

- [Young Voices](#)
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## Women's participation in India's trade ecosystem

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India must follow through with its commitment to women's empowerment and correct the gender gap in the country's trade ecosystem



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India's trade ecosystem does not include enough women. With growing attention on the Indo-Pacific, [India's overall exports \(merchandise and services\)](#) were estimated to reach US\$ 60.09 billion in June 2023. Yet, working women's participation in trade and trade-related services stands at less than [5 percent](#) in comparison to almost 15 percent of working men. Additionally, women's participation in India's cross-border trade is limited to production and manufacturing and is significantly [lower in higher levels of trade value chains](#) such as research and development, marketing, distribution, or policymaking positions. [A](#)

[study](#) carried out by the World Bank Group in 2020 on the cross-border value chains in Northeast India for spices and agricultural products revealed that women are largely involved in on-farm tasks such as [“cultivation, harvesting, sorting, grading, packaging, and labelling”](#).

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India is aiming to expand its influence across the region and reach a goal of [US\\$2 trillion](#) in overall exports by 2030, as laid out in the 2023 Foreign Trade Policy (FTP). This necessitates the increased participation of the country’s female labour force, which currently stands at around [20.3 percent](#). By providing equal employment opportunities to women, India could add [US\\$770 billion](#) to its GDP by 2025. Further, inclusive trade has been shown to [drive gender equality and development](#), which would also help India achieve its “Women-Led Development” initiative. So, what are the barriers to women’s participation in India’s trade industry and how can they be improved?

## Barriers to women’s participation in high-value jobs

[The gender gap](#) in education, skills and training along with occupational sex-segregation hinders women’s capacity to participate in and progress towards higher-value opportunities within trade industries. [As per UNESCO](#), the Indian literacy rate stands at 77.7 percent in 2022; but the female literacy rate stands at 70.3 percent while the global average female literacy rate is 79 percent. As a result, most Indian women remain in manufacturing, agricultural production, and other bottom-value positions while being left out of the more lucrative and managerial segments of value chains. Further, there is a significant [gender wage gap](#) in manufacturing sectors. While the gap is smaller in the services sectors where India has a comparative advantage, the discrepancy is also almost entirely due to gender bias. This wage disparity further discourages women from joining the industry.

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[Jobs operating at port areas](#) such as traders, freight forwarders, customs house agents, transporters, and other service providers are usually conducted at remote and isolated locations, requiring regular travel and late and unpredictable operating hours. As such, the limited connectivity and lack of safe public transport to ports, warehouses, and other logistical infrastructure have become key barriers to women’s participation in trade at the physical level. Along with issues related to [public infrastructure and services](#), the threat of harassment and other socio-cultural problems such as the disproportionate burden of unpaid work and caregiving responsibilities as well as societal restrictions on women’s movements are [additional limiting factors](#).

## Barriers for women-owned businesses

Women traders and entrepreneurs have said that [high working capital requirements](#) impede involvement. Female-dominated sectors such as garments and food face higher tariffs on inputs, otherwise known as the [“Pink Tax,”](#) which in India amount to 6 percentage points. In addition to tariffs, other expenditures like [high application fees](#) for mandatory compliances and [high applicable costs](#) for utilising the facilities provided by E-commerce export hubs [increase the cost](#) of trading for women-owned MSMEs, the majority of which are micro firms.

Streamlining and digitising trade interactions and documentation can help level the playing field and reduce opportunities for bribery and corruption, which disproportionately impact women-owned businesses.

Moreover, acquiring knowledge about regulations and procedures for compliance, meeting the standards for export quality, overseeing logistics providers and financial institutions, as well as the [time burden of the customs and clearance processes](#) pose greater challenges for female traders compared to their male counterparts. Streamlining and digitising trade interactions and documentation can help level the playing field and reduce opportunities for [bribery and corruption](#), which disproportionately impact women-owned businesses. In fact, the Turant Customs Programme has made the customs clearance process [faceless, paperless, and contactless](#). However, transitioning from physical to digital infrastructure must be accompanied by actions to improve women's digital literacy and close the digital gender divide.<sup>[1]</sup>

## Possible solutions

[India's Foreign Trade Policy 2023](#)—which provides [guidelines and procedures](#) for trade exports and imports set by the Director General of Foreign Trade—[failed to mainstream gender](#). Promotion of gender inclusive trade was a significant action point in India's [National Trade Facilitation Action Plan \(2020-23\)](#). It was included as a response to the country's 66.7 percent score in the “Women in Trade Facilitation” component of the [Global Survey on Digital and Sustainable Trade Facilitation](#) carried out by the United Nations in 2021. Following this, it was expected “gender” would be mentioned in India's FTP. However, when the document was finally released, it [lacked any mention of “gender,”](#) or any specific measures to improve women's involvement in trade. While several of the broad measures included will inherently encourage women's participation to a certain extent, this decision will hinder women's ability to contribute fully and effectively to the country's US\$2 trillion export target.

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India's upcoming policy cycle must recognise women's roles in trade and consider gender separately. Gender disaggregated data must be compiled to develop effective government initiatives and policies that will create more opportunities for women. For example, the [“Gender Mainstreaming at India's Land Ports”](#) report was released by the Indian Council for Research on International Economic Relations (ICRIER) to make the land ports more gender-inclusive and increase women's participation in port-related trade activities. The study was conducted by an [all-women team of researchers](#) and is a key display of gender-focused data collection informing policy decisions. A gender-responsive trade policy would also consider suitable measures for [women-intensive industries](#) such as jewellery, food processing, and textiles, especially ensuring fair and liveable wages for workers.

Moreover, Indian policymakers and external parties, including private enterprises and non-governmental organisations (NGOs), that are committed to promoting women's representation and gender equality in trade should aim to utilise [multilateral initiatives](#) such as the Indo-Pacific Economic Framework for Prosperity (IPEF), the Quadrilateral Security Dialogue (Quad), and India's G20 Presidency in 2023. [Most importantly](#), the voices of women stakeholders must be represented and heard at trade associations and in government consultations while domestic reforms and capacity-building projects must work in tandem with trade policy.

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These points are particularly pertinent when we consider that gender mainstreaming is anticipated in [India's ongoing Free Trade Agreements](#) (FTA) negotiations with the European Union, Israel, and the United Kingdom (UK). The UK-India FTA has a [“Trade and Gender Equality” chapter](#) that women-owned and women-led SMEs are set to benefit from. Gender-responsive policy is becoming central to bilateral and multilateral trade discussions and, as such, India must follow through with its commitment to women's empowerment and correct the gender gap in the country's trade ecosystem.

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[1] Disparity in the availability, possession, and usage of digital tools.

- [Economy and Growth](#)
- [Gender](#)
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