

NZ Women in Export – OECD Releases Trade & Gender Review of NZ

Market Report

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Summary

- The OECD recently released the '[Trade and Gender Review of New Zealand](#)' in the margins of its annual Ministerial Council Meeting in Paris. Prepared jointly by the OECD and MFAT, the *Review* assesses how New Zealand women experience the benefits of trade as workers, business leaders, and consumers and examines the trade policies that affect them.
- The report confirms that while the number of New Zealand women in export employment has increased, and these women tend to have higher earnings than non-exporting women, gender disparities in the export sector persist and are larger than in the non-exporting economy.
- Women remain underrepresented in export employment and earnings gaps between men and women tend to be larger. Men also heavily outnumber women in terms of entrepreneurs and business leaders in trade. The causes of these gender disparities are multiple and complex, and it can be difficult to disentangle the factors intrinsic to exporting and trade policy from wider societal and economic drivers.
- The OECD praised New Zealand's growing policy focus on the gendered impacts of trade, but identified a range of actions to further support gender equality in trade. These include better targeting support and advice to women exporters, increasing the representation of women in trade policy and promotion, and making trade agreements more gender-sensitive. These recommendations are a valuable input to ongoing work under the Government's Trade for All Agenda.

Report

In a first for trade and gender issues, the **OECD has released a report shedding light on the impacts of trade for New Zealand women**. The '[Trade and Gender Review of New Zealand](#)', prepared jointly by the OECD and MFAT, assesses how New Zealand women experience the benefits of trade as workers, business leaders, and consumers and examines trade policies that affect them. Launched by the OECD Secretary-General in the margins of the OECD's Ministerial Council Meeting in Paris, it is the first time the OECD has undertaken a trade and gender review of a country, reflecting New Zealand's efforts to advance a more inclusive approach to trade under the Government's Trade for All Agenda.

It has been known for some time that **women are less likely to be involved in trade and are missing out on the opportunities** that flow from it. The disparities in the outcomes of trade are partly due to structural gender inequalities in the wider economy. Since trade creates more opportunities in some areas than others, underlying gender disparities and biases in the economy mean that the jobs and opportunities created by

trade are not equally enjoyed by men and women. However, until recently there has been little focus on understanding these disparities and little gender-disaggregated data to do so – both in New Zealand or overseas.

Some good news and some bad news...

The good news in the *Review* is that **more New Zealand women are in export employment than ever before**. More than 250,000 women are estimated to have produced goods or services for export in 2021, representing 40% of New Zealand's total export workforce and up from 38% a decade ago. What's more, just like their male counterparts, women in export jobs tend to have higher earnings than women in non-export related jobs. Exporting women earn on average 10% more than non-exporting women—a consistent feature across all industries—which highlights the potential role of exporting in improving labour market outcomes for women.

However, while this is certainly an improvement, the *Review* highlights that **significant gender disparities persist in the export sector** and these disparities tend to be larger than in the non-exporting economy. Despite growth in the proportion of women in export employment, women remain underrepresented relative to men. Their 40% share of the export workforce is still lower than their 47% share of New Zealand's total workforce and 51% share of the working-age population. This underrepresentation in exporting is consistent across all ethnicities. Also, while exporting women earn 10% more than non-exporting women, this is less than the 13% "export premium" that men in export jobs earn relative to non-exporting men. As a result, earnings gaps between men and women are slightly larger in the export sector than in the wider economy.

The OECD notes **the causes of these workforce gender disparities are multiple and complex**. In particular, it is very difficult to disentangle factors intrinsic to exporting and trade policy from wider societal and economic drivers. For example, the long-standing underrepresentation of women in primary industries and manufacturing is a key factor behind women's low export participation. Women tend to be heavily represented in domestically-focused service jobs (e.g. healthcare, education, retail trade and hospitality) and underrepresented in occupations involving farming, lower-skilled manual labour (e.g. machine operating and logistics), and technical professions. However, identifying the role of international trade in creating and addressing these disparities is difficult relative to wider causes, including: the influence of gender stereotyping in career preferences and hiring; unpaid work responsibilities for women; the availability of childcare, particularly in regional areas; and skills and training mismatches.

Gender disparities are even starker when looking at the representation of business leaders and owners in the export sector, where men heavily outnumber women. Using firms' 5% highest-paid employees as a proxy for their senior leaders, 82% of goods exporting firms in New Zealand have a male majority on their leadership teams, compared with only 15% with a female majority. Similarly, in goods exporting firms where the owner is employed in the firm, 66% of firms were majority owned by men and only 14% by women. The high concentration of female-owned and led firms in low-exporting services industries is one factor. The OECD also notes that female-owned and led firms are likely to be smaller than those of men, tend to have been operating for shorter periods of time, and tend to export more to individual consumers (B2C) and less to other businesses (B2B).

While data in other jurisdictions is limited, **the representation of New Zealand women in exporting appears broadly similar to other developed economies**. For example, in the EU, women held 38% of export-dependent jobs in 2017 and led 22% of businesses that traded with non-EU countries. Meanwhile, in Canada, 16% of SME exporters are estimated to be owned by women.

Challenges for women-led exporters: same same, but different

The OECD finds that, **for women entrepreneurs, many of the largest barriers to business expansion and trade are similar to their male counterparts**. For example, distance to foreign markets is the most commonly cited challenge – unsurprisingly, a more prominent issue in New Zealand than in any other OECD country. Other challenges commonly cited by both male and female business leaders include navigating customs regulations, accessing information on foreign markets, and finding overseas business partners.

However, **women business leaders in New Zealand can face a number of additional challenges in international trade**. Female business networks with export experience tend to be shallower than male networks, making it harder for women to access connections, learn from others' experiences, and source finance for trade. Cultural norms in some overseas markets such as the Middle East and Asia can be less welcoming for women business leaders, with clearer cultural expectations around roles and what leadership looks like. Unpaid work responsibilities due to household and family obligations can also constrain women's ability to work in time-consuming export businesses and travel overseas for work.

Unusually, access to finance was not identified as a notable challenge in the OECD's survey. Other studies, both in New Zealand and internationally, have shown that **women can be treated differently when they pitch for finance and tend to access less funding at lower valuations** than men. This can be a key barrier for businesses considering exporting due to the significant investment required to break into and maintain a presence in overseas markets. However, the OECD notes the low profile of financing challenges in its survey likely reflects limitations with the survey data source, which focused more heavily on smaller e-commerce businesses.

Consumer prices also playing a part

Most studies investigating the impacts of trade on women tend to focus on exporting – i.e. the benefits for women as workers and business leaders. However, the OECD Review also shows that, **in some population groups, lower consumer prices resulting from trade and trade policy are likely to benefit women more than men**. As data on consumption patterns is typically collected at the household level and without a gender breakdown, estimating the consumption benefits of trade for women is difficult. However, the OECD provides estimates of the effect on household types that are known to be disproportionately led by women. For example, it finds that single-parent and elderly single-dweller households benefit more from low trade barriers and consumer prices, as these low-income households tend to spend a large share of their income. As there are around 110,000 female-led single parent households in New Zealand (compared with 23,000 male-led), it suggests the consumption benefits of trade can play a role in reducing gender inequality across households.

No use talking about a problem unless you talk about a solution

The **OECD commended New Zealand's growing policy focus on the gendered impacts of trade**. It noted that New Zealand has signed four FTAs that explicitly mention women¹. (And the just concluded NZ-EU FTA adds a fifth). There are also a range of provisions in pre-2017 FTAs that implicitly support women, including around SMEs, labour standards, inclusive development, redressing inequalities, and the right to regulate. In addition, the OECD praised New Zealand's support for gender-sensitive policymaking through plurilateral initiatives such as the Global Trade and Gender Arrangement and APEC's La Sereña Roadmap on Women and Inclusive Growth.

The report also noted that **New Zealand is at or near international best practice in many aspects of trade facilitation**. As female exporters typically own and manage smaller businesses than men and have less time available due to their higher burden of unpaid work, initiatives that reduce the cost and time demands of trade can particularly benefit women entrepreneurs. In this respect, the relatively streamlined nature of New Zealand's customs procedures and lower fees relative to its peers was praised, with the OECD noting that the average cost to export and import in New Zealand has reduced by more than 50% over the past decade.

Despite this progress, **the OECD identified over 50 policy actions to support greater gender equality in trade**. These include:

- **Better targeting support and advice for women exporters and entrepreneurs** by raising awareness of exporter support programmes in women's networks, improving data on women-led firms within NZTE's customer base, and offering financial support and training specifically for women exporters to facilitate export expansion and know-how.
- **Increasing representation of women in trade policy and promotion** by involving women's groups in FTA consultation and assessment processes, increasing female representation in trade missions, and highlighting the success stories of female entrepreneurs in trade.
- **Making trade agreements more gender-sensitive** by broadening gender-equality cooperation activities in existing FTAs, enhancing the enforceability of gender provisions and chapters, and strengthening gender-differentiated assessments in National Interest Analyses for FTAs.
- **Prioritising trade facilitation measures that support women-led businesses**, such as addressing the challenges faced by SMEs to be approved as a NZ Customs Authorised Economic Operator, and increasing the involvement of women-led businesses in the National Committee on Trade Facilitation.
- **Addressing data and research gaps** to better understand the drivers and barriers in certain sectors and roles. For example, establishing a cross-agency group to share data and insights, increasing the collection of data on services and digital trade, and improving understanding of specific social and institutional barriers faced by Māori and Pasifika women-led businesses.

¹ The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP); the Digital Economy Partnership Agreement (DEPA); the NZ-Singapore Closer Economic Partnership; and the NZ-UK FTA.

Don't just talk it, walk it

As the OECD's policy recommendations are well aligned with the Government's Trade for All Agenda, a number of **work programmes are already under way addressing the recommendations**, with further work planned.

MFAT and NZTE are leading work to reduce barriers to trade for women. NZTE's Women in Export programme is reviewing the support it provides to businesses to better tailor offerings to women exporters, such as through training, networking, and investment events. They are also working to better use their customer base to gather insights on the experiences of women exporters and to showcase the stories of women exporters. MFAT has also worked with the Ministry for Women to include a focus on reducing barriers to women's export participation in the Government's '[Women's Employment Action Plan](#)', which provides a medium-term roadmap of actions to improve employment outcomes for women.

In terms of international efforts, **New Zealand continues to promote visibility and mainstreaming of trade and gender issues.** For example, the Global Trade and Gender Arrangement, of which New Zealand is a founding member, recently announced the accession of Colombia and Peru as its newest members (alongside Canada, Chile, and Mexico). New Zealand also continues to engage in plurilateral groupings such as the OECD's Friends of Gender Equality+, the WTO's Informal Working Group on Trade and Gender, and APEC's Policy Partnership on Women and the Economy to drive gender mainstreaming across APEC fora. The NZ-UK and NZ-EU FTAs concluded recently both include gender provisions (a full chapter in the case of the NZ-UK FTA).

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