



How to assess the potential economic impact of a trade agreement on gender?

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Abstract:

Around the world, there is a growing negative sentiment towards trade and globalization and a perception that the benefits of trade are not shared widely across all segments of the population, including under-represented groups such as women. Equal opportunities have not resulted in equal outcomes: we need to find ways to make benefits more inclusive, while minimizing adjustment costs.

Previous work by the Office of the Chief Economist at Global Affairs Canada has analyzed the participation of under-represented groups in international trade such as women, Indigenous peoples, youth, and immigrants. In this paper, we describe the recent work to evaluate the differentiated labour market impacts of FTAs in Canada by gender. The Office of the Chief Economist at Global Affairs Canada expanded the existing modelling capacity to include a newly developed labour market module, which now allows the model to take into account gender, age, and the distribution of Canadian workers across 8 different occupational groups and 65 sectors of the economy. This enables us to assess the potential gender impacts in addition to the economic impact resulting from liberalization under various trade agreements.

To illustrate the approach, we present results based on the economic impact assessment of the Canada-United States-Mexico Agreement (CUSMA). The implementation of the CUSMA outcome secures GDP gains of US\$5.1 billion, or 0.249%, which would be lost if the U.S. withdrew from NAFTA. From a labour perspective, CUSMA secures nearly 38,000 jobs that would otherwise be lost while preserving real wage gains for Canadian workers, particularly machinery operators, manual labourers and sales workers. Additionally, from a gender perspective, the

jobs secured would be almost evenly split between men and women (18,708 jobs saved for men and 18,853 jobs saved for women).

We then discuss these results in this CUSMA context, and discuss how the results could be different depending on the FTA signed between Canada and other trading partners. We also discuss the difficulty in setting up the framework for the model, and the intensive and close collaboration needed between The Office of the Chief Economist and Statistics Canada in order to get the data set up in a certain way to be able to implement the labour module and run the model.