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*Gender Relationships in the framework of the European  
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methodological proposal for a case analysis*

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Gender Relationships in the framework of the European Union Mexico FTA:

Towards the construction of a methodological proposal for a case analysis

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### **EXECUTIVE SUMMARY**

This document is part of the Gender and Economy Program of the Heinrich Böll Foundation's regional office for Mexico, Central America and the Caribbean. It was written to fulfill the objective of "developing methodologies for analyzing national and international economic policies with a gender focus and promoting the distribution and discussion of the methodologies." Another study, "The Gender Impact of Trade Policy; Progress and Challenges for Investigation and Action," which was written in 2003 by Alma Espino and Veronica Amarante, provided background for this investigation.

## **INTRODUCTION**

Since the signing of the North American Free Trade Agreement (NAFTA) in 1994, there has been a lot of literature written in Mexico and Latin America about the impact of trade agreements and liberalization policies on the evolution of economies and people's living conditions. Critical analyses done by universities, academic centers, non-governmental and social organizations have come up with a convincing conclusion: trade agreements have not turned out to be instruments for development in these countries; they have not contributed to economic growth, the well being of the population, nor much less to social equity.

Among these critical studies, a central place is occupied by those that emphasize the situation of women and relationships between women and men. Using gender as a category for analysis and as a tool, these studies bring to the surface a part of the reality (for women and men) that when untended becomes permanently invisible in the majority of the studies. This is true both in official and critical examinations of trade liberalization and free trade agreements. Studies undertaken by feminist economists question the very extensive idea that economic and trade policies are neutral with regards to gender and as such, their effects are also neutral. Studies show that inequality between men and women promotes differentiated access to resources, development opportunities, decision making, and finally, to power; consequently, policy formation and the impact of policies is not neutral. Those gender sensitive analyses of trade and financial liberalization and free trade agreements call attention to the need to consider the non-economic aspects involved in starting up free trade agreements and of social differences and inequalities, particularly those that exist between men and women.

This study contributes methodological tools for analyzing free trade agreements (FTA) from a gender perspective and responds to the need to make the differentiated consequences for men and women of adopted trade liberalization policies visible. It also surfaces women's contributions to the economy and evaluates opportunities and risks that the very functioning of the agreements present for women. The objective of a methodology to analyze free trade agreements from a gender perspective is to proportion tools that give women's and mixed networks and organizations arguments so they can actively advocate in FTA negotiation processes, or those processes that monitor the FTA's that are already in place in Latin America.

In recent years, economic issues have become important to the investigations, discussions and interests of women's movements. This study seeks to respond to the need to circulate information and analysis that responds to women's interests and supports their participation in FTA negotiations and implementation, as well as subsequent impact analyses. At the same time, the study it seeks to provide background for gender analysis not only for women's groups but also for mixed gender social organizations and networks. This is important since until now issues of gender equity tend to be dealt with in segregated times, places and environments.

Making a contribution to gender sensitive analysis is oriented at contributing to the formulation of alternative development proposals that put gender equity at their center, an unavoidable component of social equity.

## **1. CONCEPTUAL FRAMEWORK**

Commercial policies and free trade agreements respond to the global logic currently being implemented and whose primary effects are felt at the local level. Its impact is expressed directly in the daily lives of real people. In spite of the fact that many governments have signed international commitments and treaties in which they promise to take steps to combat discrimination and propitiate equal opportunities for women and men, the formulation, implementation and evaluation of public policy is generally done without considering existing asymmetry between women and men in our societies. Free trade agreements are centered on commercial aspects of relationships between the signature nations, without taking into account the social and cultural sphere in which they are taking place. Much less do they include a gender perspective.

### **1.1. The category of gender**

This is developed because of questions and debates that seek to understand to what degree men's and women's behavior depends on biology and how much of it results from social learning. This focus analyzes the ways in which societies consider physical and biological differences between men and women and how they use them to justify building a social framework that classifies people and assigns them different hierarchies according to their sex. The reality for men and women is distinct as a result of their biological and social differences. The category of gender returns us to a system of values, beliefs, interpretations and practices that build societies based on biological differences and social organization that in turn create and reproduce asymmetric relations and inequality between women and men. Gender is one of the most determinant organizational principles in society<sup>1</sup> which orders social relationships based on determinant practices, symbols, norms, institutions, etc; and arranging hierarchy. The greater social value assigned to the characteristics of men and their activities has given room to a social organization and a system of relationships in which women are at a disadvantage to access resources, opportunities, decision making and power in all spheres.

Each society and each historical moment have their own particular way of understanding differences between men and women as well as organizing relationships between the genders. The common factor is inequality with does a disservice principally to women. Hence this study is focused mainly on them.<sup>2</sup> This is due to the fact that when speaking of gender, often times the vocabulary word gender is erroneously identified as referring to women. However, it is important to clarify that as this category has been defined, gender refers to relationships between men and women that are characterized by poor symmetry.

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<sup>1</sup> Another principle organizing factor based on bodily classification is race. Like gender, race and class / as well as being part of a system of "classification" with distinct backgrounds – do make up the three axis' upon which inequality is built.

<sup>2</sup> Only recently have we begun to analyze the disadvantages that the generis organization of the World brings for men, particularly with regards to the process of acquisition of the masculine identity and the role that society assigns men as the providers.

## 1.2. Principles of gender based social organization

There are two persistent principles of social organization that regulate relationships between men and women. They should be made explicit when doing a gender analysis because they are the basis of inequality. One is the sexual division of labor, the supposition that women and men have certain “natural” skills and abilities. Although women’s participation is important in the labor market and they are also providers for the home, “the norms of social work and functioning are regulated by the idea that men generate income and women spend their time on home based tasks and family reproduction.” This division of labor operates in different spheres, but most centrally in the areas of reproduction, production and community.

The reproductive sphere refers to the domestic space develops the work potential of people in order to achieve survival and responds to needs for affection, care and a sense of belonging, as well as the socialization and education of the girls and boys. Goods and services that have no value in the market but do cover these needs are produced in the domestic sphere. This is reproductive work – it consists fundamentally in all of the domestic activities (house cleaning, food preparation, wash and iron clothes, etc.) and taking care of the health and food needs of all those who make up the home (children, older people, the sick, other adults). Society assigns the responsibility for this work to women without assigning remuneration, and hence it isn’t even considered work, nor is it counted as such in national economic accounts. The belief that women don’t sustain the home economically because they are not paid leads to the belief that women are “maintained” by their spouses. This in turn upholds the connection between dependence and subordination as they depend on the economic resources that the man decides to take home.

Since it is not recognized that reproductive work generates economic value, women are not given rights over goods and resources that are purchased with family funds, nor allowed to participate in decisions related to property – the land, the house, or resources for production. The sexual division of labor in the domestic or reproductive case opens the way to hierarchies among members of the family and a differentiated access to resources, money, time and decision making, all which contributes to inequality at this level.

The productive sphere refers to the labor market in which activities that produce goods or services to be sold in the market occur. These activities are assigned a value and a price. All activities that generate income are considered productive work, regardless of whether the income comes from wages or salary or through profits. In our society, productive work is assigned to men in order for them to play the role of providers, which means acquiring resources outside the private sphere to maintain the family and provide for their needs. The growing involvement of women in the labor market is an undeniable fact, but it continues to be considered an activity that compliments their domestic obligations. The fact that women are almost exclusively responsible for domestic work makes their insertion into the labor market very difficult and it determines their location in the most precarious conditions, with smaller wages than those that men earn and insufficient support for the care of the children. Women that do paid labor assume a double work day, which triples when they also assume roles in the community.

At the community level, activities oriented to ensure the defense and improvement of living conditions and communal organization are undertaken. Community work refers to activities done in committees or groups of a social or political character. Those who make the groups

up dedicate time and resources to them. Investigations about what women do in their communities, in the city and the countryside, have shown a reality that was hidden for a long time: the enormous work load that women have, a work load that is neither counted nor recognized, as well as the quality of their contribution to development and the impact that modifications on the environment have on their quality of life and means of survival.

Women and men make agreements, arrangements and combine diverse activities that bring about the results of family organization that in turn guarantees social reproduction domestically and in the community, and economic production in the market. The three areas are tightly linked and the sexual division of labor is manifest in each.

The other principle for organizing societies is located in the cultural sphere and that of beliefs and refers to the lesser social value assigned to all “feminine” in contrast to all “masculine” in the economy, politics, work, education, etc. Socialization of people and the application of behavioral norms are located in this sphere.

Socialization refers to learning what is considered masculine and feminine based on socially transmitted criterion that are related to appearance, dress, behavior and the way one relates to others, activities, or the attitudes of people in situations of power and authority. Gender attributes and characteristics are developed under the influence of family, social, economic and political relationships of all types in which people move operate in. They are generated through education, games, punishment and awards, images as portrayed in the media, etc. Gender socialization delimits the experiences one has access to according to whether one is of the feminine or masculine sex and it defines differentiated behavior (roles). This socialization also determines the images of men and women (stereotypes).

Behavior norms refer to rules and general outlines about what is considered adequate behavior for women and for men. These general outlines and rules about expected conduct are sexual norms. They vary from one country to the next, one society to another and one period of time to the next. However, they all have two common threads. Male behavior and the idea of masculinity are related to activities that men participate in and those where power and authority are exercised. In the case of women, the appropriate behavior is that which shows a commitment to labor considered to correspond to dedication to the home, children, family, and that show a solicitous attitude towards men. Her femininity is tied to her relationship with others more than with the activities she realizes. Sexual norms are based on sexual stereotypes – in other words, beliefs and perceptions about the different characteristics of men and women that are expressed in distinct qualities, aptitudes and attitudes.

These concepts are articulated in the gender focus or gender perspective. This refers to an interpretation of reality beginning with the existing social differences and inequalities between men and women in a determined context and it looks into the causes and effects. A gender focus involves a political proposal since once the objective of equality between men and women is suggested, the modification of current power relationships in society become necessary, and hence implies foreseeing scenarios of conflict, negotiation and transformation.

Gender perspective is a vision of reality that shows that one part of reality remains hidden and defines the possibility of reconstituting it using methods and tools that make the category of gender “operational.”

Gender analysis takes into account social, economic, political and cultural differences between men and women and identifies how policies, laws, programs, projects or actions affect men and women differently. This analysis puts social hierarchies in evidence, those that are built based on difference and give way to unequal access to wealth, power, and social prestige between women and men. Gender analysis seeks explanations that lay the foundations for decision making and actions to achieve equality.

Frequently there is a belief that it is possible to make a neutral analysis based on the idea that all people are equal and consequently and logically they should all receive equal treatment.

Methodological Note: The analysis of an FTA begins by making the concepts that will be used in the study explicit. These concepts become operational by way of tools, variables and indicators that guide the analysis. It is important to clarify that the tools and variables acquire meaning and validity if they are back up by concepts.

Gender analysis is oriented towards showing that the sexual division of labor and gender stereotypes that prevail in ideas, beliefs, norms and behavior determine the differentiated participation of women and men. In the domestic sphere both principles define the mechanisms by which decisions are made, the activities of the household members, their educational options and use of time, as well as their access to resources. The decisions in this sphere influence the supply and the composition of the labor force. In the economic sphere, the exclusively domestic role attributed to women and the role of provider that is assigned to men define how much access they have or can get in the labor market, expressed as the proportion of women and men that participated; how they incorporate into said market, expressed as the type of jobs, the sector of the activity; and the way in which they are paid, which is expressed in different salary levels for women and men. In both the political and cultural spheres, both principles define the fields and spheres in which women and men can act and express the meager proportion of women in decision making and their lesser representation in the majority of the cultural manifestations.

### **1.3. Globalization as a framework for interpreting free trade agreements**

Free trade agreements are instruments that deepen and consolidate globalization by liberalizing trade and capital through agreements made by the governments of the involved countries. The current phase of the process of global capitalism, known as economic globalization, is the expression of deregulation and of the operations of economic vitalization under the rules of the market. Globalization is defined as the process “for which national economies integrate progressively into the international economy, such that their evolution will depend much more on international markets and less on government policies.”<sup>3</sup>

Economic globalization is expressed as an international production system, which means that different pieces of the production process now take place in different places rather than all in one place. The economies of countries and national capitals are integrated into an international production system by way of huge companies whose decisions and activities impact the different places. This process of close country integration has been justified by reduced transportation and communication costs and the elimination of barriers that once

<sup>3</sup> Estefanía, Joaquín. *La nueva economía. La globalización*. Colección Temas de Debate. Editorial Debate S. A. Madrid, 1996.

limited the circulation of goods, services and capital, all while barriers to the circulation of people have not been lifted.<sup>4</sup>

Global functioning of capitalism also involves local areas because this is where activities and markets operate. The particular conditions of national states constitute the base for globally integrated activities: labor, the culture of labor, political processes, etc.

Background to the deepening of the globalization process were a series of measures – trade and capital liberalization, privatization of state run businesses and of other sectors under state control, as well as the “deregulation” of several spheres. “That which was called structural adjustment is, then, a change in the national and international regulatory framework that was necessary to adapt the framework to the requirements of globalization.”<sup>5</sup> The role of nation states in restructuring the economy through a series of profound changes has been central: reducing public spending, in particular, social spending, reducing labor costs for big business, ending many subsidies, labor instability, and the end of the distribution based social security system. Said restructuring was based on the supposition that liberalization would result in growth and that this alone would be enough to diminish poverty.

Currently the organization of production is based on unrestricted movement of capital which can move anywhere, and at the same time, requires a global market to sell its products and services. International trade undeniably plays an important role in the growth and development of national economies; however, trade goes further than simple commercial and negotiations related aspects, and in reality, it constitutes a legal framework that facilitates and strengthens the globalized dynamic of the system of production and reproduction of capital.

Free movement of capital “is oriented to maximizing profits through the exploration of the so called ‘comparative advantages of each country; in the case of poor countries: availability of cheap labor and abundant natural resources, together with a not particularly rigorous legislative control or accountability mechanisms.”<sup>6</sup> In the case of natural resources the consequences are evident when they run out or are contaminated; with regards to cheap labor, the deterioration of working conditions has constituted a requirement for foreign investment. Cheap labor availability invites capital investment in countries like Mexico.

To get an idea of the weight of trade negotiations you only have to look at the importance of trade to the expansion of capital and its dominium in developing economies under the auspices of translational corporations. Economic evolution in countries as well as the wellbeing of the men and women who live there is determined in large part by a series of complementary and articulated processes in the world that draw the maps and transcend national borders. The new borders are defined by commercial blocks formed in bilateral and pluri-lateral trade agreements (NAFTA, UEMFTA, MERCOSUR-EU, CAFTA, FTAA, ETC). This new scheme for international relations is ruled by the general macroeconomic guidelines and conditions from the International Monetary Fund (IMF) and the World Bank

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<sup>4</sup> Stiglitz, Joseph E. *El malestar en la globalización*. Ed. Taurus. México 2002.

<sup>5</sup> Todaro, Rosalba. *Aspectos de género de la globalización y la pobreza*. Ministerio de la Mujer y Desarrollo Social, Centro de Documentación. [www.mimdes.gob.pe/cendoc](http://www.mimdes.gob.pe/cendoc)

<sup>6</sup> Rodríguez, Graciela. “Las mujeres frente a la OMC y las reglas del comercio internacional.” En: *Estrategias de las mujeres para la OMC*. Fundación Heinrich Böll, Red Internacional Género y Comercio, Instituto EQUÍT. Río de Janeiro, February, 2004. (p. 10)

and by the rules that are negotiated in the core of the World Trade Organization (WTO). This panorama of negotiations, national and supranational stakeholders and of a huge diversity of scenarios sets the context for analyzing free trade agreements.

Globalization is driven by a group of institutions, principally the World Bank (WB), the International Monetary Fund (IMF) and the World Trade Organization (WTO), and by international corporations that move capital, goods and technology across the borders. These international institutions are the ones that have set the rules and have established or modified measures such as the liberalization of the capital market, for example.

The World Bank and the International Monetary Fund were created at the Monetary and Financial Conference of the United Nations, held in Bretton Woods, New Hampshire, in the United States in July, 1944. These institutions are the result of a joint effort to rebuild Europe after the 2<sup>nd</sup> World War. The original name of the World Bank was the International Reconstruction and Development Bank. Today it is an institution that gives structural adjustment loans as long as the loan is approved by and linked to conditions determined by the IMF. The creation of the IMF had the objective of impeding a crisis such as the one in 1929. “It came out of the belief in the need for collection action at the global level in order to achieve economic stability”<sup>7</sup> and like the UN, it was also created to achieve political stability.

Both organisms have different objectives. The IMF is in charge of macroeconomic issues (deficit, budgets, monetary policy, inflation, external debt, etc.) and the WB is in charge of structural aspects of the economy (assigning public spending, the labor market, and trade policy); however its activities are predominated by the positions and conditions imposed by the IMF. The IMF functions with contributions from around the world and contributes money to countries that apply giving them the means to cut the deficit, increase taxes and interest rates. All of these measures have convincingly proved to shrink the economy.

The creation of the World Trade Organization, although also an idea that arose from the Bretton Woods Conference, didn't actually happen until 1995. Since 1944 there have been plans to create an organism that would govern international trade relations. The thesis was that this would be required to foment the free flow of goods and services. The General Agreement on Tariffs and Trade (GATT) was created, although it is an organism in which it was difficult to come to definitive agreement.

With the creation of the WTO, the construction of the multilateral institutions designed after the Second World War that had the “purpose of stabilizing international capital and broadening the free flow of the same in a globalized economy”<sup>8</sup> was complete. The WTO provides the forum where trade negotiations take place and guarantees compliance with the agreements, which is what makes its behavior as fundamental as the agreements themselves. This organism has a growing power that is expressed in the expansion of multilateral trade rules to the internal policy sphere. One example is the privatization of services.

Originally the IMF recognized that markets frequently didn't work; however, now the IMF and the WB defend market supremacy. The change in focus with regards to the ideas

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<sup>7</sup> Stiglitz (2002) p. 37

<sup>8</sup> Rodríguez, Graciela. “Las mujeres frente a la OMC y las reglas del comercio internacional.” En: *Estrategias de las mujeres para la OMC*. Fundación Heinrich Böll, Red Internacional Género y Comercio, Instituto EQUÍT. Río de Janeiro, febrero de 2004. (p. 10)

originally laid out originate in the proposals of the so called Washington Consensus between the IMF, the WB and the Treasury of the United States, in which decisions were made regarding the correct policies for under-developed countries. Based on the supposition that excessive state intervention in the economy was the root of the crisis in these countries, liberalization was proposed for capital, goods and service markets as part of the policies to stimulate growth. According to stakeholders such as ex World Bank functionary Joseph Stiglitz, all of this was contradictory with the way the majority of the industrialized nations built their own economies. Those means for those processes included selective protection of their industries until they were strong enough to compete with foreign companies, and the role of the State was crucial to the evolution of the economy.

In the 1980s, fiscal austerity policies, also know as (structural) adjustment, were implemented in underdeveloped countries, and then in the 1990s came privatization and market liberalization. These measures were realized under the rules and conditions of the IMF and the WB, who together with the WTO dominate the international scene at this time. These organisms are dominated by the trade and financial interests of the richest industrialized nations and the greatest part of their activities take place in the underdeveloped ones. In the IMF, treasury ministers and the governors of central banks make decisions. It is worth mentioning that the United States maintains the power of a veto in the WTO, where the trade ministers of all countries make the decisions, and each country has one vote. However, those ministers who are linked to the interests of exporters and producers of goods that compete with each countries' imports have the greatest weight, as do the financial institutions. Currently the three organisms are directed in fact, if not formally, by the governments of the G7, the United States, Canada, Japan, Germany, France, Italy and Great Britain, and of course of late, Russia, for which the group is now known as the G7+1.

## **2. Referential Framework**

### **2.1. Free Trade from a gender perspective**

Due to these differences, gender analysis lays out the need to ask which impacts of a policy or group of policies are different on men and women. The gender focus allows us to see the interaction between the economic, social and political transformations and the relationships between women and men. It makes visible both the elements that contribute to the persistence of the inequity as well as lead in the direction of change. It is fundamentally important to emphasize that “the values, norms and rules that define the subordination of women have not changed, nor will they change, as long as they are not dealt with by all of society, men and women.”<sup>9</sup> This situation has meant that trade relations, the protection strategies promoted by international organisms and new civic mindset related to collective rights, codes of conduct and social clauses, and the alternative indicators, are dealt with

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<sup>9</sup> López Montaña, Cecilia. “Los desafíos de la globalización en América Latina con la óptica del género”. En: *Estrategias de las mujeres para la OMC*. Fundación Heinrich Böll, Red Internacional Género y Comercio, Instituto EQUIT. Río de Janeiro, February, 2004. (p. 26)

laterally and without sufficient legal force by the state. Hence there is a need to establish gender regulations within the trade liberalization framework.”<sup>10</sup>

## 2.2. The issues gender analysis deals with

Alma Espino and Verónica Amarante’s investigation<sup>11</sup> show that the major part of gender studies and investigations about the FTA have concentrated on the impacts of liberalization specifically within the impact of international trade on women and gender relations. In this field, contributions have brought with them greater knowledge about gender relations from the moment when free trade agreements become policy and the differentiated effect they have on women and men in the countries where they are in place. At the same time, there is greater clarity now about what information is missing that limits a deeper grasp of the issues, as well as the need for investigation and greater theoretical development.

The majority of the work done in academia is oriented to an analysis of the economic effects of international trade on women and gender relations, mostly in the labor market. Studies analyze the tendencies brought on by inserting women into the labor force, particularly in the formal sector, centering their analysis on modifications in the distribution of female jobs by branch, occupational category and quality of the job; salary inequalities between women and men, occupational segregation and discrimination.

Feminist economists criticize the conventional economy, especially the neoclassic economy, which doesn’t consider certain fundamental aspects such as gender relations, unpaid productive labor and the division of labor in the home among their suppositions / in other words, that which is considered the caring economy. The absence of gender as an analytical category in the majority of economic focuses on trade liberalization impedes a fair evaluation of the impact of economic liberalization on women. Currently there is a great deal of literature about gender and development and gender and globalization in which macroeconomic issues, the environment, trade, economic rights and women’s access to resources and property are discussed.

These studies, always academic in nature, also highlight the importance of investigating the impact that trade liberalization has on women in sectors such as agriculture, the environment, intellectual property rights or the flow of direct foreign investment. They also show the need to deepen studies about the informal sector as well as look into the influence of the labor costs in investment decisions. Another area of interest in these studies is the international service trade (tourism, telecommunications, water, electricity, banking, healthcare, education, transportation and professional services) and the implications of this on economic development and gender equality. The objective is to have the backing to be able to draft policies on gender and trade.

Another sphere of investigation is that which refers to contributions made by International trade to development and the need to consider the gender dimension in this analysis. Some hypotheses about the positive effects of gender inequality for export expansion and

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<sup>10</sup> Ventura Díaz, Viviana. “Prólogo. Para un mejor conocimiento de las relaciones entre comercio y género”. En: Castrillo, Isabel, Coral Pey y Marilú Trautman, *Género y comercio ¿Una relación armónica?*, Ed. Cuarto Propio, Chile, January, 2004. (p. 20)

<sup>11</sup> Espino, Alma y Verónica Amarante. *Los impactos de género de las políticas comerciales: avances y desafíos para la investigación y la acción*. Fundación Böll, Oficina Regional C. A., México y Cuba. Programa Economía y Género, 2002-2004. México. March, 2003.

economic growth have been put out there. Highlighted is the fact that export development based on gender inequality doesn't contribute to gender equity promotion, and a need is stated to include a gender perspective in the factors that determine economic growth. Studies about trade and poverty refer to the fact that the great hope that greater liberalization would bring about higher wages and a reduction in poverty is unrealized and hence they talk about the need for policies that counter the negative effects of trade liberalization on gender equity and poverty.

Home based gender relationships is one of the less studied aspects related to the effect of trade on unpaid employment and the increasing rate of female employment in export sectors. Studies emphasize the need to take into account the interaction between the productive and reproductive spheres.

Most analyses and studies on gender and liberalized trade done by organizations and networks of women and mixed (men and women) deal with trade agreements. Those studies make reference to the way in which the trade policies of States are subordinate to the WTO trade liberalization norms and regulations. Analyses have been done about negotiations in the sphere of the WTO and about the impact of agreements on different sectors such as agriculture, intellectual property rights, services and foreign investment.

Investigations emphasize the contradictory and ambivalent character of the effects of free trade on women and gender relations. While international trade can represent an opportunity for women to join the labor market, it is also true that the feminine labor force has also been advantageous to companies due to the women's willingness to accept lower salaries and precarious working conditions, more so than men. Gender inequality, consequently, contributes to greater profits for business. It is worth asking oneself if trade liberalization has contributed to the consolidation and broadening of existing gender inequality.

In Latin America, the entrance of women into the labor market, principally since the middle of the 20<sup>th</sup> Century, was affected by the adjustment policies of the 80s and by the macroeconomic stability policies. "To permanently ignore the "care economy," principally the unrecognized and unremunerated domain of women, without recognizing the interrelationship with the market economy (where women increasingly are protagonists), hid the great social costs suffered by women and that are exposed when fiscal cuts are made in the context of little or no economic growth."<sup>12</sup>

Social expenditure and investments are considered the "two great victims" of the IMF mandates. With the reduction in the public offering of social services, the care economy exercised by women had to assume additional roles in healthcare, education and other services at the same time as women entered the labor supply in greater numbers.

In addition, due the location of production where salaries are lower, globalization generated a considerable increase in feminine employment. This is due to the fact that women proved to be more flexible and had some of the skills required by global production. An example of this is the phenomena of the export maquila sector which employs a great deal of women. While you could interpret the greater ease with which women get these jobs as an

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<sup>12</sup> López Montaña, Cecilia. "Los desafíos de la globalización en América Latina con la óptica del género". En: *Estrategias de las mujeres para la OMC*. Fundación Heinrich Böll, Red Internacional Género y Comercio, Instituto EQUIT. Río de Janeiro, February, 2004. (p. 26)

opportunity for women, studies show that job segregation persists as do salary gaps, which proves that women are simply exploited more.

Studies of the interaction between gender and globalization have been centered on the particular consequences in the economic sphere. The Espino and Amarante study concludes that investigations are still few and far between and don't yet permit us to obtain general conclusions. Their study emphasizes the need to have more information to do more rigorous analyses from a gender perspective.

It is necessary to deepen the investigation and inquire into how the process of globalization is panning out and at the same time transforming gender relations. This implies recognizing the "inherent contradictions in the process of globalization as it is currently occurring – that is, the opportunities that it offers as it simultaneously limits them and the great inequalities it may generate..."<sup>13</sup> Gender relations sustain the economy and are also modified by economic change.

### **2.3. Methodologies for dealing with trade liberalization from a gender perspective**

The economic focus of the majority of the academic work is based on theoretical reflections or studies that quantify the gender impact of trade (using econometric models, input product matrixes, indicators) with regards to different spheres: the use of time in productive and reproductive work, women's participation in employment, salary differences between men and women, the relationship between economic growth and gender inequality.

Non-governmental organization studies are oriented to an analysis of the effects of the FTA on women as consumers, workers and the roles they assume in the productive and reproductive spheres. They also analyze and evaluate the texts of the agreement, how negotiations happen, institutional aspects and civil society participation, and they define strategies for investigation, capacity building and advocacy.

In general, economic or more sensitive sectors or areas are identified, those most affected by the agreements, and impact studies are done based on the hypothesis that women are more vulnerable under free trade, deregulation of services and the restructuring of production.

An important methodological contribution refers to the construction of indicators "that relate variables linked to trade policy, international trade and production policies with the situation of women and gender relations"<sup>14</sup>.

With regards to the framework for analysis, some studies<sup>15</sup> use human rights as the basis, especially the economic and social rights, and they consider three aspects: the relation between the social and reproductive roles of women and trade agreements, the relationship between a trade agreement and women's situation in production for the market, and the relationship between trade agreements and women's political, economic, social and cultural rights.

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<sup>13</sup> Guzmán, Virginia. *Las relaciones de género en un mundo global*. Unidad Mujer y Desarrollo, CEPAL Naciones Unidas. LC/L.1729-P, Santiago de Chile, April, 2002.

<sup>14</sup> Espino, Alma y Verónica Amarante. *Op cit.* p. 32.

<sup>15</sup> WIDE (2001) y Espino y Staveren (2001).

They also propose some questions for each sector and sub sector of the economy with regards to discrimination against women and the possibility of overcoming obstacles that women face related to the articulation of their productive role and their participation in the job market. There is an emphasis on the need to recognize the economic value of non-remunerated work done by women and its contribution to the economy.

One of the principal methodological difficulties identified by the Espino and Amarante analysis in terms of evaluating the impacts of trade liberalization is how to distinguish between the effects of trade liberalization itself and those that are related to other processes of structural reforms. In spite of this, the studies show that:

- a) Female participation in the labor market has increased in export sectors. This greater participation has not been accompanied by an increase in support for the reproductive work women do. It is then possible to deduce that: women's work has increased due to the double shift, and that their free time has been reduced. In the cases where domestic labor has been reduced, if this does not obey new family arrangements, increased tension and conflict in the home are predictable, bringing with them a deterioration in the quality of life for women
- b) Occupational segregation and salary gaps persist in the export sector. It can thus be concluded that the economic benefits from the prevailing lower wage in sectors where feminine participation is greatest.
- c) Female unemployment is higher than male unemployment due to the greater supply of feminine labor, which acts unfavorably upon the salary gap.

With regards to the concept of gender, academic studies refer only to the different socioeconomic positions of women and men. Civil society organizations and networks take on gender focus by considering distinct dimensions: women's socioeconomic position and their participation in the productive and reproductive spheres; or making reference to the different roles of women and men in the sphere of production and reproduction; as well as discrimination and differentiated access to resources. Some analyses lay out that the different social roles of women and men have their origins in discrimination and as a consequence, differentiated access to resources. This determines the differentiated impact of trade agreements on women and men. In general, studies show that “an insufficient depth in the analysis of the impact of FTA’s in theoretical terms as well as a lack of methodological rigor.”<sup>16</sup> This work hopes to contribute to this remaining task.

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<sup>16</sup> Espino, Alma y Verónica Amarante. *Op cit* p. 35.

*Methodological note:* A review of the studies about free trade agreements from a gender perspective provides the referential framework for understanding the “state of the art” of the issue. This work is fundamental because it provides orientation about which aspects have been studied and how they have been dealt with, and it identifies which aspects need further study. A revision of the literature indicates that the analysis of the FTAs requires a description of the international context and the international trade mechanisms that facilitates understanding the changes that have occurred: globalization, the concentration of economic power, the action of multinational companies. At the same time it is crucial to understand the institutionalism that governs the globalization process and determines international trade policies to understand the importance of trade agreements. This knowledge implies studying the policies, spheres of action and decision making mechanisms of the World Bank, the International Monetary Fund and the World Trade Organization. The literature about gender and trade shows that there are existing vacuums in conventional economic theory and it shows that a gender category for analysis is essential for improved comprehension of trade and investment liberalization processes, the FTAs and their differentiated effects on women and men.

*Basic recommended Literature on gender and trade:*

- Espino, Alma and Verónica Amarante. *Los impactos de género de las políticas comerciales: avances y desafíos para la investigación y la acción*. Böll Foundation, Regional Office for Central América, México and Cuba. Gender and Economy Program, 2002-2004. México. March, 2003.
- Cagatay, Nilufer. *Género, pobreza y comercio*. Departamento de Economía, Universidad of Utah, Salt Lake City, May, 2001.
- Castrillo, Isabel, Coral Pey and Marilú Trautman, *Género y comercio ¿Una relación armónica?*, Ed. Cuarto Propio, Chile, January, 2004.
- De Villota Paloma (Editora.) *Economía y género. Macroeconomía, política fiscal y liberalización. Análisis de impacto sobre las mujeres*. Icaria Editorial, Barcelona, 2003.
- Sanchis, Norma (Editora). *El ALCA en debate. Una perspectiva desde las mujeres*. Editorial Biblos. Buenos Aires, 2001.
- Sanchis, Norma, Verónica Bacarat y María Cristina Jiménez. *El comercio internacional en la agenda de las mujeres. La incidencia política en los acuerdos comerciales de América Latina*. Red Internacional de Género y Comercio, UNIFEM. Buenos Aires, Argentina, May, 2004.
- Todaro, Rosalba y Regina Rodríguez (Editoras). *El género en la economía*. Ediciones de las Mujeres N° 32, Centro de Estudios de la Mujer, Isis Internacional. Santiago de Chile, December, 2001.

Websites of interest:

- Association for Women in Development: [www.awid.org](http://www.awid.org)
- Centro de Estudios de la Mujer-Chile: [www.cem.cl](http://www.cem.cl)
- Comisión Económica para América Latina y el Caribe: [www.eclac.cl/mujer](http://www.eclac.cl/mujer)
- Fondo de Desarrollo de Naciones Unidas para la Mujer: [www.unifem.undp.org](http://www.unifem.undp.org)
- Network Women in Development Europe: [www.eurosur.org/wide](http://www.eurosur.org/wide)
- Red de Mujeres Transformando la Economía: [www.movimientos.org/remte](http://www.movimientos.org/remte)
- Red Internacional de Género y Comercio: [www.generoycomercio.org](http://www.generoycomercio.org)
- Women's Edge Coalition: [www.womwnsedge.org](http://www.womwnsedge.org)

The contradictory results of trade liberalization are an issue for debate among social movements, which at the same time have gained energy due to the evidence showing the asymmetric relationship between Latin American countries and the more developed nations of Europe and North America. Other issues include the political conditions that always accompany trade agreements, the loss of autonomy and regulatory capacity of nation states and the daily effect on the population.

From a gender perspective, these studies have shown that globalization accentuates inequality. Feminist and women's movements have acquired a higher level of consciousness about the issue's importance and the need to learn more in order to make significant changes in the content and form of the macroeconomic policies.

Macro adjustment measures change power relationships in society and affect women and all other sectors. For this reason, macroeconomic decisions should be built through a consensus process in which all affected sectors, including women, participate. As knowledge of what happens in the labor market, with foreign investment and with international trade, it is normal that women will make more substantial contributions to the globalization debate. Civil society should accompany the development of these processes which are currently dominated by governments who in general terms do not consult with the population about the commitments they assume, or sometimes, even with the legislative branch.

### **3. Free Trade Agreements**

#### **3.1. FTAs as instruments that deepen globalization**

FTAs are instruments to consolidate the insertion of national economies into the global economy. Technically trade agreements are defined as a “collection of modalities, rules and procedures that govern the definition of tariffs, non tariff barriers, the limits of reciprocity and non-reciprocity between two or more countries dealing with the flow of goods and services that cross international borders.”<sup>17</sup>

Underdeveloped countries join these agreements from a weak position due to the fragile and instable nature of their economies and the enormous external (foreign) debt they carry. This accompanies the idea that these agreements will lead to growth, that they will open their markets and balance their public accounts. The subordination of some governments to the developed nations' geopolitical plans for expansion is another factor that cannot be ignored.

To date, the results of the indiscriminate opening of markets of developing nations to imports have not given reason to be optimistic. The same can be said about expanded production for exports. “In so far as there have not been positive effects for other sectors of national economies, growth is limited to “islands” within each country. The case of the maquila industry (the precarious assembly industry) and the automobile sector in Mexico

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<sup>17</sup> Williams, Mariana. “Género y políticas de comercio. Un panorama de las conexiones y articulaciones”, ” En: *Estrategias de las mujeres para la OMC*. Fundación Heinrich Böll, Red Internacional Género y Comercio, Instituto EQUIT. Río de Janeiro, febrero de 2004. (p. 34)

are blunt examples of the scarce “contamination” (leaking) to the national economy, as can be seen from the results of expanding exports from these sectors.”<sup>18</sup>

The October 1, 2000 onset of the European Union-Mexico Economic Partnership, Political Coordination and Cooperation Agreement (TLCUEM by its Spanish acronym), has signified the continuation of policies that began in the 80s with the so called macroeconomic adjustment. These policies prepared the Mexican economy to be inserted into a new phase of the global economy: the reduction of the role of the State as the rector of the economy; free circulation of goods and capital which has broadened the influence of translational companies, the displacement of national production and growing pressure to privatize more services (healthcare, social security, education) including strategic sectors such as electricity, petroleum, gas, water and telecommunications.

### 3.2. FTAs in the national context

#### Changes in the Mexican economy

During the decade of the 1980s, a set of economic reforms were begun in Mexico that in a short time changed the Mexican economy from a closed economy to one of the most open in the world. These reforms were oriented to insert the country into the world economy by way of changes in economic structures. This became a stimulating process when Mexico entered GATT, today the WTO in 1986, opened up commerce and finances, privatized state companies, combated inflation, removed state subsidies and deregulated the economy. The following graph shows that between 1984 and 1987, the average tariff on imports was reduced from 23.3% to 10%. On the other hand, in 1984, 83.4% of imports were subject to permission, and this proportion was reduced to 26.8% in 1987.

#### Mexico. Evolution of trade protection<sup>19</sup>

Year	Average tariff %	Imports subject to permission%
1984	23.3	83.4
1985	25.5	35.1
1986	22.6	27.8
1987	10	26.8

The relative importance of petroleum exports was reduced, the agricultural sector lost its export capacity and manufacturing production and imports increased. Parallel to this, imports increased due to the manufacturing export boost that was based in grand measure

<sup>18</sup> Rodríguez, Graciela. “Las mujeres frente a la OMC y las reglas del comercio internacional.” En: *Estrategias de las mujeres para la OMC*. Heinrich Böll Foundation, Internacional Gender and Trade Network, Instituto EQUIT. Río de Janeiro, February, 2004. (p. 9)

<sup>19</sup> Luna Martínez, Sergio y Eduardo González Nolasco. “Libre comercio y convergencia. La macroeconomía del TLCAN”. En: *Diez Años del TLCAN en México. Una perspectiva analítica*. Colección Lecturas del Trimestre Económico. Fondo de Cultura Económica. México 2004.

on imported inputs. Opening the economy brought about a trade deficit and contrary to what was expected, the economy experienced low rates of growth. This process culminated with the 1994 crisis and the reduction of the GNP in 1995 by 6%.

With the signing of NAFTA in 1994, the opening of the economy was deepened and the export sector took on growing weight in the economy. Between 1988 and 1997, the contribution of exports to the GNP grew by 16.6% to almost one third by 1997.<sup>20</sup>

The accelerated process of opening that is expressed in the growth and growing importance of exports has not been positive for the economy. The following graph shows that exports have not been a growth factor for the GNP or the GNP per inhabitant. Between 1994 and 2004, with NAFTA in effect, the since the TLCUEM in 2000, both indicators show a slow rate of growth. Together with export growth there has been an increase in imports and in the trade deficit. Export stimulation is based on the importation of inputs and primary materials.

### Mexico – growth of GNP, per capita

#### GNP and exports

Year	GNP*	Per capita GNP*	Total exports
1994	4.4	2.1	17.3
1995	-6.2	-8.2	30.8
1996	5.2	3.7	20.7
1997	6.8	5.3	14.8
1998	5.0	3.6	6.6
1999	3.6	2.3	16.1
2000	6.6	5.2	22.0
2001	0.0	-1.3	-4.8
2002	.7	-6	1.5
2003	1.3	0	2.9
2004*	3.7	2.3	14.4
Annual Average	2.8	1.3	14.23

Source: INEGI

\*estimated

Opening up the manufacturing industry has been a determining factor in the increase in imports and, in particular among imports, mainly the maquiladora export industry (assembly plants) whose inputs are mostly imported. At the same time, greater technology in the maquilas has meant a decline in employment in the sector. In general terms, it can be

<sup>20</sup> Cardero, María Elena. "El empleo de las mujeres y la apertura comercial en México: una primera aproximación." En: De Villota, Paloma (Ed.), *Economía y género. Macroeconomía, política fiscal y liberalización. Análisis de su impacto sobre las mujeres*. Icaria Editorial, Barcelona, 2003. (pp. 427-488); UNIFEM. *El impacto del TLC en la mano de obra femenina*. Fondo de Desarrollo de Naciones Unidas para la Mujer. México 1999.

affirmed that trade liberalization and the signing of free trade agreements has increased exports, particularly manufactured goods, but that these increases are concentrated in few sectors, in machine and equipment (particularly automobiles and automobile parts); they have a low national content, limited linkage to the rest of the economy, and they are concentrated in a few states around the country and under the control of large companies.

#### *Changes in society*

The economically active population in 2004 was made up by 43,398,755 people of which 35.5% (15.3 million) were women and 64.5% (28.1 million) were men. One of the most important changes experienced by Mexican society is the growing incorporation of women into the job market.

**Rate of economic participation Mexico**

Year	Women	Men	Total
1970	17.6	70.1	43.5
1991	31.5	77.8	53.6
1995	34.5	78.2	55.6
1996	34.8	77.7	55.4
1997	36.8	78.3	56.6
1998	36.9	78.7	56.9
1999	35.9	78.0	56.0
2000	36.4	76.8	55.7
2004	37.5	75.5	55.6

Source: INEGI Women and Men in Mexico, 2004  
National Institute for Statistics, Geography and Information, Mexico, 2005  
INEGI. Indicators System for Follow Through on the Situation of Women, SISESIM  
Webpage: [inegi.gob.mx/cgi-win/sisesim.exe/consult](http://inegi.gob.mx/cgi-win/sisesim.exe/consult)

**Rate of economic growth  
by marital status and sex – 2004**

Marital status	Women	Men
Single	38.7	54.7
Married	35.1	90.4
Common law	33.8	95.4
Separated	73.1	83.5
Divorced	64.6	86.3
Widow	30.3	50.1
<b>Total</b>	<b>37.5</b>	<b>75.5</b>

Source: INEGI Women and Men in Mexico, 2004  
National Institute for Statistics, Geography and Information, Mexico, 2005  
INEGI. Indicators System for Follow Through on the Situation of Women, SISESIM  
Webpage: [inegi.gob.mx/cgi-win/sisesim.exe/consulta](http://inegi.gob.mx/cgi-win/sisesim.exe/consulta)

The incorporation of women into the job market obeys several factors among which is found a need for income, an increase in women's levels of education, greater possibilities for development among women in spheres other than the domestic one. And while this expresses a cultural shift in Mexican society, the stereotypical images that perceive women principally as mothers and housewives still prevail, in spite of their participation in all spheres of life. The validity of masculine and feminine stereotypes is expressed by the fact that both participate in society and especially in the labor force mediated by their socially assigned roles.

This is expressed in this graph which shows the different rates of economic participation according to ones marital status. Separated or divorced women participate more than married women, while among men, it is those who are married who show a greater rate of participation; indeed, men's marital status is not as accented. Women's availability to participate in the labor force is limited by their domestic responsibilities, and this determines their participation and the characteristics that that participation assumes in the job market.

The following graph shows an increase in men's participation in domestic work; however, women continue to be the primary responsible party for this.

**Mexico – Rate of participation in domestic work  
by sex 1998-2004**

(Population of 12 years or older)

Year	Women	Men
1998	95.5	52.3
1999	95.3	52.7
2000	94.6	53.8
2001	95.6	61.3
2002	95.8	62.7
2003	96.2	61.7
2004	96.2	65.2

Source: INEGI. Women and Men in Mexico, 2004.

National Institute for Statistics, Geography and Information, Mexico, 2005.

**Mexico. Distribution by percentage of the Economically Active Population  
according to type of activities 2004**

Type of Activities	Women	Men
Only extradomestic labor	3.0	36.7
Extradomestic and domestic labor	92.0	58.4
Extradomestic labor and studies	0.6	1.4
Extradomestic labor, domestic labor and studies	4.4	3.5
TOTAL	100.0	100.0

Source: INEGI. Women and Men in Mexico, 2004

National Institute of Statistics, Geography and Information, Mexico, 2005

In the above graph one can observe the difference between economically active women and men. Only 3% of the women who dedicate themselves exclusively to work outside the home while 92% work in the domestic sphere as well. For men, the majority work only outside the home and it is a smaller percentage that has domestic responsibilities in addition to remunerated work.

**Mexico. Distribution by percentage of the occupied population  
by sex and sector of activity 2004**

Sector	Women	Men
Total	100	100
Primary Sector 1/	6.0	22.1
Secondary Sector 2/	19.4	27.8
Third Sector 3/	74.4	49.6
Not specified	0.2	0.5

Source: Source: INEGI. Women and Men in Mexico, 2004

National Institute of Statistics, Geography and Information, Mexico, 2005

1/ includes agriculture, animal husbandry, forestry, hunting and fishing

2/ mining, petroleum and gas extraction, industrial manufacturing, electricity, water and construction

3/ commerce, communications and transportation, services and government

Differences between women and men are expressed in the characteristics of their job market insertion. Information from 2004 shows that while the majority of the population works in the service sector, this tendency is more pronounced among women, 74% of whom work in service. 19.4% work in the secondary sector, in which the proportion of men is greater, and only 6% of them work in the primary sector, in which 22.1% of men are occupied. As can be noted, the labor market is highly segregated.

Segregation by sex is also manifest when looking at branches of economic activity. According to 2004 INEGI data, the areas that show the greatest differences are construction (96.8% of those employed are men and 3.2% are women), and communications and transportation (91.2% of those employed are men and 8.8% are women). The proportion of women in agricultural activities is 87.2%, public administration and defense 66.7% and in transformation industries, they represent 36.2%. In commerce and services, there is a tendency towards balance with 49.3% of jobs taken by women in both branches.

As we have mentioned, exports in the manufacturing industry have gained in importance among total exports, in particular, the maquiladora industry. This has become a sector that generates employment for men and women, and in large part, more for women. This is particularly true in the fabrication of materials and electric accessories and electronics, the elaboration of clothing and the construction and reconstruction and assembly of transportation and accessory equipment.

The analysis of job market characteristics in general and of this sector in particular contributes elements that help us to become familiar with the differences in the effects of the FTA. Data shows elevated segregation based on sex in different activities: the presence of women is high in domestic services, assembling clothing, preparing and selling food, medical and educational services, entertainment and hostelry. When data is further disaggregated, there is an elevated presence of men in construction, as was previously mentioned, mining, repair services, basic metal industry, petroleum and natural gas extraction, petroleum refinery, basic petrochemicals, agricultural activities, electricity, the chemical industry, glass, plastic, rubber and cement. In these activities men represent between 70% and 97% of all working people. Women dominate only in domestic services where they represent 88% of the work force.

With regards to income, INEGI data indicates that most working people perceive an income that does not go over two minimum salaries (in 2004 the monthly minimum wage was \$1,131 (Mexican Pesos). This is the case for 26.9% of all women and 20.5% of all men. There are also 19% of the women and 13.5% of the men who earn less than one minimum salary. In terms of the working population for whom there is no income, women represent a greater proportion, 12.3%, while men take up 6.4% of this group. The difference in incomes also shows hourly wages where on average women earn \$15 Mexican Pesos per hour worked while men earn \$16.

Salary differences can also be observed by types of jobs. According to a salary discrimination index put together by INEGI, the occupational groups in which there is greatest salary segregation are: industrial supervisors, artisans, workers and worker assistants. There were lesser differences among domestic workers, service sector employees and office workers, jobs that are filled mostly by women.

The differences between women and men in Mexican society are also manifest in their access to decision making. For example, women represent 22.6% of (legislative) deputies and 18% of senators. In the Mexico City Legislative Assembly, women make up 36.4% of the deputies. At the State level, women participate even less, representing only 13.1% of local deputies. In local government, the information also shows that women make up only 3.5% percent of the municipal presidencies.

Women's participation in social organizations is also inferior to that of men. For example, data for the population over 18 years old that participates in organizations show that 7% of women and 17.4% of men join unions; 7% of women and 13.2% of men participate in political parties. More of the population participates in religious groups than any other type of organization and in these, women's participation is greater: 24.5% versus 22.2% respectively.

According to information from 2003, in public, federal administration, women represented just 23.2% of the functionaries in administrative branches of government. Women are less represented in the Defense Secretariat (6.2%) and the Marine Secretariat (5.7%). The highest rate of participation of women is in the Foreign Relations Secretariat (42.6%) and the Secretariat for Public Education (37.4%) as well as the Secretariat of the Economy (37.3%). In autonomous branches such as the Judiciary, women make up 27.9% of all functionaries; in the Federal Electoral Institute they represent 20.1% of the functionaries and 33.5% in the National Commission on Human Rights.

Data shows that while there have been some societal changes that can be seen by this greater participation of women in the job market and a slight increase in men's participation in domestic activities, women's responsibilities in women's spheres persists, as does high job market segregation, salary gaps, and limited female participation in decision making. This is the panorama of Mexican society in the context of (trade) openness and accelerated insertion into the process of globalization. The question is to what degree globalization and the free trade agreements that make globalization concrete will modify existing social differences between women and men, and in what form that change will take place.

*Methodological Note:* The analysis of the national context contributes information that is helpful to diagnose where to begin becoming familiar with changes induced by trade liberalization. Information about the productive structure, the contributions of distinct economic sectors to the GNP and to exports, as well as the requirements of imports allow us to identify the sectors that are most sensitive to the effects of the FTAs. The characteristics of the job market show some changes – some which are the result of trade liberalization – with regards to how women and men join the economic structure. This data provides information that is relevant to further inquiry about the differentiated effects of the FTAs.

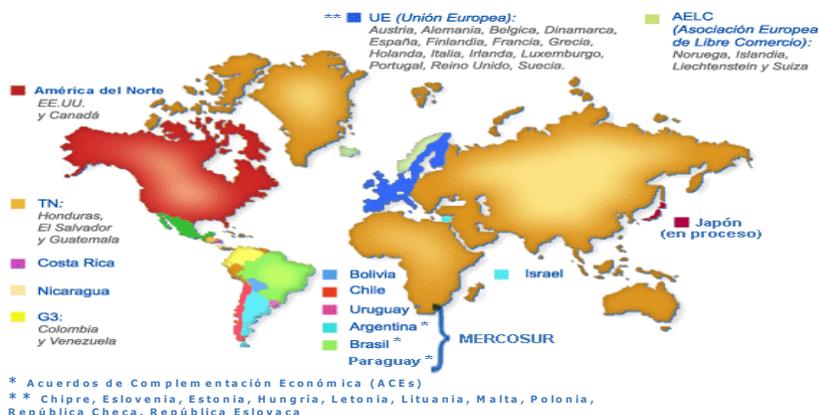
It is necessary to maintain a historical perspective of the process and to establish time periods: for example, the beginning of the structural adjustment policies; and their principal characteristics and results, trade and financial liberalization, the time period when the FTAs started. It is important to clarify that it is not easy to distinguish the effects of the FTAs from those that could be the result of other policy measures that are not directly related. In the analysis of the information, differences between men and women will be emphasized as well as the factors that influence those differences. This makes it necessary to seek sources of information that provide data disaggregated by sex.

## The trade relations between Mexico and the countries of the European Union

Free trade agreements are the mechanism for continuing and deepening trade and financial liberalization policies in Mexico since 1994, when NAFTA was signed. The signing of this agreement marks the beginning of a series of agreements, twelve in all, with 43 countries, including one that was approved with Japan in April, 2005. This makes Mexico the country with the greatest number of FTAs.

Agreement	Countries	Publication D.O.F.	Start Date
NAFTA	United States and Canada	December 20, 1993	January 1, 1994
TLC-G3	Columbia and Venezuela	January 9, 1995	January 1, 1995
Mexico-Costa Rica FTA	Costa Rica	January 10, 1995	January 1, 1995
Mexico-Bolivia FTA	Bolivia	January 11, 1995	January 1, 1995
Mexico-Nicaragua FTA	Nicaragua	July 1, 1998	July 1, 1998
Mexico- Chile FTA	Chile	July 28, 1999	August 1, 1999
TLCUEM	European Union	June 26, 2000	July 1, 2000
Mexico-Israel FTA	Israel	June 28, 2000	July 1, 2000
FTA Mexico - TN	El Salvador, Guatemala and Honduras	March 14, 2001	March 15, 2001 (El Salvador y Guatemala), June 1, 2001 (Honduras)
TLC Mexico – AELC	Island, Norway, Liechtenstein, Switzerland	June 29, 2001	July 1, 2001
Mexico-Uruguay FTA	Uruguay	July 14, 2004	July 15, 2004
AAE Mexico - Japan	Japan	March 31, 2005	April 1, 2005

Source: Secretariat of the Economy



Source: webpage of the Secretariat of the Economy

The central objective of the different governments that have negotiated and signed free trade agreements is to grow the economy by increasing and diversifying exports and opening up for foreign investment. The government is betting that a consequence of sustained growth, if obtained, would be a reduction in the poverty that affects broad sections of the population.

Studies<sup>21</sup> indicate that the expected results have not been achieved: the GNP and the GNP per inhabitant show low rates of growth; even though exports have grown, the trade deficit prevails; most of the imports are inputs for the export sector which shows that the country has a low capacity to produce those same inputs; the most dynamic export sectors are not linked to the rest of the economy; there is a weak relationship between exports and growth; foreign trade has not been diversified in spite of Mexico having more free trade agreements than any other country; foreign investment has accentuated intra-firm trade, which has not benefited the country or the population. Since the principal export sectors are not linked to the rest of the economy, there has definitely not been a positive impact on the country's productive structure.

Methodological note: The analysis of the trade and foreign investment structures of the respective countries provides information about the influence of the FTAs on whether or not greater growth objectives are achieved as a result of increased trade with other countries. Knowledge about trade relations between the countries involved in the agreement, and their evolution before and after the agreement entered into force, shows modifications and indicates tendencies for the future. Another aspect of relations between countries is foreign investment, the amount and where it is going. It is important to keep in mind that it is difficult to distinguish between economic results that are due to a country's economic policies from those that might be the consequence of an FTA entering into effect. Hence data interpretation cannot be conclusive, and the tendencies should be seen in tones rather than full on color.

The analysis of the free trade agreement between the European Union and México (TLCUEM) clearly shows the above mentioned tendencies with regards to the impact of FTAs on the economic evolution of the country.

México and the European Union established formal relations in 1960 when a Mexican diplomatic office was opened in Brussels. However, it was a low profile relationship until 1975 when the first Trade and Cooperation Agreement between Mexico and the European Economic Community (CEE in Spanish) was signed. In spite of this Agreement, trade relations between the two regions didn't increase considerably. The relationship was reactivated in 1991 when a Cooperation Framework Agreement was signed in the context of consolidating trade openness in Mexico and the broadening of the CEE. The Agreement represented the possibility of diversifying trade relations and it is a reflection of the European Union's interest in broadening its economic influence and investments in Mexico.

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<sup>21</sup> Arroyo, Alberto. *El México del TLCAN en el contexto latinoamericano y caribeño*. UAM-Iztapalapa. (unpublished document)

On December 8, 1997, after a long negotiation process, the Economic Partnership, Political Coordination and Cooperation Agreement between Mexico and the European Community and its Member States was signed in Brussels. The agreement entered into effect on July 1, 2000 and replaced the Framework Agreement of 1991.

As restrictions were eliminated, both Mexican and European Union representatives foretold a substantial increase in trade between Mexico and the fifteen countries that made up the European Union at the time the Agreement was signed: Germany, Austria, Belgium, Denmark, Spain, Finland, France, Greece, Holland, Ireland, Italy, Luxembourg, Portugal, United Kingdom and Sweden.<sup>22</sup> There were expectations that exports of Mexican agricultural and semi-processed products and European exports of elaborated products such as machinery and transportation materials would increase.

The Mexican government estimated that Mexican exports to the European Union would triple in five years and that direct foreign investment would increase by 70%. Four years after entering into effect, the information<sup>23</sup> shows that while trade between Mexico and the European Union increased (by 52.5% when it passed 17,945.5 million dollars in 1999 to 27,379.3 million on 2004), this increase has not been favorable for Mexico because between 1999 and 2004 exports to the European Union increased by 22.3% (from 5,202.7 million dollars to 6,466.6 million dollars). During the same period, imports increased 40.2% (from 12,742.8 million dollars to 20,912 million dollars).

If one analyzes the information from 2001 to 2004 without considering 2000, the year the agreement was signed, it can be observed that the tendency to greater imports is maintained. In 2003, Mexico imported more than three times what it exported to the European Union.

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<sup>22</sup> In March, 2004, ten more countries joined the EU: Cypress, Slovakia, Slovenia, Estonia, Hungary, Latvia, Lithuania, Poland and the Czech Republic.

<sup>23</sup> Data from the Economy Secretariat. Sub secretariat of International Trade Negotiations.

**Mexican Foreign Trade with the United States, Canada and the European Union  
(In millions of dollars)**

Country	Before the TLCUEM							After The TLCUEM				
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>Exports</b>												
Total	51,832.0	60,817.2	79,540.6	96,003.7	110,236.8	117,459.6	136,391.1	166,454.8	158,442.9	160,762.7	165,355.2	189,200.4
United States	42,850.0	51,645.1	66,272.7	80,574.0	94,184.8	102,923.9	120,392.0	147,685.5	140,296.5	143,047.9	146,802.7	165,111.3
Canada	1,568.7	1,482.8	1,987.4	2,172.0	2,156.1	1,518.9	2,391.3	3,353.1	3,069.5	2,806.0	2,831.8	2,764.8
European Union	2,778.6	2,805.9	3,353.5	3,509.8	3,987.6	3,889.2	5,202.7	5,610.1	5,332.6	5,214.5	5,591.7	6,466.6
Rest	4,623.8	4,883.4	7,927.0	9,747.9	9,908.3	9,127.6	8,404.2	9,806.1	9,744.3	9,694.3	10,129.0	14,857.7
<b>Imports</b>												
Total	65,366.5	79,345.9	72,452.1	89,468.8	109,808.2	128,373.1	141,874.8	174,457.8	168,396.4	168,678.9	170,958.2	197,303.3
United States	45,294.7	54,790.5	53,828.5	67,536.1	82,002.2	93,258.4	105,267.3	127,534.4	113,776.8	106,556.7	105,685.9	109,558.2
Canada	1,175.3	1,620.6	1,374.3	1,743.6	1,968.0	2,290.2	2,948.8	4,016.6	4,234.9	4,480.3	4,120.8	5,419.8
European Union	7,798.7	9,058.2	6,732.2	7,740.6	9,917.3	11,699.3	12,742.8	14,775.1	16,165.5	16,441.6	17,861.9	20,912.7
Rest	11,097	13,876.6	10,518.1	12,448.5	15,920.7	21,125.2	21,015.9	28,131.7	34,229.2	41,200.3	43,289.6	61,412.6

Source: Economy Secretariat. Subsecretariat of International Trade Negotiations. With data from the Bank of Mexico.

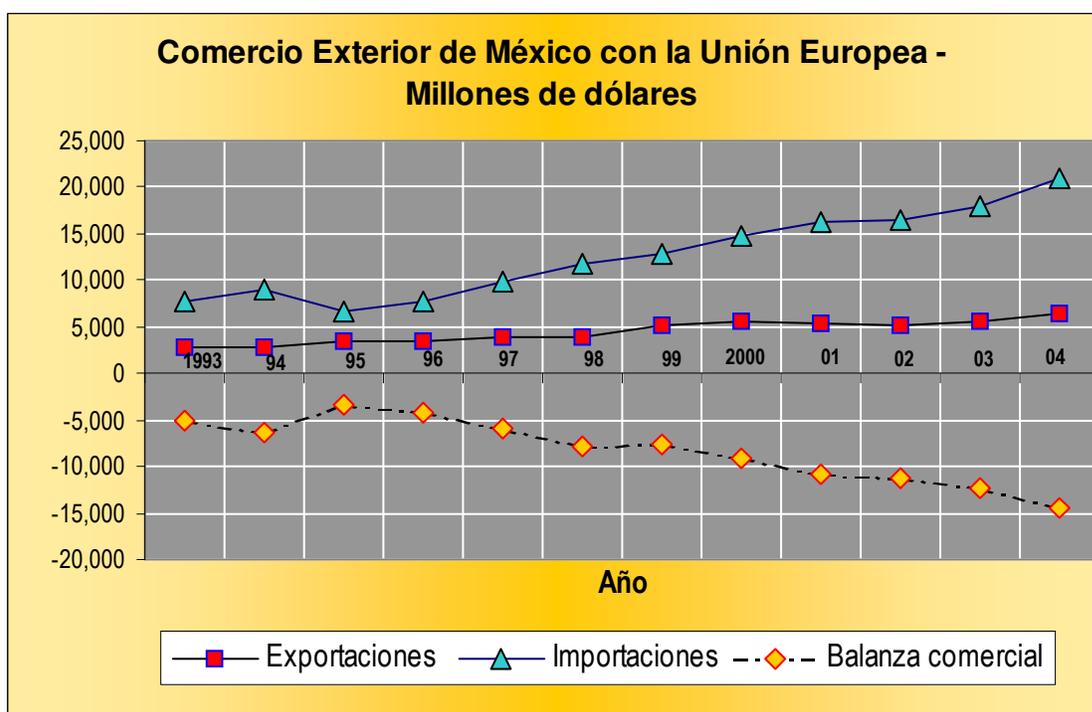
The increase in the exchange with the European Union has not meant trade diversification for Mexico, whose trade is historically concentrated in the United States. In 2004, the United States was the destination for 87.3% of the all exports and the place from which 55.5% of all imports came, as is shown in the following graph. In 2004, Mexican exports to the European Union represented only 3.4% of the total exports, while EU imports made up only 10.6% of the total of goods coming into Mexico.

**Mexican Foreign Trade with the United States, Canada and the European Union  
(In percentages)**

Country	Before the TLCUEM							After The TLCUEM				
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>Exports</b>												
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
United States	82.7	84.9	83.3	83.9	85.4	87.6	88.3	88.7	88.5	89.0	88.8	87.3
Canada	3.0	2.4	2.5	2.3	2.0	1.3	1.8	2.0	1.9	1.7	1.7	1.5
European Union	5.4	4.6	4.2	3.7	3.6	3.3	3.8	3.4	3.4	3.2	3.4	3.4
Rest	8.9	8.0	10.0	10.2	9.0	7.8	6.2	5.9	6.2	6.0	6.1	7.9
<b>Imports</b>												
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
United States	69.3	69.1	74.3	75.5	74.7	72.6	74.1	73.1	67.6	63.2	61.8	55.5
Canada	1.8	2.0	1.9	1.9	1.8	1.8	2.1	2.3	2.5	2.7	2.4	2.7
European Union	11.9	11.4	9.3	8.7	9.0	9.1	9.0	8.5	9.6	9.7	10.4	10.6
Rest	17.0	17.5	14.5	13.9	14.5	16.5	14.8	16.1	20.3	24.4	25.3	31.1

Source: Economy Secretariat. Subsecretariat of International Trade Negotiations. With data from the Bank of Mexico.

**Mexico's Foreign Trade with the European Union**  
Millions of dollars

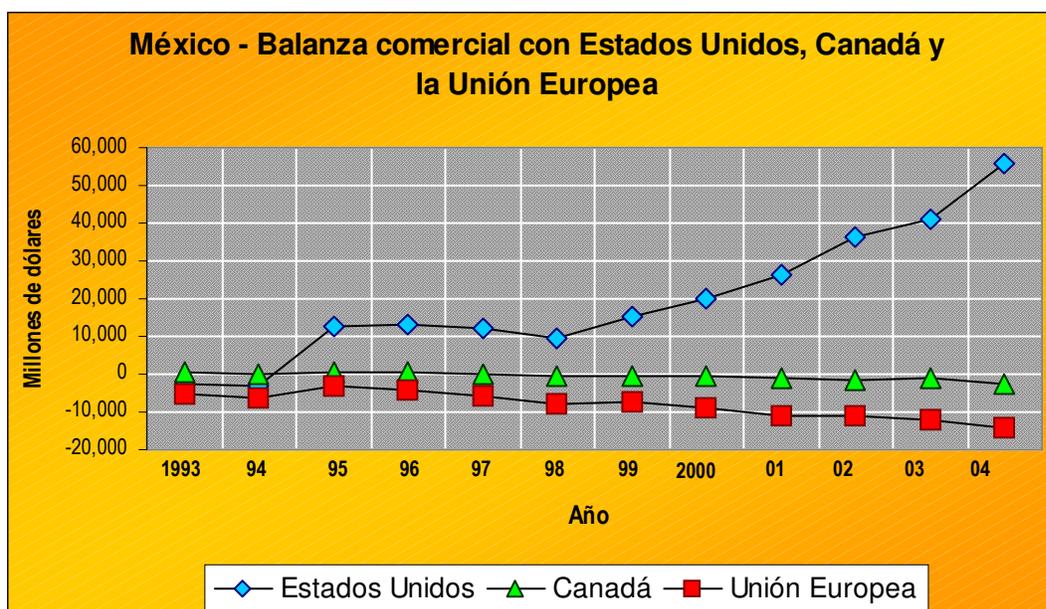


There has been an unfavorable tendency in trade relations between Mexico and the European Union that has not turned around since the TLCUEM entered into effect. To the contrary, the tendency has increased. The following graph shows that the deficit of the trade balance was 5.01 billion dollars in 1993, and grew to 14.45 billion in 2004, an increase of 188 percent.

**Mexico's Trade Balance with the United States, Canada and the European Union**  
(in millions of dollars)

Country	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
United States	-2,443.8	-3,145.4	12,444.2	13,037.9	12,182.6	9,665.6	15,125.5	20,151.1	26,530	36,491.2	41,116.9	55,553.1
Canada	393.3	-137.8	613.1	428.4	188.1	-771.3	-557.5	-663.5	-1,165.3	-1,674.3	-1,289.0	-2,655.0
European Union	-5,010.1	-6,252.3	-3,378.7	-4,230.8	-5,929.7	-7,810.1	-7,540.1	-9,165.0	-10,832.9	-11,227.1	-12,270.2	-14,446.1

Source: Secretariat of the Economy. Subsecretariate of International Trade Negotiations, with data from the World Bank.



**Mexico - Trade Balance with the United States, Canada and the European Union**

Left: Millions of Dollars

The initial expectations that Mexican government representatives had for an increase in exports to countries of the European Union has not been achieved, nor has there been greater diversification. Germany, Spain, Great Britain and Holland are the principal markets for Mexican products. They receive 70.8% of the total exports to the EU. Exports to Germany alone made up a third of the total in 2004.

**Mexican Imports to Europe – percentage of participation**

Country	Before the TLCUEM								After The TLCUEM			
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
European Union	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Spain	32.9	30.6	23.8	25.8	23.5	18.3	15.8	27.1	23.5	27.4	26.2	29.0
Germany	15.4	14.1	15.4	18.3	18.0	29.6	40.2	27.5	28.2	23.7	31.4	29.8
Great Britain	7.2	9.5	14.3	15.2	16.7	16.4	14.4	15.5	12.6	12.0	10.0	12.0
Holland	6.9	6.2	5.3	5.5	6.6	8.7	9.4	7.8	9.5	12.1	10.6	8.7
France	16.4	18.5	14.4	12.1	10.8	10.3	5.6	6.7	7.0	6.7	5.8	6.4
Belgium	8.1	9.7	14.5	11.6	9.3	5.9	4.6	4.0	6.0	5.7	2.5	3.1
Ireland	4.3	4.0	2.1	4.2	2.8	1.0	1.3	2.0	3.5	3.6	3.0	2.4
Italy	3.0	3.1	5.9	4.0	6.9	4.7	3.3	4.0	4.5	3.3	4.8	3.4
Portugal	2.6	2.1	2.4	1.6	2.4	2.2	3.5	3.5	2.8	2.6	3.3	2.0
Sweden/1	0.6	0.9	0.9	0.6	1.3	1.2	0.5	0.4	0.7	0.8	0.6	1.2
Denmark	0.6	0.8	0.2	0.5	0.8	0.9	0.9	0.8	0.8	0.7	0.7	0.7
Luxembourg	0.0	0.0	0.1	0.1	0.1	0.2	1.3	0.1	0.2	0.7	0.7	0.6
Austria/1	1.6	0.4	0.4	0.3	0.4	0.3	0.2	0.3	0.4	0.3	0.2	0.4
Finland/1	0.1	0.2	0.1	0.0	0.1	0.0	0.2	0.1	0.2	0.2	0.2	0.2
Greece	0.2	0.2	0.3	0.3	0.3	0.2	0.1	0.2	0.1	0.1	0.2	0.2

Source: Secretariat of the Economy. Subsecretariat for International Trade Negotiations, with data from the Bank of Mexico

/1 These countries joined the European Union in January, 1995. Note: exports include safer fleets.

Imports were also concentrated in four countries: Germany, Spain, Italy and France. As can be observed, the TLCUEM has not yet modified the trade relations that existed between Mexico and the European Union.

### European Union Imports to Mexico – percentage of participation

Country	Before the TLCUEM							After The TLCUEM				
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
European Union	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Germany	36.6	34.2	39.9	41.0	39.3	38.8	39.5	39.0	37.6	36.9	35.1	34.4
Spain	14.8	14.8	10.3	8.1	9.9	10.7	10.4	9.7	11.3	13.5	12.8	13.7
Italy	10.7	11.3	11.5	12.9	13.4	13.5	12.9	12.5	13.0	13.2	13.9	13.5
France	14.2	16.9	14.5	13.2	11.9	12.3	10.9	9.9	9.8	11.0	11.3	11.5
Great Britain	7.6	7.8	7.9	8.8	9.2	9.0	8.9	7.4	8.3	8.2	7.0	7.1
Ireland	1.9	1.5	2.7	3.1	2.7	2.6	2.6	2.7	3.4	3.7	4.4	3.4
Belgium	3.5	3.7	3.1	3.1	3.3	3.0	2.4	3.2	3.9	3.4	3.2	3.4
Holland	3.1	2.7	3.2	2.9	2.6	2.8	2.6	2.5	2.9	3.3	3.1	3.4
Sweden	3.4	3.1	3.0	3.0	3.6	2.9	5.5	8.9	5.0	2.7	4.1	4.2
Austria	1.4	1.3	1.3	1.5	1.4	1.6	1.3	1.2	1.4	1.1	1.4	1.8
Denmark	1.7	1.4	1.1	0.9	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.0
Finland0.6	0.6	0.7	0.9	1.1	1.0	1.0	1.4	1.4	1.5	0.9	1.6	1.2
Portugal	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.3	0.6	0.6	0.7	1.2
Greece	0.3	0.3	0.2	0.1	0.2	0.1	0.1	0.2	0.1	0.2	0.1	0.1
Luxembourg	0.0	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.2

Source: Secretariat of the Economy. Subsecretariat for International Trade Negotiations, with data from the Bank of Mexico

Principal Mexican exports to the European Union were oil, automobiles, machines and apparatus. Other export products are: optical and photographic instruments, pharmaceutical products, games and toys. The imports from the European Union include automobiles, machines and apparatus for the electric sector; to a lesser degree pharmaceutical products, plastic materials and organic chemistry products. According to the German Agency for Foreign Trade (BFAI), the strategic interest of the EU is access to the US market rather than actual economic relations with Mexico. The profile of exports from the European Union to Mexico show that in reality what is coming are pre-products whose final destination is the United States.<sup>24</sup>

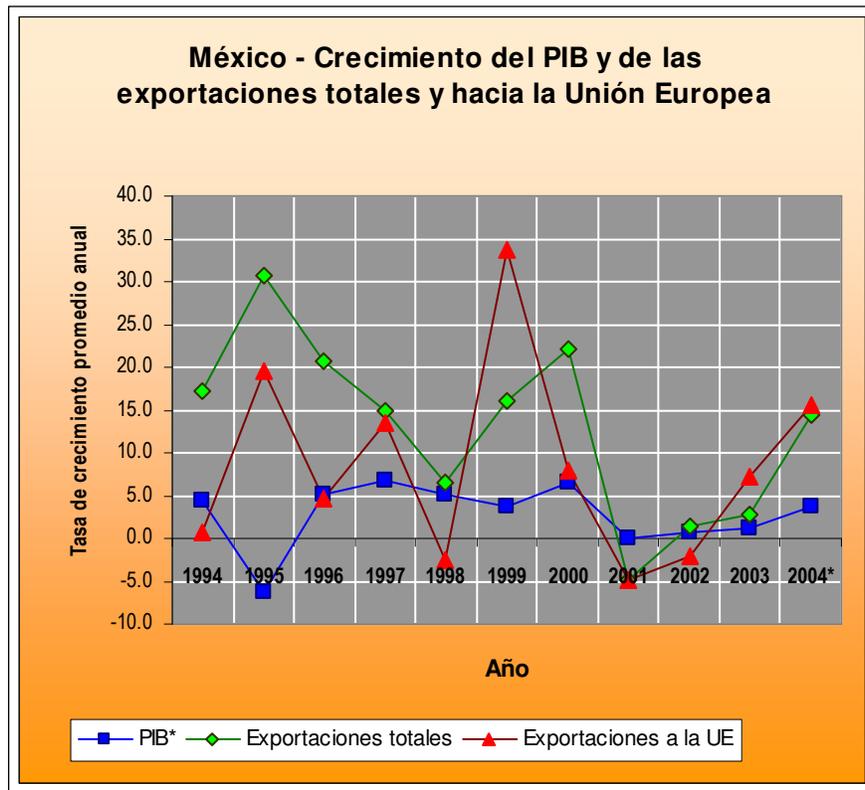
The following graph shows that there is no correlation between the increase in Mexican exports since 1994 when the signing of the FTAs began, and growth of the GNP.

Between 1994 and 2004, the GNP grew on average 2.8% which contrasts the evolution of total exports which increased by 12.7% in the same period. Those that went to the European Union grew annually on average 7.7%. The orientation of Mexico towards exports through FTAs has not achieved the official forecasts of contributions to the export model of sustained growth and improved income for the population.

<sup>24</sup>

Duscha, Waldemar. *Informe semestral de la BFAI para México*, May, 2004.

## México – GNP Growth and total exports and towards the European Union



Left: Average Annual growth rate

### Direct Foreign Investment

In addition to increased trade, the Mexican government created great expectations about foreign investment. Since 1990 it has sought to attract investment by privatizing state held companies and modifying the laws and rules to provide external investors with guarantees. The North American Free Trade Agreement (NAFTA) set a precedent regarding the freedom to circulate foreign capital in Mexico and direct foreign investment in strategic sectors that used to be restricted, such as the financial system.

In the following graph you can observe the increase in the average amount of direct foreign investment from the European Union, which went from 2.321 billion dollars between 1994 and 1999 to 3.56 billion dollars in the three year period after the TLCUEM was signed, a 54% increase. In spite of this rise, the relative importance of the European Union to the total flow of investments to Mexico went down.

## Direct Foreign Investment

	Pre- TLCUEM 1994-1999	Post- TLCUEM 2000-2003
Total DFI	60,428.0	66,728.0
EU DFI	13,875.0	14,240.0
	Pre- TLCUEM 1994-1999	Post- TLCUEM 2000-2003
Average	2,312.5	3,560.1
Total Average	10,071.3	16,682.0

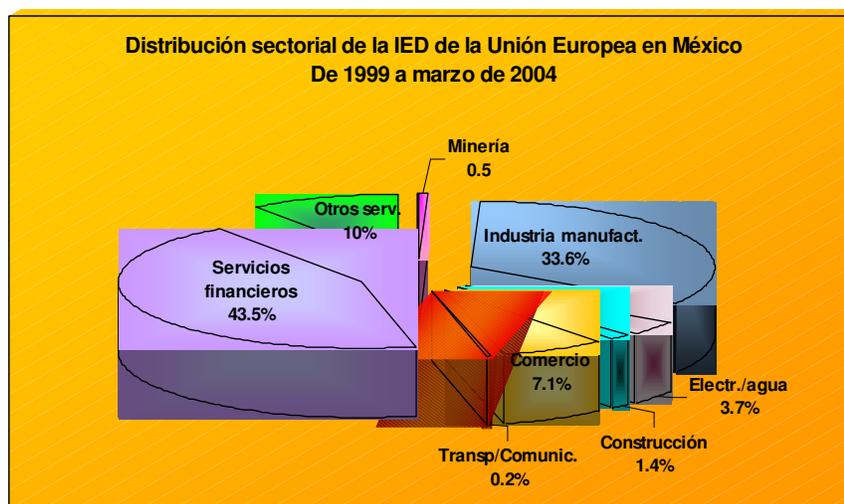
	Pre- TLCUEM 1994-1999	Post- TLCUEM 2000-2003
EU participation on Total DFI	23.0	21.3

Source: Secretariat of the Economy, General Direction for Foreign Investment

Up until March, 2004, there were 6,241 European Union companies in Mexico<sup>25</sup>, of which 1,709 were of Spanish origin, and 34.4% from Holland. To a lesser degree, the United Kingdom has 578 businesses representing 9.6% of the DFI (direct foreign investment) and Germany 867 which represents 8.4%.

A characteristic of the entrance of European capital is its concentration by activity sector and geography. 53.5% of the DFI from European companies is destined to services, 43.5% to financial services and 10% to other services. 34.1% went into manufacturing and 7.1% to commerce. Geographically, most of the investments are in the Federal District (capital) (60.5% and Nuevo León (16.2%).

### Sectorial Distribution of the European Union's IED in Mexico From 1999 to March, 2004



Source: Secretariat of the Economy, General Direction of Foreign Investment.

Other services: Comunal and social services; hotels and restaurants; professional, technical and personal. Includes the services to agriculture, animal husbandry, construction, transportation, finances and trade

<sup>25</sup> This amount represents 21.4% of the total number of businesses registered in Mexico (29,229).

As a result of the liberalization process, more than 90% of the banks are owned by foreign capital. This foreign takeover of banking has happened by way of direct purchase and mergers; in other words, the sector's capacity has not grown. It has also meant the restructuring of the banks, resulting the firing and relocation of personnel. This data gives an idea of the profound changes that the Mexican economy has experienced and the central role of the financial system in the current context.

*Methodological note:* After reviewing the national context and trade relations between all the countries who are signatories to all the FTAs, an analysis is done of the principal aspects of the particular FTA: the negotiation process, the principles and objectives, structure and content; the schedule for removing tariffs and the legal implications of the treaty. It is important to identify those aspects which are omitted. This work requires reading the FTA and reviewing the appendices.

### **The TLCUEM negotiation process**

The TLCUEM was ratified after nine rounds of negotiations that began in 1996 and lasted nearly five years. Due to the urgency that the EU and Mexican governments felt to come up with a free trade agreement, they accelerated this process by signing an Interim Agreement in order to begin trade relations before the Global Agreement was ratified. According to critical analyses, Mexico didn't take advantage of the opportunity to gain access to special and preferential treatment – including a more gradual reduction of tariffs and the establishment of compensatory funds in order to deal with the negative effects. “Special and preferential treatment, a key aspect for recognizing asymmetry, was excluded from TLCUEM discussions.”<sup>26</sup> As a result, the agreement goes above and beyond even WTO rules, at least with regards to services, investments and intellectual property.

During the negotiation process civil society was not included, much less organized women's groups. The text was ratified without fully informing the parliamentary groups. A particular sin of this negotiation process was that the Coordinator of Foreign Trade Businesses (COECE by its Spanish acronym), an organism founded during the negotiation years, had the exclusive rights to any consultations that took place with the business sector. This effectively squashed any involvement of micro, small or medium sized businesses. In these conditions it was established that 95% of all trade between the EU and Mexico would be liberalized by 2010; in other words, neither gradual implementation nor protection for any sector would be defined, which would have been quite useful for sectors with limited capacity to adapt to competition, and those in which women dominate.

In 1997 three legal instruments of the TLCUEM were signed:

- a) The Economic Association, Political Coordination and Cooperation Agreement between Mexico and the European Community and its Member Status, also known as the Global Agreement

<sup>26</sup> Calderón, Jorge and Andrés Peñaloza. *Voto particular del Grupo Parlamentario del Partido de la Revolución Democrática sobre el Acuerdo de Asociación Económica y Concertación Política y Cooperación entre México y la Unión Europea*. Senado de la República LVII Legislatura. Grupo Parlamentario PRD. Mexico, March 20, 2000. (p. 18)

- b) The Interim Agreement on Trade and Trade Related Issues, known as the Interim Agreement
- c) The Joint Declaration

In 1998, negotiations began that touched on trade and investment aspects of the Agreement. The negotiation process culminated with the signing of two Decisions of the Joint Council, which constituted the instruments for making the Agreement operative and putting it into effect:

- ✓ The Decision of the Joint Council of the Economic Partnership, Political Coordination and Cooperation between Mexico and the European Community and its Member States Agreement, and
- ✓ The Decision of the Joint Council about the Interim Agreement about Trade and Trade Related Issues between Mexico and the European Community (Decision #2/2000). This instrument included themes that had not been approved by the European parliaments although they are the exclusive responsibility of Community organisms. They should also be approved by the Mexican congress.

Both Decisions were signed on February 23 and 24, 2000 respectively, in Brussels and Lisbon. The Chamber of Senators of the Congress of the Mexican Union approved the documents on March 20, 2000.

The Global Agreement establishes the creation of a Joint Council – made up of members of the Mexican government, members of the European Union Council and members of the European Commission – which is in charge of supervising implementation of the Agreement. “The Council will meet at the ministerial level at regular intervals and each time circumstance demands. It will examine all principle questions that come up within the framework of this Agreement and whatever other bilateral or international question of mutual interest”.<sup>27</sup>

The Joint Council is charged with making binding decisions for the parties in order to make recommendations<sup>28</sup>, and to decide about “establishing a specific procedure for solving trade controversies and others related to trade so that it is compatible with the pertinent dispositions of the WTO on the matter.” It is also charged with creating and determining the obligations of a Joint Council<sup>29</sup> or other organisms to support implementation of the tasks. According to the 2/2000 Decision, the Interim Agreement Joint Council has broad authority to make decisions regarding progressive and reciprocal liberalization of the trade of services, investments and payments, protection of intellectual property rights and to establish procedures to solve trade or trade related controversies, without consulting for gaining approval from the Senate in Mexico and the European Parliament.

In the first transitory article, the text of the Agreement indicates that “according to article 49, the 2/2000 Decision of the Interim Agreement Joint Council on Trade and Trade Related Matters between Mexico and the European Community will enter in effect on July 1, 2000. The Economic Partnership, Political Coordination and Cooperation Agreement between the United States of Mexico and the European Community and its Member States

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<sup>27</sup> In the Title VII it is referred to as the institutional Framework, Art. 45 and Art. 46.

<sup>28</sup> Title VII, Art. 47 and Art. 50.

<sup>29</sup> The Joint Committee is made up of representatives of the Mexican government and members of the European Union and the European Community. This Committee meets once a year alternating between Brussels and Mexico.

will enter into effect the first day of the following month on the date when the Parties have notified each other that the necessary formalities have occurred according to their own procedures.”<sup>30</sup>

*Methodological Note:* To define the spheres in which it is necessary and possible to influence results as well as formulate proposals related to gender equity, it is relevant to review negotiation process, procedures and institutional structures for FTA implementation. It is known that in general there is no space for civil society participation in these spheres, much less for women. It is important to influence this process to incorporate gender equity into the debate in FTA negotiations.

### 3.3. The objectives and content of the TLCUEM

The goal of the Economic Partnership, Political Coordination and Cooperation Agreement (Global Agreement) between Mexico and the EU is “to strengthen relations between the parties based on reciprocity and common interests.”<sup>31</sup> To meet this goal the agreement proposes:

- ✓ Institutionalizing political dialogue
- ✓ Strengthening trade and economic relations by liberalizing trade according to WTO norms
- ✓ Reinforcing and broadening cooperation.

The Global Agreement has eight titles:

- I. Nature and sphere of application
- II. Political Dialogue
- III. Trade
- IV. Movement of capital and payments
- V. Public contracts, competition, intellectual property and other trade related dispositions
- VI. Cooperation
- VII. Institutional Framework
- VIII. Final dispositions

From the very beginning, the Global Agreement defines the nature of the relationship between Mexico and the European Union (Title I). Article 1. *Basis of the Agreement* – known as the Democratic Clause – establishes that “respect for democratic principles and fundamental human rights, such as those enunciated in the Universal Declaration of Human Rights, inspire the internal and international policies of the Parties and constitute an essential element of this Agreement.” In addition, in Article 2, *Nature and spheres of application*, it is affirmed that “the Agreement has a goal of strengthening relationships based on reciprocity and common interest between the parties. To meet this goal, the

<sup>30</sup> The Decree was made public on July 23, 2000.

<sup>31</sup> Title I. Nature and sphere of application. Article 1, Basis of Agreement and Article 2. Nature and sphere of application.

Agreement will institutionalize political dialogue, strengthen trade and economic relations through trade liberalization by conforming to WTO norms, and will reinforce and broaden cooperation.” The Title that refers to cooperation has 30 related articles that all refer to this theme. The Global Agreement includes other aspects related to the exchange of goods and services in conformity with the pertinent WTO norms.

The Global Agreement is more than the statements about democracy, human rights, political dialogue and cooperation. The true sphere of interest and application take shape in the “Decision of the Economic Partnership, Political Coordination and Cooperation Agreement between Mexico and the European Union and its Members Joint Commission” (see Appendix 3. Summary of the TLCUEM). This refers to trade of services, investments, intellectual property and the resolution of controversies. Title 1 of the Decision refers to general dispositions and establishes the sphere of application expressed in the following goals:

- a) Reciprocal liberalization of the trade of services in conformity with Article 5 of the General Agreement on the Trade of Services (AGCS by its Spanish acronym).
- b) Progressive liberalization of investments and payments.
- c) Ensuring effective protection of the intellectual property rights, in accord with the most demanding international norms.
- d) Establishing a mechanism for solving controversies.

The Interim Agreement on Trade and Trade Related Issues (Interim Agreement) is defined by the 2/2000 Decision (see Appendix 3) which is the legal instrument that put it into effect and gave it the authority to “negotiate matters that concern community organs (trade of goods, government purchases, competition, mechanisms for consultation on issues of intellectual property and mechanisms to solve controversies on these issues)”.<sup>32</sup> These aspects do not require approval by the parliaments of the countries that make up the EU, but in Mexico, Congressional approval is required.

The Interim Agreement has eight titles:

- I. General Dispositions.
- II. Free circulation of goods.
- III. Public sector purchases.
- IV. Competition.
- V. Mechanisms for consultation about intellectual property matters.
- VI. Solutions to controversies.
- VII. Specific obligations of the Joint Committee with regards to trade and trade related issues.
- VIII. Final disposition.

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<sup>32</sup> Vargas, Margarita y Andrés Peñaloza. “El proceso de negociación y ratificación “, en: *Derechos humanos y Tratado de Libre Comercio México-Unión Europea*. Alberto Arroyo and Andrés Peñaloza (Coordinadores), RMALC, Mexico, December, 2000.

In Title 1, the Interim Agreement establishes the following goals: <sup>33</sup>

- a) The progressive and reciprocal liberalization of the trade of goods in conformity with Article XXIV of GATT from 1994;
- b) The opening of markets from public contacts by the Parties;
- c) The establishment of a cooperation mechanism in matters of competition;
- d) The establishment of a mechanism for consultation on matters of intellectual property;
- e) The establishment of a mechanism for solving controversies.

In Title II, Free circulation of goods, one goal is that of establishing a Free Trade Zone between Mexico and the Community “at the end of a transition period with a maximum duration of ten years once the Decision is in effect, according to the dispositions of this Decision and in conformity with Article XXIV of GATT 1994”.

Additionally the Interim Agreement has 16 appendices in which the calendar for removing tariffs, dispositions about original products, products which Mexico can restrict permission for imports and exports, dispositions about the Mexican automotive industry, Mexican and Community governmental entities that will be involved in the Agreement, the establishment of amounts for governmental purchases, procedures for purchases, proffering and publishing information, the elimination of sectors that distort competition and procedural rules are established. The appendix section ends with Joint Declarations, the majority of which are about products that were specified in Appendix III in which the origin of the products are defined.

The signing and entrance in effect of the Global Agreement generated expectations not only about the possibility of increasing trade and investments but also about constituting an instrument for economic and political cooperation between México and the countries of the European Union regarding respect and promotion of human rights. However, the Agreement gives privileges to trade relations without mentioning social and cultural aspects or equity, much less gender equity. It is necessary to make it clear that the TLCUEM as it stands refers to two Decisions related to liberalizing services and investments (Decision 1) with the liberalization of the trade of goods (Decision 2).

#### *The calendar for the phase-out of tariffs*

The Agreement establishes liberalization for the manufacturing sector by 2007, and for agriculture by 2010. It foresees 95% of all trade between Mexico and the EU liberalized by 2010.

The proposal for tariff phase-out in terms of trade volume of the TLCUEM is: <sup>34</sup>

- ✓ 52% of goods with a tariff will be gradually freed of tariffs until January 1, 2003 (47% upon going into effect and 5% in 2003). This year a maximum tariff level of 5% will

<sup>33</sup> Decision of the Joint Council of the Interim Agreement on Trade and Trade Related Issues - #2/2000 Decision; Title 1. General Dispositions.

<sup>34</sup> Calderón, Jorge and Andrés Peñaloza. *Voto particular del Grupo Parlamentario del Partido de la Revolución Democrática sobre el Acuerdo de Asociación Económica y Concertación Política y Cooperación entre México y la Unión Europea*. Senado de la República LVII Legislatura. Grupo Parlamentario PRD. Mexico, March 20, 2000.

be set with an average of 2 to 3%. This will ensure conditions of access that allow EU producers to compete with products from Canada and the United States.

- ✓ The remaining 48% will be liberalized in 2005 or 2007.
- ✓ Tariff phase outs for the industrial sector will be: 47.6% immediate liberalization; 5.1% in 2003; 5.6% in 2005 and 41.7% in 2007.
- ✓ The European Union will phase out tariffs immediately for 82% of tariffs above non-petroleum Mexican exports (similar to the case of the United States with NAFTA) and the remaining 18% will be eliminated in 2003 and 2007. With this, the European Union will achieve NAFTA parity.

**The TLCUEM establishes the following categories for tariff phase outs:**

1	Tariff is completely eliminated when agreement is put into effect. Raw (untoasted) coffee, cacao in grain, tobacco, alcoholic beverages, and frozen fruit juices are in this category.
2	The tariff will be eliminated in 4 stages until it is fully liberated in January, 2003. This covers 75% of tariffs at the beginning of the Agreement. One year later 50% are affected; two years later 25% until three years later the percentage of tariffs is 0%. Olives, frozen vegetables, fruits in preserves, wine are covered here, for example.
3	There are eight stages to eliminating this tariff with an 11% decrease each year, until it is fully liberalized in January, 2008. This includes bottled water, soy, animal feed.
4	The tariff will be eliminated in 10 stages, beginning with a reduction in 2003, until total liberalization in January of 2010. The categories found here include sesame seed oils, soy, corn, safflower, fresh fruits, fruit drinks.
4a	The tariff will be eliminated in 9 stages, a 10% decrease each year, until it is totally liberalized by January, 2009. In this category are products such as water, dried fruits, olive oil, frozen fish filets.
5	In a period of no greater than 3 years there will be a review of the tariff amounts of fish products as well as related rules of origin.
6	Tariff quotas will be applied when the Agreement enters into effect. In the case of fish products the quotas will be reviewed no later than 3 years from the date of entry.

**Categories for industrial products that are not defined as agricultural and fishing products**

A	The tariff is completely eliminated on effective date of Agreement. Included here are gross wood, chemical wood pastes, conifer woods, tropical woods, security glass products.
B	The tariff is eliminated in 4 stages until complete liberalization in January, 2003. The paper industry is located here, for example.
B+	The tariff is eliminated in 6 stages until it is completely liberated in January, 2005.
C	The tariff is eliminated in 8 stages until it is totally liberalized in January, 2007. In this category are industrial textiles and the shoe industry.

Sources: Calderón, Jorge and Andrés Peñaloza. *Voto particular del Grupo Parlamentario del Partido de la Revolución Democrática sobre el Acuerdo de Asociación Económica y Concertación Política y Cooperación entre México y la Unión Europea*. Senado de la República LVII Legislatura. Grupo Parlamentario PRD. Mexico, March 20, 2000. Aguilar, Javier. "Productos agropecuarios y agroindustriales". In: Arroyo Picard, Alberto y Andrés Peñaloza (Coordinadores). *Derechos Humanos y Tratado de Libre Comercio México-Unión Europea*. Editado por el Instituto de Estudios de la Revolución Democrática. Mexico, 2000.

The following graph shows the calendar for tariff phase-out by category.

Calendar of tariff amounts to be paid considering the base tariff percentages										
Category of Products	Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	0									
2	75	50	25	0						
3	89	78	67	56	45	34	23	12	0	
4	100	100	100	87	75	62	50	37	25	12
4a	90	80	70	60	50	40	30	20	10	0

It is important to show that the definition of the agenda for phasing out tariffs has not been done with a diagnosis of the national context that could contribute information about possible economic, social and cultural impacts. Much less were prevailing social differences in Mexico considered, in particular, those between women and men. The technical language of the texts of the agreement, apparently neutral, eloquently omits quite a bit

*Methodological note:* FTA analysis requires a review of the texts to become familiar with the goals and structure of the FTA (chapters or titles and articles) and the content. The heart of the trade agreements and the concrete measures are detailed in the Appendices. There you will find the sectors specified that are FTA matter, the norms related to rules of origin, the concessions and tariff quotas, the calendar for the phaseout of tariffs by country with a description of the fraction, product, customs tariff base and the category of the phaseout; the entities responsible for executing the FTA; the amounts or thresholds for government purchases; the procedural rules, etc. To analyze this from a gender perspective it is necessary to select the aspects, spheres of action and products that are considered strategic. This review makes it possible to see the sectors that will be most involved, always keeping in mind the previous analysis of the national context. At the same time, omissions might be detected such as those related to labor, human rights and gender equity. It is important to remember that behind each product classification, each fraction, each technical denomination, there is a framework of social relationships, of relationships between women and men that will be affected by the measures in the FTA and will influence the

### 3.4. Legal Aspects

The attributions of the decision making bodies of the TLCUEM have generated criticism and controversy because the Global Agreement gives them authority to decide on issues in violation of

the Mexican Constitution.<sup>35</sup> The Joint Councils from both the Global Agreement and the Interim Agreement are the ones that negotiate and make decisions about the liberalization of investments, the trade of goods and services and protection of intellectual property.

The concession of these faculties doesn't take into account that in Mexico, the results of negotiations and decisions must be reviewed and approved by the Senate of the Republic, or they will not be binding. This is not explicit in either of the two Agreements. Hence the decisions made by Mexican government representatives chosen by the Executive Branch are only obligations if they are in agreement with the Federal Constitution and have been approved by the Senate.

Article 133 of the Constitution establishes that international agreements must comply with the Federal Constitution and be approved by the Senate; they are not above the law of the Constitution, although if they are in a legally higher branch than the constitution and the laws of the federal entities of Mexico, they are then obligatory for the same.

The fact that this is not explicit in the TLCUEM is grave, because the power of decision those government officials have about the substantial aspects of the agreement impact people's lives. In practice, functionaries of the Joint Councils decide matters such as the percentage of components a product must have to be considered of a certain origin and be exported; they make decisions to apply new tariffs and they can even modify the calendar by which tariffs are phased out if they deem it to be convenient to do so, although the criteria for this are very unclear. Equally, in cases where all stages of liberalization are not yet defined, the Joint Council can decide the next steps. This happens in the cases of some agricultural and fish products. In some cases, the Council has the faculties to modify the content of entire titles, as happens with regards to public purchasing; indeed, the Council can also give power to the Joint Committee, a supporting group, to make the indicated modifications.

The situation that has been described shows the need to make legal limits explicit in the text of the Agreement and to establish mechanisms to provide oversight and monitoring of agreement actions. It is important to take into account international treaties signed by the Mexican government such as those that deal with economic, social, political and cultural rights as well as non-discrimination as instruments that can neutralize the negative effects of the agreement.

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<sup>35</sup> See: Arroyo, Alberto. "Metaconstitucionalidad e imprecisión jurídica". In: Arroyo Picard, Alberto and Andrés Peñaloza (Coordinators). *Derechos Humanos y Tratado de Libre Comercio México-Unión Europea*. Edited by the Instituto de Estudios de la Revolución Democrática. Mexico, 2000; and Calderón, Jorge y Andrés Peñaloza. *Voto particular del Grupo Parlamentario del Partido de la Revolución Democrática sobre el Acuerdo de Asociación Económica y Concertación Política y Cooperación entre México y la Unión Europea*. Senado de la República LVII Legislatura. Grupo Parlamentario PRD. Mexico, March 20, 2000.

*Methodological Note:* An inquiry should discover which are the decision making bodies established by the FTA, who makes them up, who decides who will be named to them, what their authority is, what matters will they be deciding, in which spheres to they have power and what are the legal limits of their actions. It is convenient to review the content of some international agreements and treaties signed by the Mexican government

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- ✓ Convention on the Elimination of All Forms of Discrimination against Women, by the General Assembly of the United Nations in 1979.
- ✓ Additional Protocol to the American Human Rights Treaty on Economic, Social and Cultural Rights “San Salvador Protocol” by the General Assembly of the Organization of American States, November 17, 1988.
- ✓ Interamerican Treaty to Prevent, Punish and Eradicate Violence Against Women, in Belem Do Pará in 1994.
- ✓ Cuarta Conferencia Mundial de la Mujer, en Beijing en 1995.

The first of these important treaties was ratified by the Senate on March 23, 1981. It defines gender discrimination as: “all distinction, exclusion or restriction based on sex, whose objective is or which results in the erosion or annulment of recognition, enjoyment or exercise by women of her human rights and fundamental liberties in the political, economic, social, cultural and civil spheres or any other sphere, regardless of her civil status, based on the equality of women and men.” This Treaty indicates a state obligation to pass national laws that prohibit discrimination, that recognize special measures to accelerate de facto equality between men and women, and dispositions to modify the socio-cultural patterns that perpetuate discrimination against women.

International agreements and treaties signed by Mexico are obligatory and their hierarchy is of greater importance than Civil or Penal Code issued by each federal entity. It is important to note that the International Conferences generally end up with a declaration that several countries sign onto, but they don't hold the same weight as laws of internal observance, as is the case of the Conventions

As can be seen, there are many controversial aspects to the agreement. Critical analyses highlight the following, among others:<sup>36</sup>

- a) The absence of civil society participation in the TLCUEM negotiation process, the lack of information given to legislators and the general public about the contents of the matters being negotiated.
- b) Respect for human rights, broadening cooperation and political dialogue are factors that distinguish the Global Agreement from other agreements. However, there are no instruments that make it possible to comply with the so called Democratic Clause, or that would make the political dialogue or cooperation effective between the countries;

<sup>36</sup> See: Arroyo, Alberto and Andrés Peñaloza (Coordinadores). *Primer Foro de Diálogo con la Sociedad Civil México-Unión Europea. Memoria*. Red Mexicana de Acción Frente al Libre Comercio (RMALC) e Iniciativa de Copenhague para América Central y México (CIFCA). Mexico, 2003; *Encuentro de organizaciones sociales y civiles de México y la Unión Europea en el marco del Acuerdo Global UE-México. Memoria*. CIFCA, CNCD/Bélgica, DECA Equipo Pueblo, RMALC. México, 2002; *Primer Foro de Diálogo con la Sociedad Civil México-Unión Europea. Memoria*. RMALC, CIFCA. Mexico, 2003.

consequently such aspects are limited simply to declarations with nothing concrete in practice.

- c) The relationship between the EU and Mexico has been centered strictly in the commercial sphere and in promotion of investments – the main interests of both regions and of large companies.
- d) The TLCUEM doesn't consider the asymmetry between Mexico and the countries of the European Union and as such doesn't establish compensatory mechanisms or preferential and differentiated treatment to reduce this asymmetry. To the contrary, the results after just a few years of the Agreement show a Mexican deficit trade balance, a financial sector controlled by European capital and estranged from national development, and growing pressure to privatize strategic sectors such as electricity, petroleum gas and petrochemicals and the predominance of intra-firm trade.
- e) Agriculture is considered to be one of the sectors that will see the greatest harm since Mexico competes with countries that are among the largest producers of food goods and basic grains, with subsidized agricultural production dominated by large companies. It will be difficult for the Mexican peasantry, who lack aid and support, to compete with this far superior production. The provisions indicate that the TLCUEM will only amplify the negative impact of NAFTA and favor large transnationals.<sup>37</sup>
- f) Rules of origin that determine a small national content for products are not compatible with the need to push for an industrialization policy in Mexico. In the case of the TLCUEM, a product need only have a percentage of content from any of the countries who are part of the agreement in order for it to be considered original.
- g) Asymmetry inside the countries is also omitted. In general terms, what prevails in the TLCUEM and in other FTAs is a total lack of a diagnosis of asymmetries with a gender perspective and of procedures and instruments to evaluate data disaggregated by sex. Equal opportunity policies that many European Union countries promote are not expressed in their relationships with other countries. On the contrary, they seem to set themselves up as obstacles for European capital expansion.
- h) The future holds deepened asymmetries between countries and of inequality within Mexico. This will be heightened by greater opening in telecommunications, the energy and financial sectors, which was agreed upon at the IV Mexico-EU Joint Committee Meeting.<sup>38</sup>

#### **4. General Methodological Proposal**

##### **Conceptual framework**

Analyzing FTAs from a gender perspective begins with staking out a position about the concepts that will be used: gender, gender analysis, equality and equity, sexual division of

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<sup>37</sup> Villamar, Alejandro and Alberto Arroyo. "Evaluación y perspectivas frente al Tratado de Libre Comercio México Unión Europea". Borrador para búsqueda de consensos presentado por Red Mexicana de Acción frente al Libre Comercio (RMALC). Fundación Böll, web page: [www.boell-latinoamericana.org](http://www.boell-latinoamericana.org)

<sup>38</sup> Morales, Roberto. "Intercambian México y UE listas para profundizar TLC". *El Economista*. Sección Empresas y Negocios. México, March 18, 2005.

labor, beliefs and values that sustain inequalities between women and men. This is an obligatory step to make clear what gender perspective is referring to.

### **Framework of reference**

Due to the level of existing literature about the theme, a review and systematization should be done of all the investigations and studies written about the FTA from a gender perspective, emphasizing the content, conceptual aspects and methodologies for dealing with trade liberalization and the FTAs. This review will be to detect vacuums and what else needs to be investigated. While there are many studies and publications about the FTAs, the majority do not incorporate a gender perspective. They don't even present their data disaggregated by sex. This is something that should be mentioned in the framework of reference.

### **Free trade agreements**

The analysis of FTAs is situated in the national context. This should tell of the economic changes that have resulted from the liberalization policies and such information should be interpreted as a first phase of inserting national economies into the process of globalization. Periods will be noted in relation to the processes of adjustment and the period when the FTA being studied went into effect. Based on this, reference will be made to the changes in productive sectors and branches considering what they contribute to the GNP, the structure of exports and imports and of employment. It is necessary to identify the sectors and branches that experience the greatest transformation as well as emerging sectors in the framework of trade liberalization, how vital it is and its relationship to the rest of the economy. The situation of men and women will be considered in this analysis. Sectors that have been negatively affected by trade liberalization will also be identified. The contextual analysis will include a review of trade with countries that are part of the FTA being studied and other amounts, origins and destinations of the direct foreign investment.

After analyzing the national context, the FTA will be described, including its objectives, structure and content, the tariff phase-out calendar, and relevant legal aspects. The national context contributes elements to select a sector or branch of activity to be analyzed in light of the FTA. Selection criteria for the analysis should be defined: importance to the GNP and exports, transformations experience by the selected branch as a result of adjustment and liberalization policies, the relevance to employment for women and men, and its importance in the FTA. Annexes should be consulted, as well as the tariff measures and timeframes for liberalizing the selected sector.

Following is a matrix proposal for analyzing FTAs.

#### 4.1. Matrix for analyzing free trade agreements with a gender perspective

Methodological Step	Sphere and Variable	Indicator	Questions	Verification sources
1. Make the conceptual framework to be used in the analysis explicit.	Conceptual aspects		<p>What is the conceptual framework for analyzing FTAs?            How is gender understood?            What is gender perspective?            Which aspects determine differences and inequalities between women and men?            Why is gender an important category for analysis?</p>	<ul style="list-style-type: none"> <li>Literature about gender.</li> </ul>
2. Create a reference framework that makes it possible to understand the state of the art and situate the analysis in the international context.	The state of the art on gender, globalization and trade.		<p>The changes brought about by trade liberalization help to flexibilize women's and men's traditional roles, or do they contribute to reinforcing them?            To what point can role flexibilization lead to a change in gender relations; under what conditions and in function of what factors?            To what degree does the trade agreement extenuate or sharpen existing gender inequality and how does it affect the sexual division of labor in the reproductive sphere?            To what degree does the reproductive role of women and gender inequalities impede women from gaining access to the possible benefits of an FTA?</p>	<ul style="list-style-type: none"> <li>Bibliography about: the globalization process, structural adjustment and its gender impact, gender and macro economy, gender and International trade, gender and free trade agreements.</li> </ul>
<p>3. Do an analysis of the national context that can serve as a diagnosis and starting point for measuring changes brought about by trade liberalization.</p> <p>The time period should be specified so the causal relationship between the agreements being</p>	<p><b>3.1 Productive sphere</b></p> <ul style="list-style-type: none"> <li>Production by sector.</li> <li>Access to the job market.</li> <li>Differential access by sex to the job market.</li> <li>Characteristics of labor insertion.</li> <li>Income differences by sex according to educational level,</li> </ul>	<ul style="list-style-type: none"> <li>GNP by sectors and branches. Percentage of participation.</li> <li>Economic participation by sex.</li> <li>Proportion of women and men in the labor force.</li> <li>Occupation by branch, category, occupational group by sex.</li> <li>Unemployment rate by sex.</li> </ul>	<p>What modifications have GNP growth and its composition experienced by sector and by branch?            Have job opportunities for women and men increased or decreased respectively with trade liberalization and in particular, with the signing of the FTAs?            In which sectors and branches?            Have occupational segregation and the salary gap been reduced in export sectors in which women have been incorporated?            Has the amount of time that women and men dedicate to remunerated work and pleasure changed?            Is there a relationship between a growth in exports and trade in general and the lessening of salary gaps and labor</p>	<ul style="list-style-type: none"> <li>Statistics from the Secretariat or Ministry of Economy, Foreign Relations, and organisms responsible for gathering and processing information. Employment surveys with data disaggregated by sex.</li> </ul>

<p>analyzed and the indicators can be seen</p>	<p>position and number of hours worked.</p> <ul style="list-style-type: none"> <li>▪ Evolution of GNP, exports and imports.</li> <li>▪ Trade relations between countries.</li> <li>▪ Trade balance.</li> <li>▪ Direct foreign investment.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Average salary by sex, according to branch, category and occupational group.</li> <li>▪ Feminine salary in proportion to masculine salary by branch, category, and occupational group.</li> <li>▪ Variation of participation in feminine employment in the total with respect to the variation of exports.</li> <li>▪ Variation of the participation of feminine employment in the total with respect to the variation of total trade.</li> <li>▪ Growth rate of the GNP and trade.</li> <li>▪ Exports and imports of the country with its trade partners.</li> <li>▪ Evolution and structure of the amount of direct foreign investment. Geographic and sector destination of the direct foreign investment</li> </ul>	<p>segregation by sex?</p> <p>Does the gap in employment rates between women and men change as a result of an increase in trade?</p> <p>Has the export orientation been accompanied by a growth in women's participation in the labor force, particularly in export sectors?</p> <p>In which branches of activities have opportunities for women been opened up?</p> <p>Does employment in export sectors show the same characteristics of occupational segregation and salary gaps by sex as other sectors? Are these characteristics accentuated or do they diminish?</p>	
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	<p><b>3.2 Reproductive sphere</b></p> <ul style="list-style-type: none"> <li>■ Sexual division of labor.</li> <li>■ Autonomy in family decisions.</li> </ul>	<ul style="list-style-type: none"> <li>■ Participation rates in domestic work by sex.</li> <li>■ Participation in domestic and extra domestic labor by sex.</li> <li>■ Average number of hours per week dedicated to domestic labor by sex.</li> <li>■ Economically active population according to activity: paid work, domestic work, studies.</li> <li>■ Number of homes with female head of household.</li> <li>■ Head of household by sex and marital status.</li> <li>■ Levels of poverty in households by sex of head of household.</li> <li>■ Condition of activity of heads of households by sex.</li> <li>■ Number of changes in timeframe (before and after) in decision making about: use of time, leaving the house, living permission to sons and daughters, distribution of household expenses, responsibilities in domestic labor.</li> </ul>	<p>Has the amount of time that men and women dedicate to paid labor and recreation changed? Do the new roles of women bring with them changes in the roles of men? Are tasks assigned differently in the domestic sphere? Does the FTA generate a better income for all of society including the people responsible for non-remunerated reproductive work? Do what degree does the trade agreement extenuate or sharpen existing gender inequality and how does it affect the sexual division of labor in the reproductive sphere? To what degree do the reproductive role of women and gender inequalities impede women from access to any possible benefits from the FTA? Up to what point does the FTA imply measures that affect the reproductive work of women such as privatization of healthcare services and water, for example? Have income and consumption levels changed in households? Has women's insertion into the workforce meant greater autonomy in decision making at home about the use of time, expenses, and purchases, education of girls and boys, freedom to leave, freedom to get training?</p>	<ul style="list-style-type: none"> <li>■ Surveys and studies about time use by sex.</li> <li>■ Surveys about participation in domestic activities by sex.</li> <li>■ Surveys about household income and expenses.</li> </ul>
	<p><b>3.3 Community sphere.</b></p>	<ul style="list-style-type: none"> <li>■ Proportion of women</li> </ul>	<p>How has women's participation in decision making evolved?</p>	

	<ul style="list-style-type: none"> <li>▪ Access to decision making in formal power structures.</li> </ul>	<p>and men in executive positions: ministries or secretariats of state or sub secretariats.</p> <ul style="list-style-type: none"> <li>▪ Proportion of women and men in state and local government.</li> <li>▪ Absolute figures and percentage of women in the chamber of legislators and senators.</li> <li>▪ Absolute figure and percentage of women and men on the electoral roster.</li> <li>▪ Absolute figures and percentages of registered and actual voters by sex.</li> <li>▪ Proportion of women in labor organizations. Total in positions of direction.</li> <li>▪ Proportion of women in political parties. Total in positions of direction.</li> </ul>	<p>Has the signing and beginning of the FTA had any influence in women and men's participation in decision making in the government?</p> <p>Has women's participation in Congress had any influence on the incorporation of a gender focus in the FTA contents?</p> <p>Has women's participation in unions been modified at all as a result of the FTA?</p>	<ul style="list-style-type: none"> <li>▪ Statistics about political participation and decision making disaggregated by sex, drafted by official and international organisms and mechanisms of women.</li> </ul>
4. Analyze the structure and content of the FTA.	<p>4.1 The negotiation process.</p> <ul style="list-style-type: none"> <li>▪ Civil society advocacy during negotiations.</li> <li>▪ Access to FTA decision making processes.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Proportion of women in official negotiation delegations.</li> <li>▪ Participation mechanisms for social organizations in the negotiations.</li> <li>▪ Proportion of women in social organizations that participate in negotiations.</li> <li>▪ Actions by social</li> </ul>	<p>Does the FTA consider mechanisms for social participation throughout the negotiations?</p> <p>What is women's participation in decision making related to the FTA?</p> <p>In the case of social participation in the process, was there equity between women and men?</p> <p>Are there times planned for the participation of government mechanisms representatives for equity between women and men (women's ministries, women's offices, women's institutes, etc.)?</p> <p>What proportion of women has decision making power in the political economic and commercial spheres of the country?</p>	<p>Literature about FTA analysis and the negotiation process.</p>

		<p>organizations to promote gender equity during negotiations.</p> <ul style="list-style-type: none"> <li>▪ Instances of participation in the official mechanisms for equity between women and men in the negotiations.</li> </ul>		
	4.2 The structure, objectives and content of the FTA.		<p>What are the objectives of the FTA?          What are the principle titles or chapters of the FTA?          What do the objectives and structure of each FTA chapter express?          What are the decision making groups in charge of FTA operation and what authority do they have? Who make them up and how are they named? Do women participate in these decision making bodies? Do the women who participate understand and promote a gender focus?          Does the FTA consider the asymmetry between the countries and the social and gender asymmetry in each country?          Do the FTA principles and objectives consider social equity and equity between women and men?          Does the FTA include declarations or references to rights, equity and the environment?          Does the FTA take into account the reproductive tasks and needs of a society?          What instruments within the FTA help guarantee the economic, social and cultural rights of women and men?          Does the FTA have social clauses in accordance with Internacional agreements or conventions that propose non discrimination towards women and equity between women and men, and about labor and environmental rights?          To what degree does the FTA consider social and cultural regulations "barriers to trade" or that their elimination would produce changes in legislating and social policies?</p>	<p>Text of the FTA to be analyzed.</p> <p>Literature about FTA analysis.</p>
	4.3 The tariff phase-out	<ul style="list-style-type: none"> <li>▪ Instruments for trade</li> </ul>	What are the categories for phase-out that are established in	Text of the FTA to be

	calendar.	<p>liberalization.</p> <ul style="list-style-type: none"> <li>▪ Categories for tariff phase-out and applicable tariff amounts .</li> <li>▪ Tariff amounts to be phased out and timeframes by sector and sub sector.</li> </ul>	<p>the FTA and under what criteria were they established?          What are the timeframes for total liberalization of trade between the countries?          What is the established proportion of tariff reduction, on what dates and for which products?          Which sectors and branches will be tariff free when the FTA becomes effective?          For which sectors is a more gradual phase-out planned?          What are the effects of trade on the more sensitive sectors for national economies?          Is there reciprocity between countries on the tariff phase-out calendar?          How does the liberalization process affect women's and men's jobs?</p>	<p>analyzed.          Literature about FTA analysis.</p>
	<p>4.4 legal implications of the respective FTA.</p> <ul style="list-style-type: none"> <li>▪ Binding effects of the measures that the FTA implies.</li> <li>▪ Role of each countries congress in the FTA decisions.</li> <li>▪ Decision making.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Measures that require legal modifications or that oblige compliance with a country's internal laws.</li> <li>▪ Decisions that require congressional approval in each country.</li> <li>▪ Decision making bodies and the authority of the people who form part of them.</li> <li>▪ Percentage of women in FTA decision making bodies..</li> </ul>	<p>Are the liberalizations measures and other dispositions derived from applying the FTA in agreement with the constitutions and legislation of involved countries?          Does the FTA respect legal order in each country?          Which decisions must be ratified by each country's congress?          Which decisions that should have been made by a congress were made without congressional approval?          Is the FTA compatible with Internacional conventions signed by each country regarding rights, non-discrimination against women, and the environment?          Who make up the decision making bodies of the FTA, what authority do they have and who names them?          Do women participate in decision making bodies and promote gender equity?</p>	<p>Text of the FTA to be analyzed.          Literature about FTA analysis.</p> <p>International treaties and conventions about women's rights, non-discrimination, labor rights, etc., that have been signed by the countries.</p>
5. Selection of branches, sectors and themes that will make	5.1 The maquila export sector.	<ul style="list-style-type: none"> <li>▪ Growth of the selected sector in the referenced time period.</li> </ul>	<p>How important is the sector to the total value of exports and in jobs?          What changes have happened in the sector? Can they be</p>	<p>Statistical information disaggregated by sex.</p>

<p>the impact on gender relations visible.</p>	<p>Relative importance of the sector to the economy.</p> <p>Contributions to exports.</p> <p>Participation in employment.</p> <p>Occupational segregation.</p> <p>Salary gaps.</p> <p>Generation of jobs.</p>	<ul style="list-style-type: none"> <li>■ Evolution of Exports.</li> <li>■ Participation in total exports.</li> <li>■ Employment by category or occupation by sex. Evolution during the referenced time period..</li> <li>■ Salary levels by sex. Changes during referenced time period.</li> <li>■ Differences by income by sex for each educational level, position and number of hours worked.</li> <li>■ Creation and destruction of jobs by sex.</li> </ul>	<p>attributed to the FTA?</p> <p>Has the selected sector meant greater opportunities for labor insertion for women? Under what conditions?</p> <p>Have occupational segregation and the salary gap been reduced in the sector?</p>	<p>Literature about the evolution of the maquila export sector from a gender perspective.</p>
<p>6. Conclude with an analysis of opportunities and threats.</p>			<p>What opportunities does the FTA provide for women and men? Are opportunities for each different? What determines the difference and why?</p> <p>What threats does the FTA bring for women and for men and in which spheres are these threats expressed? Are they different for men and women? What factors influence this difference?</p> <p>Do the changes brought about by trade liberalization flexibilize traditional roles for women and men or do they contribute to reinforcing them? Are these changes perceived as negative or positive for women and men?</p> <p>To what degree can this flexibilization of roles lead to a change in gender relations, and under what conditions and in function of what factors?</p>	

## 4.2. Final comments

- ✓ Women and men enter the process of economic restructuring in very different conditions. Women are at a disadvantage. This disadvantage is translated into inequality. This inequality is determined by the women's position in the sexual division of labor. Since women are responsible for taking care of the family, they are the ones who have to intensify their labor to compensate for discrimination in social services, for which monies have been reduced. It is necessary to analyze the transfer of these costs from the market to the household, since changes in resource assignation and increases in productivity which supposedly take place in adjustment programs don't consider these transfers. "The hidden factor of equilibrium is women's ability to absorb the shocks of these programs by working harder or making their limited income stretch further".<sup>39</sup>
- ✓ Articulation between the productive and reproductive spheres; in other words, between mercantile and non-mercantile. The conventional economy has made the position of women in society "normal": in the domestic sphere. Social division of work opens the paths for other divisions that end up justifying discrimination against women in the productive sphere. The domestic responsibilities of women make them more vulnerable when jobs are scarce, since they have to make two types of work compatible: productive and reproductive and, many times, community work as well.
- ✓ Domestic labor is a variable to be considered. It is necessary to make visible the subsidy that domestic labor provides to the market economy. Although there have been some efforts to count the contribution of domestic labor to the economy, there is still much to be done.
- ✓ Persistence of and change in gender behavior. Globalization has a "round trip" effect on gender relations. There is certain functionality to the characteristics of feminine labor to globalization. At the same time, this has positive, negative and contradictory effects, including the following:
  - a) Increased job participation by women has meant greater autonomy and improved women's capacity for negotiation within the family. In the case of women who migrate, this fact transforms their vision of reality and of themselves, which has repercussions in their home lives. What isn't clear is to what degree this transformation contributes to gender relations.
  - b) In spite of labor instability, access to work by women can be progress with respect to their previous conditions. For example, rather than working as domestics, they have the possibility of working as temporary workers in export agriculture. However, one should not lose sight of the exploitative conditions that prevail in the sectors where job opportunities have opened up, both for women and for men.

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<sup>39</sup> Todaro, Rosalba. *Aspectos de género de la globalización y la pobreza*. Ministerio de la Mujer y Desarrollo Social, Centro de Documentación. [www.mimdes.gob.pe/cendoc](http://www.mimdes.gob.pe/cendoc)

- c) The incorporation of women into a job site where she interacts with other women and men, promotes changes in the subjectivity and the position of women. The generation of income by women, broadening of social relations and learning new skills provokes a change in their own self image and of her place in all the relationships she is part of. Although the limits between traditional and modern behavior are diluted, it is necessary to inquire how far this has gone to modify gender relations domestically and in personal relationships.
- d) Globalization has contradictory effects. While women are liberated from some conventions and experience greater degrees of freedom, at the same time, tension and suffering increase, particularly for the poorest. On the other hand, the social and cultural context is not particularly disposed to redistribute opportunities among women and men. There is a persistent societal model of the unconditional worker, the head of the household, as well as a masculine work culture.
- e) While economic changes can contribute to the modification of gender relations, it is still necessary to influence the system of values and beliefs in order to win greater equity among women and men.

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## **6. ANNEXES**

### **6.1. Statistical Graphs**

Methodological note: The statistical information is essential to back up the analysis and its conclusions. It is absolutely essential to have information disaggregated by sex and if possible with gender indicators.

**Mexican Foreign Trade with the United States, Canada and the European Union  
(In millions of dollars)**

	Before the TLCUEM							After The TLCUEM				
Country	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>Exports</b>												
Total	51,832.0	60,817.2	79,540.6	96,003.7	110,236.8	117,459.6	136,391.1	166,454.8	158,442.9	160,762.7	165,355.2	189,200.4
United States	42,850.0	51,645.1	66,272.7	80,574.0	94,184.8	102,923.9	120,392.0	147,685.5	140,296.5	143,047.9	146,802.7	165,111.3
Canada	1,568.7	1,482.8	1,987.4	2,172.0	2,156.1	1,518.9	2,391.3	3,353.1	3,069.5	2,806.0	2,831.8	2,764.8
European Union	2,778.6	2,805.9	3,353.5	3,509.8	3,987.6	3,889.2	5,202.7	5,610.1	5,332.6	5,214.5	5,591.7	6,466.6
Rest	4,623.8	4,883.4	7,927.0	9,747.9	9,908.3	9,127.6	8,404.2	9,806.1	9,744.3	9,694.3	10,129.0	14,857.7
<b>Imports</b>												
Total	65,366.5	79,345.9	72,452.1	89,468.8	109,808.2	128,373.1	141,874.8	174,457.8	168,396.4	168,678.9	170,958.2	197,303.3
United States	45,294.7	54,790.5	53,828.5	67,536.1	82,002.2	93,258.4	105,267.3	127,534.4	113,776.8	106,556.7	105,685.9	109,558.2
Canada	1,175.3	1,620.6	1,374.3	1,743.6	1,968.0	2,290.2	2,948.8	4,016.6	4,234.9	4,480.3	4,120.8	5,419.8
European Union	7,798.7	9,058.2	6,732.2	7,740.6	9,917.3	11,699.3	12,742.8	14,775.1	16,165.5	16,441.6	17,861.9	20,912.7
Rest	11,097	13,876.6	10,518.1	12,448.5	15,920.7	21,125.2	21,015.9	28,131.7	34,229.2	41,200.3	43,289.6	61,412.6

Source: Economy Secretariat. Subsecretariat of International Trade Negotiations. With data from the Bank of Mexico.

**Mexican Foreign Trade with the United States, Canada and the European Union  
(In percentages)**

Country	Before the TLCUEM							After The TLCUEM				
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>Exports</b>												
<b>Total</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
United States	82.7	84.9	83.3	83.9	85.4	87.6	88.3	88.7	88.5	89.0	88.8	87.3
Canada	3.0	2.4	2.5	2.3	2.0	1.3	1.8	2.0	1.9	1.7	1.7	1.5
European Union	5.4	4.6	4.2	3.7	3.6	3.3	3.8	3.4	3.4	3.2	3.4	3.4
Rest	8.9	8.0	10.0	10.2	9.0	7.8	6.2	5.9	6.2	6.0	6.1	7.9
<b>Imports</b>												
<b>Total</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
United States	69.3	69.1	74.3	75.5	74.7	72.6	74.1	73.1	67.6	63.2	61.8	55.5
Canada	1.8	2.0	1.9	1.9	1.8	1.8	2.1	2.3	2.5	2.7	2.4	2.7
European Union	11.9	11.4	9.3	8.7	9.0	9.1	9.0	8.5	9.6	9.7	10.4	10.6
Rest	17.0	17.5	14.5	13.9	14.5	16.5	14.8	16.1	20.3	24.4	25.3	31.1

Source: Economy Secretariat. Subsecretariat of International Trade Negotiations. With data from the Bank of Mexico.  
Mexico – Annual Growth of exports and imports

Country	Before the TLCUEM							After The TLCUEM				
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>Exports</b>												
<b>Total</b>	51,832.0	60,817.2	79,540.6	96,002.7	110,236.8	117,459.6	136,391.1	166,454.8	158,442.9	160,762.7	165,355.2	189,200.4
Growth		17.3	30.8	20.7	14.8	6.6	16.1	22.0	-4.8	1.5	2.9	14.4
European Union	2,788.6	2,805.9	3,353.5	3,509.8	3,987.6	2,889.2	5,202.7	5,610.1	5,332.6	5,214.5	5,591.7	6,466.6
Growth		0.6	19.5	4.7	13.6	-2.5	33.8	7.8	-4.9	-2.2	7.2	15.6
<b>Imports</b>												
<b>Total</b>	65,366.5	79,345.9	72,453.1	89,468.8	109,808.2	128,373.1	141,974.8	174,457.8	168,396.4	168,678.9	170,958.2	197,303.3
Growth		21.4	-8.7	23.5	22.7	16.9	10.6	22.9	-3.5	0.2	1.4	15.4
European Union	7,798.7	9,058.2	6,732.2	7,740.6	9,917.3	11,699.3	12,742.8	14,775.1	16,165.5	16,441.6	17,861.9	20,912.7
Growth		16.2	-25.7	15.0	28.1	18.0	8.9	15.9	9.4	1.7	8.6	17.1

Source: Elaborated based on information from the Secretariat of the Economy

**Mexico's Trade Balance with the United States, Canada and the European Union  
(in millions of dollars)**

Country	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
United States	-2,443.8	-3,145.4	12,444.2	13,037.9	12,182.6	9,665.6	15,125.5	20,151.1	26,530	36,491.2	41,116.9	55,553.1
Canada	393.3	-137.8	613.1	428.4	188.1	-771.3	-557.5	-663.5	-1,165.3	-1,674.3	-1,289.0	-2,655.0
European Union	-5,010.1	-6,252.3	-3,378.7	-4,230.8	-5,929.7	-7,810.1	-7,540.1	-9,165.0	-10,832.9	-11,227.1	-12,270.2	-14,446.1

Source: Secretariat of the Economy. Subsecretariate of International Trade Negotiations, with data from the World Bank.

**Mexico's Foreign Trade with the European Union  
-millions of dollars-**

Year	Exports	Imports	Trade Balance
1993	2,778.6	7,798.7	5,010.1
1994	2,805.9	9,058.2	6,252.3
1995	3,353.5	6,732.2	6,252.3
1996	3,509.8	7,740.6	4,230.8
1997	3,987.6	9,917.3	5,929.7
1998	3,889.2	11,699.3	7,810.1
1999	5,202.7	12,742.8	7,540.1
2000	6,610.1	14,775.1	9,165.0
2001	5,332.6	16,165.5	10,832.9
2002	5,214.5	16,441.6	11,227.1
2003	5,591.7	17,861.9	12,270.2
2004	6,266.6	20,912.7	-12,466.1

Source: drafted with data from the Secretary of the Economy.

**Mexican Imports to Europe – millions of dollars**

Country	Before the TLCUEM							After The TLCUEM				
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>European Union</b>	<b>2,788.6</b>	<b>2,805.9</b>	<b>3,353.5</b>	<b>3,509.8</b>	<b>3,987.6</b>	<b>3,889.2</b>	<b>5,202.7</b>	<b>5,610.1</b>	<b>5,332.6</b>	<b>5,214.5</b>	<b>5,591.7</b>	<b>6,466.6</b>
Spain	917.7	857.9	796.9	906.9	939.0	713.5	822.4	1,519.8	1,253.9	1,431.0	1,464.4	1,876.8
Germany	430.4	394.7	515.4	640.9	718.7	1,151.6	2,093.1	1,543.9	1,504.1	1,236.3	1,753.0	1,924.0
Great Britain	201.7	267.3	481.0	531.9	664.2	639.0	747.0	869.8	672.9	625.0	561.2	772.8
Holland	193.2	174.4	177.1	191.8	261.7	338.7	487.7	439.0	508.1	630.1	594.9	559.5
France	456.2	517.8	483.5	425.9	429.9	401.4	288.8	374.6	372.6	349.2	322.4	416.2
Belgium	226.0	270.8	486.5	408.6	327.7	230.4	240.7	227.0	317.8	295.8	137.3	197.8
Ireland	121.0	111.6	70.5	146.1	113.0	37.1	67.0	112.2	186.4	186.9	167.7	157.9
Italy	84.3	86.1	197.3	139.9	273.4	181.4	170.3	222.0	239.7	137.7	267.2	220.0
Portugal	72.4	60.0	81.4	56.8	97.3	87.2	180.4	194.3	148.7	133.1	183.4	128.2
Sweden/1	16.8	23.9	30.4	19.6	52.8	45.5	23.7	23.5	37.2	44.2	31.3	78.6
Denmark	17.9	21.6	7.6	18.6	30.6	35.5	49.1	44.7	44.4	37.8	38.9	44.8
Luxembourg	0.1	0.3	2.9	2.6	2.7	6.2	65.9	8.0	11.7	38.6	41.4	37.7
Austria/1	43.7	10.1	12.8	10.0	15.8	10.5	10.8	17.0	19.6	15.4	10.2	28.2
Finland/1	1.5	4.6	1.9	1.5	5.1	1.7	8.2	4.3	8.5	10.7	9.4	11.7
Greece	5.6	5.0	8.4	8.9	10.7	9.4	7.5	10.0	7.1	6.7	9.0	12.5

Source: Secretariat of the Economy. Subsecretariat for International Trade Negotiations, with data from the Bank of Mexico

/1 These countries joined the European Union in January, 1995. Note: exports include safer fleets.

**Mexican Imports to Europe – percentage of participation**

Country	Before the TLCUEM							After The TLCUEM				
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>European Union</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Spain	32.9	30.6	23.8	25.8	23.5	18.3	15.8	27.1	23.5	27.4	26.2	29.0
Germany	15.4	14.1	15.4	18.3	18.0	29.6	40.2	27.5	28.2	23.7	31.4	29.8
Great Britain	7.2	9.5	14.3	15.2	16.7	16.4	14.4	15.5	12.6	12.0	10.0	12.0
Holland	6.9	6.2	5.3	5.5	6.6	8.7	9.4	7.8	9.5	12.1	10.6	8.7
France	16.4	18.5	14.4	12.1	10.8	10.3	5.6	6.7	7.0	6.7	5.8	6.4
Belgium	8.1	9.7	14.5	11.6	9.3	5.9	4.6	4.0	6.0	5.7	2.5	3.1
Ireland	4.3	4.0	2.1	4.2	2.8	1.0	1.3	2.0	3.5	3.6	3.0	2.4
Italy	3.0	3.1	5.9	4.0	6.9	4.7	3.3	4.0	4.5	3.3	4.8	3.4
Portugal	2.6	2.1	2.4	1.6	2.4	2.2	3.5	3.5	2.8	2.6	3.3	2.0
Sweden/1	0.6	0.9	0.9	0.6	1.3	1.2	0.5	0.4	0.7	0.8	0.6	1.2
Denmark	0.6	0.8	0.2	0.5	0.8	0.9	0.9	0.8	0.8	0.7	0.7	0.7
Luxembourg	0.0	0.0	0.1	0.1	0.1	0.2	1.3	0.1	0.2	0.7	0.7	0.6
Austria/1	1.6	0.4	0.4	0.3	0.4	0.3	0.2	0.3	0.4	0.3	0.2	0.4
Finland/1	0.1	0.2	0.1	0.0	0.1	0.0	0.2	0.1	0.2	0.2	0.2	0.2
Greece	0.2	0.2	0.3	0.3	0.3	0.2	0.1	0.2	0.1	0.1	0.2	0.2

Source: Secretariat of the Economy. Subsecretariat for International Trade Negotiations, with data from the Bank of Mexico  
 /1 These countries joined the European Union in January, 1995. Note: exports include safer fleets.

**European Union Imports to Mexico – millions of dollars**

Country	Before the TLCUEM							After The TLCUEM				
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>European Union</b>	<b>7,798.7</b>	<b>9,058.2</b>	<b>6,732.2</b>	<b>7,740.6</b>	<b>9,917.3</b>	<b>11,699.3</b>	<b>12,742.8</b>	<b>14,775.1</b>	<b>16,165.5</b>	<b>16,441.6</b>	<b>17,861.9</b>	<b>20,912.7</b>
Germany	2,852.4	3,100.9	2,687.1	3,173.7	3,902.3	4,543.4	5,032.1	5,758.4	6,079.6	6,065.8	6,274.9	7,195.6
Spain	1,155.3	1,338.3	694.1	629.5	977.7	1,257.0	1,321.8	1,430.0	1,827.4	2,223.9	2,288.3	2,861.8
Italy	834.9	1,021.4	771.5	999.1	1,326.0	1,581.0	1,649.0	1,849.4	2,100.3	2,171.1	2,474.2	2,830.8
France	1,105.2	1,526.9	979.2	1,019.2	1,182.4	1,439.9	1,292.7	1,466.6	1,577.0	1,806.8	2,015.8	2,410.3
Great Britain	593.0	706.6	531.8	679.4	915.3	1,056.2	1,135.2	1,091.3	1,344.0	1,349.8	1,242.3	1,474.9
Ireland	151.3	137.7	181.1	239.1	265.9	308.5	329.7	403.6	550.9	614.4	794.6	705.8
Belgium	275.0	336.5	210.0	238.8	327.3	355.4	305.2	265.6	630.5	556.9	573.0	719.1
Holland	241.6	240.1	217.9	225.1	261.9	328.4	325.6	363.1	470.9	546.6	555.7	706.8
Sweden	265.3	277.1	200.7	228.8	254.3	339.2	699.6	1,318.0	806.1	450.9	733.2	873.4
Austria	105.8	121.0	87.5	113.1	139.4	191.8	170.1	176.8	219.6	186.6	254.8	368.2
Denmark	130.1	130.9	70.9	70.7	96.4	119.6	126.5	142.0	169.2	177.4	198.8	202.2
Finland	50.1	66.1	63.5	84.6	100.6	122.0	175.9	211.7	249.5	150.9	277.0	244.1
Portugal	12.2	20.7	18.8	21.5	34.1	43.8	52.2	51.4	100.7	94.3	126.5	254.0
Greece	22.8	23.7	10.3	9.7	17.2	6.5	15.9	29.8	22.7	29.4	22.9	25.9
Luxembourg	3.7	10.2	8.0	8.5	16.4	16.6	10.0	17.3	17.0	17.0	29.9	40.0

Source: Secretariat of the Economy. Subsecretariat for International Trade Negotiations, with data from the Bank of Mexico

### European Union Imports to Mexico – percentage of participation

Country	Before the TLCUEM							After The TLCUEM				
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>European Union</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Germany	36.6	34.2	39.9	41.0	39.3	38.8	39.5	39.0	37.6	36.9	35.1	34.4
Spain	14.8	14.8	10.3	8.1	9.9	10.7	10.4	9.7	11.3	13.5	12.8	13.7
Italy	10.7	11.3	11.5	12.9	13.4	13.5	12.9	12.5	13.0	13.2	13.9	13.5
France	14.2	16.9	14.5	13.2	11.9	12.3	10.9	9.9	9.8	11.0	11.3	11.5
Great Britain	7.6	7.8	7.9	8.8	9.2	9.0	8.9	7.4	8.3	8.2	7.0	7.1
Ireland	1.9	1.5	2.7	3.1	2.7	2.6	2.6	2.7	3.4	3.7	4.4	3.4
Belgium	3.5	3.7	3.1	3.1	3.3	3.0	2.4	3.2	3.9	3.4	3.2	3.4
Holland	3.1	2.7	3.2	2.9	2.6	2.8	2.6	2.5	2.9	3.3	3.1	3.4
Sweden	3.4	3.1	3.0	3.0	3.6	2.9	5.5	8.9	5.0	2.7	4.1	4.2
Austria	1.4	1.3	1.3	1.5	1.4	1.6	1.3	1.2	1.4	1.1	1.4	1.8
Denmark	1.7	1.4	1.1	0.9	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.0
Finland	0.6	0.7	0.9	1.1	1.0	1.0	1.4	1.4	1.5	0.9	1.6	1.2
Portugal	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.3	0.6	0.6	0.7	1.2
Greece	0.3	0.3	0.2	0.1	0.2	0.1	0.1	0.2	0.1	0.2	0.1	0.1
Luxembourg	0.0	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.2

Source: Secretariat of the Economy. Subsecretariat for International Trade Negotiations, with data from the Bank of Mexico

**Total Direct Foreign Investment and European Union DFI  
In millions of dollars**

Acumulado												
Country	1993	1994	1995	1996	1997	1998	1999	2001	2002	2003	2004/1	1994-2004
	<b>BEFORE THE TLCUEM</b>						<b>AFTER THE TLCUEM</b>					
<b>Total DFI</b>	10,659.2	8,332.9	7,748.7	12,192.6	8,289.2	13,205.5	16,585.7	26,775.7	13,628.2	9,738.5	7,424.8	134,580.8
<b>European Union</b>	1,934.6	1,840.1	1,149.7	3,174.2	2,053.8	3,722.6	2,827.8	2,034.6	3,836.8	3,541.3	2,694.7	32,810.2
<b>% of participation</b>	18.1	22.1	14.8	26.0	24.8	28.2	17.0	15.1	28.2	36.4	63.2	

Source: Secretariat of the Economy, General Direction for Foreign Investment.  
1/ from January to March, 2004

**Direct Foreign Investment**

	<b>Pre- TLCUEM 1994-1999</b>	<b>Post- TLCUEM 2000-2003</b>
Total DFI	60,428.0	66,728.0
EU DFI	13,875.0	14,240.0
	<b>Pre- TLCUEM 1994-1999</b>	<b>Post- TLCUEM 2000-2003</b>
Average	2,312.5	3,560.1
Total Average	10,071.3	16,682.0

	<b>Pre- TLCUEM 1994-1999</b>	<b>Post- TLCUEM 2000-2003</b>
EU participation on Total DFI	23.0	21.3

Source: Secretariat of the Economy, General Direction for Foreign Investment

**Direct Foreign Investment in Mexico from the European Union, the United States and Canada  
-in millions of dollars-**

<b>Year</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004/1</b>	<b>Cumulative 1999-2004</b>	<b>Participation in %</b>
<b>Total DFI</b>	<b>13,205.5</b>	<b>16,585.7</b>	<b>26,775.5</b>	<b>13,628.2</b>	<b>9,738.5</b>	<b>7,424.8</b>	<b>87,358.3</b>	<b>100.0</b>
European Union	3,722.6	2,827.8	4,034.6	3,836.8	3,541.3	4,694.7	22,657.8	25.9
North America	7,715.8	12,584.3	21,504.3	8,608.7	5,516.4	1,587.8	57,517.3	65.8
United States	7,092.5	11,919.6	20,516.3	8,423.7	5,354.6	1,592.4	54,899.1	62.8
Canada	623.3	664.7	988.1	184.9	161.8	-4.6	2,618.3	3.0
Others	1,767.1	1,173.6	1,236.8	1,182.7	680.7	1,142.3	7,183.2	8.2

Source: Secretariat of the Economy. General Direction for Foreign Investment  
1/to March 2004

**Direct Foreign Investment in Mexico from the European Union, the United States and Canada  
-in millions of dollars-**

<b>Year</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004/1</b>	<b>Cumulative 1999-2004</b>	<b>Participation in %</b>
European Union	3,722.6	2,827.8	4,034.6	3,836.8	2,541.3	4,694.7	22,657.8	100.0
Spain	997.2	1,909.5	754.2	407.7	1,389.2	4,546.2	10,004.1	44.2
Holland	1,008.5	2,582.8	2,558.2	1,153.3	465.8	20.6	7,789.3	34.4
United Kingdom	-193.4	265.8	87.2	1,149.2	855.0	3.3	2,167.1	9.6
Germany	753.1	344.4	-151.0	597.3	274.3	78.2	1,896.4	8.4
Denmark	179.6	201.0	231.8	156.0	75.4	42.6	886.5	3.9
Finland	28.2	216.2	83.4	25.2	119.4	1.6	474.0	2.1
Belgium	33.7	39.6	71.3	83.6	37.0	0.0	265.1	1.2
Sweden	690.5	-283.9	-139.0	-28.5	-6.9	-1.2	231.0	1.0
Luxembourg	13.6	34.7	121.5	-33.2	13.3	3.2	153.2	0.7
Ireland	1.1	4.9	6.2	114.9	0.2	0.2	127.5	0.6
Italy	34.9	32.6	21.0	22.2	9.3	-0.2	119.9	0.5
Portugal	4.2	-0.2	0.2	11.6	0.1	0.0	15.8	0.1
Austria	1.2	1.1	2.4	7.1	-6.5	0.0	5.8	0.0
Greece	0.2	0.0	0.1	0.1	0.0	0.0	0.3	0.0
France	169.5	-2,520.9	386.9	170.2	315.6	0.0	-1,478.7	-6.5

Source: Secretariat of the Economy. General Direction for Foreign Investment  
1/to March 2004

**Distribution by Sectors of European Union Investment in Mexico \*/**  
(Millions of dollars)

Sectors	1999	2000	2001	2002	2003	2004 1/	Cumulative 1999-2004 2/	% of participation
TOTAL	3,722.6	2,827.8	4,034.6	3,836.8	3,541.3	4,694.7	22,657.8	100.0
Agricultural	2.8	0.0	0.1	0.1	0.0	0.0	2.9	0.0
Mining and Extraction	77.7	19.3	0.8	4.6	8.1	0.0	110.5	0.5
Manufacturing Industry	2,406.9	1,839.3	433.4	1,755.3	1,043.4	125.0	7,603.2	33.6
Electricity and Water	141.1	1.6.8	314.7	216.8	57.0	0.0	836.4	3.7
Construction	62.1	119.9	18.2	72.1	32.5	2.0	306.8	1.4
Commerce	331.4	275.8	543.5	418.7	39.3	-1.1	1,607.7	7.1
Transportation and communications	53.1	-2,706.5	1,081.5	22.0	1,297.4	306.4	53.8	0.2
Financial Services	88.3	2,213.2	1,143.9	1,338.1	838.3	4,247.4	9,860.2	43.5
Other Services 3/	559.1	960.0	507.5	9.1	225.5	15.0	2,276.2	10.0

\*/Direct Foreign Investment is part of the concept of new investments, reinvestment of utilities and accounts between companies, which have notified the FNIE, as well as imports of permanent assets by the maquiladora societies.

This information does not include the investments made by European Union investors since this it does not include investments made by EU companies through their branches in other countries, since the country of the investment is classified based on the nationality of the foreign investor and not the primary origin of the resources.

1/ data from January to March 2004

2/Notified by March 31, 2004

3/ nominal and social services; hotels and restaurants; professional, technical and personal. Includes services to agriculture, animal husbandry, construction, transportation, finances and trade.

Source: Secretariat of the Economy. General Direction for Foreign Investment.

**Principal economic areas who received European Union investments  
-from January 1999 to March 2004-**

	<b>Areas</b>	<b>Millions of Dollars</b>	<b>% of participation</b>
811000	Services from credit, banking and auxiliary credit institutions	6,442.5	28.4
951000	Professional, technical or specialized services	1,549.2	6.8
813000	Insurance and bond/guarantee institutional services	1,414.5	6.2
812000	Financial institution services within the stock market	1,407.6	6.2
612000	Trade of bulk non-edible products	1,354.5	6.0
314000	Tobacco Industry	1,338.8	5.9
384100	Automobil industry	1,314.2	5.8
410000	Electricity	799.5	3.5
371000	Basic iron and steel industry	646.6	2.9
383300	Fabrication and/or assembly of household appliances	441.7	1.9
	Otras	5,949.0	26.3
	<b>Total</b>	<b>22,657.8</b>	<b>100.0</b>

Source: Secretariat of the Economy. General Direction of Foreign Investment

**Geographic Destination of European Union Investment  
-From January 1999 to March 2004**

<b>State</b>	<b>Millions of Dollars</b>	<b>% of participation</b>
Federal District	13,705.9	60.5
Nuevo León	3,660.5	16.2
State of Mexico	1,845.8	8.1
Puebla	931.2	4.1
San Luis Potosí	547.1	2.4
Jalisco	493.1	2.2
Others	1,474.3	6.5
<b>Total</b>	<b>22,657.8</b>	<b>100.0</b>

Source: Secretariat of the Economy. General Direction of Foreign Investment

**Mexico / Rate of Economic Participation**

<b>Year</b>	<b>Women</b>	<b>Men</b>	<b>Total</b>
1970	17.6	70.1	43.5
1991	31.5	77.8	53.6
1995	34.5	78.2	55.6
1996	34.8	77.7	55.4
1997	36.8	78.3	56.6
1998	36.9	78.7	56.9
1999	36.4	76.8	55.7
2000	36.4	76.8	55.7
2004	37.5	75.5	55.6

Source: Source: INEGI, Women and Men in México, 2004  
National Institute of Statistics, Geography and Information, Mexico, 2005  
INEGI. System of Indicators for Follow Up on the Situation of Women, SISESIM  
Web site: [inegi.gob.mx/cgi-win/sisesim.exe/consulta](http://inegi.gob.mx/cgi-win/sisesim.exe/consulta)

**Mexico. Rate of Economic Participation per civil status and sex – 2004**

<b>Year</b>	<b>Women</b>	<b>Men</b>	<b>Total</b>
1970	17.6	70.1	43.5
1991	31.5	77.8	53.6
1995	34.5	78.2	55.6
1996	34.8	77.7	55.4
1997	36.8	78.3	56.6
1998	36.9	78.7	56.9
1999	36.4	76.8	55.7
2000	36.4	76.8	55.7
2004	37.5	75.5	55.6

Source: Source: INEGI, Women and Men in México, 2004  
National Institute of Statistics, Geography and Information, Mexico, 2005  
INEGI. System of Indicators for Follow Up on the Situation of Women, SISESIM  
Web site: [inegi.gob.mx/cgi-win/sisesim.exe/consulta](http://inegi.gob.mx/cgi-win/sisesim.exe/consulta)

**Population 12 years and older by condition of activity  
and type of activity according to sex – 2004**

<b>Condition of activity and type of activity</b>	<b>Women</b>	<b>Man</b>	<b>Total</b>
<b>Population 12 years and older</b>	100	100	100

<b>Economically Active Population</b>	37.5	75.5	55.6
Work	3.0	36.7	39.7
Work and Study	0.6	1.4	2.0
Work and Domestical Labor	92.0	58.4	150.4
Work, Study and Domestic Labor	4.4	3.5	7.9

<b>Economically inactive Population</b>	62.5	24.5	44.4
Study	2.4	13.3	5.2
Domestic Labor	72.2	22.4	59.2
Study and Domestic Labor	23.8	53.1	31.5
Other activities	1.6	11.2	4.1

Source: INEGI. Women and Men in Mexico, 2004  
National Institute of Statistics, Geography and Information, Mexico, 2005

**Mexico. Rate of participation in domestic labor by sex 1998-2004  
(population over the age of 12)**

<b>Year</b>	<b>Women</b>	<b>Men</b>
1998	95.5	52.3
1999	95.3	52.7
2000	94.6	53.8
2001	95.6	61.3
2002	95.8	62.7
2003	96.2	61.7
2004	96.2	65.2

Source: INEGI. Women and Men in Mexico, 2004  
National Institute of Statistics, Geography and Information, Mexico, 2005

**Mexico. Weekly Average Hours of Domestic Labor and Extradomestic labor by age group**

Age Group	Women		Men	
	Extradomestic 1/	Domestic 2/	Extradomestic 1/	Domestic 2/
TOTAL	37	26.1	44.5	9.8
12 a 19	38.9	19.1	40.6	9.5
20 a 29	39.6	23.5	45.9	9.6
20 a 39	36.7	28.0	46.2	10.1
40 a 49	36.5	27.9	44.8	9.8
50 a 59	35.3	28.2	44.1	9.8
60 and older	31.7	27.1	39.5	10.4

1/ This graph excludes the working population who did not specify the number of hours worked and those that didn't work last week.

2/ Only the population who specified the number of hours they spend on domestic labor was considered.

Source: INEGI. Women and Men in Mexico, 2004

National Institute of Statistics, Geography and Information, Mexico, 2005

**Mexico. Rate of participation in domestic labor by civil status and sex – 2004**

Civil Status	Women	Men
Single	92.5	70.3
Married or in union	99.1	61.1
Widowed, separated, divorced	94.2	70.7

Source: INEGI. Women and Men in Mexico, 2004

National Institute of Statistics, Geography and Information, Mexico, 2005

**Mexico. Distribution by percentage of the Economically Active Population  
according to type of activities 2004**

Type of Activities	Women	Men
Only extradomestic labor	3.0	36.7
Extradomestic and domestic labor	92.0	58.4
Extradomestic labor and studies	0.6	1.4
Extradomestic labor, domestic labor and studies	4.4	3.5
TOTAL	100.0	100.0

Source: INEGI. Women and Men in Mexico, 2004  
National Institute of Statistics, Geography and Information, Mexico, 2005

**Mexico. Distribution by percent of the occupied population by position in the field and sex**

Position	Women	Men	Women	Men	Women	Men
Year	1993		1996		2004	
Total	100	100	100	100	100	100
Employers	1.5	5.3	2.0	6.1	1.9	5.5
Self employed workers	22.4	28.7	20.9	25.4	23.8	25.3
Salaried workers	54.3	46.9	56.0	51.1	57.6	55.8
Piece workers	4.1	6.8	4.2	7.2	4.5	6.9
Workers without pay	17.7	12.2	16.8	10.0	12.2	6.4
Other workers	0.1	0.1	0.0	0.1	0.0	0.1

Source: INEGI. Women and Men in Mexico, 2004  
National Institute of Statistics, Geography and Information, Mexico, 2005

**Mexico. Distribution by percentage of the occupied population  
by sex and sector of activity 2004**

	Women	Men
Total	100	100
Primary Sector 1/	6.0	22.1
Secondary Sector 2/	19.4	27.8
Third Sector 3/	74.4	49.6
Not specified	0.2	0.5

Source: Source: INEGI. Women and Men in Mexico, 2004

National Institute of Statistics, Geography and Information, Mexico, 2005

1/ includes agriculture, animal husbandry, forestry, hunting and fishing

2/ mining, petroleum and gas extraction, industrial manufacturing, electricity, water and construction

3/ commerce, communications and transportation, services and government

**Mexico. Maquiladora Export Industry occupied personnel by sex**

Year	Total	Men	Women	Men	Women
		Quantity		Percentage	
1990	439,474				
1991	486,146				
1992	510,035				
1993	546,588				
1994	600,585				
1995	681,251				
1996	799,347				
1997	936,825	440,331	496,494	47.0	53.0
1998	1,043,483	501,817	541,666	48.1	51.9
1999	1,195,371	588,640	606,731	49.2	50.8
2000	1,310,026	648,351	661,675	49.5	50.0
2001	1,071,488	538,530	532,958	50.3	49.7
2002	1,067,948	538,084	513,126	51.1	48.9
2003	1,050,210	537,084	513,126	51.1	48.9
2004	1,124,586	575,653	548,933	51.2	48.8

Source: INEGI. Women and Men in Mexico, 2004

National Institute of Statistics, Geography and Information, Mexico, 2005

**Mexico. Electoral roster and nominal list by sex – 2004**

Year	Total	Men	Women	Men	Women
		Millions		Percentage	
Electoral Roster	67.3	32.4	34.8	48.1	51.7
Nominal list of electors	63.1	30.4	32.7	48.2	51.8

Source: National Institute of Women. Profile of Women and Men in Mexico. Inmujeres, Mexico, November, 2004

**Mexico. Municipal Presidents and Local Deputies by sex – 2002**

Year	Total	Men	Women	Men	Women
		Quantity		Percentage	
Municipal Presidents 1/	2,424	2,338	86	96.5	3.5
Local Deputies	1,064	917	147	86.2	13.8

1/ data from December, 2003. The total refers to 2,424 and 2,435 Municipal Presidents, because the specific sex is not known for 11 of them.

Source: National Institute of Women. Profile of Women and Men in Mexico. Inmujeres, Mexico, November, 2004

**Mexico. Composition of the Chamber of Deputies LIX Legislature 2003-2006**

<b>Party</b>	<b>Total</b>	<b>Men</b>	<b>Women</b>	<b>Men</b>	<b>Women</b>
		<b>Candidates</b>		<b>Percentage</b>	
Convergence (Convergencia)	5	5	0	100.0	0.0
National Action Party (Partido de Acción Nacional – PAN)	151	106	45	70.2	29.8
Democratic Revolution Party (Partido de la Revolución Democrática – PRD)	97	70	27	72.2	27.8
Institutional Revolutionary Party (Partido de la Revolución Institucional – PRI)	224	186	38	83.0	17.0
Labor Party (Partido del Trabajo)	6	6	0	100.0	0.0
Green Ecological Party of México (Partido Verde Ecologista de México – PVEM)	17	14	3	82.4	17.6
<b>TOTAL</b>	<b>500</b>	<b>487</b>	<b>113</b>	<b>77.4</b>	<b>22.6</b>

Source: National Institute of Women. Profile of Women and Men in Mexico. Inmujeres, Mexico, November, 2004

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<b>Total</b>	<b>500</b>	<b>487</b>	<b>113</b>	<b>77.4</b>	<b>22.6</b>

Source: National Institute of Women. Profile of Women and Men in Mexico. Inmujeres, Mexico, November, 2004

## ANNEX 2

### 6.2. Glossary Of Terms

Methodological Note: A glossary of terms about trade and one about gender should be included for reference and consultation.

#### 6.2.1. Trade Glossary<sup>40</sup>

##### **Fourth Generation Agreements:**

Agreements whose objective is to strengthen bi-regional relations through political dialogue and liberalization of the trade exchanges. These are agreements that are signed by the EU and ratified by its Member States. This is due to the fact that some components of the Agreement such as economic cooperation and development, trade, etc., fall under the competency of the Member states.

##### **Tariff:**

Tax on imports that can be a percentage of a good's value or a fixed tariff.

##### **Common external tariff:**

Customs tariffs adopted by a group of countries to tax imports of goods and services from a country during the course of an economic exercise.

##### **Non-tariff barriers:**

Technical standards that each government imposes in order to permit trade of their country's products.

##### **Safeguard Clause:**

A disposition sometimes included in a bilateral or multilateral trade agreement, by which a signing country can suspend tariff concessions or other concessions when an increase of imports causes grave damage or threatens to cause grave damage to the national producers of similar, competitive products.

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<sup>40</sup> Information gathered from: a) Espino, Alma and Paola Azar. "La economía global: una visión desde las mujeres". *Comercio Internacional y equidad de género*. Fascículo N° 1. UNIFEM, Red Internacional de Género y Comercio, s/f. b) Espino, Alma y Paola Azar. *Comercio internacional y equidad de género. Alternativas de libre comercio e integración regional. Impactos sobre el mercado de trabajo en América Latina*. Web page of Red Internacional de Género y Comercio: [www.generoycomercio.org](http://www.generoycomercio.org). c) GEM, WIDE, CISCSA, CIDEUR. *Instrumentos para la equidad de género. UE-MERCOSUR-México*. Grupo de Educación Popular con Mujeres (GEM), Network Women in Development Europe (WIDE), CISCSA, Centro Interdisciplinario de Estudios sobre el Desarrollo-Uruguay,(CIDEUR), Belgium, November, 2001.

**Intellectual Property Rights (TRIPS):**

These cover patents, the rights of the author @ and trade marks for a Wide range of products such as: software, medicines, agriculture, seeds, etc. This has important implications for the traditional role of women as curers, caretakers of the environment and farmers.

**Technical standards:**

Sanitary and fitosanitary dispositions about packaging and brands, environmental protection, registries, etc. Each country has the right to create regulations according to its environmental, safety or health related laws.

**Free Trade:**

International exchange of products and services that is not restricted nor promoted by government imposed trade barriers.

**Integration Modalities:**

*Preferential Trade Zone.* This consists of a preferential tariff treatment for imports coming from countries that are members of an agreement. The tariff reduction can affect all products even though it isn't meant as a total elimination of all trade taxes. Commitments are not adopted to eliminate non-tariff barriers (quotas, permits, technical and sanitary norms) and each country remains independent to fix tariffs on third party countries.

*Free Trade Zone.* This consists in the elimination of all the barriers for reciprocal trade. It implies suppressing customs taxes and non-tariff barriers. Countries are independent to establish trade policy regarding third party nations.

*Customs Union.* A Common External Tariff (AEC) is added for third party country imports to whatever is stipulated in the Free Trade Zone. With an AEC, countries agree that they will charge the same tax on each product they buy from countries that are not part of the trade block. A common trade policy and a common negotiating strategy are established for dealing with the rest of the world.

*Common Market.* This includes Customs Union commitments and adds free circulation of production factors (capital and labor), which can move about without any restrictions towards whatever zone in the block. Workers have the possibility of exercising their activities in any of the associated countries with the same rights and obligations in the whole region. To install companies, there are homogenous norms.

*Economic Union.* This consists in the achievement of a common market, the unification of monetary, fiscal, social and economic policies. Countries adopt a common currency under the control of a unique Central Bank.

**Most Favored Nation:**

This supposes the guarantee of non-discrimination and equal treatment in trade relations.

**Reciprocity:**

The practice of offering trade concessions, such as the reduction of tariffs for one country in exchange of similar concessions by the other country.

**Safeguards:**

Disposition that can be added to a trade agreement that allows a country who has signed to suspend the given concessions at times when an increase in imports causes or could cause grave harm to national producers of the same type of product.

**Services:**

Economic Activities that are not tangible such as banking, tourism, insurance and savings, in contrast to goods (tangible) such as wheat or automobiles.

**Tariffs:**

Tariffs, taxes, or rights that are paid by imported or exported goods when they go through customs.

**National Treatment:**

The demand of non-discrimination against imported goods once they have crossed the border, giving the same terms to imported and national products.

**Comparative advantages:**

The capacity of a country to produce a certain product or service relatively cheaper than other products, thereby specializing in that product and importing the rest. This is determined by a relative quantity of key factors such as labor, land and capital.

**Competitive Advantages:**

This alludes to the capacity countries have to generate their own advantage in the production and trade of certain goods and services derived mainly from an institutional brand, technology, or access to the needed resources.

## 6.2.2 Gender Glossary

### **Access and control of resources and distribution of benefits and opportunities**

- Access is defined as the possibility of utilizing resources and opportunities.
- Control refers to mastery, property and decision making power. In some circumstances, women have access (the possibility to utilize) to a resource, such as land, but they lack control or they have only limited control (they are not able to decide whether to sell it, or transfer the title).
- Resources are goods and services: economic or productive (land, equipment, tools, work); policies (leadership capacity, information and organization); finances (money, capital, credit) and time.
- The benefits are economic, social, political and psychological retributions that are derived from the use of the resources. Benefits include: satisfaction of needs: food, housing, education, training, political power, status, among others.
- Opportunity is the possibility to develop intellectual, physical and emotional capacity in order to achieve one's life goals.<sup>41</sup>

### **Affirmative Action**

These are strategies destined to propitiate equality of opportunities by implementing measures to stop or correct discrimination that is the result of social practice or systems. The objective of affirmative action is to get programs underway that give women concrete advantages.<sup>42</sup>

### **Gender Analysis**

This is a theoretical-practical process to analyze differently between men and women the responsibilities, knowledge, access, use and control of resources, problems, needs, priorities, opportunities, with the purpose of planning development with efficiency and equity<sup>43</sup>

Gender analysis has the necessary implication of studying how societies are organized and function to analyze social relationships. This analysis should describe the existing structures of subordination between the genders. Gender analysis shouldn't limit itself to the role of women; rather it should cover and compare the role of women with respect to the role of men and vice versa.

### **Gender Assignment (labeling, attribution)**

This begins at the moment of birth, as soon as the genitalia appear. There are occasions when this appearance is in contradiction with the chromosomatic charge, and if this confusion is not detected or resolution or treatment is not planned, grave upheaval is generated.<sup>44</sup>

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<sup>41</sup> Aguilar, Lorena; Itzá Castañeda e Hilda Salazar. *En búsqueda del género perdido. Equidad en áreas protegidas*. UICN, Editorial Absoluto S.A., Costa Rica, 2002.

<sup>42</sup> Aguilar, Lorena, Et. al., 2002.

<sup>43</sup> UICN. "Develando el genero. Elementos conceptuales básicos para entender la equidad de género". *Serie hacia la Equidad*. No. 9. San José Costa Rica, February, 1999.

<sup>44</sup> *La perspectiva de género: una herramienta para construir equidad entre hombres*. DIF, México D. F., 1997.

### **Conditions and position, practical needs and strategies**

These are categories that support gender analysis to determine the differentiated situation of women and men to the end of developing strategies that help to minimize the inequality that exists at the community level. These categories also help to resolve effectively women's and men's needs through priority actions by those who are at the most disadvantageous position in order to achieve their development.

*Condition.* Refers to the living conditions. It points specifically to the so called practical needs (poverty conditions, access to services, to productive resources, to opportunities to take care of one's health and education, for example).

*Position.* Deals with social place and recognition, to the assigned status for women with relation to men (inclusion in decision making spaces, in the community, equal pay for equal work, impediments to access education and training, for example).

*Practical gender needs.* Refers to the needs derived from the material living conditions for men and women.

*Strategic gender needs.* These are long term and consist in the possibility of equaling and making equitable the gender position of men and women in society.

### **Discrimination**

This is whatever distinction, exclusion or preference with the objective or result of annulling or impairing the recognition, enjoyment or exercise, in equal conditions; of human rights, fundamental liberties in the political, economic, social, cultural or any other sphere of political life<sup>45</sup>.

The United Nations refers to discrimination against women as “any distinction, exclusion, or restriction based on sex, that whose objective or result is to impair or annul the recognition, enjoyment or exercise by women (regardless of her civil status) of human rights, fundamental liberty in political, economic, social, cultural and civil or any other sphere on equal terms to men”<sup>46</sup>

### **Sexual division of labor**

“This refers to the different types of work done by men and women and the different values that are attributed to each job. Sexual division of labor varies from one society to another, from one culture to the next, and within each society and culture; it also varies according to external circumstances and timeframes. The analysis of the gender division of labor in any group can clarify interdependence and cooperation, on the one hand, and inequality and conflict on the other, that are present between women and men in the labor sphere.

Understanding these relationships is fundamental to planning: we need to know how our support will affect the work being done by women and by men, and how our intervention will affect the relationships between the same, and how these tasks performed by women and men are related.”<sup>47</sup>

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<sup>45</sup> *La perspectiva de género: una herramienta para construir equidad entre hombres.* DIF, Mexico D.F., 1997.

<sup>46</sup> UNIFEM. ISIS Internacional. *Violencia contra las mujeres en América Latina y el Caribe Español. 1990-2000: Balance de una década.* Informe elaborado por Elizabeth Guerrero Caviedes. Santiago de Chile, April, 2002.

<sup>47</sup> Williams, Suzanne, Janet Seed y Adelina Mwau. *The Oxfam gender training manual.* Oxfam, UK and Ireland 1994.

## **Empowerment**

A process during which one becomes aware of their capacity, capability and faculties to exercise power. It is the exercise of power that was acquired previously and becoming aware (conscious) of the same. It implies some aspects such as consciousness raising, developing confidence in one's self, broader opportunities, and greater access to resources and control of the same. Empowerment comes from within a person.<sup>48</sup>

There are three distinguishable levels of empowerment:

- a) Personal: referred to as the development of individual capacity.
- b) Collective: refers to the work of individuals together in order for the whole group to transcend.
- c) Personal relationships: refers to developing skills to negotiate and influence the nature of relationships and decision making within the same.<sup>49</sup>

## **Equity**

Comes from the Latin *aequus*, that means equal and its acceptance is completely linked to the sphere of justice: equity is the quality of verdicts, judgment or allocations in which each person receives according to his or her merits or demerits. It is the quality in which neither party is favored unjustly in a way that jeopardizes the other. This quality explains why when differences are recognized, equity becomes an objective to work towards.

It seeks access for all people to equal opportunity and development of their basic capacities> this means that all types of barriers that hide economic and political opportunities as well as access to education and basic services should be eliminated, such that all people (men and women of every age and from all conditions and positions of life (can enjoy said opportunities and benefit from them. True equity between women and men means lifting up equality while recognizing the difference.<sup>50</sup>

## **Equity of benefits**

This refers to the final impact that development efforts have on both genders. It implies that those results be equally accessed and taken advantage of by men as well as women. Equal opportunity does not necessarily imply that both genders enjoy the same benefits.

## **Sexual stereotypes**

These are beliefs or perceptions that are shared by a collective group, about the different characteristics of men and women that are expressed as different qualities, aptitudes and attitudes.

## **Family**

Family can be considered as a social group that at least carries out basic functions of reproduction of the species and transmission of culture to new generations. Families take

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<sup>48</sup> Unión Mundial para la Conservación de la Naturaleza, *Develando el género. Elementos conceptuales básicos para entender la equidad*, UICN. San José de Costa Rica, 1999.

<sup>49</sup> Martínez Corona, Beatriz. "Género, empoderamiento y sustentabilidad". En: *Poder, empoderamiento y sujetos sociales*. GIMTRAP, Mexico 2000.

<sup>50</sup> *La perspectiva de género: una herramienta para construir equidad entre hombres*. DIF, Mexico D. F., 1997.

on different forms such as extensive families that live together as an auto-sufficient economic unit, to some of the current forms of family like single parent families.<sup>51</sup>

Families organize themselves in many ways,<sup>52</sup> some with a couple, married or otherwise, and single children; other families are made up of the mother and single children or the father and his sons and daughters. Some families are made up of one or several couples with sons and daughters, other family members such as grandparents, aunts and uncles, and even some people who are not family members. Other types of families include divorced or separated couples with children from previous marriages and in some cases, with children in common. There are also families of same sex couples with or without children.

### **Gender**

The word gender is used to describe the difference between the biological characteristics of women and men and those that are acquired by learning. The term emphasizes different behavior, attitudes and functions that women and men take on in society that are not determined by biology but rather are the result of social beliefs about what women and men should be. The term gender refers to the way in which societies classify human beings parting from their sexual characteristics and different bodies. Based on this classification, differentiated behaviors and activities are determined by way of education, through the family and through the media, etc. Inequality between women and men originates in the superior hierarchy that society assigns to men based on a greater appreciation for their characteristics and activities. Inequality between women and men is expressed in private spheres – interpersonal relationships of a couple and of family -, as well as in public – institutions, social, political, cultural and religious organizations. The concept of gender refers to relationships between men and women that are characterized by the asymmetry of power.

The distinction between sex and gender “is in order to emphasize that everything that women and men do, and everything we hope from them, with the exception of their different sexual functions (birth, nursing, fertilization) can change, and do change over time and according to variables and changing social and cultural factors”.<sup>53</sup>

### **Equality**

Equality is an ethical ideal. Equality has two dimensions, the philosophical one and the sociopolitical one: it is a philosophical interrogation with the representation that we ourselves make of human nature, and at the same time, it implies a reflection about the model for a just society that we propose to build. In the political theory of rights that support demands for justice for excluded groups of people, equality means to ignore the differences between individuals for a particular purpose or in a specific context.<sup>54</sup> The concept of equality has three possible interpretations:

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<sup>51</sup> Corsi, Jorge (comp.) *Violencia familiar. Una mirada interdisciplinaria sobre un grave problema social*. Paidós. Buenos Aires, 1999.

<sup>52</sup> Esteinou, Rosario, “Fragilidad y recomposición de las relaciones familiares” *Revista Desacatos* No. 2 Familias, CIESAS, Mexico, Fall 1999.

<sup>53</sup> Williams, Suzanne, Janet Seed and Adelina Mwau. *The Oxfam gender training manual*. Oxfam, UK and Ireland 1994 (Tomo I Pág. 4).

<sup>54</sup> *La perspectiva de género: una herramienta para construir equidad entre hombres*. DIF, México D.F., 1997.

### **Equal treatment.**

According to this, equality exists when women and men are treated the same under the law, in the labor market or in any other sphere of life. The law and institutions should be “blind”; a person’s gender should not influence decisions. However, since differences between women and men depend on their socialization, previous experience and biological or psychological preconditions, to apply a rule of “blindness” leads to the appearance of differences in each person’s situation.

*Equal results.* This interpretation of gender equality requires men and women to achieve the same final situation. This can imply introducing mechanisms to compensate for the disadvantages of some or even establishing incentives to encourage changes in people’s preferences. Applied to the labor situation, for example, equal results would require that the distribution of both genders in different occupations and levels of power were identical. Evidently this interpretation of equality is of restricted utility because one effect of socialization is that women and men tend to elect different occupational branches.

*Equal opportunities.* This means that conditions should exist in which women and men have the same possibility to develop their skills and reach different positions in society. However, each person is responsible for the way they do this and the preferences manifest in their actions. Equality policies focus on removing barriers and obstacles that impede one or the other gender from fully enjoying the opportunities that a society offers.<sup>55</sup> Promoting equal opportunities arose from the evidence that it is not enough to offer equal treatment to people since not all have had the same possibilities in education or labor training.

Equal opportunity programs contain several measures destined to correct the different social treatment of men and women; these programs are called affirmative or positive action programs. The underlying premise here is that if people are given the same opportunities they will be able to come out ahead based on their own work and efforts. But if equal opportunities are not strengthened by positive measures, there is a risk that full responsibility for not achieving equality will fall on the shoulders of those who had equal opportunity.<sup>56</sup>

### **Gender identity**

Gender identity is established more or less at the same age when the child acquires language (between two and three years) and prior to his-her understanding of the anatomical differences between the sexes. In other words, girls of this age know they are girls and boys know they are boys, they are able to choose clothing and toys according to their identity, to sit in the pink or blue chair, even though they don’t know what it means to be a man or a woman – in other words, they do not know that penises and vaginas exist. This identity is established more or less at the same age when the child learns to speak.

Parting from this identity, the child structures his/her vital experience; the gender to which he/she belongs helps him/her to identify in all manifestations; feelings or attitudes of *boy* or *girl*, behavior, games, etcetera. After gender identity is established, when a child knows

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<sup>55</sup> Anderson, Jeanine. *La dimensión de género en las políticas públicas*, mimeo.

<sup>56</sup> *La perspectiva de género: una herramienta para construir equidad entre hombres*. DIF, México D. F., 1997

him/herself and assumes that he/she belongs to either the masculine or feminine group, this becomes the filter for all of his/her experiences.<sup>57</sup>

### **Making women invisible**

This is the societal de-valuation of all activities undertaken by women. A clear example is the concept that society has of domestic and reproductive work, which is not accounted for nationally.

### **Justice.**

This value is based on the idea that in relationships between women and men, certain fundamental norms of justice should be expressed. Among them are the absence of coercion and arbitrariness, the application of common standards, and the reign of the principle of “treating others as I would like to be treated.” Justice is built on the ability of human beings to imagine themselves “in someone else’s shoes.” For some investigators, all people possess an innate sense of justice. If so, attempts to broaden justice between the genders would depend on taking this sentiment to new situations and to foster the capacity – principally among men – to recognize their common humanity with women.<sup>58</sup>

### **Misogyny**

Attitude of hate or contempt for women simply because they are women.

### **Role of gender**

This is formed by several norms and prescriptions that society and culture dictate about feminine and masculine behavior. Although there are variables according to culture, social class, ethnic groups and even the generation of people, there is a basic division that corresponds to the most primitive sexual division of labor: women bear the children, and hence they take care of them. Thus feminine is maternal, domestic. To the contrary, masculine is public, violent.<sup>59</sup>

### **Participation**

A social process by which different actors in a population, based on their self interest, (class, group, gender, among others), directly intervene or do so by way of their representatives in different aspects of collective life. Participation is a necessary condition for citizenship, since a person is considered to be a citizen when they are legally able to influence processes that directly or indirectly affect their own destiny.

### **Gender perspective**

Gender perspective means recognizing that women are situated in the midst of production and reproduction, between economic activity and that of caring and attending to human needs, and as such, between economic growth and human development<sup>60</sup>. Gender perspective takes into account economic and social differences between women and men at

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<sup>57</sup> *La perspectiva de género: una herramienta para construir equidad entre hombres*. DIF, Mexico D.F., 1997

<sup>58</sup> Anderson, Jeanine, *La dimensión de género en las políticas públicas*, mimeo.

<sup>59</sup> Desarrollo Integral de la Familia. *La perspectiva de género: una herramienta para construir equidad entre hombres*. DIF, Mexico D.F., 1997

<sup>60</sup> Aguilar, Lorena, Rocío Rodríguez y Guiselle Rodríguez, *Nudos y desnudos. Género y proyectos de desarrollo rural en Centroamérica*, UICN, Oficina Regional para Mesoamérica-HORMA, San José, Costa Rica, April 1997.

each state of development of a policy or program, and identifies how each are affected differently.<sup>61</sup>

### **Power**

The process by which a subject (social or individual) has access, control and rights to dispose of resources (economic, ideological, political and military), establishes with them a relationship of dominium to another subject (social or individual). According to Foucault, it is the ability, capacity, talent and ease to direct the actions of another. It is a relationship of domination between two people, in which one exercises power and the other subjugates to it. Power can be used as an instrument of domination (coercion).

Power can be defined as “the ability of people or groups to provoke obedience by other people or groups.”<sup>62</sup> To exercise power, people or groups that hold power must possess resources that are superior to those possessed by the people who obey, and these resources must be valued and needed. When we speak of resources, this does not only mean material goods or money, but also social approval, services, security, etc. People who have power use the resources within their reach to demand fidelity and obedience of those who are lacking the same. However, this is not enough. People who have power also must have authority, which is legitimized power. In other words, the person who has power is socially recognized and perceived by others as someone who has the right to make decisions and express their demands, as much as those who obey have the obligation to comply.

### **Political power**

“According to Norberto Bobbio, the acts of ordering or prohibited something with a linking effect for all the members of a determined social group belongs to the political sphere, the exercise of exclusive dominium over a determined territory, legislating valid norms *erga omnes*, extracting and distributing resources of one sector to another in society. (...) A distinctive element of political power with regards to other forms of power is its exclusive use of force in relation to other groups that act in a determined social context, exclusivity that is the result of a process developed in all societies organized towards the monopolization of the possession and use of means by which it is possible to exercise physical coercion.”<sup>63</sup>

### **Sex**

This refers to hereditary biological characteristics that organize individuals into two categories: men and women.<sup>64</sup>

### **Gender systems**

It is a social organization structured in sexual power, which imposed men’s dominance over women and gives men more privileges.<sup>65</sup> The social system of gender is a social and

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<sup>61</sup> Human Resources Development Canada, *Gender-based Analysis Backgrounder*. Women’s Bureau, Strategic Policy, Branch, Canada, March, 1997.

<sup>62</sup> Saltzman, Janet. *Equidad y género. Una teoría integrada de estabilidad y cambio*, Ediciones Cátedra, Universitat de Valencia, Instituto de la Mujer, Madrid 1992.

<sup>63</sup> Nordstrom, Bitte, “Participación política de las mujeres”, en Astelarra, Judith (comp.), *Participación política de las mujeres*, Colección Monografías N° 109, Centro de Investigaciones Sociológicas y Siglo XXI de España Editores, Madrid 1990.

<sup>64</sup> Unión Mundial para la Conservación de la Naturaleza, *Develando el género. Elementos conceptuales básicos para entender la equidad*, UICN. San José de Costa Rica, 1999.

structural organization of the sexes that in relation to politics and power “is seen as a biological difference, and in and of itself doesn’t mean inferiority, but has been the cause of the systematic exclusion of women from political power by way of the exercise of political power. For this reason we opt to see the gender system as a relationship of power between women and men in which the concepts of femininity and masculinity should be contemplated as related and in which the feminine, according to many feminist authors, is defined by men.”<sup>66</sup>

### **Socialization**

Those psycho-social processes in which individuals are historically developed as people and as members of society. In this process personal and social identity is acquired and constructed as part of a social group to which one belongs. The individual is configured as person, which personal traits and characteristics, which are the fruit of the configuration process.

### **Community work**

This refers to all activities done in a community in order to ensure family reproduction, the defense of and improvements in living conditions and communal organization. It includes work in committee or groups of social nature that require a dedication of time and resources by those who make them up.

### **Productive work**

This includes those activities that generate income, goods, services or benefits for self consumption or for trade on the market, which those that guarantee family reproduction. The social construct of genders assigns productive work to men. For them, to fulfill this role of the provider means to find resources outside the private sphere to maintain the family and resolve their needs. In spite of the social assignments, in reality women, girls and boys all participate in this sphere.

### **Reproductive work**

This is made up of the activities related to biological reproduction, as well as those that correspond to maintaining a family, their capacity to labor and the socialization and education of the children, care for their health, food and all the tasks implied by such. These tasks are generally assigned to women, who take on the domestic activities, labor of the home, care and education of children, care for the elderly and the infirmed. There are few occasions in which men take on domestic task or in which these tasks are their responsibility. Within the predominant construction of the feminine and masculine genders, these activities are “prohibited” for men. However, some men participate in these tasks and break the mold or stereotype.<sup>67</sup>

### **Mainstreaming**

Gender mainstreaming (known in Spanish as *transversalidad*) means that constant attention should be paid to equality between women and men in development policies, strategies and

<sup>65</sup> Astelarra, Judith, “El espacio de la política”, En: *Participación política de las mujeres*, Colección Monografías N° 109, Centro de Investigaciones Sociológicas y Siglo XXI de España Editores, Madrid 1990

<sup>66</sup> Nordstrom, Bitte, “Participación política de las mujeres”, en Astelarra, Judith (comp.), *Participación política de las mujeres*, Colección Monografías N° 109, Centro de Investigaciones Sociológicas y Siglo XXI de España Editores, Madrid 1990.

<sup>67</sup> Aguilar, Lorena, Et. al, 2002.

interventions. Gender mainstreaming does not just mean ensuring that women participate in a previously established development program. It also attempts to ensure that women, like men, participate in defining the objectives and help to plan, such that the development fulfills women's and men's priorities and needs. As such, it attempts to deal with equality in relation to the analyses, policies, planning processes and institutional practices that establish global conditions for development.

Gender mainstreaming requires an analysis of the impact that development interventions can have for women and men in all areas of social development. Said analysis should be done before important decisions are made related to the goals, strategies and resource distribution.

**Triple role**

This is understood as the feminine participation in the productive and reproductive functions and in communal work simultaneously (see productive work, reproductive work and community work). The result is a triple shift of work.