

EXPLAINING THE RELATIONSHIP BETWEEN THE WORLD TRADE ORGANIZATION AND  
WOMEN'S RIGHTS, 1981-2010

by

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## THESIS ABSTRACT

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Title: Explaining the Relationship Between the World Trade Organization and Women's Rights, 1981-2010

There is general agreement that the General Agreement on Tariffs and Trade/World Trade Organization has increased the volume and the ease of flow of international trade and, by way of comparison, sparked considerable debate regarding the effects of membership in the GATT/WTO on women's rights. Normatively, this is an important question. How does the increasing and pervasive reality of openness and increasing trade affect the lives and opportunities of women? Using three original theories and the results of four fixed-effects models, I find that membership in this institution has no significant effect on women's rights. My conclusion is that membership and the subsequent effects on international trade result in very mixed outcomes for women.

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# CHAPTER I

## INTRODUCTION

The General Agreements on Tariffs and Trade and its successor the World Trade Organization have without a doubt affected the shape and volume of world trade. The scholarly consensus with regard to trade outcomes for states is divided. On the aggregate, these international institutions and related international trade agreements have increased the amount of goods and services that flow freely (or with minimal barriers) in the international economy.<sup>1</sup> In some cases, there are specific conditions that dictate which states or when benefit.<sup>2</sup> Finally, there are (a minority of) scholars that argue against the trade liberalization and trade promotion effects of the GATT/WTO.<sup>3</sup> Being a member of the GATT/WTO results in varied effects and consequences for member states. Its main purpose (to lower tariffs and to open and keep open markets)<sup>4</sup> and the outcomes of attempting to accomplish the goals set forth in its mission statement have overall led to increasing world trade and lowering barriers to trade, with some exceptions. The varied effects of membership are a result of being a member of an international institution and from specifically being a member of an international trade institution. These effects and consequences (of membership) can broadly be

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<sup>1</sup> For a useful summary of the general scholarly consensus on how international trade agreements have increase and liberalized international trade, see (Baier 2007; Chang 2011; Goldstein, Rivers, and Tomz 2007; Baldwin 2012, 29)

<sup>2</sup> For a summary of arguments regarding the trade promotion and liberalization effects of the GATT/WTO being under to certain conditions or for certain groups of states in the international system, see (Subramanian 2007; Gowa and Kim 2006; Krugman 1987; Gowa 2009; Kim 2010, Ch.4)

<sup>3</sup> For a summary of arguments against the trade liberalization and/or promotion effects of the GATT/WTO, see (Rose 2004; Rose 2002)

<sup>4</sup> See WTO mission statement ([www.wto.org](http://www.wto.org))

categorized as social, economic, and political, and differentially affect the people living and working in member states.<sup>5,6,7</sup>

There are differential effects on member states from the expansion of international trade due to membership in the GATT/WTO and so too are there differential effects on the citizens in these states. Nowhere is the debate (over the effects of increased openness) more contentious than that which examines the relationship between membership in the GATT/WTO and the effects on women's rights. Insofar as there is general (though certainly not total) scholarly consensus that membership in the GATT/WTO has the effect of increasing the volume of trade in a state as well as forcing that state to decrease its barriers to international trade, there is nothing close to a clear or helpful consensus regarding its effects (WTO membership) on women's rights.

There is general agreement that the GATT/WTO has increased the volume and the ease of flow of international trade, and by way of comparison, considerable debate regarding the effects of membership in the GATT/WTO on women's rights. Normatively, this is an important question. How does the increasing and pervasive reality of increasing openness and increasing trade affect the lives and opportunities of women? The GATT/WTO is here to stay. Through negotiations in successive trade rounds, trade in an ever-expanding amount of goods and services is becoming increasingly liberalized and regulated. Irrespective of the debate among scholars about the actual direction of

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<sup>5</sup> For the general effects of international trade, see (Keohane 1996, Ch.1; Lamy 2008; Ostry 2008)

<sup>6</sup> For economic effects (on national economies) of international trade, see (Hiscox 2001; Redding 1999)

<sup>7</sup> For (political and economic) effects specific to developing countries, see (Mahler 2004; Milner 2005; Bhagwati 1994; Grynberg 2006)

the effect(s) of international trade (as a consequence of joining the GATT/WTO), membership in this institution matters for every aspect of a woman's life.

In the same manner that states ask themselves whether they have and continue to benefit from trade liberalization, so too is it important to ask how liberalization, as a result of membership in the GATT/WTO, has specifically affected women. Envision women as a country: they would be the largest and poorest country in the world (Wee 1998, 101). Their "country" would be characterized by (Wee 1998, 101):

- A low growth economy
- Low access to credit
- Dependence on commodities, agriculture, and labor-intensive manufacturing industries as its main exports
- A high degree of non-monetized productivity
- Low physical quality of life for the labor force
- A low-skilled population
- Low levels of technological infrastructure
- Poor social infrastructure
- Low level of land ownership, with local land accounting for only 1% of land ownership and the rest owned by foreign interests

This fits or matches the profile of a least developed country, or LDC (Wee 1998, 101).

The last twenty-plus years of trade liberalization has created jobs for millions of women workers and for many individual women, their jobs have brought greater economic independence, equality in the household, and personal empowerment (Coryndon 2004, 17). However, millions of women are employed precariously. Their terms of employment are characterized by short-term contracts with limited access to social protections, long working hours in high pressure situations in unhealthy or dangerous conditions, and being undermined at every turn in their attempts to organize and demand for their basic labor and social rights to be met (Coryndon 2004, 17). In an ideal

world, an expanding export sector (as a result of membership in the GATT/WTO) should be an opportunity for employment to be both more secure and to bring about more rights for women; instead, the sourcing and purchasing practices of many companies creates pressures that results in precarious and dangerous conditions for women (Coryndon 2004, 17). This is not unique to developing countries; the impact falls on women in poor communities in rich countries as well (Coryndon 2004, 17).

In developing countries specifically, the orientation to openness to trade and exports has been the most important factor in determining which jobs are created for women; no factor has had more significance than trade (Wee 1998, 30). Women have been crucial in raising the export competitiveness of these states. There exist no cases of states that have succeeded in becoming export competitive in their respective manufacturing sectors without increasing the participation of women in the modern or monetized sector of their economies (Wee 1998, 30). Women have been the “workforce of choice” in these newly and rapidly expanding export industries (Wee 1998, 30).

For example, in Bangladesh, the export-oriented garment sector began in the 1970s and expanded rapidly (Beneria 2003, 179). Women now comprise 85% of all employees involved in production industries (Coryndon 2004, 17). There has been “significant personal change” for many women, including but not limited to paid employment, a first for many women, has improved their bargaining power within the family (Coryndon 2004, 18). A survey of women in more than 30 garment factories in Bangladesh found that two-thirds of these women had some control over their earnings (Coryndon 2004, 18). Married women, interviewed in 2003, said they now make

decisions alongside their husbands with regard to family matters, and a small but significant minority said their husbands now share some of the housework, including cooking and shopping (Coryndon 2004, 18). As one Bangladeshi woman put it, “in my mother’s time...women had to tolerate more suffering...they are better off now, they know about the world, they have been given education, they can work and stand on their own feet...they have more freedom” (Coryndon 2004, 18). The government in Bangladesh, under pressure to reform in order to retain US trade preferences, and aiming to build a better reputation for labor standards, committed itself to lifting its ban on trade union activities by January of 2004 (Coryndon 2004, 62). However, there is a constant backlog of workers’ cases waiting for a hearing at labor courts; each case can take up to five years to settle (Coryndon 2004, 63). The government, under advice from the World Bank, has avoided introducing regulations that increase the cost of employing women (and discourage their employment), such as maternity leave policies and regulations about women working at night (Coryndon 2004, 43). As a result, since Bangladesh’s turn to export orientation through its promotion of its manufacturing industry, women have had good access to formal sector jobs in the garment industry, where regulations have been minimal (Coryndon 2004, 43).

The purpose of this paper is to explain the dueling logics of the effect of membership in the GATT/WTO on women’s rights. I have created three theories that help us understand to this relationship. Each of the theories can be interpreted or used to predict an ultimately positive set of outcomes with regard to women’s rights or an overall negative set of outcomes. Using the result of four fixed-effects models, I will

determine what the data says the effects are, positive or negative, of membership in the WTO on women's rights. There are causal logics or mechanisms underlying each theory that predict positive effects as well as those that predict negative ones; the results of the data analysis, in combination with theoretical expectations, tell a full story about the relationship in question.

The three theories I have created to explain the dueling logics of the effect of membership in the GATT/WTO on women's are: the Welfare State Theory, the International Interactions Theory, and the Trade Flows Theory. The welfare state theory examines the effect of membership in the GATT/WTO on women's rights through a story about how increased vulnerability to market forces (that comes along with increased openness to trade) has, to a greater or lesser extent, come to dictate the response of national governments. The response of national governments, through the provision of economic and social insurance (and who receives these benefits and who does not), affects the rights and opportunities of women in every state in the global economy. The international interactions theory explains how/whether economic interactions between states in a globalized economy where states are members of the GATT/WTO (and related international trade institutions) have top-down effects on changing national policy with regard to women's rights. Finally, the trade flows theory examines how increases in imports and exports, as a result of membership in the GATT/WTO, have created new and different employment opportunities in states across the international economy. This theory predicts dueling logics or outcomes for women: more trade means more jobs for everyone, including women, which means some



women have jobs for the first time; as a result, they have increased autonomy at home and are able to participate more actively in their communities. However, women also are paid much less than men, work in dangerous conditions, and have little, if any, measure of job security.

The conceptualization of women's rights utilized in this paper is fairly simple and mirrors the empirical measure used in the data section: the right (women have) to legal protection and equal treatment under the law in a state and that are actually enforced in practice. Women's (human) rights, as conceptualized and measured in this paper, refer to the "actions of government officials and [the] actions of private groups if instigated by the government directly affecting the degree to which citizens can exercise various types of human rights" (Cingranelli 2010, 411). Actions refer to practices; practices are what governments actually do, not what they claim they do or what consequences come from what they do (Cingranelli 2010, 411). This is arguably the closest we can get to measuring the actual day-to-day condition of women's human rights in a state; what is codified into law versus what plays out in practice, by looking at the actions of those responsible for enforcing the laws that affect the rights of women.

The Cingranelli and Richards Human Rights Dataset uses a mixed-methods approach to create their indicators of government respect for women's (human) rights. They utilize "content analysis of qualitative material describing respect for...rights in countries around the world to create quantitative indicators", which in turn is used to create their coding criteria (Cingranelli 2010, 405). This criteria is intended to reflect the meaning of women's (human) rights as defined by international human rights laws as

well as to represent the various ways in which the expectations of laws and actual government behavior overlap (Cingranelli 2010, 405). The CIRI women's (human) rights scores indicators are considered "standards-based": this means government practices with regard to women's rights are rated relative to standards set in international law; states are not ranked relative to one another (Cingranelli 2010, 405-406).

This paper uses four within country, fixed effects models to analyze the effect of membership in the GATT/WTO on women's rights. The models test the effect membership in the GATT/WTO on four groups of (women's) rights- total rights, political rights, economic rights, and social rights- using a sample of 214 states. Membership only has a statistically significant effect in the case of women's social rights; these include rights such as freedom from forced sterilization, traveling abroad, initiating a divorce, owning property, the right to an education, etc. The effect of membership on women's total, political, and economic rights is not statistically significant. Putting statistical significance aside, the effect of membership on women's rights is very small, almost indistinguishable from zero. The effect is positive in the case of women's total rights, economic rights, and social rights, and negative in the case of political rights. However, in three of the four models, the effect of membership is not statistically significant and the coefficients are very small, which leads to preliminary conclusion that the effect is not any different from zero. In the case of women's social rights, the effect is (statistically) significant, but very small (though positive).

The theories in this paper predict a set of strongly positive or strongly negative effects for women. The results of the data do not match the expectations of the

theories. I would argue that the most likely explanation is that positive and negative effects are entirely and impossibly inseparable in real world practice. I will expand further in the concluding section, but here are few examples: though women have more opportunities for gainful employment because of the GATT/WTO, on the aggregate they are paid less than men (Fuentes 1984, 12), and in many third world countries, they live on wages of less than two dollars a day (Randriamo 2006, 140). Membership also means increased economic interaction among countries. This logically and necessarily leads to each state specializing its exports to what is in its comparative advantage. While women are now employed in nearly every type of industry across the board, due to comparative advantage and the international division of labor, a hidden effect of the WTO on women's rights is women actually competing with other women across industries and across states for jobs, benefits, and other important rights and opportunities. When demand contracts and imports and/or exports decrease in a state, in many cases women's jobs are the first to be cut; they are seen as expendable and their income is seen as supplemental and secondary to male breadwinners.

## CHAPTER II

### THEORY

#### The Welfare State Theory

##### The Effects of Increased Openness

In this section of the paper, I will elaborate on the progression of mechanisms or sequential causal logics that, under the specifications of this theory, seek to explain how membership in the GATT/WTO affects women's rights. First, a state joins the GATT/WTO. When a state is a member of this institution, it experiences a relative increase in the amount of international trade conducted between that state and other states in the international economy. Subsequently, the state is also now more vulnerable to the ups and downs of market forces. Next is the response of the state, using welfare [state] mechanisms. Openness to trade and increased trade in a state causes variation across states in welfare state outcomes, however the general effects of openness are not systematically different between liberal and non-liberal welfare regimes, and states located in Europe and those located elsewhere (Brady 2005). Finally, the response(s) a state chooses affects the rights and opportunities of women.

A broadly applicable example that demonstrates the response of least developed countries (LDCs) to increased openness: in LDCs, welfare spending responds to greater trade flows (and greater capital mobility) (Rudra 2002, 435). This is due to two factors: there exist a growing number of low-skilled workers, relative to skilled workers, and a large amount of surplus labor in these states (Rudra 2002, 435). The combination of these two factors serves to heighten the collective action problems of laborers, which

makes it difficult for them to organize to demand social insurance from their governments (Rudra 2002, 435). In addition, when there is increased pressure due to more openness to market vulnerabilities, relative to labor in OECD countries, there are not institutions in LDCs to help labor defend already existing social welfare benefits—to overcome their collective action problems (Rudra 2002, 436). In conclusion, in this case workers' potential gains from increased openness to the international economy are outweighed (in LDCs) by the actuality of their failure to collectively organize and pressure their respective governments for social insurance (Rudra 2002, 436).

States with the highest levels of exposure to international trade increase their government spending (Rodrik 1998). This is broadly applicable and true for countries that are considered low and high income. Another example is vulnerabilities brought on by a financial crisis (in this case the Asian Financial Crisis) that force policy innovation; this reflects variations in existing welfare regimes as well as policy choices made once crisis is inevitable and governments must innovate to mitigate the increased risk of economic collapse faced by its citizens (Gough 2001). A final example is changes in patterns of demand (due to openness) that make some sectors less competitive. Workers often possess skills that do not travel between sectors, and because social insurance is (often) provided by one's employer, the risks posed by entire sectors becoming uncompetitive can only be met by the expansion of insurance provided by the government (Iversen 2000, 346). Governments across the board have responded by doing just this: expanding transfer payments and social service provisions, as well as

attempting to employ more people in public sector service jobs, to mitigate gaps in productivity between sectors (Iversen 2000, 347).

### **Outcomes for Women**

In this section, I will discuss how a state's chosen policy responses (because of increased openness) specifically affect women. Under the specifications of this theory, and given the aforementioned examples, states across the board use welfare state mechanisms or policy responses to mitigate the effects of increased market openness. While different states choose to use different policies, there does not exist a state that does not use some type of welfare state mechanism(s) to respond to increased market vulnerabilities. The policies they do or do not use, and more importantly, to whom these policies apply or do not apply, explain effects on the rights and opportunities of women. A comparison of three different types of welfare state regimes usefully illustrates outcomes for women. It helps us to understand the "dynamics between the policy logics of gender regimes and welfare state regimes...[and] the specific principles of entitlements and policy construction" (Sainsbury 1999, 245). Or, how welfare state policies in different types of states affect the rights and opportunities of women (compared to men). And more specifically, how the construction of policy and the subsequent entitlements given or withheld affect women (and their male counterparts). The three types of welfare regimes in this study are conservative, liberal, and social democratic.

In a country with a conservative, or social-capitalist regime, the purpose of the welfare state is to temper the negative effects of increased openness while still allowing

(as much as possible) the market to operate without interference (Sainsbury 1999, 254). Social insurance models are based on an employee's performance at their place of work and any social benefits a citizen receives correspond to the [economic] contributions they make (Sainsbury 1999, 254). In conservative welfare states, there are two realities with regard to the provision of social insurance that disproportionately affect outcomes for women. First, care and domestic service are not considered work, and it is rare that social insurance benefits based on caring activities are anywhere as comprehensive (or exist at all) as benefits that come from employment. Because this is the case, and due to the fact that in conservative welfare states women are more likely to be out of the workforce, providing care as unpaid workers, the second outcome for women is that they are disproportionately excluded from social insurance coverage, which is the main type of social protection provided by this type of state (Sainsbury 1999, 255).

In liberal welfare states, the state does not interfere with the market nor does it involve itself in family life; only in cases of market failure or familial breakdown does the government intervene (Sainsbury 1999, 256). Because the market is central and a strong work ethic is an important value, liberal states provide occupational and fiscal welfare, which excludes those that do not work or that do not succeed when they attempt to work (Sainsbury 1999, 256). For these types of people, there exists a guaranteed minimum safety net (Sainsbury 1999, 256). Occupational welfare, or benefits provided by one's employer, has a few specific and disadvantageous outcomes for women. It mimics the reward structure of the market and job hierarchies of the firm, benefits are based on long-term service to a company and reflect pay differentials, and low-level

employees are often excluded (Sainsbury 1999, 256). Because labor market is vertically segregated, and due to pay differentials between men and women (women are paid less than men in every occupation around the world), a woman's ability to claim occupational benefits are adversely affected in liberal welfare regimes (Sainsbury 1999, 256). Fiscal welfare benefits, or benefits distributed through the tax system, also have adverse effects for women in liberal welfare states. First, if qualifying for tax benefits involves an income ceiling, it is often family income that determines eligibility (and thus single women are left out) (Sainsbury 1999, 256). Second, despite the growth in tax benefits to help the working poor, a socioeconomic class that in many states is comprised heavily of young(er) single women, fiscal welfare is actually more advantageous to those in the middle and upper income brackets, and therefore does not help women much, if at all (Sainsbury 1999, 256).

Social democratic welfare regimes are characterized by active state intervention in the market; the role of the state is to temper market forces, toward the goal of a greater measure of social equality (Sainsbury 1999, 259). The state promotes full employment through active labor market policies and it expands public services, which are considered a social right (rather than commodities that must be purchased on the market or based on work performance) (Sainsbury 1999, 259). Citizen or residence-based social rights dilutes the influence of the market on entitlements; benefits funded through general revenues (rather than individual employee contributions) does the same, and this type of regime has positive outcomes for women (Sainsbury 1999, 259). First, social rights based on citizenship or residence individualizes the principle behind



social entitlements and separates it from the importance of the family (Sainsbury 1999, 260). There is no gender differentiation in who the state deems entitled for social insurance, and the state does not recognize a difference between (in the worth of) paid and unpaid work in deciding who receives benefits (Sainsbury 1999, 260). All women, employed and unemployed, single and married, have access to social entitlements. Second, active labor market policy helps women because it helps those workers that are most vulnerable to seasonal employment, business cycle fluctuations, and economic restructuring; this initially benefitted men in social welfare states, but had the ultimate effect of enhancing women's employment opportunities (Sainsbury 1999, 260).

### **Final Thoughts: The Welfare State Theory**

In examining the relationship between the GATT/WTO and women's rights, the welfare state theory predicts a set of positive effects and a set of negative effects. There are a few important questions that the specifications of this particular theory allow us to answer about the relationship between membership in the GATT/WTO and women's rights. Given that all states, to a greater or lesser extent, use some form of welfare state polic(ies) to respond to increased openness, if a state is a member of the GATT/WTO (or if it is not), and therefore experiences a relative increase in its level of trade: what kind of welfare state policies does the state use to respond to increased vulnerability to market forces? How do these policies affect who is and is not included in these types of social and economic insurance policies? Most importantly: how does policy inclusion and exclusion affect the women's rights in a state? From these questions, the welfare state theory produces the following testable hypotheses to be evaluated in the data

analysis section. One, if a state is a member of the GATT/WTO, they have been forced to use welfare state mechanisms, which has therefore had a positive effect on women's rights, through the (increased) provision of social and economic insurance. Two, if a state is a member of the WTO, they have been forced to use welfare state mechanisms, which therefore has had a negative effect on women's rights, through (a lack of) the provision of social and economic insurance. And, three, if a state is a member of the GATT/WTO, they have been forced to use welfare state mechanisms, which has therefore has a mixed effect on women's rights.

### **The International Interactions Theory**

In this section, I will explain the way in which the international interactions theory is another way to analyze the relationship between membership in the GATT/WTO and women's rights. When a state joins an international institution, several changes can and do occur within that state. This is mainly because all international institutions have rules member states must follow. These rules pertain to interactions with other nations as well as having a state's own domestic politics and policies conform to internationally accepted norms. The outcome is one of two things. Being bound by the rules of an institution or relatedly even a trade agreement between two or more states can instigate change in policy with regard to women's rights through a variety of mechanisms. Or membership can constrain. This can either present itself in the inability of policymakers to institute rules and regulations that protect the rights of groups that are often the most marginalized, or the inability of the people that make up marginalized groups to exercise anything beyond their most basic human rights.

## Top Down Effects on Women's (Human) Rights

In this section, I will elaborate on the causal logics and underlying mechanisms of the international interactions theory, and how they are another way to analyze the relationship between membership in the WTO and women's rights. I take it as a given that membership increases aggregate amounts of trade for all member states. It is a newer but important fact that policymakers around the world use their trade policies to achieve human rights objectives<sup>8</sup> (Aaronson 2008, 3). Policy mechanisms relevant to this theory include incentives such as increased market access for countries with good human rights standards, disincentives such as trade sanctions to get trade partners to change their behavior with regard to human rights, and linking trade and human rights by obtaining a waiver from their (a state's) trade obligations when the obligations are in violation of national policies that are meant to protect rights (Aaronson 2008, 4). With regard to policy mechanisms in WTO language itself: this institution does not provide much guidance with regard to how a member should deal with a situation in which a fellow member and trading partner undermines human rights, nor does it give direction as to how members can promote human rights without running the risk of distorting the free flow of goods and services required by WTO trade rules (Aaronson 2008, 4). Though there are arguments that the public morals exception in Article XX of the GATT/WTO charter could possibly be interpreted to protect women's rights when a state signs a trade agreement with another state(s) (Jarvis 2000/2001, 219), the current WTO system outlines what governments cannot do, but not what they can do (Aaronson 2008, 4).

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<sup>8</sup> For literature equating human rights with women's rights, and arguments that struggle to improve human rights will improve women's rights on a global scale, see (Bunch 1990; Engle 1991-1992; Grewal 1999; Neuhold 2005)

However, this theory includes or subsumes several top-down mechanisms that affect outcomes with regard to, or at the very least change the way in which a state thinks about, women's rights. Again, it predicts either that a state, as a member, will be more likely to change its policies for the better with regard to women's rights (or will be forced to), or that it will be constrained and will not be able to do so, whatever it may wish to do (and whatever the women in the state may desire).

### **The Positive Case**

Top down effects are those international level variables that directly affect policy in a state, which subsequently affect the rights of its citizens. According to the specifications of this theory, this can affect women's rights through a few different types of mechanisms. For example: multinational corporations that come in and set up factories in developing countries and provide jobs for people in those countries (Amao 2009, 421). In international law, the MNC is not an entity that is directly bound by international rules and regulations (Amao 2009, 421); however the MNC is a huge and important part of the international trade regime, which includes international trade agreements between two or more states and the institution of the GATT/WTO. This is demonstrated in looking at trade relations between the European Union or EU, and the African-Caribbean-Pacific group of states or ACP states. The role of the EU (in promoting rights) is important because EU member states are the major domiciles of many MNCs that have set up shop in ACP states (Amao 2009, 421). The EU has a "highly developed institutional and legal framework"; this has great potential to affect the accountability of MNCs to human rights standards for its workers (Amao 2009, 421). This is a form of

top down policy change from a trade partnership between the EU and ACP states; through having multiple MNCs in these states, the EU exerts influence by demanding that MNCs in host states not violate human rights standards for the people they employ (Amao 2009, 399). Because EU states always incorporate human rights standards into their trade agreements with other countries, it also has the effect of a nudge in the right direction for the governments of host states, with regard to the rights they allot to their most vulnerable citizens (most often women and ethnic minorities) (Amao 2009, 399).

Another mechanism through which membership can affect women's rights is: there is evidence that membership in this institution may have the effect of improving member governments' respect for some democratic rights (Aaronson 2011). This is similar to the diffusion of improvements in human rights standards through agreements between MNCs and third world governments. In this case, language in the GATT/WTO agreement itself requires member governments to adopt policies that provide due process and political participation rights to foreign producers (Aaronson 2011, 26). Though these rights originate from trade agreements between foreign producers and host governments, member nations also provide these rights to their citizens (Aaronson 2011, 26). Government respect for these types of (political) rights improves, the longer a state has been a member of the GATT/WTO (Aaronson 2011, 26). This has two effects on rights for people in member states. First, because the aforementioned types of political rights are provided to foreign producers as well as to the people living and working in host states, a increasing number of these people have learned how to influence and even change trade and trade-related policies (Aaronson 2011, 26).

Second, trade ranges from affecting policies related to taxes, food safety, and worker's rights, and it is very likely that people in host countries will use the skills learned from changing trade policies to affect change in other public policies (Aaronson 2011, 26). Positive change in political rights, and possible future changes in a wide range of policies related to international trade, are arguably easily related to outcomes for women through a number of channels. The most direct manner is through the spread of the rights to political participation and due process to a wider range of the population. Citizen action to change and challenge trade policies--insofar as the outcomes are positive for workers in host countries—affects all or at the very least a majority of the working population, and therefore confers more rights to women, as employees and as citizens. Finally, citizens have learned how to affect change in trade policies, and can now possibly change a host of policies related to trade; this means possible improvements for women's rights.

Another mechanism, according to this theory, that helps to analyze the relationship between membership and women's rights is effects that come from relations among states in the international economy. For example, governments sometimes incorporate human rights standards when joining a preferential trade agreement, or PTA. A PTA is an international trade agreement between two or more states that gives preferential access to member states. Preferential access usual means reducing tariffs and is a step toward economic integration. While democratic governments most frequently pursue "strategies of change", incorporating human rights standards into their trade agreements, other types of governments are also very likely

to do so, and to be willing to adapt trade agreements so that they govern human rights principles in a variety of ways (Hafner-Burton 2008b, 42). While increased access to markets for more goods and services can be beneficial for a state, there are associated costs in the form of externally enforced sovereignty with regard to human rights standards (Hafner-Burton 2008b, 57). Even though a state might be better off not giving up some of their internal sovereignty (Hafner-Burton 2008b, 58), if externally enforced standards with regard to human rights actually improve the rights of people in that state, and especially the rights of the most marginalized people (i.e. women), from a normative standpoint, sovereignty costs are worth improvements for people in states with less relative economic bargaining leverage.

More generally, providing for and promoting basic human rights is increasingly becoming a “norm” in international politics. Norms and the spread of norms (in this case the norms of better or worse rights for women in policy and in practice) are also another causal mechanism(s) that explain how membership affects women’s rights. Norms in international politics can spread from state to state in a number of ways. Epistemic communities and international institutions serve as “experts” to define economic progress and human rights standards (Simmons 2004). Powerful nations and international financial institutions can force less powerful nations to abide by certain norms, in exchange for aid or to avoid trade sanctions (Simmons 2004; Hafner-Burton 2008c). Norms can diffuse as countries compete with one another to attract investment and to sell exports by liberalizing the flow of capital and reducing tariff barriers

(Simmons 2004). Finally, states may learn about good and bad policy norms, from their own experiences as well as from the policy experiments of other states (Simmons 2004).

### **The Negative Case**

In the negative case, a government's ability to either codify or enforce women's human rights is constrained by top down forces over which they have little to no control. The top-down forces are the mechanisms that connect membership to [negative] effects on women's rights. One example of this is the lack of gender-specific concerns in the formation of the legal framework of trade agreements and an absence of women in the role of negotiators at GATT/WTO trade talks; the result is the interests of women not being adequately represented in the institutional structure of the GATT/WTO (Mengesha 2006, 10). This has a few effects on women's rights. First, increased trade liberalization because of the GATT/WTO has significantly contributed to the feminization of labor, especially in developing countries, and it has changed the nature and burden of women's work (Mengesha 2006, 10). While an increase in job opportunities for women is a positive, working conditions and the increased burden that working places on women's reproductive roles is a reminder that increased job opportunities come at a cost for many women around the world (Mengesha 2006, 10). Second and related, the constraining forces of globalization, including the deepening of market integration and increased trade openness that is currently driving growth in the global economy, disproportionately victimizes women (Mengesha 2006, 10). It does so through the mechanism of the weakening of the state in a globalized economy. If a state wants to remain a global competitor and attract business, it lowers wages, which has a



disproportionate impact on those that already make the least (women) (Mengesha 2006, 10).

Another mechanism that constrains the ability of states to protect and enforce rights is the way in which power politics between states creates different material roles for states in the structure of the global economy. International trade is about the exchange of money and goods, but it also creates power relations between states because of disparities in relative economic power (Hafner-Burton 2008a, 1). Countries with less wealth, and therefore less economic power, are less able to defend their interests in an increasingly integrated global economy (Hafner-Burton 2008a, 1). The formal organization that regulates international trade generates “informal social networks” through the joint membership of several states; these social networks give the already more economically powerful states more “social capital” than those with less relative economic power (Hafner-Burton 2008a, 1). This adds a social dimension to economic power politics with regard to international trade agreements, and consequently affects how economic gains (from these agreements) are distributed unequally (Hafner-Burton 2008a, 1). When gains are unequal, the people living and working in states that end up with the short end of the stick in a trade agreement suffer, and those most vulnerable (women) suffer the most.

### **The International Interactions Theory: Final Thoughts**

The international interactions theory is useful in thinking about ways to answer a few important questions about the relationship between membership in the GATT/WTO and women’s rights. If a state is a member of the GATT/WTO and/or a related trade

agreement and consequently must change something about its domestic politics or policies as a member: What policies are changed? How much are policies changed? When and why are states able to or forced to resist changing policy? Finally, what is the specific effect on women's rights? From these broad questions, this theory produces the following testable hypothesis that can be evaluated by the results of the models in the data analysis sections. One, if a state is a member of the GATT/WTO or a related trade agreement, it is able to or forced to make positive changes to its policies that affect the rights and opportunities of women. Two, if a state is a member of the GATT/WTO or related trade agreement, it is constrained or unable to make changes to its policies that affect the rights and opportunities of women, thus resulting in no change or negative change. Three, if a state is a member of the GATT/WTO or a related trade agreement, is willingly or is forced to makes changes, but the outcomes for women are mixed.

### **The Trade Flows Theory**

The trade flows theory predicts a set of positive outcomes and a set of negative outcomes for women's rights. In this section, I will briefly lay out the mechanisms that in each case connect membership in the GATT/WTO to effects on women's rights. On the one hand, there is a wealth of evidence that membership in the GATT/WTO increases imports and exports for all states, which grows their economies and creates new employment opportunities for all people in member states. The effect of more jobs is that many women are able to work in paid positions for the first time; paid employment gives women more status in the household and more autonomy outside the home. Finally, as the export sector grows, there is more demand for female employees,

resulting in even more jobs for women. On the other hand, there is evidence that while joining the GATT/WTO does increase imports and exports for all states, the resulting economic growth is distributed unevenly among states in the international economy, which actually means less employment opportunities, or employment opportunities being taken away from many in some states. To whatever extent that there are new or more jobs in a state, the international and gendered division of labor has more than a few negative outcomes for women: low wages, poor working conditions, adjustment burdens for women in industries that cannot compete because of increased openness, women competing with other women for jobs as sectors become uncompetitive, and women's jobs seen as expendable when the economy contracts.

### **The Positive Case**

Here I will elaborate on a set of mechanisms that this theory gives us to understand the connection between membership and (positive) effects on women's rights. The increase in imports and exports as a result of joining the GATT/WTO causes aggregate economic growth for member states; the resultant increase in per capita income leads to aggregate improvements in several measures of gender equality (Dollar 1999, 21). For example, with regard to the impact on women's labor rights in developing countries, the increase in international trade as a result of membership has created more work opportunities for women, which helps them to gain autonomy and allows them to participate more actively in public society (Balciunaite 2008). In a number of cases specific to developing countries, international trade has contributed to a redistribution of income to women (Tran-Nguyen 2004, xi). This is a result of the

creation of more jobs and general business opportunities (because of increased international trade) in the manufacturing and service sectors of these states' economies (Tran-Nguyen 2004, xi). Women in these states now have the ability to earn income; this gives them more status in the household and in society (Tran-Nguyen 2004, xi). Developing countries benefit from female workers; their work in large part contributes to increased export competitiveness and industrial diversification (Tran-Nguyen 2004, xi).

In OECD countries, economic growth from increased trade has created more jobs for women, which has brought more household resources under their control and allowed them to invest in healthcare and education for future generations (Korinek 2005). Specific to Latin America, trade liberalization has improved women's market outcomes (Tellez 2010, 19). Women now earn higher wages relative to what they earned before, and the gender wage gap has decreased (Tellez 2010, 19). In addition, both between and within industry shifts have provided increased employment opportunities for women (Tellez 2010, 20). Women have been able to translate power gained from new and increased earnings to bargaining power within the household; household expenditures have shifted from male oriented goods to female oriented goods (women's clothing and providing for children's education) (Tellez 2010, 20).

### **The Negative Case**

Here I explain the mechanisms that connect membership to negative effects on women's rights. I then briefly discuss four negative outcomes that this theory and real world evidence argue are a commonality for women: low wages, poor working

conditions, competition between sectors and therefore between women, and the feminization of labor. In the previous section, I elaborated on arguments for the positive effects of international trade institutions on economic growth; there are also arguments that find the opposite: international trade law and institutions distort economic growth and in some cases, cause negative growth (Paul 2003/2004, 287). While an increase of both imports and exports is usually regarded as beneficial to a state's economy, and increased exports generate more jobs, increased trade also means a loss of jobs for many (Aho 1981, 29). The losses fall mainly on workers in import-competing sectors; these workers must adapt to changing demand conditions, which involves extended periods of job search, retraining, and relocation (Aho 1981, 29). This process is costly and the burden of adjustment falls most heavily on women, minorities, the less educated, and the lowest paid (Aho 1981, 29).

The structure of both the international economy and domestic labor markets is such that trade liberalization comes along with occupational segregation between genders, both horizontal and vertical (Randriamo 2006, 16-20). Women tend to be hired for jobs that require fewer skills than jobs given to men, their wages are almost always lower, and they work in unhealthy and exploitative conditions (Randriamo 2006, 16-20). Women most often work in industries where capital is more mobile (for example, footwear); these industries are very sensitive to foreign competition and contraction during a downturn in the market (Randriamo 2006, 16-20). Retrenchment affects women much more severely than men; their jobs are the first to go when demand contracts (Randriamo 2006, 16-20).

The international division of labor focuses on the repercussions for women in states that have a comparative advantage in labor-intensive manufacturing goods. In developed and developing countries, gender wage inequality and lower educational attainment rates for women are positively associated with a comparative advantage in labor-intensive commodities (Busse 2006). MNCs have moved assembly-line production processes from the global north to the global south; their workforce is most often 70-90% female and their rationale for moving to these states is to evade tariffs, worker health and safety laws, minimum wage requirements, and environmental regulations (Runyan 2003, 140). Across third world countries, female workers are paid two dollars a day or less, experience sexual harassment and unsafe working conditions, and live in poverty and squalor (Runyan 2003, 140).

While growth from increased imports and exports brings more jobs to the economy in states across the world, across states and over time within states, there is a positive link between gender wage inequality and economic growth (Seguino 2000, 13). The specific effect is this: gender wage inequality stimulates investment; low wages for women enables states to increase exports and technology imports (Seguino 2000, 13). The ability to pay workers low wages is the main reason companies move to third world countries; up to 90% of people employed as light assembly workers are women (Fuentes 1984, 12). Women earn less than men in developed and developing countries alike; their earnings are considered “supplementary income” for their families (Fuentes 1984, 12). Management uses women’s secondary status to pay them less and to justify job cuts during periods of decreased demand, claiming “women don’t need to work and will

probably just get married anyway” (Fuentes 1984, 12). Finally, most MNC employers prefer single women with no children and no plans to conceive; pregnancy tests are a regular occurrence in third world factories, so that employers can avoid giving out maternity benefits (if such benefits are something they provide) (Fuentes 1984, 13).

The feminization of labor, which ties into both the international division of labor and the issue of lower wages for women, is basically that while more women have entered the labor force in developed and developing countries, quantitative increases in employment have not been met with improvements such as better working conditions, higher wages, and job security (Ghosh 1999, 47). This is especially prevalent in export-oriented manufacturing production; sex-segregation in jobs is increasingly common not only in “traditionally female” jobs, but also in newer industries that do not need to be segmented by gender (Ghosh 1999, 47). There is also discrimination between women because of age and marital status; employers prefer young, childless, single women (Ghosh 1999, 47). Finally, women across the board make up the majority of the unemployed and underemployed (Ghosh 1999, 47).

International trade in goods and services and foreign investment have grown tremendously as a share of GDP across all states (Standig 1999, 584). Trade and investment is attracted to states with economies in which labor costs are low, labor productivity is high, and nonwage labor costs are minimal (Standig 1999, 584). Labor rights are seen as costs of production to be avoided in the interest of remaining or enhancing a state’s competitiveness in the international economy (Standig 1999, 584). The increased emphasis on the cost of labor has led to greater use of alternative forms

of employment (Standig 1999, 584). Men are relatively protected as full-time wage laborers and are, when available, eligible for social benefits as full-time employees while employers can use female employees at will through sub-contacting, homeworking, and as a “permanent temporary workforce” (Williams 2002, 4).

Even in the best of economic and working conditions, employment does not benefit all women; one woman’s gain may be another woman’s loss (Wee 1998, 6). Under conditions of increased trade liberalization, states are forced to compete against each other to remain relevant in the global economy. A hidden consequence of trade liberalization is women in different states competing against one another for jobs, wages, social benefits, etc. (Wee 1998, 7). The outcomes for women are the further driving down of wages and safe working conditions, the provision of benefits, and other rights as economies try to stay competitive (Wee 1998, 7).

In a globalized economy, states operating under conditions of comparative advantage will necessarily have some sectors become uncompetitive; those working in these sectors will lose their jobs. For example, in trade between MERCOSUR and the EU, agriculture is the main export sector in MERCOSUR states, growing slowly but steadily, and manufacturing is import-competing, facing severe import competition from the EU (van Staveren 2002, 26). The increasingly feminized manufacturing sector in these states is vulnerable to severe job loss because of trade; it stands to reason that women working in the manufacturing sector in EU states do not face this same issue (van Staveren 2002, 26). More broadly, in developing countries, women working in the agricultural sector suffer from increasing job loss as a consequence of growing import-



competition from openness to trade while many their counterparts in manufacturing find increased employment opportunities (Tran-Nguyen 2004, xii).

### **Final Thoughts on the Trade Flows Theory**

The trade flows theory gives us a way to answer some important questions about the connection between membership in the GATT/WTO and women's rights. If a state is a member of this institution and has experienced an increase in imports and exports, does its economy experience growth? Who loses out in the growth process? When growth happens and jobs are created, do these job opportunities help or hurt women, on the aggregate? What other opportunities and new rights do new job opportunities because of increased trade bring to women? From these questions, the trade flows theory generates a set of hypotheses, to be tested and evaluated in the data analysis section. One, a member state will experience aggregate economic growth and this will result in an overall benefit for women. Two, a member state will experience aggregate economic growth and this will result in an overall harmful effect for women's rights. Three, a member state will experience aggregate growth and this will result in mixed outcomes for women.

## CHAPTER III

### DATA ANALYSIS

#### Description

To analyze the relationship between membership in the GATT/WTO and women's rights, this study uses four fixed effects models. Fixed effects models tell us how the variation over time in the independent or explanatory variables correlates with the variation over time in the dependent variable. Every state will have its own baseline average level of women's rights; this type of model deals with this (with differences across countries) by allowing each to have its own separate intercept. By doing so, we can most accurately understand and compare differences across states and within states.

The four models used in this study utilize data from the World Bank's World Development Indicators,<sup>9</sup> the Polity IV Project,<sup>10</sup> and the Cingranelli and Richards Human Rights Data Project.<sup>11</sup> The dependent variable, women's rights (Table 1), is a measure of the "rights to legal protection and equal treatment politically, economically, and socially" (Cingranelli 2010, 403). The rights included in this data set are internationally recognized rights, and the data measures the rights for women under the law in a state and to what extent the state enforces these rights (and conversely, to what extent discrimination against women exists). The CIRI Human Rights Data Project

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<sup>9</sup> (World Development Indicators 2013)

<sup>10</sup> (Marshall 2012)

<sup>11</sup> (Cingranelli 2008)

uses “systematic qualitative information...meaning standardized information about the same rights for each country, annually” to construct its indices of women’s rights (Cingranelli 2010, 406). CIRI’s indicators are ordinal, meaning they give us information about women’s rights in terms of “more or less” but not exactly how much more or less (Cingranelli 2010, 406). Their justification is that using ordinal measurement “complement(s) the nature of the source [of their] information” (Cingranelli 2010, 406).

Table 1: Women’s Rights

Political Rights	Economic Rights	Social Rights
Voting	Equal pay for equal work	Equal inheritance
Running for political office	Free choice of profession or work without the need to obtain a husband or male relative’s consent	Entering marriage on a basis of equality with men
Holding elected and appointed government positions	Gainful employment without the need to obtain a husband or male relative’s consent	Traveling abroad
Joining political parties	Equality in hiring and promotion practices	Obtaining a passport
Petitioning government officials	Job security (maternity leave, unemployment benefits, no arbitrary firing or layoffs, etc.)	Conferring citizenship to children or husband
	Freedom from sexual harassment in the workplace	Initiating a divorce
	Working at night	Owning, acquiring, managing, and retaining property brought into marriage
	Working in occupations classified as dangerous	Participating in social, cultural, and community activities
	Working in the military and/or police force	Obtaining an education
		Freedom to choose a residence or domicile
		Freedom from female genital mutilation of children and of adults without their consent
		Freedom from forced sterilization

“Total rights” is a combined measure of women’s economic, social, and political rights. A state can score from a 0, which indicates that there are no economic, social, and political rights for women in their laws and that systematic discrimination may have been built into their laws, to a 9, which means that all or nearly all of the rights listed under women’s political, social, and economic rights are guaranteed by law and the

government in that state fully and vigorously enforces all these laws in practice. In the second, third, and fourth models, representing women's political, economic, or social rights respectively, a state can score from a 0 to a 3.

The explanatory variable of interest is membership in the GATT/WTO. This is a binary variable: a state is coded as a 0 before they are a member and a 1 in the year they join and thereafter. The data ranges from 1981 to 2010; this is mainly due to the women's rights data available from the CIRI Human Rights Data Project. The control variables are a state's regime type and its GDP per capita. The data for regime types comes from the Polity IV Project. A state can score between a -10 and a +10; a score of -10 denotes that a state is the most autocratic, according to the Polity IV metrics; a score of +10 means a state is the most democratic. The data for GDP per capita comes from the World Bank's World Development Indicators. GDP per capita is measured in current US dollars. The models also include a lagged dependent variable as one of the explanatory variables. The purpose is to address the issue of temporal interdependencies, or that errors can be serially correlated.

These control variables (and the lack of others) were chosen for several reasons. First, as before, country and year fixed effects control for variation across countries and over time by allowing each country to have a separate intercept, so there was no need to include a control for regional effects, which I initially considered. Second, I did not control for levels of trade in a state, because I believe, given the scholarly evidence, that membership in the GATT/WTO, my independent variable of interest, causes (on the aggregate) increased trade in all states. Next, after reading the relevant literature, I

chose GDP per capita and a state's regime type as the most widely used and most important variables to control for. These two things vary widely across states and can possibly have effects on women's rights as well, but in this case we are isolating membership in the GATT/WTO. Finally, I initially thought to include some other control variables: women's wages (relative to men), a country's level of national debt, the sectoral makeup of a state, fertility rates, etc. In each case, I ruled out these variables either because they were already included in the indicators in my dependent variable, there was too much missing data that caused the original models to be very difficult to work with, or simply because, upon further research, did not seem to be importantly related to the relationship in question.

In social science research, when measuring nebulous concepts such as women's rights, validity is important. A measure should measure the concept it claims to measure (Cingranelli 2010, 418). Women's rights is a somewhat abstract concept; abstract concepts generate controversy over measurement. It is important to provide a clear definition of the concept(s) being measured: Women's (human) rights, as conceptualized and measured in this paper, refer to the "actions of government officials and [the] actions of private groups if instigated by the government directly affecting the degree to which citizens (women) can exercise various types of human (women's) rights" (Cingranelli 2010, 411).

The CIRI Human Rights Project's women's rights indicators are both conceptually and empirically the best choice for measuring women's rights. They measure what they claim to measure: whether (a wide and important range of) women's rights are

protected in the law (in a state) and enforced in practice. A few points of comparison are helpful in demonstrating why this index is the best choice. The Organization for Economic Cooperation and Development's Gender, Institutions, and Development Data Base leaves out any measure of women's economic rights as part of their input variables. The Women's Economic Opportunity Index leaves out political rights. The most widely used index, the United Nations Development Program's Gender Inequality Index, uses three indicators to measure women's rights: a health dimension, which includes maternal mortality and adolescent fertility rates, an empowerment dimension, including female education levels and number of seats in parliament held by women, and a labor dimension, which measures women's participation in the workforce. These indicators are all essential to understand the level of women's rights in a state, but they are only five of several essential indicators. In addition, there is no mention of the difference between how these rights exist in law versus in practice. Finally, the timespan for this database is very short: twenty years, with a lot of missing data for many states.

## **Results**

Model number one (see table 2) is a test of the effect of membership on the composite measure created to combine women's political, economic and social rights. This measure includes twenty-six different metrics by which the conditions of women's rights in a state are judged. Overall, the results of this model suggest that there is not a significant or meaningful effect. Membership in the GATT/WTO is associated with a very small increase in women's total rights, but the effect is not statistically significant. What is significant in this model is a state's GDP per capita: a very small increase in GDP per

capita is correlated with a very small but significant increase in total rights. Finally, a state's polity score does not have a significant effect on women's total rights and the while the coefficient is positive, it is very small and logically does not indicate that there is a meaningful relationship between regime type and level of total rights.

Table 2: Four Models of the Effect of Membership in the WTO on Women's Rights

	(1) Total Rights	(2) Political Rights	(3) Economic Rights	(4) Social Rights
l.rights	.5525* (.0163)	.6285* (.0126)	.4266* (.0151)	.4757* (.0177)
GATTWTO	.0911 (.0602)	-.0086 (.0214)	.0094 (.0288)	.0767* (.0331)
GDPPC	.00001* (4.52e-06)	-1.11e-06 (9.89e-07)	9.02e-06* (1.33e-06)	6.90e-06* (2.50e-06)
Polity2	.0001 (.0044)	.0016 (.0016)	-.0034 (.0022)	-.0018 (.0024)
Constant	1.6706	.5894	.6158	.5256
Observations	2800	3907	3846	2859
R-Squared	.8561	.7683	.6561	.7918

\*Significant at the 95% level of confidence

Model number two addresses the relationship between membership and women's political rights. Examples of political rights measured here are the right to vote and the right to hold elected and appointed government positions. As in the first model, membership does not have a significant effect on women's political rights. Specifically, membership in the GATT/WTO is associated with a very small decrease in women's political rights, however the effect is not statistically significant. A state's GDP per capita does not have a significant effect on political rights, nor does a state's polity score. Overall, this model tells us that effects on women's political rights do not seem to be affected by membership in the GATT/WTO.

Model number three analyzes the specific relationship between membership and women's economic rights. There are several types of [economic] rights by which the condition of overall economic rights state is judged; examples include equal pay for

equal work and equality in hiring and promotion practices. Again we find that, according to the specifications of this model, there is not a significant relationship between membership and economic rights. While the effect of membership on women's economic rights is a positive one, it is very small and due to the lack of statistical significance, is likely almost meaningless. There is a significant effect with regard to a state's GDP per capita; though the coefficient is very small, an increase in GDP per capita is significantly associated with an increase in economic rights. A state's polity score does not have a statistically significant effect on economic rights.

The last model, model number four, is a test of how membership affects women's social rights. Social rights has the most metrics that make up the standards upon which a state's rights score is decided, and it includes rights like obtaining an education and the right to keep property brought into a marriage. Here, membership is significant. While the effect is a very small one, membership in the GATT/WTO is significant associated with women's social rights. A state's GDP per capita is also significant in this model. Again, the coefficient is small, but an increase in GDP per capita is significantly related to social rights. There is no significant effect of a state's regime type, or polity score, on social rights.

These four models use regular OLS standard errors. I considered two types of tests for robustness (of the models); or rather, using two alternate types of standard errors. The first was panel corrected standard errors; the second, clustered standard errors. One of the issues panel corrected standard errors address is the problem of contemporaneous correlation; the other, panel heteroskedasticity. These issues are not



likely a problem here. As mentioned above, the purpose of using fixed effects models is to, as accurately and fully as possible, deal with year-to-year variations in outcomes. In using fixed effects models, the error terms should not be contemporaneously correlated, nor should panel heteroskedasticity be an issue. Clustered standard errors address the issue of non-independence of error terms. Table 3 shows the results of

Table 3: Four Models with CSEs

	(1) Total Rights	(2) Political Rights	(3) Economic Rights	(4) Social Rights
l.rights	.5525* (.0163)	.6285* (.0126)	.4266* (.0151)	.4757* (.0177)
GATTWTO	.0911 (.0602)	-.0086 (.0214)	.0094 (.0288)	.0767* (.0331)
GDPPC	.00001* (4.52e-06)	-1.11e-06 (9.89e-07)	9.02e-06* (1.33e-06)	6.90e-06* (2.50e-06)
Polity2	.0001 (.0044)	.0016 (.0016)	-.0034 (.0022)	-.0018 (.0024)
Constant	1.6706	.5894	.6158	.5256
Observations	2800	3907	3846	2859
R-Squared	.8561	.7683	.6561	.7918

\*Significant at the 95% level of confidence

running models using clustered standard errors instead of regular standard errors.

Comparing this to the results in table two, there are two things to note. One, the statistical significance does not change for any of the constants. Two, there is little to no difference in the error terms. What this tells us is not that non-independence is not a problem, but rather that allowing the error structure to account for this type of violation of independence does not alter the original findings. This is an important thing to know when checking for robustness.

### Analysis

The overall conclusion here is, according to the specifications of these models, there is not a significant effect of membership in the GATT/WTO on women's rights.

While in three of the four models the coefficient of membership is positive, the lack of statistical significance is more important. Therefore, it seems that membership and

women's rights do not have a significant relationship. This is not to say there is no effect, but rather that the overall effect tested here is not statistically significant.

A notable exception is women's social rights. Although the coefficient for membership in this model was very small, this does not diminish the fact that it was statistically significant, suggesting that there exists a relationship here. A preliminary hypothesis about the fact that this was the only model in which membership was significant goes something like this: membership in the GATT/WTO means increased aggregate levels of trade in a state. The first effect more trade seems to have is economic: more jobs, higher wages, and many women being employed for the first time. The trade flows model speaks to very mixed outcomes for women, specifically with regard to those things that affect their economic rights. Throughout this paper, I have discussed how a woman being employed (and some women being employed for the first time) and having one's own source of income leads to an increase in other types of rights. These rights are primarily social rights: being able to afford education for themselves or their children, more autonomy at home, including for example, being able to obtain a divorce if need be, and the new ability to participate in activities outside the home, both social activities and those that allow them to play a larger role in their communities. In sum, while any changes in economic rights seemingly are a mixed bag, they bring about secondary changes in social rights, which is a plausible explanation as to why membership is significant in this model.

In the theory section, I discussed some questions and plausible hypotheses each of the three theories should help us to answer after an analysis of the results of each of

the four models. The first theory (the welfare state theory) utilizes mechanisms that consist of welfare state policies, and their subsequent effects, to analyze how women are differentially affected. I posited that when a state is a member of the GATT/WTO and has therefore responded to increased vulnerabilities by using welfare state mechanisms like the provision of social and economic insurance to its citizens, there could be one of three effects on women's rights: positive, negative, or mixed. The results tell us that membership is only significant in the case of women's social rights. In the CIRI women's rights data set, social and economic insurance policies fall under one of the metrics used to measure levels of economic rights, "job security: maternity leave, unemployment benefits, no arbitrary firing or layoffs, etc." (Cingranelli 2008). While membership does have a positive effect on women's economic rights, the effect is very small and statistically insignificant. However, the provision of social and economic insurance to women very likely has some significant effects on other types of rights that fall in all three of the categories measured in these models. I would argue that the logical conclusion to draw from the results of the models, the specifications of the welfare state theory, and thinking about the results of the testable hypotheses, is that the outcomes for women are mixed.

The mechanisms subsumed under the international effects theory are how membership changes the behavior of states: how being a member of an international trade institution or related international trade agreement changes a state's domestic politics and policies, which then affects women's rights. I posited that a state could either be constrained in its ability to change policies that affect women, or could be

forced to as a condition of membership. The outcomes for women could be negative, positive, or mixed. The mechanisms subsumed under this theory can best be used to predict outcomes for the types of political and economic rights found in the CIRI data set; they could arguably be logically extended in thinking about effects on women's social rights as well. Here again, the conclusion is that outcomes are mixed. While membership does not have a significant effect on women's total, political, or economic rights, it does on women's social rights. It is more than likely that member states are *both* forced and constrained with regard to policy change, and this has differential effects on different types of rights.

The trade flows theory outlines how mechanisms such as aggregate economic growth (or lack thereof) and subsequent job growth results in new or changed job opportunities for women. I hypothesized that these new or changed opportunities could have a negative or positive effect for women's rights, or altogether mixed outcomes. The mechanisms in this theory explain first on how gaining the opportunity to work for the first time or losing one's job as a result of the expansion of trade and the resultant growth. Then, they help us analyze how women's economic rights are affected by their employment status. Finally, they can be used to think about outcomes for social or political rights. The data tells us that membership does not have a statistically significant effect on economic rights or political rights. While new or changed job opportunities may be a mixed bag for women in terms of economic outcomes (for them) and thus there is nothing these models can tell us, it is again plausible that economic opportunity (or lack thereof) spills over into other types of opportunities for women, such as

autonomy, education, retaining property, participating in the community, having the ability to travel (see table one), etc.

## CHAPTER IV

### CONCLUSIONS

The theories tested in this paper outlined a set of strongly positive and a set of strongly negative outcomes for women. In each of the four models, the results say otherwise. Each theory produced a set of testable hypotheses that also predicted positive or negative effects for women's rights. Each theory also included a hypothesis that predicted mixed effects for women. The results of the data and a look back at the underlying empirical support for each theory proved this hypothesis, in each case, to be the most accurate in explaining how membership affects women's rights. In the introductory section, I offered a brief explanation for how to reconcile the inconsistencies between my theories and the results of my data analysis. I will expand upon this explanation in this section and then offer some concluding remarks.

In the real world, positive and negative effects go hand in hand for women. Each of the three theories predict a set of positive effects and a set of negative ones, as do several of the hypotheses, but in reality membership in the GATT/WTO and the subsequent effects that affect women's rights are often a mixed bag. For example, a state provides good social insurance, but only to people that are employed in traditional, full-time wage-earning positions. In many cases, women work as part-time employees, domestic workers, or unpaid care workers for their family or for friends. There may exist a minimum safety net for these types of employees, but the benefits provided are not nearly as solid or comprehensive as those given to people that work

full-time in a “traditional” position. However, some benefits for some women gives these women a measure of security they did not previous have, and could possibly be a stepping stone for more benefits for more women in the future. Another example is the effect of increased trade giving women more job opportunities and therefore a chance to earn income for the first time, but with this opportunity comes drawbacks, among them low wages, dangerous working conditions, and unstable terms of employment. However, having their own source of income, what the sacrifice they must make to earn this income, gives women autonomy, status, and the ability to participate in the community and even possibly in local politics.

Regardless of any inconsistencies between predictions made by theory and the results of the models, it is of the utmost importance to pay attention to the very real effects of membership in the GATT/WTO on women’s rights. The WTO and the GATT before it are tasked with making trade freer and fairer for every member country, and to continually facilitate an increase in the amount of goods and services exchanged in the international economy. With increased international exchange comes increased growth; with growth come challenges and opportunities for member states.

Membership in the GATT/WTO has come to affect nearly every aspect of a woman’s political, social, and economic life, including the rights and opportunities afforded to her and those from which she is denied. Women are afforded more opportunities to work and earn income and independence, but along with this come the cost of low wages and poor working conditions. Growth in exports means a wider breadth of job opportunities, but many women also lose their jobs when the industry in

which they worked is no longer competitive in a globalized market. The growth of international trade brings along with it the spread of new ideas, and more and more women are gaining basic democratic political rights, but many countries still deny or harass women in their attempt to vote. Openness to market vulnerabilities often forces a state to expand the coverage of its welfare regime and its mechanisms, but in many cases coverage options and benefits are not without traditional familial and gender biases.

In the pursuit of growth and in the name of the moral and economic correctness of free trade policies, the rights and opportunities of women are usually overlooked or set aside. This paper does not wish to judge the merits of the expansion of free trade (as a consequence of membership in the GATT/WTO) a policy or as an economic practice. However, it is clear that in the specific case of the effects on women's rights, the rising tide of free trade only provides life-support for women, but certainly does not float all boats.



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