in 2018, USTR reported that the United States continued to work with partner governments in the region, the private sector, think tanks, the media, and U.S. embassies to explain the economic importance of empowering women entrepreneurs and business owners to better take advantage of trade and investment opportunities in the region.
- USITC's *Year in Trade* reports in 2011–2015, 2017, and 2019 mentioned either OECD or APEC meetings where member countries, including the United States, discussed promoting women's economic empowerment in the respective regions. For example, the USITC reported that a priority of Chile, the 2019 APEC host economy, was "Women, SMEs, and Inclusive Growth", which sought to increase opportunities for all members and communities in the Asia-Pacific region to participate in, contribute to, and benefit from global economic growth. The effort includes economic empowerment of women and addressing regulatory and trade barriers that SMEs face.

Additionally, we found that USTR reported on DOL's implementation of capacity building projects under an FTA labor cooperation mechanism that targeted, among other things, gender discrimination. For example:

- USTR's reports from 2013 through 2017 reported on DOL's funding of capacity building projects under a U.S.-Morocco FTA labor cooperation mechanism that helped support the development and implementation of gender parity in employment policies. In its 2016 report, USTR reported that officials from DOL visited Morocco on multiple occasions during 2016 to oversee technical assistance projects and to explore areas of continued cooperation. Two projects

⁵⁰USTR officials said that in addition to participating in the Central Asia TIFA, the United States provided support and promoted advancement of issues related to women's economic empowerment under the memorandums of understanding (MOU) on women's economic empowerment under the U.S.-Afghanistan and U.S.-Pakistan TIFAs.

DOL and State Annual Reports on Child Labor and Human Rights Include Information on Issues Women Face in U.S. Trade Partner Countries

funded by DOL were designed to address child labor and gender equity.

We reviewed DOL's *Findings on the Worst Forms of Child Labor and State's Country Reports on Human Rights Practices* annual reports, which include information about the status of women in partner countries with regard to labor and human rights practices.⁵¹ Although these reports do not focus specifically on the implementation of trade agreements, DOL and State officials said they contain information that can be beneficial in monitoring countries' efforts to meet their FTA commitments, since they cover labor and human rights. DOL's and State's annual rights reports identified a range of barriers facing women in FTA partner countries. We found coverage of challenges facing women in U.S. trade partner countries in all of the reports we reviewed. For example:

- DOL's annual *Findings on the Worst Forms of Child Labor*.
 - **Colombia:** In 2019, DOL reported that one of DOL's funded projects in Colombia aimed at reducing the risk of child labor, forced labor, and other violations of labor rights by empowering vulnerable women and girls working in the production of unrefined brown sugar (*panela*) and the cut flowers sector and promoting better understanding of labor rights.
 - **Panama:** In 2015, DOL reported that Panamanian girls from indigenous communities are subjected to forced domestic work. Additionally, children of indigenous descent face barriers to accessing education, including experiencing frequent interruptions to their education because of family migration to work in agriculture and having to travel significant distances to reach school.
- State's annual *Country Reports on Human Rights Practices*.
 - **Nicaragua:** In 2020, State reported that women often experienced discrimination in employment, obtaining credit, and receiving equal pay for similar work, as well as in owning and managing businesses. State reported that while the government enforced the law effectively in the public sector, women in positions of power faced limitations, and their authority was limited compared with that of men.

⁵¹We reviewed DOL's *Findings on the Worst Forms of Child Labor* from 2010 to 2019 and State's *Country Reports on Human Rights Practices* from 2016 to 2020.

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- **Mexico:** In 2020, State reported that news reports indicated poor working conditions in some *maquiladoras*.⁵² These included low wages, contentious labor management, long work hours, unjustified dismissals, a lack of social security benefits, unsafe workplaces, and a lack of freedom of association. Many women working in the industry reported suffering some form of abuse, State reported.

U.S. FTAs Provide Mechanisms to Enforce Labor Provisions and Resolve Disputes

There are several mechanisms by which labor related issues may be resolved through FTAs. As mentioned earlier in this report, labor commitments that provide protections of women’s rights and economic interests are found in all but one FTA. These protections range from general worker protections, both binding and non-binding, which are found in most FTAs, to provisions explicitly protecting women’s rights and economic interests, found in the USMCA.

Enforcement of trade agreements can involve a few different processes. These include bilateral and multilateral engagement through consultations among parties, dispute settlement procedures, and, according to USTR, invoking a full range of U.S. trade laws that can include suspensions of benefits when appropriate.⁵³ Consultations are an enforcement tool that have been used to address many labor issues. FTAs’ labor chapters encourage parties to resolve issues in this manner. However, if a labor issue is not resolved to the satisfaction of the party through consultations, all FTAs, except the Israel FTA, offer a formal dispute settlement mechanism by which certain labor issues may be resolved.⁵⁴ FTA dispute settlement mechanisms have only been invoked for labor issues in one instance, in 2011.

Additionally, any person may file a submission with DOL regarding another party’s commitments or obligations arising under an FTA labor

⁵²*Maquiladora* is a manufacturing plant that imports and assembles duty-free components for export.

⁵³USTR leads and coordinates with the Departments of Agriculture, Commerce, Homeland Security, Justice, Labor, Treasury, and State, among others on monitoring and enforcing foreign government compliance with trade agreements to which the United States is a party, according to USTR officials.

⁵⁴USTR noted that in actuality many FTAs limit the application of dispute settlement to only certain labor obligations, such as effective enforcement. Thus, depending on the FTA, different obligations may or may not be subject to dispute settlement.

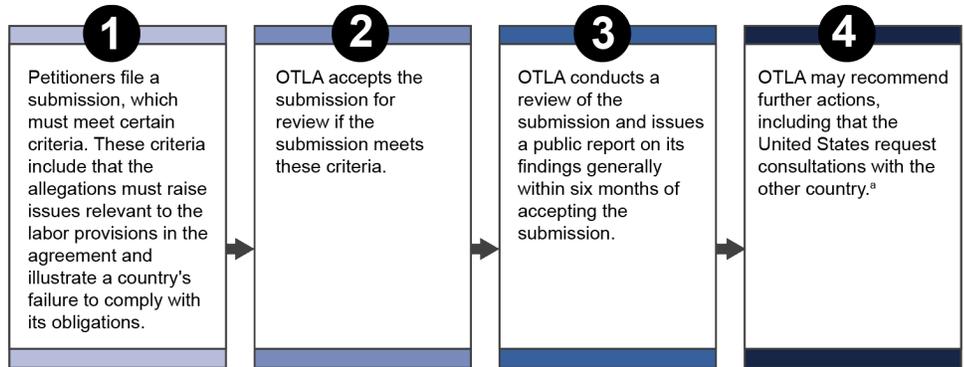
chapter, aside from the USMCA, which has a separate process.⁵⁵ The submission to DOL must meet certain criteria to be accepted for review (see fig. 4).⁵⁶ Specifically, according to DOL, the allegations must raise issues relevant to the labor provisions in the FTA and illustrate a country's failure to comply with its obligations. If accepted, OTLA then conducts the review in consultation with USTR and the Department of State—which typically involves a fact-finding investigation and meetings with relevant parties—and issues a public report, generally within 6 months of accepting the submission, according to DOL. Depending on the outcome of the review, OTLA may recommend further actions, including that the United States request consultations with the other country under the FTA. In addition, if consultations fail to resolve the issue(s), depending on the issue, USTR may invoke FTA dispute settlement procedures.⁵⁷

⁵⁵The United States-Mexico-Canada Agreement Implementation Act created an Interagency Labor Committee for Monitoring and Enforcement that is co-chaired by USTR and DOL. 19 U.S.C. § 4641. This committee receives and reviews these submissions, called petitions, under a USMCA-specific process. 19 U.S.C. § 4646.

⁵⁶Labor provisions in free trade agreements establish official processes for receiving complaints through “submissions” from interested organizations that believe a trading partner is not fulfilling the labor commitments it made. In the United States, DOL, specifically the Monitoring & Enforcement of Trade Agreements Division within ILAB’s OTLA, receives and reviews submissions made under the labor chapter of our trade agreements, excluding the Israel FTA, which does not contain labor provisions, and the USMCA, which superseded NAFTA and has a separate process for receiving and reviewing submissions.

⁵⁷If consultations do not resolve the issue(s), FTA provisions on dispute settlement generally state that a panel of three arbiters may be created at the request of either party. For the arbitral panel, each side appoints one member and the third member who acts as chair is appointed by mutual consent, unless the parties cannot agree, in which case the chair is selected by lot. The arbitral panel reviews the submission and issues a final report. After an arbitral panel issues a final report, the parties are expected to reach agreement on a resolution. Generally if the parties cannot agree on a resolution or the complaining party determines that the party complained against is not complying with the terms of the resolution, FTA provisions include procedures for additional remedies that may include compensation, suspension of benefits, or fines.

Figure 4: Department of Labor’s Office of Trade and Labor Affairs (OTLA) Submission Review Process



Source: GAO summary of U.S. Department of Labor information. | GAO-22-104711

^aThe Office of the U.S. Trade Representative (USTR) may take into account OTLA's recommendations when determining whether to initiate dispute settlement under an FTA, according to USTR officials.

According to DOL’s information, since 1994, 32 submissions were reviewed and resulted in issued reports, regarding FTA partners’ compliance with labor commitments, excluding the USMCA.⁵⁸ Of these 32 submissions, 25 were filed under the NAALC, three under the Dominican Republic-Central America FTA (CAFTA-DR), two under the Peru FTA, and one under the Bahrain and Colombia FTAs respectively. Our review of these submissions found that 10 out of the 32 included issues specific to women (see fig. 5). Several of the 10 were investigated and led to recommendations for dialogue to discuss issues raised in the submissions.

⁵⁸We reviewed submissions with reports issued as of November 2021. The submissions for Bahrain, Colombia, Dominican Republic, Guatemala, Peru, and Honduras all had reports issued. For NAALC submissions, we only reviewed submissions that had a report issued. The NAALC was superseded by the USMCA’s dispute settlement mechanism. Nine of these 32 were submitted since 2011.

Figure 5: Number of Submissions of Alleged Non-Compliance with Labor Provisions and How Many Include Issues Specific to Women

North American Agreement on Labor Cooperation			
Country of alleged violation	Year filed	Total submissions reviewed with reports issued	Submissions with issues specific to women
United States^a 	1995–2015	11	2
Mexico 	1994–2015	14	6
U.S.-Peru Trade Promotion Agreement			
Peru 	2010; 2015	2	0
U.S.-Bahrain Free Trade Agreement			
Bahrain 	2011	1	0
U.S.-Colombia Trade Promotion Agreement			
Colombia 	2016	1	0
Dominican Republic-Central America-United States Free Trade Agreement			
Dominican Republic 	2011	1	0
Honduras 	2012	1	1
Guatemala 	2008	1	1

Source: GAO analysis of U.S. Department of Labor information. | GAO-22-104711

^aSubmissions filed under the North American Agreement on Labor Cooperation against the United States were reviewed and reports issued by the Mexican National Administrative Office.

Only one dispute settlement proceeding has been brought under the labor chapter of a free trade agreement. That was an action brought by the United States against Guatemala under the CAFTA-DR for failure to effectively enforce its labor laws for workers in Guatemala, and some of the workers include women.

A submission was filed with DOL in 2008 alleging that Guatemala failed to conform to its obligations under Article 16.2.1(a) of the CAFTA-DR with respect to the effective enforcement of Guatemalan labor laws related to the right to freedom of association, the right to organize and bargain collectively, and acceptable conditions of work. The submission alleged that Guatemala's failure to enforce its labor laws and provide freedom of association led to negative consequences such as an employer not making contributions into its workers' health and social security system.⁵⁹ The submission alleged these failures created financial difficulties for many workers. For example, it alleged pregnant women struggled to get pre- and post-natal care and receive maternity leave benefits.⁶⁰ After receiving the submission, DOL issued a public report, and, USTR, DOL, and the Department of State conducted an examination of Guatemala's compliance with its commitments. The United States concluded that Guatemala was failing to meet its obligations and initiated dispute settlement proceedings against Guatemala. Specifically, USTR and DOL initiated consultations in 2010, and in 2011, USTR requested establishment of an arbitral panel under CAFTA-DR. In 2017, the panel found, in part, that while Guatemala had failed to effectively enforce certain labor laws, it had not failed to meet its obligations under the FTA because in those instances, the United States did not prove that the failure constituted a course of inaction that was in a manner affecting trade between parties.

⁵⁹USTR noted, however, that the submission's allegations regarding women—e.g., pre-natal care, financial difficulties, health and social security, and maternity benefits—were not within the scope of the laws that are required to be effectively enforced by the agreement, and thus were not the basis for U.S. pursuit of this case.

⁶⁰In the submission, the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) alleged that Guatemala failed to effectively enforce its labor laws and comply with its commitments under Chapter 16 of the CAFTA-DR agreement with respect to five companies.

Of the other nine submissions filed, eight were filed under the NAALC.⁶¹ Only one of these submissions, which was about pregnancy discrimination, was submitted within the last 10 years. DOL did not accept two submissions (as seen in step 2 of fig. 4). According to our analysis, six led to recommendations for dialogue among the parties on issues raised in the submissions, respectively. The remaining one was filed under CAFTA-DR, against Honduras.⁶² According to DOL officials, this submission included a gender component because the *Maquila* sector has a large female workforce. The submission alleged that the government of Honduras had failed to effectively enforce its labor laws on the right of association, the right to organize and bargain collectively, and acceptable conditions of work. OTLA conducted an investigation and made several recommendations to the Secretary of Labor, including that the U.S. government engage with the government of Honduras on the concerns identified in the OTLA report and continue its cooperative engagement with the government of Honduras to develop a monitoring and action plan.⁶³ OTLA also made seven recommendations to the government of Honduras to facilitate compliance with its commitments under Chapter 16 (Labor) of CAFTA-DR.

⁶¹The USMCA has superseded the NAFTA/NAALC agreement. The USMCA chapter on dispute settlement includes an updated, separate process for establishing and proceeding with an arbitral panel.

⁶²Submission 2012-01 (Honduras) filed by the AFL-CIO and 26 Honduran unions and civil society organizations on March 26, 2012, with the Office of Trade and Labor Affairs (OTLA). For more information, see U.S. submission 2012-01 (Honduras), *Formal Public Submission*, March 26, 2012 (Submission), accessed April 27, 2022. [Submissions under the Labor Provisions of Free Trade Agreements | U.S. Department of Labor \(dol.gov\)](#).

⁶³OTLA also recommended to the Secretary of Labor that the U.S. government (1) initiate consultations through the contact points designated in the CAFTA-DR Labor Chapter under Article 16.4 to develop the monitoring and action plan, and (2) convene a meeting of the representatives from Honduras and the United States of the CAFTA-DR Labor Affairs Council to discuss the findings and recommendations of the report and the outcome of the consultations, at the level of trade and labor ministers or their designees.

The USMCA Made Key Changes to its Enforcement Process, and Two Reviews of Alleged Labor Violations Resulted in Action that Reportedly Benefited Women

The USMCA, which superseded NAFTA, made some key changes to labor provisions and its dispute settlement process. According to a Congressional Research Service report, a key change is that the USMCA shifts the burden of proof to the responding party that a complaint affects trade and investment, unless demonstrated otherwise.⁶⁴

The USMCA includes an annex to its dispute settlement chapter that creates the U.S.-Mexico Facility-Specific Rapid Response Labor Mechanism, a new system for remediation of allegations of certain labor right violations of workers, including women, at “covered facilities.”⁶⁵ According to USTR officials, the U.S. government has taken two actions under the Rapid Response Mechanism—one self-initiated and the other based on a petition. According to USTR officials, the self-initiated action alleged serious violations of workers’ rights in connection with a vote at a General Motors facility in Mexico regarding whether to approve the workers’ collective bargaining agreement. USTR officials stated that it led to an agreement between the United States and Mexico, which benefited many workers, including women. USTR officials said the other action, in response to a petition, alleged that Tridonex, an auto parts company, had denied workers collective bargaining and free association rights. According to USTR officials, it led to an agreement between the United States and the company that benefited many workers, including women.

⁶⁴USMCA added language to its labor chapter stating that for the purpose of dispute settlement, a panel shall presume that a failure is in a manner affecting trade and investment between parties, unless the responding party demonstrates otherwise. According to a Congressional Research Service report, this new language shifts the burden of proof by stating that an alleged violation affects trade and investment, unless otherwise demonstrated.

⁶⁵A covered facility is defined as a facility in the territory of a party and in a priority sector that (i) produces a good, or supplies a service, traded between parties; or (ii) produces a good, or supplies a service, that competes in the territory of a party with a good or service of the other party.

Data Poses a Challenge to Assessing the Effects of Trade on Women, but Several Studies Show a Range of Trade-Related Benefits and Barriers Facing Women

While U.S. agencies advise the President and Congress about the impact of trade, difficulties in accessing and linking general sex-disaggregated survey data with trade data have hindered their efforts to assess the effects of U.S. trade agreements and preference programs on women. However, according to the studies that are available, trade has benefited women in several ways, such as increased employment, wages, and entrepreneurial opportunities. Nevertheless, a range of barriers limiting women's access to benefits from trade persist. USTR and other U.S. agencies and multilateral organizations have taken several recent steps to reduce these barriers to access.

Limitations on Available Sex-Disaggregated Data Have Hindered U.S. Agencies' Efforts to Assess the Impact of U.S. Trade Agreements and Preference Programs on Women

Assessments of the impact of U.S. trade agreements and preference programs on women have been limited by the lack of sex-disaggregated trade data and challenges in accessing and linking available data to outcomes for workers in a trade context, but agency officials are taking steps to further examine and overcome these limitations. Agency officials and academic researchers use data to assess the effects of trade. However, officials from various agencies and multilateral organizations, as well as research we reviewed, emphasized that only a limited amount of sex-disaggregated data are collected. According to the USITC, in the United States, the issue is not so much a lack of data per se, because most of the U.S. Census data the Commission uses and have been used in other studies to assess trade's impact include gender variables. Rather, there are limited panel data and employer-employee linked data to undertake more causal analysis of a trade shock such as by type of worker including women. Operationally, although there are general gender-disaggregated data, the difficulty is in linking survey data (e.g., Current Population Survey) with time series of trade data. Further, USITC officials noted that other information that could be helpful in conducting gender analysis is collected, but difficult to access and, therefore, time-prohibitive to use.⁶⁶ In contrast, for example, USITC officials said that academic researchers given permission to work with restricted-access U.S. social security data and with similar unrestricted international data

⁶⁶USAID officials said that Commerce has excellent statistics on trade and the labor force, but that the data are not disaggregated by sex. Labor officials said they have been exploring ways to analyze systematically the impact of U.S. trade agreements.

have been able to examine how exposure to Chinese imports has affected U.S. workers, disaggregating workers by skill (education) level.⁶⁷

Congress relies on USITC to provide information on the impact of trade agreements. For example, Congress has required USITC to twice assess the economic impact on the United States of all trade agreements for which Congress has enacted an implementing bill under trade authorities' procedures.⁶⁸ USITC is also required to report to Congress and the President on an assessment of the likely impact of proposed free trade agreements with foreign countries on the U.S. economy as a whole, on specific sectors, and on the interests of U.S. consumers.

USTR has expressed interest in more information regarding the distributional effects of trade, including on women, in order to inform policy decisions. In October 2021, USTR requested that USITC conduct an investigation on the potential distributional effects of goods and services from trade and trade policy on U.S. workers by skill, wage, salary level, gender, race/ethnicity, age, and income level.⁶⁹ In response, USITC published a Federal Register notice in November 2021 stating that it will conduct a two-part investigation, of which the first part will result in a public report about distributional effects on under-represented and under-served communities of trade and trade policy.⁷⁰ The second part of the investigation will consist of USITC expanding its research and analysis capabilities so that future probable economic effects studies include estimates of the distributional effects of trade and trade policy, including goods and services exports and imports, on U.S. workers.

USITC has been limited in its ability to report on the effects of trade on women because trade data are not disaggregated by sex and the data that are disaggregated are not linked to data that would allow for the assessment of the effect of trade on workers. According to USITC officials, a limited amount of sex-disaggregated data is collected, and they have experienced challenges obtaining data that do exist. USITC

⁶⁷See David H. Autor, David Dorn, Gordon H. Hanson, and Jae Song, "Trade Adjustment: Worker-Level Evidence," *The Quarterly Journal of Economics* (2014): 1799–1860.

⁶⁸19 U.S.C. § 4204(f)(2). This law required USITC to assess the economic impact on the United States of all trade agreements for which Congress has enacted an implementing bill under trade authorities' procedures since 1984.

⁶⁹USTR, Ambassador Katherine Tai (Washington, D.C.: Oct. 14, 2021).

⁷⁰Distributional Effects of Trade and Trade Policy on U.S. Workers, 86 Fed. Reg. 67,970 (Nov. 30, 2021).

generally depends on data collected by other agencies to meet its reporting responsibilities, but, according to USITC officials, does not have access to some existing data sources that could help it conduct a more robust analysis of the effects of trade agreements on women. For example, the Social Security Administration, U.S. Bureau of Economic Analysis, and U.S. Bureau of Labor Statistics collect data from firms and individuals that could help USITC learn more about the effects of trade on women, according to USITC officials. Even if the data are not disaggregated by sex, USITC officials stated that they could link such data to other available sex-disaggregated survey data to allow for additional analysis that does not require them to rely on as many assumptions. However, the officials said these agencies have controls in place to protect data, and these controls restrict access. The officials also said that while a process exists to make a research proposal and seek access, it is time-consuming to pursue and could involve obtaining permissions from sub-federal governments such as states. Federal agencies like USITC have been further constrained because they typically face tight statutory deadlines that can preclude the ability to navigate access restrictions they face because of determinations about privacy requirements, according to USITC officials. Nevertheless, USITC's June 2021 report on the impact of U.S. trade agreements included limited analysis on the effects of trade on women. To report on the information that it included in its study, USITC conducted a labor-intensive analysis of a single year of Current Population Survey (CPS) data from the U.S. Census Bureau, according to the officials.

USTR and USITC are taking steps to better understand the data limitations that exist for assessing the impact of trade on women and other underrepresented groups. As part of USTR's October 2021 request for USITC to assess the impact of trade, USTR requested that USITC identify any data limitations that, if removed, could substantially expedite analysis or allow for improved analysis. Already, USITC has held roundtable discussions on discrete groups such as women, and a 2-day symposium that featured a full day's discussion among statistical agencies and researchers on data that are or could be made publicly available for analysis. Additionally, in a September 2021 letter, some members of Congress asked USITC to comment on data limitations that may have affected the extent of analysis in its June 2021 report on the impact of U.S. trade agreements. In response, USITC officials said that they are in the process of further examining how data constraints affect their ability to conduct analysis of the impact of trade on women and other groups. According to USITC officials, this is an important step toward

addressing the limitations that they have previously faced in conducting such analysis.

The limited availability of data that can link gender with the effects of trade and trade policy is a challenge that some other countries and trade-related organizations are also facing. For example, Chilean and Indonesian government officials that we interviewed said that many countries, including their own, lack trade data that are disaggregated by sex. When data on women's participation in trade are collected, they are not collected systematically enough to assess the impact of trade agreements on women, according to the officials. In addition, an official from the Economic Commission of Latin America and the Caribbean stated that this data work has only recently been prioritized, despite the 1995 Beijing Declaration and Platform for Action calling for nations to collect gender-disaggregated data on all aspects of economic activity. According to officials from the United States, Chile, and some multilateral organizations, a country that has made progress in assessing the impact of trade on women is Canada. Canadian officials have conducted *ex ante* and *ex post* evaluations of the effects of its trade agreements on women, and shared information at trade conferences about their efforts. However, Canadian officials stated that a comprehensive international assessment of trade's impact is still challenging because many countries do not collect sex-disaggregated trade data and countries collect data differently, which makes cross-country comparisons difficult. According to USITC officials, however, some countries such as Denmark and Brazil collect data linking employee and employer data that could be useful in assessing the effects of trade on workers in those countries, including women.

Academics and Trade Experts Have Identified Several Ways Trade Has Benefited Women, Including from U.S. Trade Agreements and Preference Programs

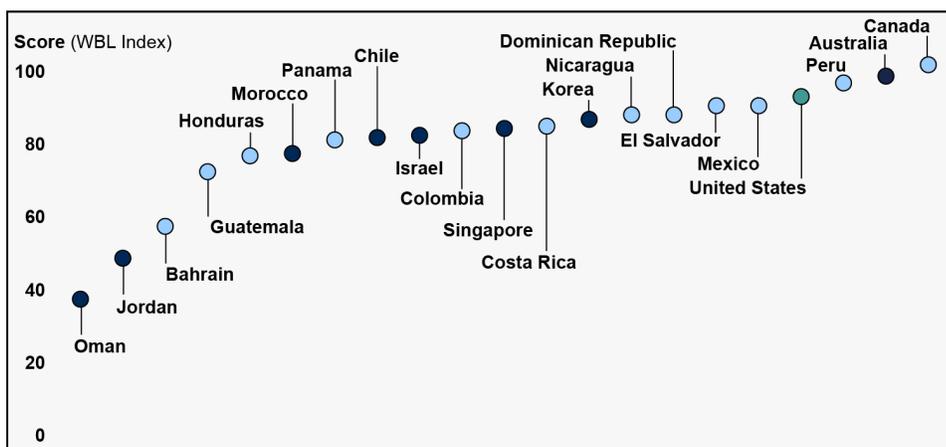
Academic researchers, international trade-related organizations, and some foreign government agencies have conducted studies, based on the data available to them, and found that many women in the United States and abroad enjoy benefits from trade in various parts of their lives.

We previously reported that several multilateral organizations had developed indexes tracking indicators that quantify women's economic opportunities across different countries.⁷¹ For example, the World Bank's *Women, Business and the Law* (WBL) report included an index that tracked indicators from September 2019 to October 2020 for 190 economies. Countries that have FTAs with the United States had scores ranging from about 36 to 100 out of 100 in the 2021 WBL, as shown in

⁷¹[GAO-21-190](#).

figure 6. According to the 2021 WBL report, the United States had a score of about 91. For more information on the WBL index, including the scores of countries that have TIFAs with the United States, see appendix IV.

Figure 6: The United States' and Its Free Trade Agreement Partner Countries' Scores on the Women, Business and the Law (WBL) Index in 2021



Legend: FTA = Free Trade Agreement.

- Countries with explicit protections of women's rights and economic interests in their FTA
- Countries without explicit protections of women's rights and economic interests in their FTA
- United States

Source: GAO analysis of U.S. free trade agreements and presentation of World Bank information. | GAO-22-104711

Another index, the World Economic Forum's Global Gender Gap Index 2021, tracks progress on relative gaps between women and men in health, education, and politics for 156 countries. According to this index, scores for countries that have FTAs with the United States indicate gender gaps ranging from 20 to 39 percent.⁷² The score for the United States indicates a 24 percent gender gap across the index's health, education, and politics indicators.

We also reviewed 37 articles—22 reports or working papers and 15 published academic studies—that included a quantitative evaluation of

⁷²The scores for countries that have FTAs with the United States range from 0.61 to 0.80, which means that the countries have been able to "close" between 61 percent and 80 percent of the gap between women and men across the indicators measured by the index.

Trade Has Contributed to Increased Women's Employment, Wages, and Participation in Formal Work

how trade has affected women across multiple dimensions of their lives.⁷³ We also identified examples of the effects of trade related to these dimensions in our interviews with agency officials. These studies and officials found that trade agreements and preference programs may increase women's employment, workforce participation, and pay in certain sectors, among other benefits.

According to over 20 studies we reviewed, women's employment and workforce participation increase as trade increases.⁷⁴ USITC's June 2021 report modeled the impact of U.S. trade agreements on men and women in the United States. It estimated that, of all women workers in the United States, college-educated women working in the management, business, and science sector had the largest employment gains because of U.S. trade agreements (see fig. 7).⁷⁵ USITC estimated that although women's employment had increased in many sectors, the increase in full-time employees had been greater for men than women in most sectors. However, women in the services and sales sectors saw greater employment gains than men.

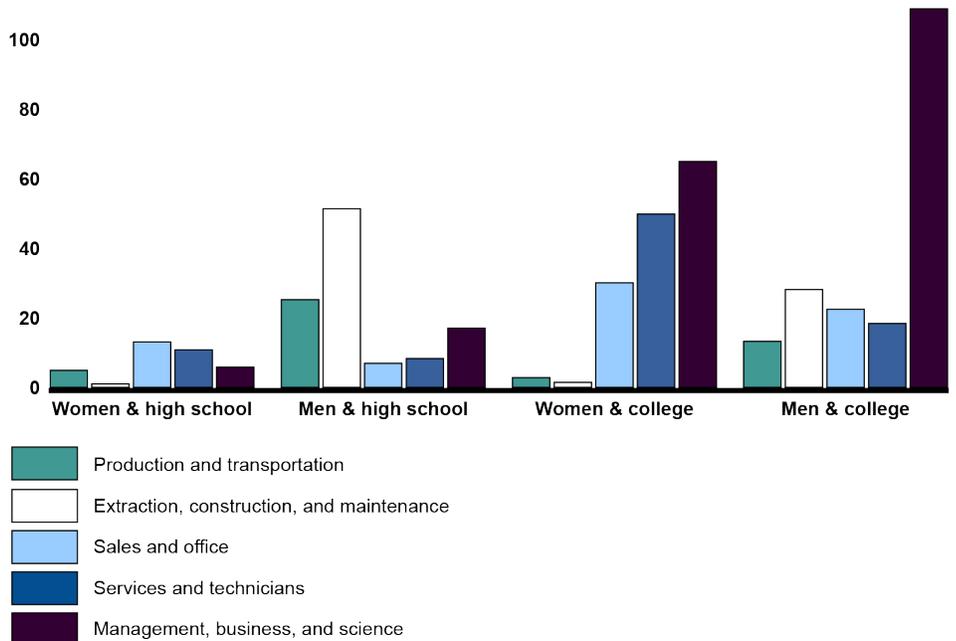
⁷³See appendix II for the list of reports, working papers and studies we reviewed. In our previous report, we identified a list of eight dimensions that are tracked in several multilateral organizations' indexes and illustrate the various ways in which women can be affected by trade agreements. See [GAO-21-190](#).

⁷⁴According to one study we reviewed, under some conditions, trade expansion may lead to decreases in women's workforce participation. For example, an increase in exports in Indonesia was shown to drive a decline in workforce participation of married women when a relative increase in spousal income made it more cost-effective for women to replace employment with home-related work. Additionally, according to the literature, a country's labor laws may also affect women's ability to work certain hours and in certain jobs.

⁷⁵According to USITC information, the higher gains in the management, business, and science sector are a result of a higher demand for employees in the economy in this sector. The USITC report also noted that overall employment gains for workers of a given labor type masked considerable heterogeneity across sectors. For example, college-educated men employed in management, business, and science occupations experienced large losses in employment in the heavy manufacturing sector, but these losses were more than offset by employment gains in the other services sector. See U.S. International Trade Commission, *Economic Impact of Trade Agreements Implemented Under Trade Authorities Procedures, 2021 Report*, 5199 (Washington, D.C.: June 2021).

Figure 7: U.S. International Trade Commission (USITC) Estimates on the Effect of U.S. Trade Agreements on U.S. Levels of Employment by Gender, Occupation, and Education Level, Using 1984–2017 Data

Number (of increase in full-time employees in thousands)
120



Source: GAO presentation of USITC data and analysis. | GAO-22-104711

Other studies found that trade agreements established by other countries also increased employment and wages for women in those countries. For example, a study of regional trade agreements among South Asian countries developed a model that found a positive effect on women’s employment and wages in green sector jobs.⁷⁶ Specifically, the study found that in Bangladesh and Bhutan, most of the sectors in a green economy that benefit from free trade agreements are female-dominated,

⁷⁶M. Mani, B. N. Gopalakrishnan, and D. Wadhwa, *Regional Integration in South Asia: Implications for Green Growth, Female Labor Force Participation, and the Gender Wage Gap* (Washington, D.C.: January 2020). According to the study, there is no commonly accepted definition of “green sector jobs” that exists globally. For this study, jobs were considered “green” if labor is employed by industries that produce only low CO2 emissions or if the jobs are involved in industries that produce goods and services whose direct purpose is to reduce CO2 emissions.

and the growth facilitated by regional FTAs was concentrated in those sectors.

According to a USTR report, U.S. trade preference programs have helped increase employment for women in some program beneficiary countries. For example, USTR reported in 2016 that GSP had helped create employment opportunities for women in, among other sectors, Tunisia's olive oil industry, Cambodia's bicycle industry, and the Philippines' insulated beverage bag industry. It also reported that the Caribbean Basin Economic Recovery Act had led to increased employment, especially in Haiti's apparel industry, in which 65 percent of workers are women.⁷⁷ According to the report, industry sources in Haiti assert that without the trade preferences, there would be no apparel industry in Haiti.

The studies we reviewed about the impact of U.S. trade agreements estimated that trade results in overall increased wages for U.S. men and women, but the studies estimated mixed effects on women's wages by sector and industry. USITC's June 2021 report estimated that U.S. trade agreements resulted in small increases in real wages for U.S. men and women workers in general, but also estimated that men saw slightly higher gains than women in certain sectors (see fig. 8).⁷⁸ In addition, it estimated that increased wages for a certain sector or gender were not always associated with an equally robust increase in full-time employees. In a working paper, USITC staff used models that estimated that U.S. trade agreements have generally benefited American workers and that women benefited slightly more than men, both in terms of wages and employment.⁷⁹ The biggest beneficiaries were women with below-average skill level, who saw the largest (albeit still small) wage increases as a result of U.S. trade agreements. A previous USITC working paper that did not focus on trade agreements had estimated that even after

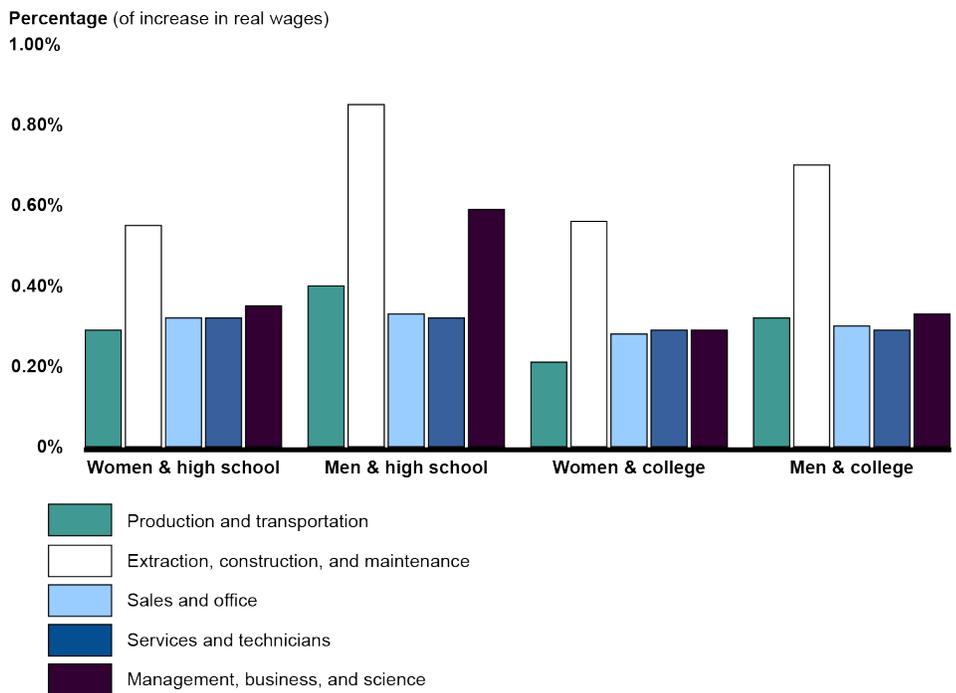
⁷⁷Office of the U.S. Trade Representative, *U.S. Trade Preference Programs: Reducing Poverty and Hunger in Developing Nations Through Economic Growth* (Washington, D.C.: June 2016).

⁷⁸The model in the USITC report assumes that men are less responsive to wage changes than women, so a higher increase in wages is required to induce them to enter the labor market than female workers for the same occupation.

⁷⁹T. Gurevich, D. Riker, and M. Tsigas, *Trade Policy and Gender: Examination of Gender and Sector-Specific Outcomes* (Washington, D.C.: July 2021). According to USITC officials, USITC working papers are the result of ongoing professional research of USITC staff and are solely meant to represent the opinions and professional research of individual authors, not the views of the USITC or any of its individual Commissioners.

controlling for observable human capital, demographic, and location factors, there remains a significant difference in earnings between industries that are export-intensive and industries that are not, and that the export-earning premiums are much larger for female workers than for their male counterparts.⁸⁰ However, both papers examined CPS data and found that a gender wage gap persisted. For example, using 2016 CPS data, one of the papers found that women were paid about 30 percent less than men in export-intensive and other manufacturing industries.⁸¹

Figure 8: U.S. International Trade Commission (USITC) Estimates on the Effect of U.S. Trade Agreements on U.S. Real Wages by Gender, Occupation, and Education Level, Using Data from 1984–2017



Regarding the effects of trade on women in other countries, a study using firm-level data from the country of Georgia to model the effects of export

⁸⁰T. Gurevich and D. Riker, *Exporting and Gender Earnings Differentials in the U.S. Manufacturing Sector* (Washington, D.C.: November 2018).

⁸¹T. Gurevich and D. Riker, *Exporting and Gender Earnings Differentials in the U.S. Manufacturing Sector*.

growth relative to domestic sales on the labor market and average wages estimated that the act of exporting increases women's employment levels but reduces overall average wages and female wages. It found that a 10 percent increase in the share of sales that are exported caused women's employment levels to increase by 1.2 percent and women's wage levels to decrease by 1.5 percent.⁸² The authors suggest that, based on findings in the World Bank and WTO report, these lower wages may be because women are overrepresented in low-wage sectors. Therefore, an increase in workers in those sectors may not correspond with an increase in wages.

Trade decreased wage disparities between women and men by supporting women's movement from informal to formal employment, but more women than men still tend to work in informal jobs that are lower paying and less skilled. For example, a World Bank and WTO report found that in both developing and emerging economies, workers in sectors with higher levels of exports are more likely to be employed formally, which provides more opportunities for benefits and training, and job security.⁸³ Specifically, it found that the probability of women working in informal roles was reduced by 7 percentage points (20 percent vs. 13 percent) from sectors with low levels of exports to sectors with high levels of exports, and that women's probability of working in informal roles decreased more than men's. Also, a study on labor market outcomes after an export-oriented shock in South Asia found that increases in exports were associated with decreases in women working in informal jobs in India.⁸⁴

Trade Has Increased Opportunities for Women Entrepreneurs

According to one study we reviewed, as well as officials from USAID, increased trade can positively affect female entrepreneurship. The study, on trade in Middle Eastern and North African countries, found that women are more likely to be business owners in countries in those regions with a higher concentration of women as workers, and that the negative effect of legal constraints is less important than employment in female-dominated

⁸²C. Hollweg and A. Lopez, *Exporting and Female Labor Market Outcomes in Georgia* (Washington, D.C.: October 2020).

⁸³World Bank and World Trade Organization, *Women and Trade: The role of trade in promoting gender equality* (Washington, D.C.: 2020).

⁸⁴E. Artuc, G. Lopez-Acevedo, R. Robertson, and D. Samaan, *How Export Shocks Affect Local Labor Markets in Exports to Jobs: Boosting the Gains from Trade in South Asia* (Washington, D.C.: 2019).

Technology Has Helped Women Access the Benefits of Trade

sectors.⁸⁵ According to USAID officials, for example, trade agreements have helped women-owned businesses access global supply chains. The officials stated that income increases for women's businesses that enter global supply chains and that market access opportunities are much greater if women's businesses supply larger companies that are in a better position to export. Benefits can include lower input costs, which lower the overall cost of doing business, and increased profits. The officials said that in countries that already have the mechanics and infrastructure for trade in place, women-owned businesses are able to benefit immediately, while women-owned businesses in other countries or regions are less able to benefit.

Two studies we reviewed found that technology has provided increased opportunities for women to benefit from trade. One study modeled the effect of trade liberalization on exporting firms' decisions to upgrade their technology and the resulting effect on women's employment and wages in those firms.⁸⁶ It found that NAFTA-related tariff reductions caused more firms to enter the export market, update their technology, and replace male blue-collar workers with female blue-collar workers.⁸⁷ These changes improved women's workforce participation and wages in blue-collar jobs, but made no difference in white-collar jobs.

The previously mentioned World Bank and WTO study also found that technology and the use of e-commerce reduces information and transaction costs associated with cross-border trade. For example, online access to market information can decrease regional differences in pricing in developing countries, which benefits women entrepreneurs, who may be less mobile and more likely subject to higher prices in remote markets. The study also found that e-commerce platforms can match buyers and sellers and provide e-payment solutions, removing the need for in-person

⁸⁵S. Contessi, F. de Nicola, and L. Li, "International Trade, Female Labor, and Entrepreneurship in MENA Countries," *Federal Reserve Bank of St. Louis Review*, vol. 95, no. 1 (January/February 2013), 89-114.

⁸⁶C. Juhn, G. Ujhely, and C. Villegas-Sanchez, "Men, women, and machines: How trade impacts gender inequality," *Journal of Development Economics* 106 (2014), 179-193.

⁸⁷According to the study, "New technologies involve computerized production processes and lower the need for physically demanding skills. As a result, the relative wage and employment of women improves in blue-collar tasks, but not in white-collar tasks." Juhn, Ujhely, and Villegas-Sanchez, "Men, women, and machines: How trade impacts gender inequality," p. 179.

interactions and reducing difficulties women business owners face related to mobility constraints, discrimination, and gender-based violence.⁸⁸

Trade Has Benefited Women in Their Role as Consumers

Trade can help lower the cost of goods for women, especially those in lower-income households. For example, one study of how trade and trade policies affect women in OECD countries found that lower trade barriers between countries increased consumers' purchasing power. This, in turn, had positive effects on lower-income households, which the study said are disproportionately headed by women who are single parents and spend a greater share of their disposable income on consumer goods.⁸⁹ The World Bank and WTO study found that trade liberalization in services can improve access to lower-priced and higher quality services, which is likely to benefit women consumers more than men because it can help them overcome the barrier to access finance or digital technologies.

Trade Has Contributed to Women's Health

According to five studies we reviewed, trade may be associated with positive health impacts for women, particularly in some developing countries. One study on the effects of U.S. trade preference program AGOA on infant mortality in sub-Saharan Africa observed different children of the same mother conceived before and after AGOA was implemented. It found that the increased employment opportunities for women working in export-oriented agriculture or industries requiring low-skilled manual labor, as a result of AGOA, translated into increased income, which may have positively affected the health of their children.⁹⁰ That study found that AGOA reduced infant mortality by about 9 percent of the sample mean and the positive effects of AGOA were stronger in countries that export agricultural and mineral goods rather than oil.

Another study found a correlation between trade, foreign direct investment (FDI), and women's HIV rates. The study found that trade and FDI have differential impacts on women's HIV rates, while FDI associated with trade comes with technology spillovers. Such spillovers have given female workers the opportunity to acquire knowledge and skills, thereby increasing female employment, according to the study. The increase in

⁸⁸World Bank and World Trade Organization, *Women and Trade*.

⁸⁹Korinek, et al., *Trade and Gender: A Framework of Analysis*. USTR officials noted that trade preference programs have helped reduce poverty and hunger in some developing countries.

⁹⁰P. Panda, "Does trade reduce infant mortality? Evidence from sub-Saharan Africa," *World Development*, vol. 128 (2020).

Women's Political
Empowerment Has Increased
and Focused Attention on the
Effects of Trade on Women

female labor force participation correlated with a decrease in women's HIV rates.⁹¹

According to some of the literature we reviewed, as well as some agency officials, trade has assisted in improving women's political empowerment and participation in decision-making processes and focused attention on barriers facing women. One study found that increasing access to the internet is one positive effect from globalization that has enabled women's political empowerment, especially in middle income countries.⁹²

According to some U.S. agency officials and a multilateral organization report, political empowerment of women has influenced efforts to focus attention on women's rights and economic interests. DOL officials said that increases in women's access to positions of leadership in politics and trade unions positively impact equality and equity. Furthermore, according to the World Bank and WTO report, the ability of formal workers to organize into trade unions further strengthens their positions in challenging barriers that limit women's access to formal jobs in many countries.

There is some evidence that countries with U.S. trade agreements have higher than average levels of female political representation. In its Women and the Economy Dashboard 2019, APEC reported on levels of representation in political decision-making for women, as indicated by the proportion of women in ministerial positions, the proportion of seats held by women in parliament, and women's parity with men in political decision-making.⁹³ For APEC economies with FTAs with the United States, APEC reported slightly higher levels of political decision-making roles for women than for APEC economies as a whole, with levels at 23 percent as compared to 20 to 22 percent, from 2008 to 2018, respectively. APEC noted that representation in political decision-making

⁹¹Y. Kim, "Globalization and women's HIV," *International Journal of Health Planning Management*, vol. 34 (2019).

⁹²E. Alves and A. Steiner, "Globalization, Technology and Female Empowerment: Breaking Rights or Connecting Opportunities?" *Social Indicators Research*, vol. 133 (2017).

⁹³Asia-Pacific Economic Cooperation Policy Support Unit, *APEC Women and the Economy Dashboard 2019* (2019).

is important because insufficient legislation and political barriers restrict women's opportunities.

According to the literature we reviewed and agency officials, trade agreements and trade policies can also increase awareness of sex discrimination and inequities. The World Bank and WTO report found that openness to trade in countries was positively correlated with gender equality and women's legal rights—countries that discriminate against female workers are less competitive and have less diversification and innovation of produced and exported goods.⁹⁴ Additionally, a worldwide study on women's economic rights found that countries are more likely to respond to improvements in laws on women's economic rights among their economic competitors by making similar policy changes.⁹⁵ For example, Chilean government officials stated that one of the primary benefits of including a stand-alone chapter on gender in its trade agreements has been the increased visibility it grants gender considerations in trade-related negotiations with Chile's trade partners.

Several Barriers Persist in Limiting Women's Access to the Benefits of Trade

Despite the positive effects of trade on many women, studies show that women generally still face a range of barriers that can limit their ability to enjoy the benefits of trade. These barriers, which men face less often, are related to access to education and financial services, discriminatory cultural practices, and gender-based violence.

Barriers to Accessing Financial Services and Professional Networks Limit Some Women's Capacity to Benefit from Trade

Studies we reviewed and experts we interviewed suggested that barriers in accessing resources, such as financial services and professional networks, have limited some women's capacity to benefit from trade. The World Bank and WTO report found that women have limited access to financial services and, thus, many women are less able to finance the training and education needed to obtain the skills that trading firms require.⁹⁶ It noted that in 2014 women's access to basic financial services was 7 percentage points less than men's, globally. Chilean government officials stated that in Chile, women say they need more access to professional networks as well as help to build their exporting plans and overcome gaps in market and export-related information.

⁹⁴World Bank and World Trade Organization, *Women and Trade*.

⁹⁵Z. Wang, "Bringing the State Back In': Explaining Women's Economic Empowerment in an Era of Globalization," *Political Studies*, vol. 66, no. 4 (2018).

⁹⁶World Bank and World Trade Organization, *Women and Trade*.

Lack of Education Limits Women's Capacity to Participate in Trade in Some Lower-Income Countries

One study found that, in some countries, girls disproportionately have less access to education than boys, which limits their ability later as women to participate in trade. Specifically, the World Bank and WTO report found that women in some countries face barriers to accessing education because parents who have limited funding for schooling tend to prioritize their boys, keeping their girls out of school.⁹⁷ It found that while women's education rate has generally increased over time, women in lower-income countries have lower rates of education than men because the perceived opportunity cost of schooling outweighs potential returns to education.

Studies Found That Social Norms, Discriminatory Laws, and Associated Financial and Educational Differences Limit Women's Access to the Benefits of Trade

According to more than 10 studies we reviewed and officials from U.S. agencies and multilateral organizations we interviewed, women's access to the benefits of trade has been affected by social norms and discriminatory laws. For example, a study of the gender-specific effects of exports on labor force participation in Indonesian households found that where an increase in exports results in an increase in the husband's income relative to the wife's, women's participation in the workforce declines. Specifically, it found that exports encourage women in Indonesia to substitute their time away from paid work toward unpaid house or family work because the relative increase in spousal income from exports by male members of their households allows women to devote more time to home-related work.⁹⁸

Women also face other barriers related to trade as a result of social norms related to the multiple roles they play in society, especially in regard to their responsibilities to home and family. A study of small-scale, cross-border traders and brokers in Cambodia and Lao PDR examined the unique challenges female traders face, especially related to taxation and infrastructure. The authors found that women traders face more time constraints than men because they are expected to take care of the household in addition to their job. In addition, poor transportation infrastructure can result in traffic jams that disproportionately affect women given these demands. The study found that women are also

⁹⁷World Bank and World Trade Organization, *Women and Trade*.

⁹⁸T. Chesnokova, J. Rupa, and N. Sim, "Gender specific effects of exports on work decisions in Indonesia," *The Journal of International Trade & Economic Development*, vol. 28, no. 6 (2019).

subject to higher informal taxes as negotiations and multiple payments take time.⁹⁹

Barriers related to laws restricting women's ability to manage assets also limit women's ability to participate in and benefit from trade, according to studies we reviewed. For example, the World Bank and WTO report found that some countries legally require married women to have the permission of their husbands to leave their home or work outside the home. APEC officials said that women in several countries face restrictions to starting and expanding businesses because of cultural biases that restrict women's access to capital. The World Bank and WTO report found that 47 of 121 countries studied limit women's access to property, which affects their leadership positions in business, and thus their ability to benefit from trade.¹⁰⁰ Further, authors of a World Bank report stated that removing legal restrictions for women in business can be an effective first step in ensuring that women have access to assets, among other resources, and are in positions to benefit from trade.¹⁰¹

Although it is reported that women's mobility is limited by discriminatory laws in some countries, the 2021 WBL Index showed that, for 20 countries with FTAs with the United States, most countries allowed women to access certain mobility rights in the same way as men (see fig. 9). According to the WBL, however, two countries with an FTA with the United States (Bahrain and Jordan) provided women access to only some of the mobility rights measured by the WBL indicators, and women in one U.S. FTA partner country (Oman) did not have mobility rights equal to those of men for any of the indicators measured.¹⁰²

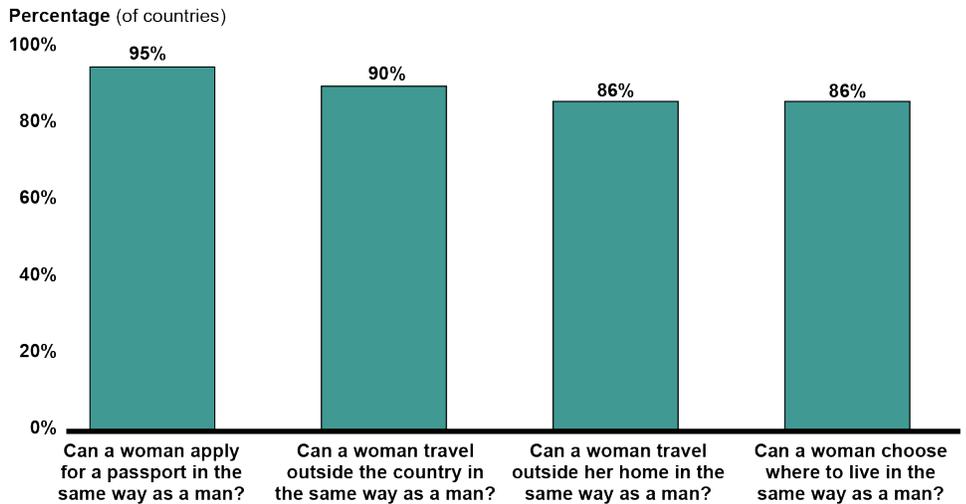
⁹⁹M. Seror, R. Record, and J. Clarke, *Glass Barriers: Constraints to Women's Small-Scale Cross-Border Trade in Cambodia and Lao PDR* (World Bank Group: Washington, D.C.: 2017).

¹⁰⁰World Bank and World Trade Organization, *Women and Trade*.

¹⁰¹World Bank Group, *Trading for Development in the Age of Global Value Chains* (Washington, D.C.: 2020).

¹⁰²World Bank, *Women, Business and the Law Index 2021*.

Figure 9: Percentage of U.S. FTA Partner Countries Where Women’s Mobility Rights Match Men’s across Related Indicator Data in the World Bank’s Women, Business and the Law Index 2021



GAO analysis of World Bank information. | GAO-22-104711

Note: This figure includes data for the United States and other countries with Free Trade Agreements (FTA) with the United States.

APEC’s *Women and the Economy Dashboard 2019* tracked 95 indicators for APEC economies from 2008 to 2018 and showed that women and men in most APEC economies with a U.S. FTA scored equally across the indicators in the capital and assets area. These components included rights to property and inheritance for married and unmarried women and men. For women’s access to capital and assets, all but one of the APEC economies with a U.S. FTA had equality between men and women for all four components that were used to determine a score.

The Tariff Burden on U.S. Consumers Can Affect American Women and Men Differently

Recent research suggests that women consumers can face economic effects of trade that are different from the effects men face. Specifically, a USITC working paper found that women in the United States experience a higher tariff burden than men because of higher average U.S. tariff rates on women’s apparel and because U.S. consumers spend twice as much on women’s clothing as men’s.¹⁰³ The working paper, which examined the distribution of the tariff burden among U.S. households of different incomes and consumers of different sexes, found that the tariff

¹⁰³A. Gales, T. Gurevich, S. Shikher, and M. Tsigas, *Gender and Income Inequality in the United States Tariff Burden*. U.S. International Trade Commission, Economics Working Paper Series 2018–08–B, Washington, D.C.: August 2018.

Gender-Based Violence Prevents Many Women from Accessing the Benefits of Trade

burden of women's apparel was twice that of men's apparel and that the gender gap in the apparel tariff burden grew by about 11 percent between 2006 and 2016. Apparel products were responsible for about 75 percent of the total tariff burden because women's apparel faced higher tariffs than men's and consumers spent more on women's clothing.

According to the literature we reviewed and agency officials, women face barriers to engaging in economic activity, including trade, because of gender-based violence. An UNCTAD manual on trade and gender stated that gender-based violence inhibits women from working and retaining their income, receiving some of their spouse's income, accessing education, and benefiting from mobility rights.¹⁰⁴ This lack of security makes it difficult for women to access the benefits of trade. USAID officials said, however, that in their experience in developing countries, the situation is more complex. On the one hand, increased economic empowerment of women has sometimes been a contributing factor in cases of gender-based violence. On the other hand, when women are empowered by participation in trade as workers or entrepreneurs, some have been able to escape abusive situations.

U.S. Agencies, Other Countries, and Multilateral Organizations Have Taken Steps to Reduce Barriers Women Face Related to Trade

Efforts are underway domestically and abroad to help ensure that the effects of trade on women are more fully understood and the barriers that inhibit women's participation in and benefits from trade are overcome. In 2021, U.S. agencies issued guidance regarding reducing the barriers that women face related to trade. For example, the 2021 *President's Trade Policy Agenda*, issued by USTR, includes plans to promote women's economic empowerment.¹⁰⁵ Further, according to USTR officials, the agency is reviewing existing programs to evaluate their effect on women. The President issued an Executive Order to establish a White House Gender Policy Council to coordinate federal government efforts to advance gender equity and equality.¹⁰⁶ In October 2021, the White House

¹⁰⁴United Nations Conference on Trade and Development, *Trade and Gender Linkages: An Analysis of Central America: Teaching Material on Trade and Gender: Module 4D* (2020).

¹⁰⁵Office of the U.S. Trade Representative, *2021 Trade Policy Agenda and 2020 Annual Report of the President of the United States on the Trade Agreements Program* (March 2021).

¹⁰⁶Executive Order No. 14,020 (2021).

issued a *National Strategy on Gender Equity and Equality*.¹⁰⁷ This strategy noted data gaps and stated that the White House would support collection and analysis of sex-disaggregated data for all programs. Additional steps have been taken so far in 2022. On March 1, 2022, USTR released the *2022 President's Trade Policy Agenda and 2021 Annual Report on the President's Trade Agreements Program*, which includes a continued commitment to advancing gender equity in trade and investment policy. In addition, the *2021 Annual Trade Report* includes a new "Trade and Gender" section under "Other Trade Activities." On the same day, USTR also published its *Fiscal Year 2022-2026 Strategic Plan*, which incorporates racial and gender equity into the agency's mission, strategic goals, and objectives.

U.S. agencies have undertaken some specific initiatives to reduce barriers that women face in trade. For example, USTR officials said they had engaged in activities with trading partners to ensure that workers and SMEs benefit from trade policy. In June 2021, the administration announced plans to establish the Gender Equity and Equality Action Fund under USAID to advance economic security for women and girls abroad. According to DOL officials, in May 2021 DOL's Office of Trade and Labor Affairs established a stand-alone Monitoring and Evaluation Division that will assist the office in tracking the impact of its engagements on women. They noted that DOL-funded technical assistance projects already collect data on project performance indicators and in many instances are disaggregated by sex (e.g., number of male or female participants in a training). In addition, Commerce officials said its Trade Promotion Coordinating Committee Secretariat serves as the U.S. focal point for the APEC Small and Medium Enterprises Working Group and leads a series of women's economic empowerment projects. According to the officials, these include projects to, among other things, address systemic barriers that prevent women entrepreneurs from taking advantage of cross-border e-commerce opportunities.

Canada, Chile, and New Zealand are also among the countries advancing trade opportunities for women, according to officials from those countries. For example, Canadian officials said that since 1995, Canada has required all federal programs to assess their impact on women

¹⁰⁷The White House, *National Strategy on Gender Equity and Equality* (Washington, D.C.: Oct. 22, 2021), accessed Nov. 23, 2021, <https://www.whitehouse.gov/wp-content/uploads/2021/10/National-Strategy-on-Gender-Equity-and-Equality.pdf>.

through Gender-Based Analysis Plus (GBA+), an analytical process used to assess how different women, men, and gender-diverse people may experience policies, programs, and initiatives.¹⁰⁸ Canadian officials said that GBA+ has allowed for rigorous quantitative and qualitative analysis of the impact of policies on women. In addition, officials said that Canada, Chile, and New Zealand are advancing inclusive trade initiatives through the Inclusive Trade Action Group. Canadian officials stated that these countries have signed the Global Trade and Gender Arrangement (GTAGA) to establish mechanisms for planning and undertaking efforts to promote women’s participation in international trade. Canadian and Chilean officials said they are encouraging other countries to sign on and that other countries are considering doing so. According to Canadian officials, within the framework of the OECD ministerial meeting, Mexico signed on to the GTAGA.¹⁰⁹

Additionally, multilateral organizations have created various websites and tools to support women in trade and facilitate information sharing. For example, the International Trade Centre has developed an online platform in support of women in trade—the SheTrades Initiative¹¹⁰—for women-owned businesses, organizations, companies, and partners to connect, offer and source products and services, learn skills, and participate in workshops. This platform contains some sex-disaggregated data.¹¹¹ WTO has developed a Women and Trade page on its website that contains trade policy reviews and information on technical assistance, data collection, and programs in support of women in trade.¹¹² UNCTAD has developed a conceptual framework for assessing the impact of trade

¹⁰⁸According to the officials, it has been a policy of the government of Canada to conduct a GBA+ on all federal programs and policies seeking ministerial approval since Canada signed onto the Beijing Platform for Action of 1995, but that it was not strongly enforced until 2015.

¹⁰⁹As of February 2, 2022, the United States was not one of the countries that had signed on to this arrangement.

¹¹⁰International Trade Centre, *SheTrades Outlook*, accessed Feb. 9, 2022, <https://www.shetrades.com/outlook/resources/methodology>.

¹¹¹According to SheTrades Outlook, data were collected from the World Bank, UNESCO, UNStats, World Economic Forum, IPU, and WTO. Data were also collected through semi-structured questionnaires administered to national institutions and organizations in each country. See <https://www.shetrades.com/outlook/home>.

¹¹²World Trade Organization, *Women and Trade*, accessed February 9, 2022, https://www.wto.org/english/tratop_e/womenandtrade_e/womenandtrade_e.htm.

agreements on women and partnered with some countries to undertake an assessment and draft a report.

Agency Comments, Third-Party Views, and Our Evaluation

We provided a draft of this report to the Departments of Commerce, Labor, State, and the Treasury; USAID; USITC; USTR; and the governments of Canada, Chile, and Indonesia for review and comment. USAID provided written comments, which are reproduced in appendix V. We received technical comments from Commerce, DOL, USITC, USTR, and the governments of Canada and Chile, which we incorporated as appropriate. The remaining agencies and governments did not provide comments. USAID acknowledged that the report recognized the role that USAID has played in trade capacity building and addressed the linkages between gender-based violence, trade, and women's economic empowerment.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to the appropriate congressional committees; the Secretaries of the Departments of Commerce, Labor, State, and the Treasury; the Administrator of USAID; the Chairman of USITC; the U.S. Trade Representative; and other interested parties. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-4409 or lovel@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix VI.



Latesha Love
Director, International Affairs and Trade

Appendix I: Objectives, Scope, and Methodology

Our objectives were to examine (1) what, if any, protections of women’s rights and economic interests U.S. trade agreements contain, and how gender-specific provisions in U.S. trade agreements compare to those in selected other countries’ trade agreements; (2) whether selected U.S. government agencies monitor and report on trade agreements’ provisions pertinent to women’s rights and economic interests, and the extent to which they have enforced labor provisions in free trade agreements (FTA); and (3) the effects of trade, including U.S. trade agreements and preference programs, on women, and what is being done by U.S. agencies as well as others to help ensure women’s access to the benefits of trade.

To address the first objective, we analyzed U.S. FTAs and Trade and Investment Framework Agreements (TIFA) to identify any gender-specific or other relevant provisions in the agreements that protect or promote women’s rights and interests.¹ We then compared them to similar information that had been developed by the World Trade Organization (WTO) Secretariat for other countries’ trade agreements with gender-specific provisions.²

We also interviewed U.S. agency officials from the Departments of Commerce, Labor (DOL), State, and the Treasury; Office of the U.S. Trade Representative (USTR); and U.S. Agency for International Development (USAID) to determine which provisions they deem relevant to protecting or promoting women’s rights and interests pertinent to trade agreements. We also asked agency officials how, if at all, women are protected or promoted by provisions in U.S. FTAs or TIFAs to ensure we included any provisions they identified in our analysis.

Additionally, we selected three case study countries—Canada, Chile, and Indonesia—to seek non-U.S. perspectives on the impact of U.S. trade agreements on women and to describe how the impact of U.S. trade agreements compares to that of other countries’ trade agreements. We selected countries that (1) represented a range of types of trade

¹Our review of U.S. trade agreements focused on identifying what, if any, protections are afforded to women, both in the United States and in countries with free trade agreements with the United States.

²Throughout this report, we use the term “women” to describe the population affected by trade agreements and trade preference programs, according to the literature and data sources we use. However, these sources do not include information on all people who identify as a woman, regardless of gender identified at birth, or who do not identify as male or female, but experience these outcomes.

agreements with the United States, as well as geographic diversity, and (2) U.S. agency officials identified as either leading examples of protecting women's access to trade or recipients of capacity building activities to help address challenges related to women's rights and economic interests in the trade arena. We met with country officials and non-government officials to discuss what their countries have done to protect and promote women's rights and economic interests through their trade agreements. We also discussed the extent to which women face challenges or barriers to their participation in or enjoyment of the benefits of trade. Additionally, we discussed with Canadian and Chilean officials their inclusion of dedicated gender chapters in their trade agreements to determine how, if at all, the inclusion has improved women's rights and economic interests in their countries. We also discussed how Canada and Chile enforce their commitment with regard to gender-related provisions in their trade agreements. We used this information to determine what, if any, differences exist between the United States' and these selected countries' FTAs. This information is not generalizable.

To address the second objective, we reviewed 10 years of certain statutorily required reports on trade agreements to determine which reports include information pertinent to women's participation in trade. Specifically, we reviewed USTR *Annual Reports* from 2011 through 2020 and USITC annual *Year in Trade* reports from 2010 through 2019.³ To determine what information these reports contained that was pertinent to women's rights and economic interests in trade, we searched the reports for references to the following relevant terms: "women," "woman," "gender," "girl," "girls," "maternal," "maternity," "sex," "sexual," and "sexual harassment." We reviewed the identified references to the key terms to determine what, if any, references provided substantive information about the status of women in partner countries. We also interviewed U.S. agency officials to obtain information on their processes and policies for monitoring country compliance with U.S. trade agreements. In addition, we reviewed DOL's *Findings on the Worst Forms of Child Labor* and State's *Country Reports on Human Rights Practices* annual reports to see what, if any, supplemental information they contain regarding barriers or challenges women face in U.S. partner countries.

In addition, to determine the extent to which U.S. agencies have enforced FTAs' labor provisions, we identified mechanisms for individuals or

³USTR's *Annual Reports* are part of its *President's Trade Policy Agenda and the Annual Report on the President's Trade Agreement Program* reports.

entities to request a review of a country's compliance with its obligations under a trade agreement, and collected and analyzed DOL documentation on alleged violations and agency resolution of cases. We also analyzed that alleged non-compliance with FTA labor provisions submissions to determine how many of the accepted submissions with reports issued were related to women. Additionally, we examined DOL's Office of Trade and Labor Affairs database, which contains submissions of alleged non-compliance of partner countries, and analyzed these submissions with reports issued to determine which of them included issues related to women.

To address the third objective, we reviewed two multilateral organizations' indexes identified in our previous report on women's rights and trade preference programs, conducted a literature review for relevant studies and reports, and interviewed agency officials and multilateral organizations.⁴ We used a list of eight indicators to group findings that we had identified in our previous report on the basis of our review of the literature and interviews.⁵

We reviewed the World Bank's 2021 *Women, Business and the Law* (WBL) report and used the index's country scores to determine how countries with U.S. FTAs scored. The WBL index uses 35 data points that are scored across eight indicators of four or five binary questions, with each indicator representing a different phase of a woman's life. The eight indicators tracked in the WBL index are Mobility, Workplace, Pay, Marriage, Parenthood, Entrepreneurship, Assets, and Pension. Indicator level scores are obtained by calculating the unweighted average of the questions within that indicator and scaling the result from 0 to 100. We also reviewed the World Economic Forum's (WEF) Global Gender Gap Index 2021 and examined how countries with U.S. FTAs scored on the index. The WEF index uses 14 data points that are scored across four indicators—economic opportunities, education, health, and political leadership. We identified scores for countries with U.S. FTAs for both the WBL and WEF indexes to see the range of country scores. We also reviewed explanations of the indexes, including relevant methodological information, in multilateral organizations' reports. In addition, we obtained and reviewed information and responses from World Bank officials about

⁴See GAO, *International Trade: Observations on Whether Women's Rights and Economic Interests Are Protected or Promoted by U.S. Trade Preference Programs*, [GAO-21-190](#) (Washington, D.C.: Dec. 9, 2020).

⁵[GAO-21-190](#).

how they collect and maintain the data in the WBL index. We also reviewed the WEF report methodology. We found the data in the WBL and WEF indexes sufficiently reliable for the purposes of our reporting objectives.

To conduct our literature search, we searched various databases, such as ProQuest, EBSCO, Scopus, Dialog, and OECD iLibrary, using search terms that included “gender,” “women,” and “trade” through multiple search iterations conducted from March 2021 through April 2021. By examining summary-level information, we identified 37 relevant studies issued by agencies and multilateral organizations from 2016 through 2021. Fifteen of these studies were articles from the literature, 10 were working papers, and 12 were reports from organizations. After reviewing each study and summarizing the key findings, we determined that all 37 studies quantitatively analyzed how trade programs or agreements affect women, to answer the objective.

We conducted a content analysis of the 37 studies to identify examples of trade’s impacts on several dimensions of women’s lives in both the United States and other countries. The dimensions refer to a list of eight facets of women’s lives that we developed on the basis of indicators that are tracked in several multilateral organizations’ indexes and illustrate the various ways in which women can be affected by trade agreements (see table 1).⁶ Our content analysis included a quantitative evaluation of how trade has affected women in one or more of these dimensions. We also interviewed agency officials to identify examples of such effects.

⁶[GAO-21-190](#).

Table 1: Dimensions Tracked by Multilateral Organizations That Are Pertinent to Women in Trade

Key dimension	Examples of indicators included in the dimensions
Mobility / civil liberties	Women's ability to travel outside the home, apply for a passport, access the judicial system, and maintain citizenship rights.
Workplace / workforce participation	Women's ability to get a job, not face gender discrimination or sexual harassment in employment, and retirement.
Pay / income / industry / occupation / worker rights	Women's ability to receive equal pay, work night hours, work jobs across industries and occupations, hold managerial positions, and take paid parenthood leave.
Entrepreneurship / access to credit	Women's ability to sign contracts; register a business; open an account; and access formal financial services, such as bank services and loans.
Assets / property rights	Women's ability to own property, inherit assets, have authority over assets during marriage, and value nonmonetary contributions during marriage.
Educational attainment	Women's literacy rate, enrollment in education, and expected years of education.
Physical integrity and health / survival / violence / reproductive health	Women's maternal mortality, ability to be head of a household, and ability to get divorced and remarry; and legal provisions on violence against women and harassment.
Political empowerment / policy development	Women in political positions, and an attitude toward women's political leadership and practices that would support more trade policies benefitting women.

Source: GAO analysis of World Bank, World Economic Forum, Organisation for Economic Cooperation and Development, and United Nations Development Program documents. | GAO-22-104711

We interviewed U.S. agency officials and government officials from Canada, Chile, and Indonesia, as noted above. We gathered some examples from these officials to use in our research and identified any relevant reports from the federal programs, including a report from USTR on trade preference programs. In addition, we interviewed officials from multilateral organizations and organizations representing women involved in trade, including the World Trade Organization, Organisation for Economic Co-operation and Development, Economic Commission for Latin America and the Caribbean, Asia-Pacific Economic Cooperation, International Labour Organization, Organization of Women in International Trade, and Women's Enterprise Organizations of Canada. We used this information to determine whether and how they had analyzed the impact of trade or trade agreements on women or how their efforts to address trade-related barriers for women compare with U.S. efforts.

We conducted this performance audit from January 2021 to May 2022 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that

the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Reports, Working Papers, and Studies from Literature Review

Alves, Elia Elisa Cia, and Andrea Quirino Steiner. "Globalization, Technology and Female Empowerment: Breaking Rights or Connecting Opportunities?" *Social Indicators Research*, vol. 133 (2017): 859-877.

Artuc, Erhan, Gladys Lopez-Acevedo, Raymond Robertson, and Daniel Samaan. *Exports to Jobs: Boosting the Gains from Trade in South Asia*. World Bank Group, Washington, D.C.: 2019.

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Filipski, Mateusz, J. Edward Taylor, and Siwa Msangi. "Effects of Free Trade on Women and Immigrants: CAFTA and the Rural Dominican Republic." *World Development*, vol. 39, no. 10 (2011): 1862-1877.

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Ghani, Ejaz, Arti Grover Goswami, Sari Kerr, and William Kerr. *Will Market Competition Trump Gender Discrimination in India?* Policy Research Working Paper 7814, World Bank Group: September 2016.

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Korinek, Jane, Evdokia Moïsé, and Jakob Tange. *Trade and Gender: A Framework of Analysis*. Organisation for Economic Co-operation and Development (OECD), OECD Trade Policy Paper, no. 246 (March 2021).

Li, Jing-Ping, Zheng-Zheng Li, Ran Tao, and Chi Wei Su. "How Does Trade Openness Affect Female Labours?" *International Journal of Manpower*, vol. 41, no. 4 (2020): 375-390.

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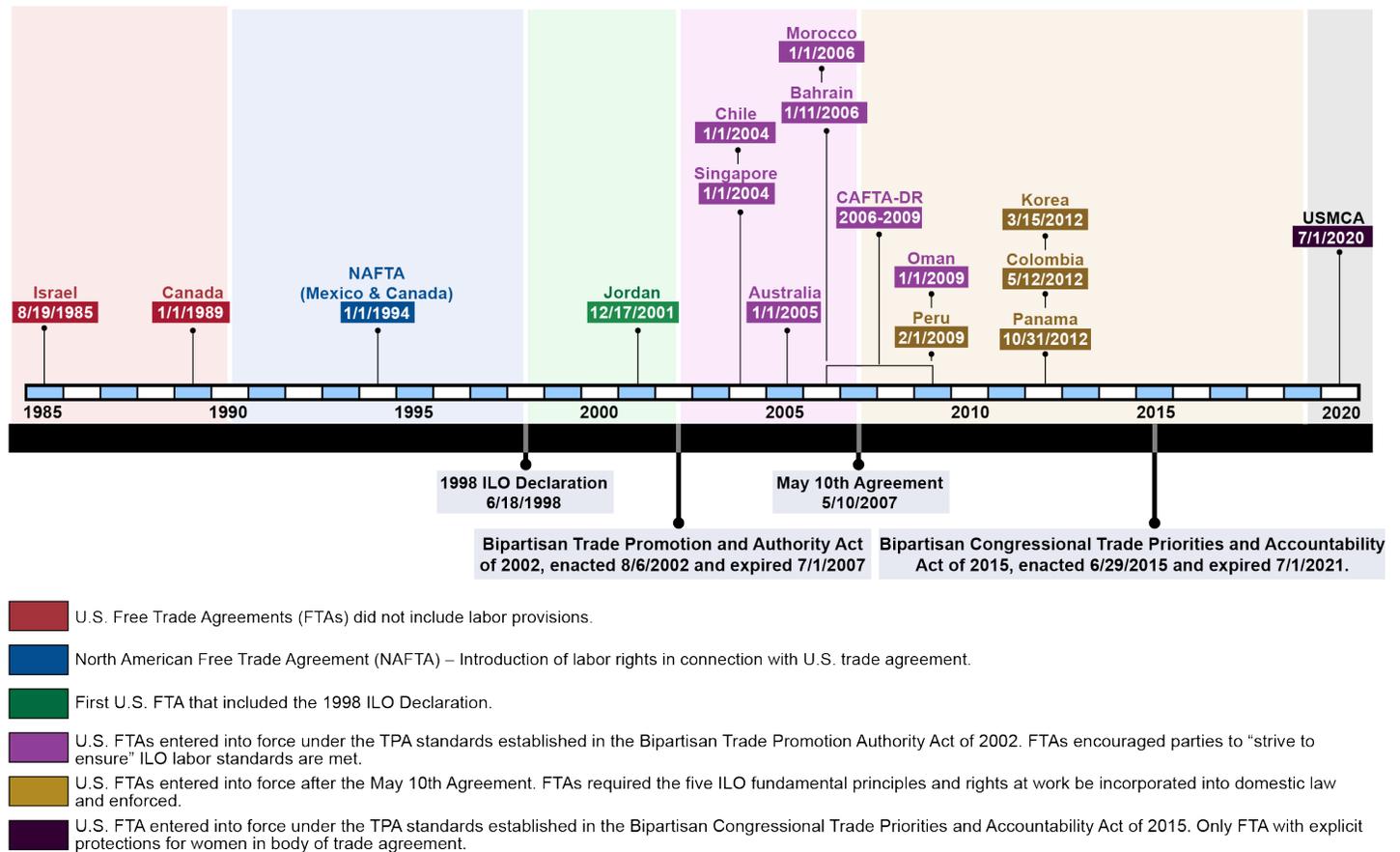
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Appendix III: Timeline of Legislation and Executive Action to Incorporate Labor Protections in U.S. Trade Agreements

Figure 10: Timeline of Entry into Force of U.S. Free Trade Agreements and Key Legislation and Executive Actions for the United States' Incorporation of Labor Protections in Its Agreements



Source: GAO analysis. | GAO-22-104711

According to a Congressional Research Service report and as explained more fully below, labor rights began to appear in trade agreements in 1994 and became more extensive, explicit, and enforceable with subsequent free trade agreements (FTA), in part because of Trade Promotion Authority (TPA) and congressional guidance (see fig. 10). In 1994, the North American Free Trade Agreement (NAFTA) marked the introduction of labor rights in connection with U.S. trade agreements under a side agreement known as the North American Agreement on Labor Cooperation (NAALC). Under NAALC, the United States, Mexico, and Canada committed to enforce their own domestic labor laws and defined “labor laws” to mean, in part, eliminating employment

discrimination on the basis of grounds such as sex.¹ The NAFTA text did not include labor or environmental provisions in the body of the agreement and President Clinton addressed this by joining Canada and Mexico in negotiating formal side agreements.² The NAALC contained 11 “guiding principles” on worker rights in matters affecting trade, technical assistance, and capacity building provisions.

On August 6, 2002, TPA was reauthorized through the Bipartisan Trade Promotion Authority Act of 2002 (2002 TPA) and included several negotiating objectives on labor issues and worker rights.³ Seven of the 13 U.S. FTAs reflecting these objectives were negotiated and approved under the 2002 TPA.⁴ The 2004 U.S.-Chile FTA was the first U.S. FTA concluded after the reauthorization of TPA in 2002 and marked the first instance in which a full labor rights chapter was included in the body of a U.S. trade agreement.

The same framework became a template for the labor chapters included in several subsequent U.S. trade agreements, including the Dominican Republic-Central America-United States FTA (CAFTA-DR) and agreements with Australia, Morocco, Bahrain and Oman. These FTAs stated that the partners should “strive to ensure” protection of the ILO principles and rights at work, and one enforceable labor provision that a party shall not fail to effectively enforce its labor laws “in a manner affecting trade.” In addition, the 2002 TPA’s trade negotiation objectives for labor recognized that (1) parties retained the right to exercise discretion in compliance matters, and (2) a country is effectively enforcing its laws if a course of action or inaction reflects a reasonable exercise of that discretion.

On May 10, 2007, there was a bipartisan agreement by Congress and with the President known as the “May 10th Agreement,” which provided a framework on labor and environmental standards in trade agreements.

¹In terms of international law, a side agreement refers to an international accord that is specifically negotiated to supplement a broader trade treaty.

²The North American Agreement on Labor Cooperation (NAALC) and the North American Agreement on Environmental Cooperation (NAAEC) entered into force on January 1, 1994, the same day as NAFTA.

³Pub. L. No. 107-210, Div. B, Title XXI, §§ 2101-2113, 116 Stat. 933, 993 (2002), codified at 19 U.S.C. §§ 3801-3813. For trade negotiating objectives, see 19 U.S.C. § 3802.

⁴The seven FTAs negotiated under TPA-2002 are with Chile, Singapore, Australia, Morocco, Bahrain, Oman, and the Dominican Republic-Central America (CAFTA-DR).

Four U.S. FTAs were renegotiated under this framework, which contained stronger labor protections. Renegotiation of U.S. trade agreements with Peru, Panama, Colombia, and Korea required parties to enshrine the rights and principles of the 1998 ILO Declaration on *Fundamental Principles and Rights at Work and Its Follow-up* in their domestic labor laws and effectively enforce them, rather than only requiring that parties “strive” to meet them. It stated for the first time that U.S. trade agreements would require that labor standards be met.

In 2015, Congress enacted the Bipartisan Congressional Trade Priorities and Accountability Act of 2015 (TPA-2015) reauthorizing TPA, which was subsequently extended through July 1, 2021.⁵ The TPA-2015 principal negotiating objectives incorporated the labor and environmental principles of the May 10th Agreement, including ensuring that a negotiating party’s labor statutes do not waive or otherwise derogate from internationally recognized core labor standards. The TPA-2015 principal negotiating objectives also included ensuring that parties (1) adopt and maintain measures implementing the core labor standards in the 1998 ILO Declaration on *Fundamental Principles and Rights at Work and Its Follow-up*, and (2) do not fail to enforce their own labor laws, in a manner affecting trade or investment between the United States and that party after the trade agreement between the countries enters into force.⁶ The United States-Mexico-Canada Agreement is the only FTA that was negotiated under this framework.

⁵Pub. L. No. 114-26, Title I, §§ 102-110, 129 Stat. 319, 320 (2015), codified at 19 U.S.C. §§ 4201-4210.

⁶19 U.S.C. § 4201(b)(10).

Appendix IV: Scores of the U.S. and Its Trade Agreement Partners on the World Bank’s Women, Business and the Law Index

Score of countries that have a Trade and Investment Framework Agreement (TIFA) with the United States varied widely on the 2021 World Bank’s *Women, Business and the Law* (WBL) index. Figure 11 shows WBL index scores from the 2021 report, ranging from 26.9 to 100 out of a maximum score of 100, for the United States and its TIFA partner countries. According to the 2021 WBL report, the United States had a score of 91.3. The WBL uses 35 data points that it scores across eight indicators of four or five binary questions, with each indicator representing a different phase of a woman’s life.¹ For example, questions about the “pay” indicator include the following:

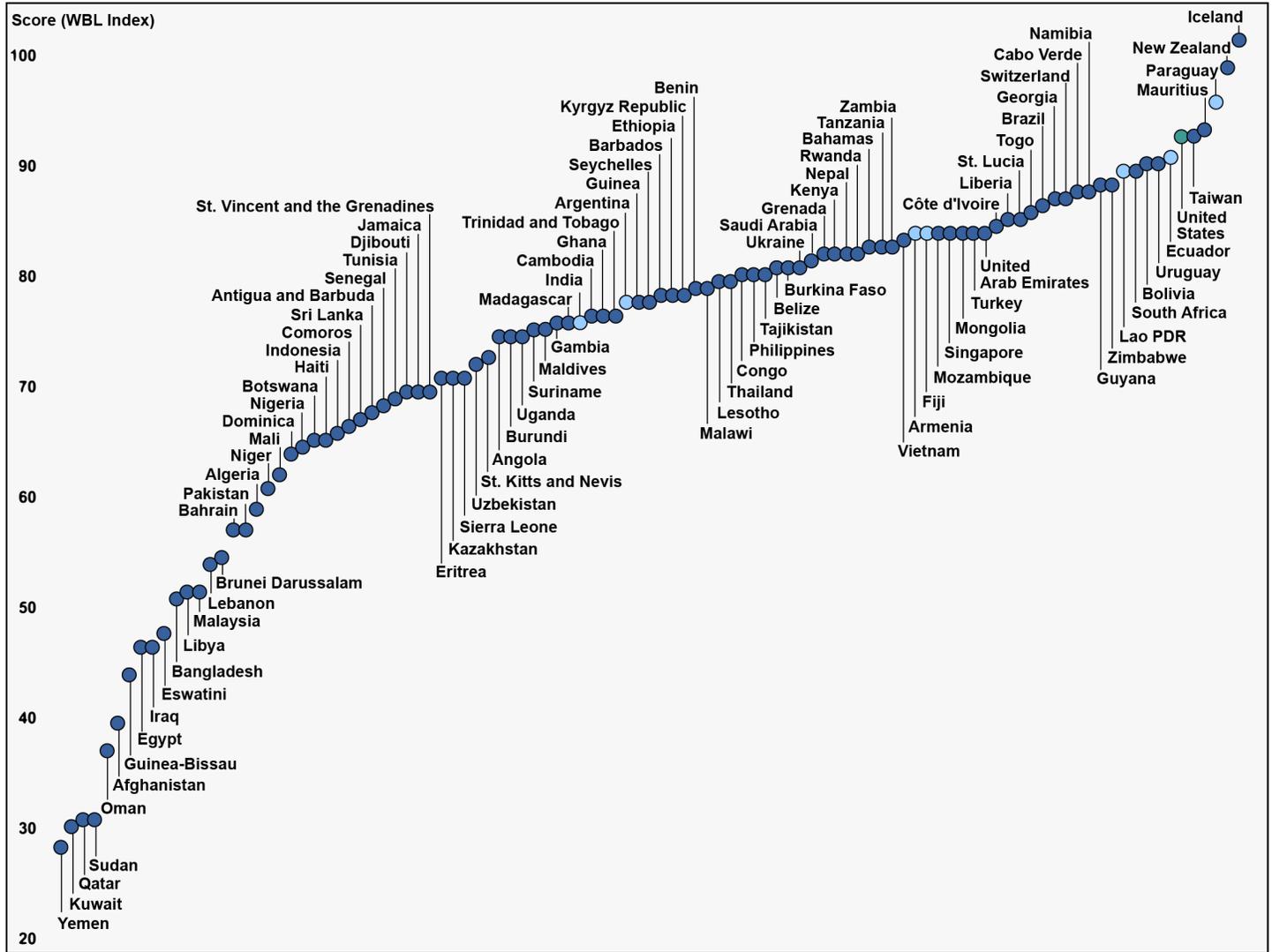
- Does the law mandate equal remuneration for work of equal value?
- Can a woman work at night in the same way as a man?
- Can a woman work in a job deemed dangerous in the same way as a man?
- Can a woman work in an industrial job in the same way as a man?²

¹Indicator-level scores are obtained by calculating the unweighted average of the questions within that indicator and scaling the result to 100. See the WBL 2021 index for further information on the methodology: The World Bank, *Women, Business and the Law*, accessed April 27, 2022, <https://wbl.worldbank.org/en/methodology>.

²See the WBL 2021 index for a full list of indicator questions. The World Bank, *Women, Business and the Law*, accessed April 27, 2022, <https://wbl.worldbank.org/>.

Appendix IV: Scores of the U.S. and Its Trade Agreement Partners on the World Bank's Women, Business and the Law Index

Figure 11: The United States' and Its Trade and Investment Framework Agreement Partner Countries' Scores on the Women, Business and the Law (WBL) Index in 2021



- Countries without explicit language promoting women's interests in their TIFA
- Countries with explicit language promoting women's interests in their TIFA
- United States

Source: GAO presentation of World Bank information. | GAO-22-104711

Appendix V: Comments from the U.S. Agency for International Development



March 16, 2022

Latesha Love
Acting Director, International Affairs and Trade
U.S. Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20226

Re: Trade Agreements Increasingly Promote Women's Rights and Economic Interests, but Barriers Remain (GAO-22-104711)

Dear Ms. Love:

I am pleased to provide the formal response of the U.S. Agency for International Development (USAID) to the draft report produced by the U.S. Government Accountability Office (GAO) titled, *Trade Agreements Increasingly Promote Women's Rights and Economic Interests, but Barriers Remain* (GAO-22-104711).

This report contains no recommendations for USAID; however, we were pleased to participate in the GAO's evaluation and appreciate the GAO's recognition of the critical role that USAID has played in trade capacity building (TCB). USAID implements TCB activities to help developing and emerging economies more effectively participate in international trade and create stable trading relationships that promote prosperity and security. These activities foster an expansion of open markets and democratic values, promote economic growth, reduce poverty, and can positively increase women's economic empowerment.

The United States is the largest single-country provider of TCB with obligations totaling \$702.7M in Fiscal Year (FY) 2019, with investments in 931 activities across 124 countries, geographic regions, or trade groups (see more information on the [TCB Dashboard](#)). Within the U.S. government, USAID has been the largest consistent provider of TCB assistance except in years when the Millennium Challenge Corporation (MCC) initiated large scale compacts with partner countries.

We appreciate that the report highlights how trade positively increases women's incomes. In addition, USAID appreciates GAO acknowledging the Gender Equity and Equality Action Fund to advance economic security for women and girls abroad. Furthermore, we appreciate that you addressed the extremely important and complex linkages between gender-based violence, trade, and women's economic empowerment.

USAID remains committed to continuing maximum effectiveness of taxpayer dollars through the Agency's funding of trade capacity building activities, integrating and promoting gender equality and women's economic empowerment in our programming.

**Appendix V: Comments from the U.S. Agency
for International Development**

I am transmitting this letter from USAID for inclusion in the GAO's final report. Thank you for the opportunity to respond to the draft report, and for the courtesies extended by your staff while conducting this engagement. We appreciate the opportunity to participate in the complete and thorough evaluation of trade agreements and women's rights and economic empowerment.

Sincerely,

Colleen R. Allen

Colleen Allen
Assistant Administrator
Bureau for Management

Appendix VI: GAO Contact and Staff Acknowledgments

GAO Contact

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Staff Acknowledgments

In addition to the contact named above, Kim Frankena (Assistant Director), Jeffrey Baldwin-Bott (Analyst in Charge), Sergio Enriquez, Zoe Need, Jennifer Saxon, Mary Kubinski, Debbie Chung, Chris Keblitis, Ashley Alley, Justin Fisher, Sophia Liu, Moon Parks, and Pamela Snedden made key contributions to this report.

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