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**GLOBALISATION AND TRADE AND THE IMPACT
ON PACIFIC WOMEN**

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ACRONYMS

ACP	African, Caribbean, Pacific Group
ADB	Asian Development Bank
AOSIS	Association of Small Island States
BPA	Beijing Platform for Action
CA	Cotonou Agreement
CARICOM	Caribbean Free Trade Area
CBOs	Community Based Organizations
CEDAW	Convention on the Elimination of all forms of Discrimination against Women
CDE	Centre for Development of Enterprises
COMSEC	Commonwealth Secretariat
EBA	Everything But Arms
EPA	Economic Partnership Agreement
EU	European Union
FICs	Forum Island Countries
FSM	Federated States of Micronesia
GSP	Generalized Systems of Preferences
IGTN	International Gender and Trade Network
LDCs	Least Developed Countries
MDGs	Millennium Development Goals
MSG	Melanesian Spearhead Group
NGOs	Non-Governmental Organizations
NSAs	Non State Actors
PACER	Pacific Agreement on Closer Economic Relations
PACP	Pacific ACP
PICs	Pacific Island Countries
PICTA	Pacific Island Countries Trade Agreement
PICs	Pacific Island Countries
PICTs	Pacific Island Countries and Territories
PGTN	Pacific Gender and Trade Network
PIFS	Pacific Islands Forum Secretariat
PNG	Papua New Guinea
PPA	Pacific Platform for Action
RMI	Republic of Marshall Islands
RTFP	Regional Program on Trade Facilitation
SIS	Small Island States
SPARTECA	South Pacific Regional Trade and Economic Agreement
SPC	Secretariat of the Pacific Community
UNIFEM	United Nations Development Fund for Women
VAT	Value Added Tax
WIBDI	Women in Business Development Inc.
WTO	World Trade Organization

1. EXECUTIVE SUMMARY

In preparations for the 9th Pacific Women's Conference, the Secretariat of the Pacific Community and UNIFEM agreed to commission this paper to outline the impacts on globalization and trade on women in the Pacific. This would go towards developing a strategy for Pacific women to present to the Beijing +10 Conference in 2005.

This paper is concerned with commissioning a broad analysis of the multilateral and regional trading systems and its impacts on the vulnerable PICTs economies and how these in turn affect women. This research, from the particular perspectives of the PICTs will build on the findings of the 'Symposium on Global Trade and Multilateral Agreements: Gender, Social and Economic Dimensions' that was jointly organized by COMSEC and the Pacific Islands Forum Secretariat in Suva on 12 – 14 February, 2003. The reference manual noted that 'trade rules and the multilateral trading systems (MTS) designed to enforce them have serious implications for national economies that attempt to promote sustainable development, poverty eradication and the social and economic empowerment of men and women'.

The Pacific Island Countries and Territories (PICTs) face constraints relating to small populations, small local markets, limited resource base, remoteness and geographical dispersal of the Pacific from major markets, susceptibility to natural disasters and limited access to capital and foreign investment has made it difficult for the Pacific to take advantage of the opportunities arising out of globalization.

Pacific women are even more constrained as they face multiple tasks and responsibilities in catering for their families economically and socially. Recognition of the issues faced by Pacific women are stipulated under the Beijing Platform for Action and the Pacific Platform for Action with strategic objectives being developed to overcome issues on women's role in economic activities.

The Pacific Island Countries are very much involved in the multilateral and regional trading system and most Governments have implemented economic reforms and trade liberalization policies to integrate into the globalization process in a positive manner. The WTO provides the legal framework governing multilateral trade and although three PICs are already members the implications of WTO has reached or will affect other PICs who are not members. Pacific women are very much in the dark of the benefits and costs of WTO membership and how this process would affect women and their communities.

At the inter-regional level, the Cotonou Agreement requires the negotiation of WTO compatible trading arrangements between the ACP Group and the European Union. The end of the Lome IV Convention in 2007 would affect Pacific island exports to the EU particularly commodities where the majority of the population are depended on. The new trading arrangement with the EU should provide more opportunities for women with cautiousness on any negative implications.

The marginalization of preferences under the SPARTECA Agreement provides a challenge for PICs to focus on high valued products targeting niche markets. Technical support from Australia and New Zealand Trade Offices would assist Pacific women in efforts to promote products into these markets.

PICTA provides a stepping stone approach for PICs to integrate in the multilateral trading system and provides opportunities for women in small scale production to export to other

Pacific island markets. However the institutional support and capacity is a necessity for PICTA to be effectively enforced and implemented successfully.

PACER currently provides technical support for the Pacific Regional Trade Facilitation Program which would strengthen capacity, streamline procedures and mechanisms to support trade and the PICs should utilize these programs to minimize any negative effects brought about by trade liberalization policies.

In accessing the US and Japanese markets, the GSP schemes has provided market access for exports from PICTs and this has led to increase foreign investment from Asia into the Pacific to gain access mainly to the US markets. This has provided employment opportunities for women however challenges relating to working conditions, long working hours and sexual harassment have yet to be fully addressed.

With trade liberalization, different sectors in the economy may gain or lose access to jobs, markets, and livelihoods. Thus, trade liberalization, as reflected in the lived experiences of children, women, and men, can create new opportunities for business, growth, employment, and income. However, it can also be linked to rising poverty (in new and traditional forms), rising inequality, joblessness, gender discrimination, gender violence, and greater informalisation of the economy. The depth of the severity of the experiences of women and men varies for different sectors of the population depending on existing realities of class, ethnicity, and gender.

In trying to analyze the impact of globalization on women, several areas of impacts highlighted at the global level could be used to assess the impacts of globalization on Pacific women.

Positive effects

- The reduction of tariffs by some Pacific island economies has led to an increase in the types of food available at relatively cheaper costs. Households are able to choose the type of foods for consumption based on their available budgets
- For Pacific women, trade liberalization policies have increased the possibilities of expansion of business to overseas markets, improved skills, and participation in a number of economic activities such as manufacturing, tourism and service activities.
- Increased employment opportunities have come out as a result of investment policies where multinational companies gain commercial access into the Pacific island countries providing employment opportunities. In Samoa, Yazaki Eds Limited provides employment to more than 1000 women especially school leavers without any special skills. Gender policies in the workplace also available
- Reduced tariffs open up domestic markets for more goods and services which were available under older regimes
- Most Pacific island countries with the support of SPREP have ratified international environment conventions which would protect the environment from trade and investment practices. Furthermore, environment laws are in place requiring Environment Impact Assessments for new economic activities and are being legislated by many PICTs.

Negative effects

- The negative implications include the emerging shift away from traditional food items and high dependency on imported foods; for example rice is now the most popular staple food for most Pacific island families. In some countries, women would sell their produce at the market to buy rice.

- Furthermore, health related diseases (such as diabetes and high blood pressure) are common in the Pacific due to an influx of an increase in consumption of imported cheap but of low quality foods with high fat contents. There are also no national food standards in most Pacific island countries to monitor and control the quality of foods and other consumer goods available in these markets.
- The competitiveness of women enterprises has also increased due to an increase in imported products but this could also be an advantage to women to improve on the quality and producing high valued products for niche overseas markets.
- Increased demand for production may increase the daily work-load of women, given the prevailing traditional division of labour; the supply of family food crops may fall, being replaced by cash crops; the nature of farm-work may change -- involving the use of pesticides and weedicides -- so increasing the risk of health and environmental hazards arising from improper precautionary and safety provisions
- Unforeseen unemployment arises due to movement of footloose industries, improvement in production technologies, and lay-offs; migration for employment leaves elderly at home to fend for themselves; the intrusion of working schedules into personal life, and housework overload, lead to stress; traditional family dynamics upset, with more women going out to work, and unemployed men now staying at home for household duties.
- Employment effects can mean increased jobs for women and men or imbalances in the distribution of jobs between the two sexes depending on which gender dominates the sector that is more favored by changes in trade rules. (Williams)
- Despite the multinational companies adapting to the Pacific business and social environments, the effects of women in employment still remain in terms of; long working hours, sexual harassment in most factories and companies where the companies do not such policies in place. Some countries have yet to adopt international conventions on Equal Employment Opportunities
- Reduced capacity by Government to fund and deliver essential social services as revenue base is eroded as a result of tariff reforms

Strategy options to be considered for women to take advantage of the implications of globalization include;

- Influencing government policies through a coordinated approach amongst women in government ministries, private sector, NGOs and CBOs
- Improving literacy and increasing awareness on trade issues and how these impact on women
- The need for more research to support women's advocacy programs through qualitative and quantitative analysis
- Encouraging networking at national and regional levels to develop common positions
- Strengthening income generating activities and improving women's economic activities
- Engendering development partners and aid donors to include gender implications as requirements for the development projects in the Pacific
- Developing a monitoring mechanism on trade issues and
- Developing a concept for addressing globalization and trade issues and the implications on women

The options provided are all linked to the Beijing Platform for Action and the Pacific Platform for Action. More emphasis could be focused on strengthening women's knowledge and capacity on trade policies and issues, access to economic opportunities and resources and increase participation at the trade policy development levels. The focus on research is also a priority in obtaining relevant details and information to facilitate women's advocacy programs in addressing globalization and trade issues.

For women to deal more effectively with the impact of globalization and the maximize any opportunities arising out of globalization and trade at the national, regional and multilateral levels the following recommendations could be considered

- a. Coordinated approach through partnerships between government, private sector, NGOs, CBOs and regional agencies to address problems arising out of trade liberalization
- b. Selection of special committees or technical group to follow up on each sector or each trade agreements and following the implications and new issues out of these agreements
- c. Support for developing a strategy to undertake research, literacy development and advocacy programs for Pacific women
- d. Support for a regional program on engendering trade and market opportunities and promoting a regional program on income generating activities at the grassroots level
- e. Support for increased participation in national trade development committees to influence trade policy developments
- f. For Pacific women to include in the Pacific Platform for Action and the Beijing +10 the need to address trade liberalization implications at the global level
- g. A regional approach to obtaining financial and technical support to identify and take advantage of opportunities arising out of globalization for Pacific women
- h. To consider the implications of trade under the implementation program of the Pacific Platform of Action, the implementation of the Beijing Platform for Action and the implementation towards achieving the Millennium Development Goals.
- i. Development partners should ensure that assistance programs to PICTs should include specific provisions to increase the participation of women in national planning activities, including the formulation of policies and discussion of impact of arrangements on women.

2. INTRODUCTION

2.1 Background

International commitment to women and the mobilization of awareness on issues that concern women's equality was first made at the First World Conference in Mexico in 1975. The Second and Third World Conferences in 1980 and 1985 helped to further this commitment. However, it was the Fourth World Conference in Beijing in 1995 that the world community accepted the need for a stronger gender perspective in all areas of development planning and programmes.

To-date, eight Pacific regional conferences have been held to bring together decision makers in governments, development partners, academics and non-governmental organizations and to create a forum for constructive dialogue on the role and place of gender in the development processes of the Pacific Island countries and territories to identify the challenges and make recommendations for the future. It is a 'reality check' given all the 'commitments' at regional and country levels. The up-coming 9th Conference to be held in August 16-20, 2004, is part of the preparation and contribution of the Pacific to the Beijing +10 in 2005.

The conference is held within the context of a number of existing and current international agendas. Of direct relevance are the coming into force of CEDAW in 1981, the Beijing Platform for Action 1995, the Millennium Development Goals 2000, and the Pacific Platform for Action in 1994. Given its limited resources, the Pacific Region is in perpetual state of 'catching up' in its effort to analyze, correlate and link these goals. There are new and emerging issues that Pacific countries are also trying to grapple with. One of the key issues is with regards to globalization and trade.

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More specifically the UNDP Pacific Regional Programme (1997 – 2001) Mid -Term Review noted that 'the fast pace of globalization has accentuated the economic vulnerability of the (Pacific) region'. These countries are highly reliant on primary commodities that have fluctuating and low values on the world market. The globalization of world trade through the World Trade Organization (WTO) is diminishing the value of preferential trading agreements such as the South Pacific Regional Trade and Economics Cooperation Agreement (SPARTECA) and will have a direct impact on the efforts of these PICTs to promote investment and trading opportunities.

2.2 Objective of the Study

The main objective of this paper is to review and provide an analysis of the multilateral and regional trading systems and its impacts on the vulnerable economies of the Pacific Island Countries and the impact on women.

2.3 Terms of Reference

The Consultant was required to undertake the following:

- i) Undertake literature review of policies, programs, regional and national trade agreements, national and regional mechanisms, international instruments and other necessary documents.
 - Particular attention should be paid to the gender impact of the trade agreements.¹
 - A review of both likely positive and negative impacts of free trade agreements.
 - A review of monitoring frameworks from other regions of the world.
 - Consideration of both national and regional issues.
 - Consideration of implementation issues including coordination at national and regional levels.
- ii) Based on the findings under task 1, provide recommendations on strategies, mechanisms to improve commitments at the national and regional levels for the inclusion of women and support towards positive impacts on women.

3. METHODOLOGY

This paper is been developed based on desk research and consultations.

Desk research was undertaken on existing studies and papers on trade policies and trade agreements, gender and trade papers and publications and publications on women.

Consultations were made in Samoa and Fiji given the limited time and resources available to cover other Pacific Island countries. Regional organizations and UN Agencies based in these two countries were also consulted.

4. OVERVIEW OF THE PACIFIC ISLAND COUNTRIES AND TERRITORIES (PICTS)

4.1 Characteristics of the PICTs

The Pacific Islands are a diverse group of countries with a total population of 6.9 million people.

Geographically, these islands span most of the southwest Pacific Ocean between latitudes 23°S and 10°N and longitudes 135°E and 155°W. Spanning such a vast area and crossing the international Date Line, the islands cover five different time zones, ranging from plus GMT 9 hours to minus GMT 11 hours (for those countries to the east of the International Date Line).

¹ Reference should be made to the outcomes of the Symposium on Global Trade and Multilateral Agreements: Gender, Social and Economic Dimensions, February 2003, available on the Forum Secretariat website: www.forumsec.org.fj

The Pacific Islands are very diverse in terms of their history, ethnic make-up and culture. With the exception of Papua New Guinea. PICTs are among the world's smallest and most remote states. Individual PICTs are distinctive in terms of its land area, population, natural resources, ethnic/cultural diversity and languages.

4.2 Constraints faced by PICTs

- Small populations which by definition less innovation because there are a fewer people to innovate, and populations of many Pacific countries has been negatively affected by emigration as people leave to pursue opportunities elsewhere; small population also mean that the per capita cost to the state is higher
- Small local markets – due to small populations which impact producers who are unable to capture economies of scale since the local market is unable to support it and it also means fewer importers to cater for the small market; such limitations raise prices, restrict competition burdening consumers and the economy as a whole
- Limited resource base where most Pacific economies have a narrow range of production and exports
- Remoteness and geographical dispersal of the Pacific from major markets leading to high transportation costs to markets; in some countries the islands are so dispersed that local transportation is very expensive
- Susceptibility to natural disasters such as cyclones, floods, earthquakes, tsunamis and droughts adding risk to the small populations of the Pacific, business people, the government and foreign investors
- Limited access to capital and foreign investment as the small islands are high risks due to their vulnerability and susceptibility

Source: ADB 2002

5. PARTICIPATION OF PACIFIC WOMEN IN ECONOMIC ACTIVITIES

The participation of women in the economic sector in the Pacific is being recognized as a major concern in the Pacific Platform for Action. The key strategic objectives to address issues relating to women's participation in the economic activities under the Beijing Platform for Action included;

- Promote women's economic rights and independence, including access to employment, appropriate working conditions and control over economic resources
- Facilitate women's equal access to resources, employment, markets and trade
- Provide business services, training and access to markets, information and technology, particularly to low-income women
- Strengthen women's economic capacity and commercial networks
- Eliminate occupational segregation and all forms of employments discrimination
- Promote harmonization of work and family responsibilities for women and men

Most Pacific countries have made progress reports on the implementation of these objectives as well as commitments under the CEDAW convention.

5.1 Main Constraints facing Women in the Pacific on Trade Issues

Limited knowledge and awareness of trade arrangements and how they impact on the economies of their countries and on lives of people

Most Pacific island women do not know about trade policies and the implications of these policies on their countries' businesses, families and livelihoods. Furthermore, they women tend to have difference perceptions of what globalization is about and how they could benefit from this process. Some of the reasons behind these issues could be drawn from a number of factors;

- Non or limited involvement of women groups and organizations at the national trade policy development levels
- Women are not consulted on the potential implications of these policies
- Women are busy focusing on other areas of priorities such as family and social obligations
- Limited awareness programs on trade policy issues and linking these to women's activities
- Lack of public awareness programs to inform population of development issues including trade, their impact on people's lives and to generally seek views of the people

Lack of Data on Women participation in national economic and social activities

The implications of the trade agreements on women have been drawn mainly from the experiences of other regions where the availability of statistics and research provides substantial evidence to justify these implications. However in the case of the Pacific, there is very limited statistics and research that could provide substantial evidence for the PICs policy makers to be well informed of the real impacts of trade liberalization not only on women but on disadvantaged communities

Lack of income generating opportunities

Poverty of opportunity has often been mentioned in studies and this is apparent in the cast of Pacific women. Opportunities arising out of trade liberalization, the new trade agreements as well as foreign investment policies have not been translated to women particularly those at the grassroots level. Women in the rural areas or in the outer islands are disadvantaged by many constraints such as access to finance, access to advanced education and access to information hence the opportunities which may be available for these women to take advantage of.

Limited access to education and skilled-based training

Most Pacific women often leave the education system earlier to raise families. Most countries do not provide education such as vocational training or skilled-based training targeting this group. In the Solomon Islands, this problem emanates from the limited curriculum developed from primary school level and any training or education opportunities available for skilled-based training are very expensive hence most women cannot afford the fees. Policy and decision makers in PICTs must invest in time and effort to disseminate information to inform public on opportunities as well as costs and benefits of trade arrangements and how they might impact on people.

Vulnerability to social problems

As care givers for their families, women are very susceptible to social issues where they are often at the receiving end of violence and crime. In some countries where matrilineal kinship system were highly valued the shift towards modern nuclear family structure had promoted men's control over the family unit and undermined women's status and power leading to all other social problems and changing the cultural role of women.

5.2 The current status of Pacific Women in the Economic Activities

Women in Agriculture

Most women in the Pacific are involved in agricultural based activities mainly for subsistence living and not for the commercial markets. From across the Pacific, there are women engaged in fishing activities, copra production, plantations and horticultural production and women involved in handicrafts making.

Women in Business and Income Generating Activities

Given the limited data available, more and more women in the Pacific are now involved in business activities and income generating activities at the grassroots level. Some women have been able to break into international markets successfully. With the availability of micro-finance schemes, women in the Pacific are now able to engage in income generating activities. However in some Pacific island countries, women's access to economic activities is very limited or has declined in the past decade. The following table shows that PNG and Solomon Islands have had a slight decline in the percentage of economically active women, whilst most countries including Kiribati and FSM showed an increase in the percentage of women engaged in economic activities in the past decades.

Table 1: Economically Active Population (as % of working age population)

Country	1980		1990		2001	
	Female	Male	Female	Male	Female	Male
Cook Islands	70.6	86.5	73.0	85.0	74.0	85.0
Fiji	70.6	86.5	73.0	85.0	74.0	85.0
Kiribati	8.7	37.3	14.2	38.2	78.0	91.0
Marshall Is.	15.2	44.7	30.1	77.2	35.4	66.3
FSM	N/a	N/a	N/a	56.8	50.1	67.2
Nauru	N/a	N/a	N/a	N/a	46.0	65.0
PNG	68.6	89.4	67.4	87.5	68.0	86.0
Samoa	14.6	78.7	40.2	77.3	N/a	N/a
Solomon Is.	86.0	89.1	82.1	89.8	80.0	86.0
Tonga	13.5	71.8	36.0	75.0	41.0	73.0
Tuvalu	10.2	39.0	14.7	37.5	86.0	85.0
Vanuatu	78.1	89.4	79.3	88.6	N/a	N/a

Source: ADB 2003; PACFAW 2003

The Samoan Population and Housing Census in 2001 showed that there are more women economically inactive than those that are active. The Census showed that 32% of the women in the working age population (15 years and over) are economically active with 68% represents those who are economically inactive. [Statistics Dept. 2001] This poses a challenge for the Samoan policy makers and the private sector to provide economic opportunities to address this high economically inactive female population.

Programs to enhance income generating activities in the Pacific has increased mainly through programs implemented by national machineries, national councils of women and women NGOs. Successful programs have been implemented in Kiribati and Samoa together with supporting measures such as training on legal literacy and financial management.

The Pacific in implementing the Pacific Platform for Action and the Beijing Platform for Action had developed strategic objectives to address issues relating to women's participation in the economy.

Women in Employment

The BPA and the PPA objectives to improve women's role in the economy included the promotion of access to employment, appropriate working conditions and the elimination of occupational segregation and all forms of employment discrimination. The increase on investment on labour oriented industries in the Pacific saw the increase in the number of women accessing employment opportunities. Some of these industries did not have working conditions suitable for women, demanded long working hours, and there was absence of equal employment policies to protect women from discrimination. However most PICs have streamlined policies and legislation to provide for equal employment opportunities to eliminate all forms of discrimination against women in the workplace through ratification and membership in the International Labour Organisation (ILO).

The following table provides employment and unemployment numbers in the workforce for PICTs which showed that the ratio between employed male and female is substantial calling for the need to improve women' access to the employment opportunities.

Table 2: No. Persons Employed and Unemployed in PICTs

Country	Year	Employment			Unemployment		
		Total	Female	Male	Total	Female	Male
Am. Samoa	2000	16,718	n/a	n/a	909	n/a	n/a
FSM	2000	29,175	12,218	16,957	8,239	3,820	4,419
Fij	1996	219,314	53,015	166,299	17,265	7,663	9,602
Fr.Polynesia	2002	61,770	26,268	35,502	n/a	n/a	n/a
Guam	2002	54,980	25,690	29,290	7,070	2,760	4,310
Kiribati	2000	39,9126	19,600	20,312	810	499	311
Marshall Is.	1999	14,677	4,998	9,679	4,536	1,865	2,671
Niue	2001	663	276	387	84	22	62
N. Marianas	2000	42,753	23,268	19,485	1,712	n/a	n/a
New Caledonia	1996	65,571	24,784	40,787	15,018	7,193	7,825
Palau	2000	9,383	3,556	5,827	224	103	121
PNG	1990	1,582,518	670,394	912,124	132,812	42,045	90,767
Samoa	2001	50,325	15,207	35,118	2,620	999	1,621
Sol. Islands	1999	57,472	17,711	39,761	27,652	9,695	17,957
Tokelau	2001	542	216	326	31	26	5
Tonga	1996	29,406	11,004	18,402	4,502	1,209	3,293
Tuvalu	2002	3,237	1,374	1,863	n/a	n/a	n/a
Vanuatu	1999	75,110	33,874	41,236	1,260	424	836
Wallis & Futuna	1996	2,465	1,068	1,397	402	179	223

Source: SPC 2004 [Adapted from PACFAW Report 2003]

Table 3: Case Study : Samoan women employment status by major industry group :2001

Industry	Employer	Employee	Self Employed	Unpaid	Total
Agriculture	0	156	82	1837	17256
Fishing	1	55	22	255	333
Manufacturing	1	1038	0	0	1039
Quarrying	2	96	0	0	98
Electricity, gas, energy	1	61	11	0	1671
Construction of buildings etc.	26	972	300	0	1298
Wholesale & retail	18	662	35	39	754
Restaurant & hotels	5	263	20	5	293
Transport, storage, communication	4	551	1	0	556
Real Estate	7	86	0	0	93
Public Admin	3	1179	0	0	1182
Education	3	1465	8	1	1477
Health & Social Work	2	498	4	0	504
Other Community etc	3	382	31	113	529
Private h/holds with paid employee	2	844	17	0	863
International Organizations	3	250	0	0	253
Not Stated	0	294	8	8	310

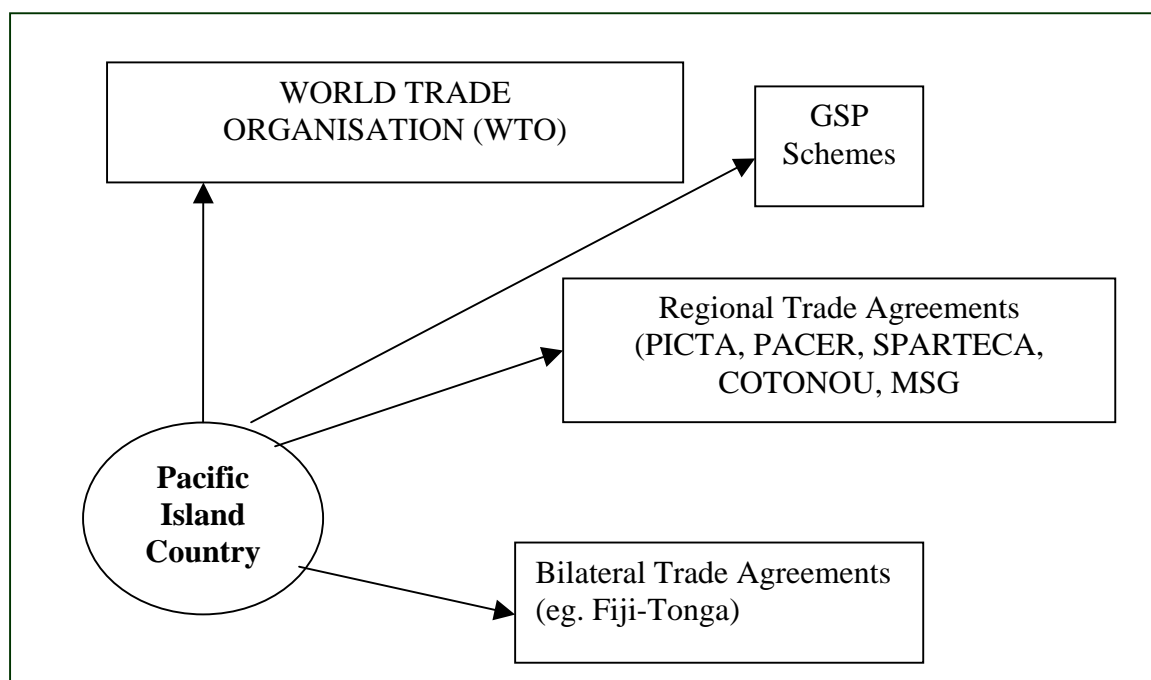
Source: Samoa Department of Statistics, 2001

Women at the Policy Development Level

For Pacific women to influence policy development, equal access to policy development and decision making positions in Government is vital. The indicators used to measure this access include the number of women members in Parliaments, Chief Executive Positions and Managerial Roles in both the public and private sectors. For women for influence trade policy development, sound knowledge and awareness of the current trade issues would guide them to address key policies and decisions on the potential implications on women. This was confirmed at the Regional Symposium on Gender and Trade organized by the Forum Secretariat and the Commonwealth Secretariat that most of the gender specialists and government officials are not aware of gender or gender policies and its importance. It called for the need to create partnerships between women and trade ministries and for gender specialists to participate in trade formulation and negotiations and vice versa. [PACFAW : 2004: 19]

6. THE MULTILATERAL TRADING SYSTEM

Figure 1:



6.1 The World Trade Organization (WTO)

6.1.1 Principles

The World Trade Organisation was set up in 1995 as a result of the Uruguay Round. world trade. It provides a legal framework of rules to govern international trade particularly to allow the free flow of trade between markets where such rules for international trade are agreed between nations.

Basic principles of the WTO include:

- Trade without discrimination, which includes the Most Favoured Nation Clause – member countries should not give more favourable treatment to any member(s) and the National Treatment (members must not treat members differently from domestic producers)
- Market Access – members must reduce tariffs and barriers to allow for the free flow of trade
- Transparency
- Predictable and growing access to markets
- Trade in services

Most countries used to protect their markets from entry of foreign goods with higher duties and tariffs as well as other barriers. With the setup of the WTO, members agreed that trade should be opened up to all markets, which would provide economic prosperity to all exporters.

With the opening up of trade, there must be trade rules to facilitate trade amongst countries. These trade rules under the WTO are very effective and transparent that there is a dispute

settlement panel been set up to hear and resolve any disputes within the WTO. So far, many countries have used this panel to settle trade disputes, and countries were obliged to follow any decisions of the panel.

Source: http://wto.org/english/the_wto_e/whatis_e/eol/wto01_14.htm

6.1.2 Status of PICs in the WTO

There are currently three Pacific Island countries that are members of the WTO which are Fiji, Papua New Guinea and Solomon Islands. Three PICs are currently negotiating their accession process to become members of the WTO, which are Vanuatu, Tonga and Samoa. The following figure presents the status of accession of these countries.

Table 4: Status of Accession of PICs

Vanuatu	Accession completed however Vanuatu Government withdrew their accession from the WTO in 2001 so that the Government could review and assess their commitments according to their status of development.
Tonga	Tonga applied for WTO membership in 1995 and the first working party meeting was held in April 2001. A WTO Working Committee has been setup in Tonga to oversee Tonga's accession process. Tonga is now processing the bilateral consultations and negotiations with WTO members.
Samoa	Samoa applied for WTO membership in 1998 and the first working party meeting was held in March 2002, together with the first bilateral meetings with WTO members. Samoa is now undergoing bilateral negotiations under the guidance of a National WTO Working Committee.

6.1.3 Benefits of becoming a member of the WTO

- i) **Non-trade discrimination** – this important principle of WTO would benefit the PICs where other Pacific members of the WTO treat other countries more favourably than the PICs. For instance Fiji (a WTO member) stands to benefit in any trading arrangement and especially now that most PICs have lower tariffs opening access for Fijian products to enter the PIC markets. Should Fiji decide to restrict products such as copra from Samoa or Kiribati, but at the same time allow copra from Tonga, being a member of the WTO allows Samoa or Kiribati to take this up as it is inconsistent with WTO principles. This could also be a case for another WTO member to impose treat other countries more favourably than others.
- ii) **Improved market access** – PICs currently face trade restrictions from developed markets on certain products without justifiable reasons. For instance banana chips from Samoa are banned in Australia and Marshall Island copra has previously been rejected from China. Being a member of WTO allows the governments to raise such cases with the WTO Dispute Settlement Body. Although the export value derived from such exports would be far less than the costs to Government, the most important aspect is being able to access the market through transparent procedures as well as making a case with the WTO. The benefits to the farmers would also be accrued if access for such products were allowed.
- iii) **As Net Food Importing Countries** – Developed markets are required to acquire special provisions for subsidized products exported to the net food importing countries. Whether or not a small island country becomes a member of the WTO, they would still be affected by the increasing prices due to reduction of subsidies. It is therefore important for a

country to be a member of the WTO where such impact could be facilitated under the Agreement on Agriculture especially in the case where food security is concerned. Food security is very important to most PICs given the fact that most rely on imported food items as in the case the smaller island states

- iv) **Improved Legislation and Standards** –most PICs do not have updated or no legislations pertaining to trade and especially legislation on food standards, which is mostly required as PICs are net food importing countries. So many products have entered the market due to lower tariffs, some food products have labels in different languages (such as Chinese) which the consumers cannot understand. Being a member of WTO, a country is required to have legislation updated and basic standards imposed on all products. This would also allow local processors to improve the standards of locally produced goods, which could be exported to overseas markets. Having updated legislation that are in line with the WTO Agreements would also allow governments to be transparent in terms of procedures and implementation of such policies. Although each country is free to harmonize their food standards even if they are not WTO members, there is no real pressure on them to do so nor do they have the resources to undertake such changes.
- v) **Intellectual Property Rights** – The TRIPS (Trade Related Intellectual Property Rights) provided protection for new processes and ideas. PICs would gain such protection especially in the areas on new agricultural products being developed such as noni products, new varieties of taro etc.
- vi) **Improved inflow of raw materials** – the private sector would stand to benefit particularly in the importation of raw materials and capital equipments for manufacturing. Also farmers would have reduced prices for the importation of farm chemicals and equipment by a reduction of duties in these areas. Reduced tariffs would also allow foreign investors to set up in the islands due to favourable access conditions.
- vii) **Access to Technical Assistance and Training** – one of the main benefits of becoming a member of the WTO and as a small island developing state or a least developed country opens the door to new areas of technical assistance available. These are mainly in the areas of capacity building for both government and private sector officials, improved access to international trade information and assistance in updating legislation and policies.

6.1.4 Costs

- i) **Increasing government costs** – when a country accedes to become a member of the WTO, the costs associated with the process are very high especially the Pacific islands remotely located away from Geneva where all the negotiations take place. On top of the administrative costs, the costs of being an observer member may be a financial burden for some governments to pay on an annual basis.
- ii) **Limited capacity** – the smallness of the economies of the PICs studied make it impossible for these countries to become members especially countries with very little domestic industries. Countries such as Niue, Marshall Islands, Kiribati, Palau and the Cook Islands have only a few people working in the customs; agriculture and trade departments and adding the workload required by the WTO onto the existing work programmes require additional resources.
- iii) **Loss of Government Revenue** – Customs tariffs contribute significantly to the PICs government revenue. For example Vanuatu being a tax haven. The loss of revenue to

countries like Vanuatu and Tonga would affect Government budgets if no alternative revenue sources were developed to offset reserves as a result of tariff reforms.

- iv) **Elimination of subsidies or direct assistance** – The experience from the accession of Vanuatu shows that the provisions for least developed countries and developing countries under the Agreement on Agriculture do not apply to countries in accession. This meant that Vanuatu was asked by WTO members in the negotiations to eliminate the subsidies given to the farmers even though the total aggregate support was less than total production. By eliminating the meager subsidies received by farmers coupled by falling world prices on products such as copra, farmers would be greatly affected leading to increased poverty in the islands. This is a concern especially if the PICs seeking membership to the WTO are required eliminate any subsidies or direct payments made to the agricultural sector.
- v) **Food Security Issues** – the reduction of subsidies for developed members of the WTO such as USA and Europe could implicate small Pacific countries and territories where all food are imported from the US even if they are not members of the WTO. For example countries like Marshall Islands, Palau and FSM and American Samoa would be affected in terms of pricing for food imported from the States if the US reduce their subsidies under the WTO Agreement on Agriculture. Hence the food security of these Pacific countries is therefore threatened and the promotion of agricultural based activities to combat food insecurity is of importance to these countries.
- vi) **WTO plus Demands** – The experience of Vanuatu saw WTO members (mainly United States) demanding more than what was covered under the existing agreements of the WTO. This is a potential cost for PICs in accession and the negotiators would have to be careful of such demands especially in making full analysis of the benefits and costs to the country and to society.

6.1.5 Implementation Analysis

The Pacific people are feeling the impact of globalization even if some of these countries are not members of the WTO. Countries in accession also fear what they would be required to be obligated to, particularly in the services sectors where basic essential services such as health and education would be liberalized. However this is not true in the sense that most of the Pacific's tariffs are relatively low, most countries have eliminated their subsidy programs, and most of the services sectors are either already liberalized or there is no legislation or legal framework defining the openness requirements of each sector. One example is education; where most Pacific countries do not have updated legislation on the education system, which provides the law relating to foreign schools entering these countries. Another example is tourism where most Pacific island countries are already very liberal on their tourism policies (relating to commercial presence or foreign investment) way before the WTO was established. What the WTO process could provide for the Pacific is the urgent need to review and update the legislative framework on the sectors that are of importance to the Pacific prior to making such commitments to the WTO. Consultations with industry members and the communities are required and the Governments must allow for such consultations prior to making commitments.

6.1.6 Monitoring Mechanisms

The WTO process requires knowledgeable trade experts to monitor the negotiations and the progress of cases in the WTO. For the Pacific region, most of the monitoring for governments is done at the regional level through the Pacific Islands Forum Secretariat. The Pacific countries also do not have the resources to establish presence in Geneva hence a Pacific Forum Representative is now being set up to follow the WTO process. Alliances with

other regions also provide more voice for the Pacific and in the WTO such as the ACP Group been influential in the WTO negotiations. The alliance with the Caribbean region through ²CARICOM and the Alliances of Small Island States (AOSIS) provides support as the Pacific are pushing for recognition of small island states where small economies is now recognized under the WTO.

The most important monitoring mechanisms at the national levels are the Trade Development Committees or WTO Working Committees coordinated by the Ministries of Trade and includes representatives from the private sector and NGOs. The involvement of private sector associations such as Chambers of Commerce and Manufacturers and Exporters Associations is needed as well as contribution by NGOs and Women's groups to closely monitor the impact at the national levels as well as to influence national policies.

The regional NGOS and networks would also provide effective monitoring of the WTO process for the Pacific particularly in specific areas of concern such as the Gender implications. Regional NGO Agencies should work together in following WTO process as well as advocating on issues of importance to the region. The Pacific Gender and Trade Network is a network informally set up amongst women from around the Pacific aimed at influencing trade policies at the national and international level and this network is affiliated to the International Gender and Trade Network.

6.2 Generalized Systems of Preferences

The categorization of countries under the UN system identifying developed and least developed countries saw the introduction of preferential market access policies of developed countries for exports from the least developed and developing countries. This is the Generalized Systems of Preferences or GSP Schemes. Each developed country has their own scheme providing duty and ³quota free access for some exports from the Pacific island countries.

6.2.1 USA Generalized System of Preferences

The USA GSP is an instrument by which the USA allows imports originating from developing and least developed countries on duty-free or preferential duty basis.

Benefits

- Duty Free Market access for Pacific Island countries as developing and least developed countries
- Larger market for fish, noni, garments etc.
- Has benefited some manufacturing industries in the Pacific such as Fiji garments
- Seen as one of the incentives for Asian companies to invest in the Pacific (mainly in the garments sector) just to get market access into the US markets

Costs

- Quotas running out on some products exported to the US under the GSP scheme
- Standards and Requirements – markets have different standards for different products and the local exporters do not have the capacity to meet these standards, especially the management systems standards where the standard must originate from source and continuing down the production process.
- Competition with other developing countries around the world

² CARICOM – The Free Trade Area of the Caribbean Countries

³ There are quotas on some products such as garments and textiles into the US market

Case – HAACP(fish handling and quality requirements) requirements by the US. Fish exporters had to meet the HAACP requirements right from when the fish is caught. Some exporters do not fish hence they had a hard time educating the fishermen on the management system for catching fish. EU also have a different HACCP requirement for fish exports which start from a legislative process right down to the production.. a lot of hassle for exporters

Implementation Analysis

The US market provides huge potential for Pacific products from agricultural to fisheries and manufactured products. This is the only scheme that provides duty and quota free access to the US market and investors from Asia, particularly those in the garments and textiles industries are now investing the Pacific in order to gain access to the United States. One issue with the US GSP scheme is that the US Customs does not investigate the origin requirements or proof of origin for imports received. For products that have quotas such as garment and textiles, some quotas were exceeded hence such products were not covered anymore under the GSP. However this was not the case for these garments in Fiji, apparently some people were importing finished garments and transhipped it in Suva with the Made in Fiji labels and once these reach US Customs, these are counted against the quota required. Close monitoring of these is very important if the Pacific countries to benefit under the GSP scheme.

6.2.2 Japan Generalized System of Preferences

The Japan GSP aims at contributing to the economic development of developing countries, providing benefits by enabling qualified products to enter the Japanese market at free or reduced rates of duty.

Benefits

- Market access to a high value market for products such as noni and fresh tuna for the sashimi market
- Closer market than the EU

Costs

- Intellectual Property Threats – one of the emerging problems being encountered in trying to access international markets under various Agreements is the lack of knowledge and awareness on the part of Pacific Island exporters on the products already covered under intellectual property rights.

Case: Nonu/noni exports have been trialed in the Japanese market. One of the problems encountered was that the name 'noni' has been patented by Tahiti in the Japanese market making access for noni from other Pacific countries difficult to enter the Japanese market.

7. Inter - Regional Trade Agreements

7.1 Lome IV/Cotonou Agreement

7.1.1 Principles

The Cotonou Agreement was signed in 2000 to replace “aid and trade” agreements of Lomé Convention nature. The central objective of the partnership remains is the reduction and eradication of poverty with support to sustainable development and integration of the ACP countries into the world economy. Trade and aid which are the two pillars supporting the Cotonou Agreement and previously Lome Convention are expected to be substantially changed.

Lome IV allowed for preferential access of exports from the ⁴Pacific ACP states into the European market, an example is sugar.

Non-reciprocal preferences under Lomé (which are infringing WTO non-discrimination principle and require waiver from the WTO members) will remain in force until end of 2007. From 2008 until the end of Agreement in 2020, a new trade regime based on reciprocal trade concessions will be put in place. ACP countries will have to negotiate with the EU a form of a new trade regime; which will require Pacific island members of ACP to open up the markets to EU products.

The EU Initiative on Least Developed Countries – at the 3rd United Nations Conference, the European Union announced the *Everything But Arms* (EBA) initiative for Least Developed Countries where all LDC products could access the European market duty free except for Arms. The PICTs on LDC status would benefit from the initiative provided they have the producers that could be exported to the EU.

7.1.2 Benefits

- Market access for sugar and other Pacific ACP products into the EU market
- Technical support provided under the Cotonou Agreement provisions
- Stabex and Sysmin Funds for Agricultural and Mining Development. This is being phased out.

7.1.3 Costs

- Administrative bottlenecks – PIC Importers are usually not aware of administrative requirements and customs administration procedures in the EU markets.
- High EU standards and requirements
- Unilateral bans on products – such as the recent kava case

Case Study : Fiji Sugar

Sugar production in Fiji contributes to about 7% of the Gross Domestic Product, generates 22% of total domestic exports, account for 8.5 % of total foreign earnings and provides direct and indirect employment to around 41,000 people including women. Sugar has been exported to EU under the Sugar Protocol of the Lome Convention which would end in 2007. From 2008, Fiji Sugar would have to compete at world prices with other suppliers. The impact of this on the industry would be devastating hence the Fiji Government's commitment to develop strategy options is very important.

⁴ Pacific ACP include: Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, Niue, Marshall Islands, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

7.1.4 NEW EPA with the EU

The new negotiations on an Economic Partnership Arrangement (EPA) with the European Union are currently underway with the Pacific ACP states developing a negotiating framework strategy to guide them in the negotiations. The negotiations have a two phase approach one at the ACP wide level (including Africa and Caribbean) and one on a PACP – EU level only.

The new framework recently adopted by the PACP Ministers of Trade in March 2004 in Papua New Guinea saw the need for an umbrella type agreement with specific sectoral agreements under this umbrella agreement. This is considering the different level of developments amongst PACP states, and the implications of small island economies if there is one major trade agreement between the PACP and the EU. PACP would then choose a sectoral agreement to be parties to on a reciprocal basis with the EU. This approach would be negotiated with the EU in the next negotiations which is in October 2004. A process of national consultations is currently underway within the PACPs to obtain national positions on these options.

7.1.5 Implementation Analysis

Pacific ACP states only accounted for 2% in of the total ACP exports to the European Union in 2000, which indicates that potential PACP influence on trade negotiations on an ACP wider prospect is very minimal. In preparing the negotiations under a new Economic Partnership Arrangement with the EU, the Pacific should identify areas of priority of how the Pacific could benefit from such an arrangement. The social impact of such an arrangement have yet to be analyzed and pressure should be on the national governments to call for such an assessment particularly on the sectors that the EU is interested in which is mainly the fishery sector. The implications on sugar exports and the recent kava ban should also be emphasized in the negotiations with special attention on the impact on the livelihoods of the farmers and families dependent on these industries.

The EBA initiative of the EU applies only to Least Developed Countries such as Kiribati, Samoa, Solomon Islands and Vanuatu. However these countries exports would compete against exports from Asian LDCs such as Cambodia and Vietnam which have successfully entered the EU market thus threatening the canned tuna exports from Solomon Islands. The EBA does not allow for special funding provisions as those under the Cotonou Agreement.

7.1.6 Monitoring Mechanisms

The monitoring of the Pacific trade with the EU is done through the Pacific Islands Forum Secretariat and the individual Pacific ACP countries through their ambassadors and missions in Europe. The Pacific Ambassadors work together in negotiating with the EU and provide advice to their national governments on current issues and matters under the Cotonou.

The National Authorizing Agencies in each Pacific ACP country monitors and manage all projects and financial assistance provided from the EU under the CA.

The Centre for the Development on Enterprises (CDE) provides technical assistance to Pacific ACP countries in developing products and/or services.

8. REGIONAL TRADE AGREEMENTS

8.1 SPARTECA

8.1.1 Principles

The South Pacific Regional Trade and Economic Co-operation Agreement (SPARTECA), is a non-reciprocal arrangement between Australia and New Zealand on the one hand, and Forum Island Countries on the other, came into force on 1 January 1981. The current members of SPARTECA are Australia, New Zealand, the Cook Islands, the Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Papua New Guinea, Solomon Islands, Tonga, Tuvalu, Vanuatu and Samoa. SPARTECA has been notified to WTO by participating Members of WTO.

The Agreement seeks to promote and accelerate development of the Forum Island Countries through the promotion of economic, industrial, agricultural and technical co-operation among them. Under the Agreement, Australia and New Zealand, offer duty free, unrestricted or concessionary access for virtually all products originating from the developing island member countries of the Forum as long as the stipulated rules of origin are met. At present most exports from the Forum Island Countries to Australia and New Zealand enter under SPARTECA.

8.1.2 Benefits

- Non-Reciprocal duty free market access to Australian and New Zealand market – PIC exports have in the past enjoyed duty free access to these markets.
- Technical support for trade and export development – this is through the commitment by Australia and New Zealand to the PICS through the funding of the South Pacific Trade Commissions in Auckland and Sydney as well as Market Support assistance through the Forum Secretariat.

8.1.3 Costs

Rules of origin requirements difficult to meet for manufactured products - Rules of origin criteria have been difficult to meet especially for the manufacturing sector where labour is the major input and the majority of raw materials are being imported. For instance the Fijian Government has been applying for a reduction of the rules of origin criteria for garments going to Australia with very little success.

Case – Rule of Origin under SPARTECA – Yazaki Samoa Limited, a Samoan based Japanese company which produces wire harnesses for cars for the Australian market. The company entered the Australian market under special provision made to the Australian motor industry where car components are imported into Australia duty free. However this scheme ended in December 2000. The only other alternative then for Yazaki to export freely to the Australian market is under the SPARTECA. Yazaki do not meet the rules of origin criteria for exports going to Australia under the SPARTECA so it was subject to 15% duty. The Samoan Government together with Yazaki presented a proposal to the Australian Government for consideration of a derogation under the SPARTECA Agreement. This derogation is a special consideration by the Australian Customs Services (in the case where rules of origin is not met) of a circumstance where there is an economic or natural disaster, unexpected currency fluctuations (leading to increase prices of raw materials) etc. The Australian Government considered a derogation for Yazaki under the SPARTECA Agreement and the company now only has a few products that have yet to meet the rules of origin requirement under SPARTECA

Sanitary and Phyto-sanitary requirements – the PIC exports largely constitute of fresh produce and agricultural based products. Market access to Australia and New Zealand has been denied due to SPS requirements imposed by these markets. Given the limited capacity of PICs to undertake scientific analysis, the PICs could not challenge such restrictions whether or not these are justifiable. An example is banana chips banned from Australia even for personal consignments.

8.1.4 Implementation Analysis

The erosion of preferences under SPARTECA, as Australia and New Zealand make their tariff reduction commitments under the WTO, the Pacific Island Countries have been greatly affected. Given the limited resource base, high business costs and heavy reliance on imported raw materials the PICs could not compete against competitively priced products from other sources entering the New Zealand and Australian markets. The future of SPARTECA is therefore in the specialized niche market where exports could target the high-income segments (mainly the Caucasian families) rather than concentrating on the Pacific island communities in these countries. One example is coconut cream from Samoa where Samoa used to enjoy the exportation of coconut cream under SPARTECA with three factories producing mainly for these markets. However the reduction of coconut cream duties in New Zealand (under their WTO commitments) has led to an increase of coconut cream from Asian suppliers who are competitive in production costs and therefore the Samoan coconut cream cannot compete on price. Two factories closed down while the current factory has managed to reposition its cream targeting the higher income segment of the market which is not so price sensitive.

8.1.5 Monitoring Mechanism

SPARTECA and trade with Australia and New Zealand are monitored mainly by the private sector businesses exporting to these markets. The South Pacific Trade Commissions in Auckland and Sydney have been very influential in terms of marketing and research for Pacific products entering these markets. Some PICs have own Trade Commissioners in these markets who are also monitoring the trade process and reporting back on any issues.

8.2 Pacific Island Countries Trade Agreement (PICTA)

8.2.1 Principles

The main objective of the Pacific Island Countries Trade Agreement or PICTA is to create a common market for Forum Island Countries (FICs) and to respond to globalization. Countries who have ratified PICTA include, Cook Islands, Fiji, Kiribati, Nauru, Niue, Papua New Guinea, Samoa and Tonga.

PICTA is now enforced and those countries who have ratified are now preparing their administrative procedures for the flow of trade. Developing countries under PICTA are now required to reduce their tariff according to the Schedules of Concession. Least Developed Countries and Small Island States are not required to reduce their tariffs.

8.2.2 Benefits

- Trade creation – FTA allows countries to enjoy gains from trade through trade creation where members will increase imports of goods and services which their countries produce more efficiently, and increase their own exports of goods which they themselves can produce more efficiently than their partners.

- Economies of Scale will enlarge the size of the markets available to producers in member countries and will also reduce production costs.
- Increased competition – improved efficiency on the part of producers from facing up to increase competition
- “Stepping stone” to non-discriminatory liberalization – for instance the success of the CER; where the opportunities and challenges created by CER made a substantial contribution to the process of adapting to a more competitive environment.
- Attracting foreign direct investment – can increase the attractiveness of the region to foreign direct investment
- Increase investment links among member countries
- In the longer term the FTA will create a market of 6 million people which creates future possibilities that no-one can foresee.
- This will allow for increased collective action on trade policy and facilitation. Eg. trade policy with EU, Japan and USA

8.2.3 Costs

- Revenue Implications because of tariff reductions.
- Will require administrative cost to operate but can be minimized through a simple agreement.

Case : How does PICTA assist the smaller industries?

The industries of Pacific Island economies are fairly small producing small quantities of products for export markets. PICTA provides such an opportunity for these products to be exported to smaller markets in the Pacific. There are a few examples for such trade; copra is produced in Kiribati and is exported to Bangladesh where it could be exported to Marshall Islands nearby for their coconut oil processing. A shell button producer in the Solomon Islands could export to the Fiji garment industry and the Cook Islands ‘Tav’ brand of clothes could be exported to Samoa and other islands under PICTA.

8.2.4 Status of Pacific Trade Policies

Tariffs

Most of the Pacific island countries had already opened up their markets through low tariffs prior to the new trade agreements. The following table provides a summary of the level of tariffs of most Pacific Island countries and other taxes.

Table 6: PIC Tariffs 2001

Country	Import Duty Rates (average range)	Other taxes
Cook Islands	0-10%	VAT – 12.5%
Kiribati	0 – 40%	
Marshall Is.	5% – 8%	Gross Revenue Tax – 3% including exports + 4% Local Government tax
Niue	10% - 60%	Port fees Airfreight - NZ\$20/tonne

		Seafreight – NZ\$50/tonne
Palau	0 – 3%	Gross Revenue Tax – 4%
Samoa	0-20%	Excise on softdrinks, alcohol and tobacco & Cigarettes VAGST – 12.5%
Tonga	0-25%	Ports & Services Tax – 20% Wharfage – 5% Sales tax on imports only – 5%
Vanuatu	5-50%	VAGST – 12.5%

Source: KVA Consult 2003 (compiled from data collected from PICs)

Note: The PICs in the table above have been adapted from other KVAConsult studies, which only covered these countries

Exports

Exports from Pacific Island countries are largely agricultural based products and fishery products. The manufacturing base is very small except for the bigger countries such as PNG and Fiji. Their exports are also highly vulnerable to any natural disasters, world prices and could be also exploited to the extent that these become extinct in the long run.

Table 7: Exports of Pacific Island countries : 2000-2001

Country	Main Exports
Cook Islands	Fish, Black Pearls, Papaya, Maire, noni
Fiji	Sugar, Garments, Fish, other agricultural products, other manufactured goods
FSM	Fish, Coconut Oil, kava
Kiribati	Copra, shark fins, seaweed, fish, sea cucumber, pet fish
Marshall Islands	Copra cake, coconut oil, handicrafts, fish
Nauru	Fish, Phosphate
Niue	Taro, Honey, Vanilla
Palau	Fish
PNG	Minerals, agricultural products, tuna, logs and timber products
Samoa	Fish, Taro, Coconut oil, Desiccated coconut, noni, coconut cream, coconuts, copra meal, bananas
Solomon Islands	Fish, Logs and timber products, garments, palm oil
Tonga	Squash, Vanilla, Fish, Kava, Noni
Tuvalu	Copra, fish, handicrafts (in very small quantities)
Vanuatu	Beef, Copra, Cocoa, Timber, Kava, Coconut oil

Source: KVA Consult 2003 Data

8.2.5 Implementation Analysis

The countries that have ratified PICTA have yet to formalize their institutional mechanisms to implement the Agreement. For instance PNG has yet to finalize its negative lists, Tonga has yet to prepare for their tariff reduction commitments and all countries have yet to develop the forms and procedures for the imports under the Agreement. The role of the Rules Of Origin Committee is so important in finalizing the rules of origin procedures and capacity building is very much required for the PIC customs staff. Exporters and Importers also need capacity building in terms of filling in forms and following the procedures required. Trade under PICTA has yet to begin even though the Agreement is now in force.

8.2.6 Monitoring Mechanisms

The Pacific Islands Forum Secretariat is taking a leading role in the implementation of PICTA and providing guidance to governments on their policies towards the implementation of PICTA. The main monitoring would be undertaken by the exporters and private sector and there is a need for NGOs, CBOs at the national and regional levels to constantly monitor this Agreement with emphasis on the potential implications to the communities and societies.

8.2.7 Extending PICTA to US and French Territories

A Study was undertaken by the Forum Secretariat mandated by the Forum Leaders and Ministers of Trade to look at the possibilities of extending PICTA to the French and US Territories in the Pacific.

The study noted that the inclusion of the six Pacific Territories of France (French Polynesia, New Caledonia, and Wallis and Futuna) and the United States (American Samoa, Commonwealth of the Northern Marianas and Guam) could have mutually beneficial effects for both the FICs and the Territories. The Territories' combined population of around 800,000 would enlarge the PICTA's regional market to approximately 8 million people, and all the six Territories' per capita incomes are higher than most of the FICs (except Palau, Nauru, Niue and Cook Islands). Thus their inclusion would greatly expand the regional market. The Territories also stand to gain the additional regional market of 7 million people under the PICTA.

Existing levels of trade between the FICs and the six Territories are currently very low and concentrated in a few large or neighbouring FICs. The USA and France are the major import sources and export markets for their respective territories.

Given the complexity of factors governing trade relations with all six Territories which require reforms to their trade policies and possibly, changes to their political status, their inclusion into the PICTA cannot be expected to be a short term process. In addition, given the unique status of each of the Territories, the FICs would need to enter into consultation with individual Territories and expect that each process would proceed at a different pace.

8.3 Pacific Agreement on Closer Economic Relations (PACER)

8.3.1 Principles

PACER is a framework agreement between the Forum Island Countries and Australia and New Zealand which allows for the gradual trade and economic integration of the economies of the Forum members in a way that is fully supportive of sustainable development of the Forum Island Countries and to contribute to their gradual and progressive integration into the international economy.

PACER is not a trade agreement however it provides recognition of the parties when one negotiate trade agreements with other parties. For instance should the Pacific Island countries conclude a trade agreement with the EU then it triggers negotiation on a trade agreement with Australia and New Zealand.

8.3.2 Benefits

The principal benefits to the FICs are contained in the provisions for trade facilitation and financial and technical assistance. The extent of these benefits depends crucially on the extent to which the financial and technical assistance provided is additional to existing levels of assistance.

The PACER also provides the FICs with the right to consultation with Australia and New Zealand if either Australia or New Zealand were to enter into negotiations for a free trade agreement with a non-Forum country. These consultations would be with a view to improving market access for FIC exports into Australia and New Zealand markets. As FICs currently enjoy duty free entry (under SPARTECA), such improvements in access could be through measures such as improved Rules of Origin criteria, assistance with marketing initiatives, assistance with Quarantine obligations. This would be a matter for the consultations.

The PACER also ensures that individual FICs maintain their existing level of market access in Australia and New Zealand, even if other FICs negotiate new arrangements with Australia and New Zealand.

8.3.3 Costs

The main potential cost to the Pacific Island countries of the PACER Agreement is the need to immediately consult and negotiate trade agreements with Australia and New Zealand when the Pacific Island Countries negotiate trade agreements with other regions. Given that Australian and New Zealand are the main trading partners for PICs, there would be large revenue impacts for PICs.

8.3.4 Implementation Analysis

PACER brought about trade facilitation assistance for those PICs that have ratified the Agreement. A regional trade facilitation programme has been developed with Australia and New Zealand committing AUD\$3million for the programme to be implemented. PICs are required to set up trade facilitation committees to look at areas requiring support. The composition of such committees should include private sector, government ministries and representatives from civil society.

Under PACER the Forum Island Countries on one hand and Australia and New Zealand on the other should enter into consultation if one party finalises trade agreements with other regions. Australia has just completed a Free Trade Agreement with the United States and the Forum Island countries should be consulted on the provisions of the Agreement whether or not there are some areas that might impact them. New Zealand is also in the process of finalizing trade agreements with Hong Kong and it is important to note the provisions whether New Zealand is committing more than what they are providing to the Pacific under SPARTECA.

8.3.5 Monitoring Mechanisms

The Pacific Islands Forum Secretariat takes a leading role in guiding the FICs under the PACER and in utilizing funding under the Regional Trade Facilitation Program. The trade ministries in the FICs are responsible for coordinating work at the national level which should include all relevant stakeholders in government, private sector and civil society.

9. SUB-REGIONAL TRADE AGREEMENTS

9.1 Melanesian Spearhead Group (MSG)

9.1.1 Principles

The MSG Trade Agreement entered into effect on 22 July 1993. Its members are PNG, Vanuatu and Solomon Islands.

The MSG Agreement operated under the positive list trade where its members have the potential to trade in over 200 products free of fiscal duty. The MSG countries are also spearheading the MSG Free Trade Area as a nucleus for progressing trade liberalization in the region, as a forerunner for a proposed Forum Island Country (FIC) Trade Agreement.

The 9th MSG Trade & Economic Officials meeting was held in PNG on 29th & 30th November 2000. Accepted expansion of the MSG Product Schedule tariff headings from four (4) digit to six (6) digits, thereby facilitating MSG trade by removing the ambiguity in product identification at Customs points of entry. The commitment among members to progress the MSG Trade Agreement towards WTO compliance, via negative listing by 2003/2005, was also reinforced.

9.1.2 Benefits

- Initiative seen as beneficial to all members, but especially to all members, but especially PNG and Fiji
- Reciprocal Market access to each of the four markets

9.1.3 Costs

- Independent members of the Agreement might not compete effectively with more developed members. For example, Vanuatu had to impose duties on products coming in from Fiji which flooded the market and threatening the local industries

9.1.4 Analysis

The MSG Agreement is apparently a major challenge to some members such as Solomon Islands and Vanuatu who now want to be out of the Agreement. Given that it operated on a positive listing means that the members would only allow in products that they are competitive in giving the advantage to those developed countries in the Agreement.

9.1.5 Monitoring Mechanisms

The MSG countries have regular meetings to discuss progress of the implementation of the Agreement and are mainly monitored by the private sector through exporters and importers.

10. THE IMPACT OF TRADE LIBERALIZATION ON PACIFIC WOMEN

10.1 Global arguments

A number of studies have been published worldwide on the implications of globalization on women however no studies have been undertaken specifically on the implications of trade and globalization on Pacific women.

The Commonwealth Secretariat had published a number of studies undertaken by Mariama Williams which outlined implications on women from globalization. It stated that in conventional economic analysis; trade liberalization has at least five important effects on a country. It impacts: 1) consumption, 2) production, 3) fiscal revenue, 4) employment, and 5) the balance of payments. However, from a gender sensitive perspective, there are at least two other effects that must be explicitly considered when analyzing trade liberalization: poverty/equity and environmental/ecological effects. These seven clearly identifiable effects of trade liberalization have particular implications for the process of economic development in developing countries as well as for gender relations.

Gender concerns in trade policies and trade agreements, therefore, arise out of the gender division of labor, gender differentiated access to economic and social resources, and women's socially prescribed responsibility for child-care, food production and preparation. These cause women to have different perspectives on development and trade as they are differently impacted by policies related to economic and social development. These gender divisions underscore the need for better integration of the social reproduction and production spheres as the underlying basis for fashioning trade policy.

Some key questions that must be addressed include: (1) Do trade policy and agreements promote better access to services that are essential for social reproduction (water, electrification, sanitation)? (2) Do trade policy and agreements increase, lessen, or have no bearing on women's access to education and health care? (3) Is trade policy complemented by social and other policies that promote human development

In this case, policy interventions and strategies should begin with a situational analysis of men's and women's time in providing social care and participation in the labor market and an assessment of the nature of existing essential services and how these will be impacted by trade policies and agreements.

10.2 Analysis on the Implications

Overall, with trade liberalization, different sectors in the economy may gain or lose access to jobs, markets, and livelihoods. Thus, trade liberalization, as reflected in the lived experiences of children, women, and men, can create new opportunities for business, growth, employment, and income. However, it can also be linked to rising poverty (in new and traditional forms), rising inequality, joblessness, gender discrimination, gender violence, and greater informalization of the economy. The depth of the severity of the experiences of women and men varies for different sectors of the population depending on existing realities of class, ethnicity, and gender.

In trying to analyze the impact of globalization on women, several areas of impacts highlighted at the global level could be used to assess the impacts of globalization on Pacific women.

10.2.1 Implications on Consumption

Changes in consumption obviously impact social reproduction in terms of its effect on the cost and availability of household items and the nature and scope of family and individual budgets. Depending on the effect on the commodities that are critical to the daily food and survival needs of individuals and families in a country, this can mean more or less work for women in terms of securing the family's welfare. (Williams)

Positive Effects

- Increase in choice for consumption goods - the reduction of tariffs by some Pacific island economies has led to an increase in the types of food available at relatively cheaper costs. Households are able to choose the type of foods for consumption based on their available budgets.

Negative Effects

- Food Security issues - The negative implications include the high dependency on imported foods, where rice is now the most popular staple food for most Pacific island families. In some countries, women would sell their produce at the market to buy rice.
- Health Related issues - Furthermore, health related diseases (such as diabetes and high blood pressure) are common in the Pacific due to an influx of an increase in consumption of imported foods with high fat contents. There are also no national food standards in most Pacific island countries hence there is no control over the quality of foods now available in these markets.

10.2.2 Implications on Economic Activities

Changes in production, whether it improves the access of local business to national or international markets, will clearly impact the number, size, and profitability of local female-and-male-owned enterprises. Ultimately, whether female or male entrepreneurs can compete will depend on the rules, access to capital, credit, training, marketing, and distribution. (Williams)

Positive effects

For Pacific women, trade liberalization policies have increased the possibilities of expansion of business to overseas markets, improved skills, and participation in a number of economic activities such as manufacturing, tourism and service activities.

- Agriculture - increased demand for cash-crop production will increase the numbers within the farming household working in the farm labour force; traditional division of labour patterns will be progressively modified as production demands intensify and their composition changes; decision-making within households may slowly change towards granting women their voices and autonomy; switches to new crops may take place, with new forms of knowledge and skills being deployed; idle arable land may be brought into production to benefit owners or landowning groups; and poverty alleviation will be achieved through increased earnings of households and new employment
- Manufacturing - Employment of skilled and unskilled workers increases; outsourcing of work to skilled people expands; training in new skills accelerates; and the number of female employees in food processing, garments and footwear, etc. production, increases;
- Fisheries - employment and incomes in fishing sector expand -- predominantly for men in commercial fishing, and for women in fish-processing; formal training in commercial

fishing skills expands; Women enter male-dominated fishing areas, e.g. beche-de-mer and women employment in fish distribution and sales grows such as roadside sales expand

Negative effects

The competitiveness of women enterprises has also increased due to an increase in imported products but this could also be an advantage to women to improve on the quality and producing high valued products for niche overseas markets.

- Agriculture - Increased demand for production may increase the daily work-load of women, given the prevailing traditional division of labour; the supply of family food crops may fall, being replaced by cash crops; the nature of farm-work may change -- involving the use of pesticides and weedicides -- so increasing the risk of health and environmental hazards arising from improper precautionary and safety provisions
- Manufacturing - unforeseen unemployment arises due to movement of footloose industries, improvement in production technologies, and lay-offs; migration for employment leaves elderly at home to fend for themselves; the intrusion of working schedules into personal life, and housework overload, lead to stress; traditional family dynamics upset, with more women going out to work, and unemployed men now staying at home for household duties.
- Fisheries - dangers arise for personal health of women in fish processing factories; risks from fishing in the sun (as in the case of seaweed production in Kiribati)

Case Study : Making the most out of globalization

Pure Fiji Ltd. is one very successful case of small company run by a mother and her daughters that despite political instabilities, trade liberalization policies and the influx of multinational companies into Fiji, this company has proliferated from a kitchen-based operation to an expanded factory project. The company through its passion for the Pacific has its production processes done at the village level where women are making the products whilst caring for the family at the same time. More than 500 women produce for Pure Fiji from their homes producing pure coconut oil, woven baskets, recycled paper and tapa all used by Pure Fiji on their products. This company exports pure virgin oil products mainly to the US markets, Australia, Korea and Europe. This is one example of a company making use of the opportunities arising out of globalization.

10.2.3 Implications on Employment

Employment effects can mean increased jobs for women and men or imbalances in the distribution of jobs between the two sexes depending on which gender dominates the sector that is more favored by changes in trade rules. (Williams)

Positive effects

- Increased employment opportunities have come out as a result of investment policies where multinational companies gain commercial access into the Pacific island countries providing employment opportunities. In Samoa, Yazaki Eds Limited provides employment to more than 1000 women especially school leavers without any special skills.
- Gender policies in the workplace also available – some multi national companies have gender policies in the workplace where sexual harassment is strictly enforced. Goodman Fielder Company in Fiji has such a policy in place where women are given medical insurance, maternity leave and is currently working on a special policy called 'carer's leave' where a mother can take leave to take care of a sick child.

Case Study : Partnership to Engendering Women in Employment

Yazaki EDS Samoa Ltd. is a multinational company in Samoa. It's main line of business is assembling and harnessing of wires for cars and exported to the Australian market. This company employed more than 1000 women since the latter were skillful with their hands and can work efficiently. At first the company had teething problems particularly relating to employment and production where the work methodologies introduced by Yazaki were very new to the workers. This led to high staff turnovers resulting in a big impact on productivity. Nevertheless the company had to adjust to the cultural and social factors surrounding Samoan workers and the company and the employees were able to interact in working together. The company also went to the extent of having a partnership with Government on CEDAW through the Ministry of Women's Affairs and the CEDAW Committee. This partnership provided the company with guidance on how to develop and implement policies on women which has guided the company to its success. The company is now working on a project on sex and reproductive education for its workers.

Negative effects

Despite the multinational companies adapting to the Pacific business and social environments, the effects of women in employment still remain in terms of;

- Long working hours – especially for those companies where the women stand for long hours without breaks
- Sexual harassment in most factories and companies where the companies do not such policies in place. Some countries have yet to adopt international conventions on Equal Employment Opportunities
- Longer working hours for mothers have implications on the family system and the role of the mothers in the family are often neglected. Working mothers rely on day care centers and baby sitters hence the caring role is very much reduced.

10.2.4 Implications on Essential Government Services

Fiscal revenue impacts the government's ability to provide services to individuals, families, and communities. (Williams)

Some Pacific island countries have substantially reduced their tariffs as part of the liberalization programs and at the same time introducing a broad-based tax (value-added tax) as an option to maintaining Government revenues. In some countries, particularly the Compact countries, additional taxes and levies are imposed at the local government level.

Positive Effects

- Reduced tariffs opens up the markets for more goods
- More revenue from those who used to avoid payments of duties

Negative Effects

- Less revenue for Government to implement its development strategies
- Reduction on Government subsidies on essential services such as education and health centres
- More women and children affected by broad-based or value added taxes

Case Study

Vanuatu relied on customs tariffs as the major sources of Government Revenue as there were no income or company taxes. As part of Vanuatu's process to become a member of the WTO it reduced its customs tariffs and introduced a Value Added Tax at the same time. The implications on the country were substantial where the private sector and civil society were not used to paying extra for VAT.

10.2.5 Implications on the Environment

The environment would also be implicated as a result of trade liberalization and women as members of society would also be affected. The South Pacific Regional Environment Programme (SPREP) is undertaking sustainable development projects that protects the environment from trade and investment policies and at the same time monitoring the effects resulting from such policies.

Positive Effects

Most Pacific island countries with the support of SPREP have ratified international environment conventions which would protect the environment from trade and investment practices. Furthermore, environment laws are in place requiring Environment Impact Assessments for new economic activities and are being legislated by many PICTs.

Negative Effects

Some negative effects of trade and investment activities resulting from liberalization include;

- Increased pollution impacting women's health,
- technology transfer increasing waste;
- and the new genetically modified organisms (GMOs) which might negatively affect women's health.

11. STRATEGY OPTIONS TO ADDRESS THE IMPACT OF GLOBALISATION**11.1 Strategy Options**

Globalization is in the Pacific to stay whether it brings forward opportunities or negative impacts. It is important therefore that the Pacific concentrates on policies and mechanisms that minimize the negative effects of globalization and at the same time maximizing any opportunities arising out of globalization. In addressing globalization implications on Pacific women, certain options could be considered where women could play an important role grasping any opportunities arising out of globalization.

11.1.1 Influencing Government Policies

To be able to influence government policies, there is a need for a collaborative and coordinated approach by all women groups at the regional and national levels. This would strengthen women's advocacy, which would enhance their participation on policy development and implementation. A partnership of women at all levels must be developed in efforts to influence trade policy development where the Women's Ministries, NGOs and CBOs together with women in the private sector must work together in developing their positions on any policies. This approach would then be taken to the regional level where regional women NGOs, associations and agencies would carry this onto the leaders at the regional level. This is critical if women are to be considered in the trade negotiation process

at the national and regional level. One strategy to influence trade policy development is having representation on the Trade Development Committees in each country. For instance, Fiji invites women's groups' representation to the Trade Committees.

11.1.2 Improving Awareness

To increase awareness for women on the implications of globalization and taking advantage of any opportunities, an integrated program could be developed at all levels.

Table 8: Awareness Programs

Program	National Level	Regional Level
National workshops	Request through to the Trade Ministries for workshop for NGOs and Private Sector Workshops at Grassroots level conducted by NGOs in national languages or pigeon Skills-based training could also be requested by the NGOs and Private Sector associations for women	Regional workshops on PICTA, PACER, EPA negotiations etc. to be requested through each member country to the Pacific Islands Forum Secretariat Capacity building and skills training on important sectors eg, organic farming for women Coordination of such programs could be facilitated by regional NGOs or SPC
Promotional Materials	Simplified summaries of trade implications on each of the Trade Agreements using national languages Brochures and handbook on business opportunities and marketing	Coordination for the development of materials at the regional level
TV and Radio Programs	For women in rural areas, television and radio programs could be used for awareness raising	Coordination for the development of materials at the regional level

Action plans at the regional and national levels could be developed for awareness raising programs which could also be used as part of a proposal to obtain funding.

11.1.3 Research

For women to advance in their advocacy strategies to influencing trade negotiations, research to obtain data and live case studies on women is very much needed. Statistics on women at the grassroots level activities, women in small and medium enterprises and statistics on the number of women in formal and non-formal employment activities would assist in analyzing issues pertaining to the implications of trade and globalization on women.

Research is also needed to assess the implications on women of the individual WTO Agreements that would assist in advocating positions with the Governments. For instance

the implications of the WTO Agreement on Agriculture and how women farmers who are dependent on subsidies would be affected. The sugar case for Fiji also needs statistics on the number of women who rely on the industry and developing alternative measures for women to adopt in view of the industry facing tougher times ahead come 2008. The services sectors covered by the General Agreement on

11.1.4 Networking at national and regional levels

For Pacific women to achieve recognition and technical support on any implications brought about by international trade policies or globalization, networking is vital through the sharing of information and experiences in an integrated approach. So many women NGOs, CBOs and private sector organizations need to work together towards common positions on trade matters.

The Pacific Gender and Trade Network which is a non formal networking on women in the Pacific has the main aim of undertaking research on women and trade so as to build the capacity knowledge of Pacific women on trade issues together with substantial statistics and research to support women's advocacy programs. This sort of network could be promoted with the collaboration of regional bodies, which would enable each Pacific member to undertake research in their respective countries that would contribute to national and regional positions on trade matters.

Another option is to have a special committee of women trade experts in the Pacific who would be keeping in touch with the trade issues and report back to the women's organizations and groups. This would allow for a flow of information from the international level through to the Government ministries, and women organizations right down to the grassroots level. Strategies to address such issues could also be developed by the special team through extensive consultations with community groups and organizations.

Since trade and globalization is at the multilateral level, networking with women groups and organizations from outside the Pacific provides more knowledge and ideas for the regional network. For instance collaboration with women organization in Australia and New Zealand since these are the Pacific's main trading partners, women in Asia and even with women in the Caribbean and Africa in influencing ACP-EU negotiations. This sort of networking could range from market information and enquiries to impact assessments and sharing experiences on the impact of globalization and trade issues on women.

11.1.5 Strengthening Income Generating Activities at the regional level

Most Pacific women particularly those in the rural areas do not have access to income generating activities. Although this is introducing women to the cash economy, this is the best option to integrating women into the trading system and maximizing any opportunities arising out of globalization. Income generating activities at the grassroots level also promotes women operating from their own homes hence the mothers are catering for the family needs at the same time. Income generating activities does not always refer to new types of industries that require special skills. Traditional skills in handicrafts, weaving and farming could be encouraged and promoted for women as income generating activities.

The Women in Business Development Inc. (WIBDI) in Samoa is a successful model for the development of income generating activities to women at the grassroots level. WIBDI works through various income generating projects focusing on using the existing skills in agricultural and arts and crafts and agriculture. Projects undertaken by WIBDI included;

- Honey making – where women in the village kept hives and WIBDI provided support through training in keeping hives and collecting honey. This honey is then sold to the local hotels or through the Honey Association who markets the honey locally.
- Pure Virgin Oil – WIBDI obtained funding for small coconut direct-micro expelling equipment for the extraction of pure virgin oil. Given that copra prices had fallen and producing copra is a labour intensive process, many villages and families are producing pure virgin oil which is collected by the marketing company and is exported overseas. Now the demand from overseas markets far outweighs the supply and a commercial production process is now put in place to compliment orders to satisfy market demands.
- Revival of the Samoan fine mat – the fine mat highly used for Samoan cultural activities had lost its original features and unique fineness as women yearning for fast cash are weaving low quality mats. WIBDI saw the need to revive the old traditional mats and through this project the Government committed to encouraging villages and communities to go back to the traditional mats. More than 100 villages are engaged in the project as for income generation where women’s committees would weave the mats and WIBDI provides training on quality control and the marketing. Each weaver receives a weekly income from a sponsor or buyer and WIBDI also provides training on financial management and promoting a savings scheme where women can save any extra income to prepare for any future activities or family commitments.
- The WIBDI is also undertaking an organic farming project where the Government has just recognized promoting the farming of high valued crops such as vanilla and noni.

The WIBDI model for income generating activities would also succeed in other Pacific island countries. This model could be used to obtain funding from various donor agencies especially those focusing at eradicating poverty. The following table provides a summary of potential donors who could assist the Pacific island countries in supporting income-generating activities;

Table 9: Possible Donors to Fund Income Generating Activities

Donor	Strategy	How they could assist
Asian Development Bank	Poverty alleviation in the Pacific is ADB's prime focus	Micro-financing scheme Loan guarantee scheme for small businesses through the national governments
Bilateral Partners Australia and New Zealand	Australia and New Zealand through their assistance to NGOs and community support	Community income generating projects however this depends on the priority areas that these countries would discuss with each Pacific island country
United States France	In the case of the Compact countries and the territories, support could be obtained from the US and France	Income generating activities in the outer islands such as pure virgin oil production
Canada	Support for community based activities	Assist in the provision of equipment and machinery for income generating activities. NGOs could approach directly
European Union	EU major policy of	Infrastructure support

	eradicating poverty	EU Mico-Credit scheme provides support for community based projects (eg. provision of water tanks etc). Again it would depend on each Pacific government to negotiate with the EU on such projects
SPC	Technical support to member countries	Training on sustainable agricultural activities, pest management could assist with income generating activities on agriculture and farming
Centre for Development of Enterprises	Marketing and technical support	Assistance in marketing (eg, attending trade fairs in Europe for organic producers)
USP – IRETA	Research on high valued agricultural products	Training assistance in building agricultural skills on new produce
FAO	Addressing food insecurity	Agricultural support – Telefood project however it goes through the Government ministries of agriculture
UN - International Fund for Agricultural Development (IFAD)	Eradicate rural poverty	Community based projects and support through the Government and NGOs A new Pacific Strategy is being developed

11.1.6 Development Partners and Donors

In strengthening women's participation in policies and economic projects; one option is to ensure that development partners stipulate in their aid programs policy initiatives that would promote and strengthen the participation of women in all developments. As gender is a cross-cutting issue in any projects, it is necessary to include an analysis prior to the implementation of any policies and/or projects. It would also address the need for data and research where these technical supports would require data on women.

11.1.7 Monitoring mechanism

As discussed in this paper, the monitoring of the trade agreements at the multilateral, regional and sub-regional levels are mostly done by the Pacific Islands Forum Secretariat on behalf of the Pacific island countries. For women to be further recognized at all levels and to be continuously informed on the trade activities; a special technical group comprising of gender and trade analysts could be set up to follow up on these activities. This group could then provide briefings for Ministerial meetings such as the Pacific Women's Ministers Meeting and the Forum Economic and Trade Ministers' Meetings.

11.1.8 Developing a Concept for Engendering Trade Policies in the Pacific

The above options provide an integrated approach to addressing the implications of globalization and trade on women. However this is dependent on the combination of a number of factors which include;

- Government legislative framework and trade policies recognizing the implications on women and supported through good governance and accountability

- Access to information on income generating or business opportunities and access to Markets
- Conducive business environment and infrastructure support
- Ongoing capacity building and skilled-based training
- Family and community support
- Assistance from donor countries and agencies

To composite the above factors, a concept could be used as a model for women to take advantage of globalization. This could be referred to as the **Big Pac Burger** since the famous MacDonalds burgers have reached the Pacific shores and using a type of food as a model makes it easier for us to relate to.

This concept could be used for gender and trade programs to addressing globalization issues.

Figure 2:

THE BIG PAC BURGER



11.2. Pros and Cons of each Option

11.2.1 Influencing Government Policies

Pros

- Improve access to policy development and knowledge of government policies
- Increased participatory role of women at policy level
- Bridging the gap between policy and action (where women are often at the action level rather than both)

Cons

- Political risks – instability of government may not allow for such option
- Commitment the Government of the day and the Government Ministries to include women in the consultative and policy development process

11.2.2 Awareness

Pros

- Improved education and awareness for women at the urban and rural areas
- Improved skills in informal sector
- Increase participation in advocating policies from improved knowledge on trade matters

Cons

- Resource constraints and ability to secure technical support
- Commitment of the Government, NGOs or communities to provide education and awareness
- Dependent very much on financial resources

11.2.3 Research

Pros

- Improved data on women in trade activities and the impacts of globalization
- More knowledge and awareness on new trade issues especially with regards to new negotiations on the WTO and the
- Information database developed for Pacific women for trade statistics and linking these to the macroeconomic policies
- More tools for advocacy programs

Cons

- Dependent on resource availability in terms of finance and capacity to undertake research
- Also dependent on the cooperation of all stakeholders

11.2.4 Networking at national and regional levels

Pros

- Improved access to information and experiences in each country
- Increased support at regional and international level to address globalization constraints
- Access to participate in international trade negotiations at the regional level

Cons

- Dependent on the cooperation of all partners

11.2.5 Strengthening Income Generating Activities at the regional level

Pros

- Improved access to business opportunities at the grassroots level
- Address urban drift problems
- Improve role and status of women in society
- Maintain family system

Cons

- Risks relating to commitment of women themselves to take on such projects
- Marketing risks (rely on a committed) organization to market the products
- Dependent on financial and technical support from donor countries and organizations

11.2.6 Development Partners & donors

Pros

- Requires governments to undertake gender analysis on any development projects
- Provide more data and analysis on women
- Allows development partners and donors to realize issues relating to women

Cons

- Depend on the commitment and policies by the development partners and donors
- Governments may not recognize this requirement

11.2.7 Monitoring Mechanisms

Pros

- Provide an update on the technical trade issues that could be translated to women at all levels
- Assist with women's advocacy programmes at national, regional and global levels
- Improve women's access to information

Cons

- Resources may be a constraint
- Cooperation amongst members and amongst members of the technical group is pertinent

11.2.8 The Big Pac Burger Concept

Pros

- Improve relationship between policy makers, the policy advocates, the private sector and civil societies
- Minimize negative impacts of globalization and maximizing opportunities
- Coordinated efforts to alleviating poverty and improving the wealth and health of Pacific women

Cons

- Risks when one of the factors do not work
- Commitment by Governments and all partners involved

11.3 Linking the Options to the International Platforms for Actions

The options provided are all linked to the Beijing Platform for Action and the Pacific Platform for Action. More emphasis could be focused on strengthening women's knowledge and capacity on trade policies and issues, access to economic opportunities and resources and increase participation at the trade policy development levels. The focus on research is also a priority in

obtaining relevant details and information to facilitate women's advocacy programs in addressing globalization and trade issues.

The ADB Report on the Millennium Development Goals in the Pacific revealed that the record of Pacific countries with regard to progress towards the MDG is mixed. That is while some countries have made significant progress in some areas, others are struggling to provide the social, economic, physical and political environment that promotes human development. Several countries have achieved certain targets such as universal primary education or the elimination of gender disparities in education. Many countries are facing increasing difficulties to provide efficient and equitable access to basic social services and an environment conducive for private sector development. [ADB: 2003]

12. RECOMMENDATIONS

For women to deal more effectively with the impact of globalization and the maximize any opportunities arising out of globalization and trade at the national, regional and multilateral levels the following recommendations could be considered

1. Coordinated approach through partnerships between government, private sector, NGOs, CBOs and regional agencies to address problems arising out of trade liberalization
2. Selection of special committees or technical group to follow up on each sector or each trade agreements and following the implications and new issues out of these agreements
3. Support for developing a strategy to undertake research, literacy development and advocacy programs for Pacific women
4. Support for a regional program on engendering trade and market opportunities and promoting a regional program on income generating activities at the grassroots level
5. Support for increased participation in national trade development committees to influence trade policy developments
6. For Pacific women to include in the Pacific Platform for Action and the Beijing +10 the need to address trade liberalization implications at the global level
7. A regional approach to obtaining financial and technical support to identify and take advantage of opportunities arising out of globalization for Pacific women
8. To consider the implications of trade under the implementation program of the Pacific Platform of Action, the implementation of the Beijing Platform for Action and the implementation towards achieving the Millennium Development Goals.
9. Development partners should ensure that assistance programs to PICTs should include specific provisions to increase the participation of women in national planning activities, including the formulation of policies and discussion of impact of arrangements on women.

13. APPENDICES

10.1 Log Frame on the Implications of the Trade Agreements on Women

Agreement	Benefits	Implications and Challenges
<p>WTO</p>	<p>Market Opportunities to other markets</p> <p>Protection under the WTO Agreements of trade discrimination from other trading partners</p> <p>Protection of Intellectual property rights (eg. handicrafts, publications by Pacific Island women)</p> <p>Access to technical support and capacity building in the area of trade negotiations and basic understanding of the WTO Agreements</p>	<p>Increase inflow of foreign products into the country might implicate women's businesses from competition, implications on health (obesity is now one of the major threats to some Pacific Island women), leading to over dependency on foreign products</p> <p>The requirement under the Agreement on Agriculture to eliminate subsidies would greatly affect women engaged in the agricultural sector where any grants from government would be eliminated. For Pacific WTO members, women who are coffee and copra producers in PNG and Solomon Islands would not be allowed subsidies as well as any monies for other agricultural activities.</p> <p>The impact of PICs opening up the essential services that the Government should be providing to privatization and foreign investment. For instance a commitment under WTO to open up basic health, water and education services would affect the accessibility of women to these services particularly those who cannot afford such services</p> <p>Gender implications are not fully considered under any WTO Committees or negotiations, hence there is still absence of social implications considerations in these negotiations.</p>

COTONOU	<p>Involvement of non-state actors (NSAs) in the negotiations however this is dependent on the national governments on their commitments to engage the NSAs. Women organizations could use this avenue to be involved in the negotiations</p> <p>Access to EU markets for women's exports such as the pure coconut oil exports</p> <p>Provides opportunities for other products to enter the EU market under this arrangement</p> <p>Provision of technical support to NSAs to develop poverty alleviation strategies and programmes at the national levels</p> <p>The Labour standards of the EU could be used for any EU investment in the Pacific that realizes women's rights.</p>	<p>High EU market standards. The Pacific island countries do not have the capacity to meet the standards of the EU market hence women who do not have the capital and capacity to meet such standards would be disadvantaged.</p> <p>The EU is interested in fish from the Pacific and the possible implications on the Pacific island economies and people including people if an agreement in is place where EU boats would be exploiting the resource that most Pacific islanders rely on as a major source of food and income. Any future Agreement with the EU on fish should also consider the social implications of such agreements.</p> <p>Tourism and Investment are also other sectors in which the Pacific would open up to the EU. Implications on civil society are not yet outlined particularly the implications on culture and traditions and how women would be affected by these agreements.</p>
PICTA	<p>Provides opportunities for women entrepreneurs to access other Pacific island markets.</p> <p>Pacific island standards and requirements not so stringent compared to those under the EU</p> <p>Allows women to trial the Pacific market first whilst building their competitive advantage for international markets</p>	<p>Transportation costs in the Pacific may be too high for small women entrepreneurs to export their products</p> <p>Risks of products being copied or duplicated and women may not have the resources to patent their products (eg. handicrafts) in other Pacific island markets and also to pay for any legal fees.</p> <p>Commitment by national governments in promoting opportunities from PICTA may not be effective due to other priorities of Government</p> <p>Trade diversions where women may rely on sourcing materials from other Pacific countries rather than markets outside of PICTA. This might limit women's choice to purchase a better or higher quality products from other potential markets outside of the Agreement</p>
PACER	<p>Provides support for trade facilitation programs where women could access to gauge more technical support for their products. For instance a product needing testing prior to export could be supported under the Agreement.</p>	<p>Potential challenges would be negotiating trade agreements with Australia and New Zealand where a thorough social and gender impact study is needed for women to realize any future implications.</p>

MSG	Provides market access for products amongst Melanesian countries	Since MSG operates on a positive product listing, small women exporters may not be able to get their products to be covered under this Agreement.
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10.2 Persons Consulted

Fiji

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Mrs. Amelia Siamomua - Regional Programme Director, UNIFEM
Ms. Catherine Pleass – Marketing and Regulatory Affairs Manager, Goodman Fielder Fiji
Ms. Claire Austin – Marketing Manager – Pure Fiji
Mrs. Gaetane Austin – Director, Pure Fiji
Mrs Mere Falemaka – Trade Policy Advisor, Trade and Investment Division, Pacific Islands Forum Secretariat
Ms. Mereseine Wainibuta - Senior Economic Planning Officer, Ministry of Commerce & Industry
Mr Pio Tabaiwalu - Chief Assistant Secretary (WTO), Ministry of Foreign Affairs and External Trade
Mr Shiu Raj - Manager Executive Office, Fiji Trade and Investment Bureau
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Samoa

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Ms. Arasi Tiotio – Board Member, Women in Business Development Inc.
Ms. Faamausili Solo Brown – CEO, Lafitaga Trust
Ms .Joyce Yu – Resident Representative, UNDP Apia
Ms Kate Brown, Action Strategy Adviser, SPREP
Ms. Karen Maposua - CEO, SUNGO
Ms. Levi Paniani – Nuanua o le Alofa NGO
Ms . Maria Melei – Director, Small Business Enterprise Centre, Vice President Chamber of Commerce
Mr Matt McIntyre, Adviser, Acting Coordination, Sustainable Economic Development, SPREP
Ms. Nella Tavita – Principal Trade Policy Officer, Ministry of Foreign Affairs and Trade
Mrs Noumea Simi – Assistant CEO, Ministry of Finance
Ms Ofeira Salevao Manutagi – Director, Faataua Le Ola
Mrs. Palenitina Toelupe – Assistant CEO, Ministry of Women, Internal Affairs and Social Development
Mr Papalii Grant Percival – President, Samoa Association of Manufacturers and Exporters
Mr. Raymonf Voight – Vice President , SUNGO
Ms Ruta Fiti – Board Member, Faataua le Ola, Samoa Association of Women Graduates
Ms. Sadie Fiti – Observer
Mrs Sally Lameko – Yazaki Eds Ltd.
Mrs Sheree Stehlin – President, Women in Business Development Inc.
Mrs Tapusalaia Faatonu Faletoese – President, Komiti Tumama, Board Member SUNGO
Mr Toleafoa Karanita Petaia – Yazaki Eds Ltd.
Mrs Vaasilifiti Moelagi Jackson – President Faasao Savaii (NGO)

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