TRANSCRIPT
The Trade Guys Podcast

“Trade Guys on the Road: Live from CSI Summit”

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Transcript by Rev.com
Scott Miller: I’m Scott.

Bill Reinsch: I’m Bill.

Scott Miller: And we’re the Trade Guys!

Bill Reinsch: And we’re the Trade Guys!

H. Andrew Schwartz: You’re listening to The Trade Guys, a podcast produced by CSIS, where we talk about trade in terms that everyone can understand. I’m H. Andrew Schwartz, and I’m here with Scott Miller and Bill Reinsch, the CSIS Trade Guys.

Jack Caporal: I’m Jack Caporal, filling in for Andrew Schwartz. On this episode of The Trade Guys, we’re recording live from the Coalition of Services Industries Summit. We’re joined by a special guest, Laura Lane, the President of Global Public Affairs at UPS, to talk about women’s empowerment in trade and services. All that, and more on this episode of The Trade Guys.

Jack Caporal: I’m Jack Caporal, filling in for Andrew Schwartz, the regular host of The Trade Guys. We are recording live in front of an audience enjoying a lot of dessert here at the-

Bill Reinsch: It’s particularly a large audience.

Jack Caporal: Yes, at the CSI Annual Summit Coalition of Services Industries, Annual Summit in downtown Washington D.C. We’re live from the Ronald Reagan Building. Joining us today is Laura Lane, who I’m sure you all know. But for our listeners, Laura is the President of Global Public Affairs at UPS, where she’s responsible for all worldwide government affairs activities for the company in over 220 countries and territories. Prior to joining UPS, Laura was Managing Director and Head of International Government Affairs at Citigroup. And prior to that, VP for Global Public Policy with Time Warner. Before entering the private sector, Laura was a trade negotiator for USTR. She worked on China’s WTO Accession Protocol and was the U.S. negotiator on the first ever WTO Financial Services Agreement.

Jack Caporal: Laura is now a champion of ensuring that women are fully empowered in the international trade space, particularly when it comes to trade and services, which is the topic of our conversation today. And I recognize that you all in the audience are services-trade gurus, but for our listeners... I’m going to kick it off with a pretty fundamental question which is, what are trade and services, what does it mean to trade a service, and why are trade and services important to the 21st century economy?

Scott Miller: Well look, I think this is the area of trade that gets the least attention, but most trade transactions won’t happen without some form of services. So we talk a lot on our program about tariffs on China, or tariffs on all sorts of imports from Europe because of a dispute over airplanes. So we talk a lot
about trading goods. Fact is, services are the overwhelming part of our economy, something like 70 to 80% of the both the United States and most developed countries economies are predominantly services.

Scott Miller: And trade and services is the lubricant in every transaction, but also is a key component on its own. And as our president likes to remind our trading partners of trade deficits, the United States has run a consistent trade surplus in trade and services, so it ought to be a good news story, yet it seems to get no respect. So Laura, why is this the Rodney Dangerfield of trade policy?

Bill Reinsch: No, you personally, just-

Scott Miller: Trade services.

Laura Lane: I've always been stunned by it, because the reality is you can’t make it, move it, buy it or sell it without services. And when I think about my company UPS, if you want to sell something to a customer you need logistic support to get it from here to there. You need the financing support, you need the accounting support. You need all kinds of support from services that ensure that fantastic idea that that has become that great product can be distributed to anywhere around the world. And in the modern day and age when you think about it, digital trade has empowered so many small and medium sized companies to be able to take that idea and take that product and take it anywhere in the world. Well, that all has been brought about because of digital trade, technology services and all the things that underpin moving those products around the world. So it's so fundamental and it needs to be brought to the top of the agenda.

Scott Miller: Yeah, that’s one of the things that’s really new in the last, say, 20 years. Is that 20 years ago if you wanted to trade goods, if you just wanted to have foreign customers for your products you needed a big apparatus. You needed some in-country representative of a freight forwarder or customs broker, you need may be needed even a foreign establishment to be able to properly manage your business in that remote market. And what digital services have done is greatly lowered the barriers to entry for small businesses.

Scott Miller: Because now you can have... Where you have an international payment system so you can get paid. You have companies like UPS which serve as not only an express delivery service, but freight forwarder and customs broker in country. The internet allows you to communicate and find customers all over the world. So this is a really a win for the little guy that we almost never hear about, and it's one of the most important changes in trade in my view of the last 25 years and nobody notices it.

Bill Reinsch: Well, a really good example of that that I ran into when I was working for Senator Rockefeller was, one of the things that Sharon Rockefeller did was help a bunch of West Virginia women who made quilts figure out a way to
market their quilts. And for generations, they would make quilts and they would go to the farmer’s market on the weekend and sell them to the community or maybe the next community. Now they can go online, they can have their own website. Thanks to logistics companies like UPS they can ship, thanks to electronic payment companies they can receive funds. So the whole world is open to them exactly the way you said in a way that nobody would have thought of more than 30 years ago.

Jack Caporal: This gets to a good jumping off point for the broader conversation about the gender dimension to trade and services. So a few facts. Globally, about 55% of the female workforce are in the services industry, but at the same time only one in five exporting company is owned by a woman. 155 countries around the world have laws or regulations that impede women’s economic opportunities, that’s according to a world bank report. So from a really baseline level without even getting into services itself, women face barriers in terms of fully contributing to the workforce. There’s a heavily cited McKinsey study which indicates that if women were to play the same role as men in labor markets, you’d see a 26% increase in global GDP by 2025 in the best case scenario. So, I know UPS does a lot of work in this space Laura and you had up that work. What is it that you’re seeing as major impediments, barriers to women fully taking advantage of the international services arena?

Laura Lane: First and foremost, my CEO, David Abney is a great example of a he for she CEO. And he’s someone who said, "It’s not just the right thing to get more women engaged in the global economy," but it’s a really smart business decision. So he’s ensured that it’s a top priority for our company. We recognize 50% of the world’s population out there is women who have great ideas and great interests in starting businesses and growing businesses. And UPS has invested in understanding exactly what it is that maybe keeps them from going global, what keeps them from setting up a business. So we have engaged in three ways. We’ve started a women’s exporter program that’s focused on meeting with women entrepreneurs, and talking with them about some of the risks or barriers that they face, as well as giving them tools in terms of how to think about their product and how to market it to go global.

Laura Lane: We’ve also been working with them as partners in terms of identifying market access for their products, because we find a lot of women sometimes keep their focus just in their communities. They’re the West Virginia quilters who maybe just say, "I’ve got a great opportunity at my local market," but maybe don’t realize there’s a world out there that has great opportunities for their products. So we’re really partnering with them for that market access. But the third and most powerful way that we are trying to help women is eliminating those legal barriers that keep them from the ability to engage in global trade. And those legal barriers are pretty fundamental. And I would say, "It’s going to be 2020 next year, we need to be changing those now."
Bill Reinsch: Example or two?

Laura Lane: So the world bank did a phenomenal study and found that, can you believe it? That there are almost 60 plus countries that still don’t allow a woman to own property in her name? How do you own a business if you can’t have your name on the business title? How do you open a bank account if you have to have a male co-signer? How do you apply for a loan to grow that business if you need a male co-signer? These are all fundamental barriers that shouldn’t exist in 2020, and yet they exist in countries around the world. And we need to do something to level that playing field, because as you said McKinsey made it pretty clear in their study. The Gates foundation did as well, Boston Consulting Group. There’s a hundred studies out there that say give women a fighting chance, make a level playing field, and they will engage in the global economy and contribute in amazing ways.

Scott Miller: This seems like something that’s very natural to trade people, because trade people, trade negotiators fight all around the world for non-discrimination. That’s what we really want. The basic commitments when you join the GAT, okay? It is most favored nation and national treatment, which is basically lawyerly ways of saying, "Don’t discriminate against me or my products based on where they’re coming from and where they’re made." And that’s a great principle, it’s one that has raised incomes worldwide as trade has been liberalized. This is an issue the trade people ought to embrace, just because it fits with our basic arguments about fairness and making sure people are able to exchange voluntarily for mutual gain.

Bill Reinsch: But one would think it's obvious, but apparently, it's not.

Scott Miller: It’s not.

Laura Lane: And in fact, I was thinking about that. I’ve been doing this for 30 years, and one of my passions is trade and services. And I think trade and services is fundamental to any kind of engagement in the global economy. Which is why when we were thinking about what can we do as a company and as an industry to advance women’s economic empowerment? It was tackling those very barriers to trade, that very fundamental non-discrimination. And we thought, what’s the first place to start? We looked at it and said, it’s the general agreement on trade and services, it’s where everything happens in terms of global trade. And we said, "Let’s start there and make it clear that all those trade commitments that countries have made? Make them make that unilateral commitment that all of those commitments are gender neutral. That they explicitly are meant not to discriminate against women."

Laura Lane: Because that’s where you get at those fundamental investment questions, those fundamental issues about financing and the ability to grow your business. It all happens in services, and I would argue, "I’d love to see women not measured by 36, 24, 36. I want to see them measured by the amount of poverty alleviation they contribute to. I want them measured by how many jobs they create. I want them measured by the amount of GDP
they grow.” Because I’ve got a good bet on the fact that women that are allowed to engage in the global economy are going to make significant economic contributions. We’ve got major trade uncertainty out there, let’s create some certainty with respect to no more discrimination against women, and let’s watch those economies grow. And I think there’s a lot of untapped potential if we make it easier for them to engage.

Scott Miller: It’s a terrific goal. Now, what’s the roadmap? How do you get there? What’s the first step? What’s the step after that? What’s the plan?

Bill Reinsch: Yeah, if it were easy it would have happened already. So there must be resistance. How are you doing?

Laura Lane: So I’m a big believer. Anything worth it isn’t going to come easy, you got to work for it. So we have been engaging in an effort with the business community, not just here in the United States but around the world. First through the APEC process, through the APEC business advisory council to try to talk about this issue, about that fundamental issue of eliminating discrimination against women when they engage in trade, and we’ve gotten a 100% backing for that. We’re now in the process of going to capitals and to Geneva to meet with trade ministers, WTO ambassadors, and businesses, and governmental stakeholders in capitals to ask them to take that unilateral step and make clear that their trade obligations are gender neutral. That they do not allow for discrimination against women.

Laura Lane: And the argument is if you start from that trade obligation level, then you empower a lot of the political stakeholders in those countries to move to eliminate the domestic regulations that allow those barriers to continue. That’s a powerful step. We would like to see countries coming together before the WTO ministerial and Kazakhstan, in a pledging effort to say, we will take that unilateral step, make clear in our GATS schedule of commitments that no discrimination is allowed in our country.

Jack Caporal: Do you ever get the pushback that policy makers, negotiators, leaders are trying to load up trade agreements with too many issues? And it’s not just gender, but the environment and labor, they should be left elsewhere to other negotiators and other fields?

Laura Lane: We get a lot of those comments about how maybe trade agreements aren’t meant to address social policy issues. I would argue 50% of the world’s population is women and they are dynamic, innovative entrepreneurs just waiting to hit the global stage. If it’s social policy, so be it. I think it’s brilliant economic and trade policy to eliminate discrimination, which has been a fundamental principle of the trading system.

Scott Miller: And if in fact they are excluded, it’s an economic growth opportunity for every contract that does that.

Laura Lane: Completely agree.
Scott Miller: It'd be allowing people into the workforce who want to be there, that's a great recipe for growth.

Bill Reinsch: So there's some countries that have done this. Are you're getting commitments? How's it going? Do you have any success stories to tell us?

Laura Lane: I have to say we have a lot of powerful success stories. I'm pretty excited about the work we're doing right now to get the US-Mexico-Canada agreement passed, because maybe a lot of people don't realize, but in that agreement, Canada, United States and Mexico agreed to explicitly put this kind of commitment in the trade agreement that says, "The agreement's obligations are intended to be made without discrimination between men and women."

Bill Reinsch: Is this part of the language the Freedom Caucus objected to? Or is that a different provision?

Laura Lane: It is a similar provision, because it was interpreted in the broader context, another context.

Scott Miller: But that's entirely consistent with the US law. The US law treats me and you as individuals and our gender doesn't matter.

Laura Lane: That's exactly right.

Scott Miller: We are treated equally under the law.

Laura Lane: So we've got momentum because the Canadians have been champions of this in so many other contexts. The EU trade initiative-

Bill Reinsch: Mexicans?

Laura Lane: Mexicans are there, because they agreed to it in the language of the USMCA. And I believe President Lopez Obrador is a big champion of engaging everyone in the Mexican economy. But it doesn't just stop there, because we also have support across the Asia Pacific region. Countries like Australia and New Zealand recognize the power of this.

Bill Reinsch: Those are the easy ones, how about some of the harder ones?

Laura Lane: I'm going to give you one that I'm pretty darn proud of, and that's the country of Rwanda. Everybody knows my background, I served at the American embassy in Rwanda at the lowest point in that country's history in the middle of the genocide. And that country has risen out of that genocide and become one of the most economically dynamic in the sub Saharan African context. They now have women at the helm in major parts of the economy. It's a parliament that's controlled mostly by women, and you know what they've done? They've raised the literacy rate, they've empowered more of their small and medium sized businesses and grown
Laura Lane: And it’s been transformative. It deserves the name remarkable Rwanda, because it has been remarkable in terms of the poverty alleviation and the economic growth that they have realized. Because women have been in the helm making the decisions and eliminating the discrimination that previously existed in a more male dominated context before the genocide. That’s the power of partnership, because it’s not about us versus them, about men versus women, it’s actually bringing men and women together to solve the world’s problems and create economic opportunity. And that’s what we’ve got to be about. It’s like Scott said, just eliminate the discrimination and make it possible for everyone to contribute.

Scott Miller: What we’re all about as trade people. But now, you mentioned the WTO ministerial that’s coming up about a year from now. That’s a very bottom up process. You have to get a lot of different members, you need consensus. And in the past, I’ve observed it needs somebody. We remember the famous Hong Kong ambassador, Stuart Harbison, who traveled everywhere and talked to everybody. And everybody’s suggestions to get something that everyone could agree to by the time of the ministerial. So what’s your plan for that? How is that working? Who else besides Laura Lane is traveling the world with Stu Harbison?

Laura Lane: Well, and this isn’t about Laura Lane.

Scott Miller: No, it’s not about you, it’s about leading.

Laura Lane: It’s about leading on something that, in 2020 should be something that everyone should embrace. So we’ve got Arancha Gonzalez who heads up the ITC, the she trades effort. She’s a powerful champion for this kind of change. Ivanka Trump advanced the WGDP, she’s a big believer in terms of women’s economic empowerment and recognizes as one of the fundamental pillars that needs to be changed is that legal platform on which all women can stand to have that certainty that they won’t be discriminated against, starting a business and growing their business.

Laura Lane: And we’re using all of those kinds of partnerships as well as government leaders that have stood up and said, “This is an important priority for us.” So it’s the Canadians, it’s the Rwandans, it’s the Australians, the New Zealanders, the EU and everyone coming together and saying, “This is an important issue we need to change.” And what’s powerful is that most powerful economic actors are also taking a stand on it. So for example, the World Bank under Kristalina Georgieva, they did this phenomenal study about the barriers to women’s engagement in the global economy and are trying to focus attention on eliminating those barriers.

Laura Lane: Kristalina is now over at the IMF, and it’s going to be a powerful voice for this change. And the new head of the World Bank, David Malpass is equally
as energized about making these changes, because they get it from the fundamental economic perspective. It’s not just about non-discrimination, it's about generating new growth. And a world where we've got so much trade uncertainty, this is a way we can generate more momentum in the global economy.

Jack Caporal: So let me ask then. We talk a lot about legal solutions, clear nondiscrimination clause in GATS that incorporates gender, and what's in the USMCA. What are some lessons that you've learned from the work that UPS has done around the world and this issue when it comes to social barriers and business norms that make it more difficult for women to take full advantage of opportunities and trade and services in particular? You can do all that you want on legal level, but at some point the culture has to change.

Scott Miller: You got to implement it.

Laura Lane: And I am not so naive as to think that if we make this change in the trade arena, that somehow poof, women are going to have equal opportunity. But it's a start, right? I think about when I started out my career, and it's a real concrete example. When I joined the Foreign Service, I came in in a time that a class action lawsuit had been won. Because women were discriminated against in terms of their entry into the Foreign Service. Women had to resign if they got married or pregnant.

Laura Lane: And I was one of the lucky few, one of the youngest admitted into the Foreign Service, because someone brought that legal challenge and created the legal platform on the basis of which I was able to launch my career. I want to give that same opportunity to every woman entrepreneur, woman small business owner to say, you got a legal platform. It's not going to be easy. It wasn’t easy breaking into the diplomatic ranks or any other part of my career, but you know what? I had a solid foundation to stand on, I had legal protections, and then it was up to me to seize those opportunities and make something of it.

Laura Lane: Well, I would argue that the business community can help those women entrepreneurs. We can create the legal foundation, we can partner alongside them, give them the tools, give them the training, help them with the workshops. There's phenomenal programming out there in a public private partnership kind of way between government and private sector that can really help these women. Let's give them the legal base. And I believe with that training and those tools, the sky's the limit. The world's out there ready for the taking in terms of economic opportunity.

Bill Reinsch: Tell us a little about your interaction on this with the US government. Are they good guys on this? Are they bad guys? Are you satisfied with the support you're getting?

Laura Lane: I would always look at the world, there’s never good guys or bad guys.
Bill Reinsch: Oh yes there are.

Laura Lane: There’s only he or she guys who believe in the mission and want to empower women because it’s a good thing to do. So I would say that there’s a lot of interest across the US government in terms of what it means to empower more women. We just got to get everyone working together to advance the interests together. So I would argue at the state department for example, there’s a phenomenal program called AWE.

Bill Reinsch: A-W-E? AWE?

Laura Lane: It’s the Academy for Women Entrepreneurship. And it just had its first set of graduates. And it’s an example of the US government partnering with private sector to try to help train women entrepreneurs and give them the tools that they need to go global. Those kinds of programs are out there. We signed an MOU with USAID. The head of USAID, Mark Green, is an incredible advocate and champion for helping women’s economic empowerment across the US government and in our engagement around the world. He’s a big believer in how do we help small and medium size businesses, and women owned businesses contribute more to the global economy because then you’re not giving aid that goes nowhere. You’re helping them help themselves.

Laura Lane: So we have a lot of good allies across the government, but we need more champions and we’re working on that. Because there’s a lot of trade issues right now that have a lot of top priority attention. We’re trying to make sure this one isn’t what’s going to be addressed tomorrow. Because we would argue, “You need to address it today.”

Scott Miller: And a lot of for, you mentioned APEC for instance, the Asia-Pacific Economic Cooperation. My experience in that forum is, sometimes it’s best for the US not to be in the driver’s seat, given the membership of the group and their sensitivity to US-led initiatives. How does that play into this initiative, and it sounds like you have plenty of other APEC partners who are interested in this, but is the US role one that needs to be modulated in this in order to get the ultimate success you’re looking for?

Laura Lane: I would argue the strategy has to be exactly that. It’s the same strategy when you think about women’s economic empowerment. Of course you’d expect a woman to be championing this, which is why I’m trying to get more he for she guys on our side, because it’s more powerful when it comes from everyone recognizing the importance of this issue. I would argue the US already recognizes the importance of women’s economic empowerment, and it’s reflected in how our economy operates and the laws we have in place.

Laura Lane: But when it comes from other countries calling for these changes, I think it has a greater power and effect. And our strategy is actually to get all the other countries to say to the US, “Join us on this effort.” Because then it becomes something that isn’t a US demand or US-driven, it’s something that
the global community recognizes is an important initiative that should be undertaken in and of itself. Which is why when the Rwanda's of the world partner with the Canada's, partner with the New Zealands or the Australians and so many others, I think it becomes even more powerful because it isn't a US demand, it's a global community recognition of the power of non-discrimination.

Jack Caporal: Laura, great message. It's been a pleasure and thank you for joining us.

Scott Miller: For those of you in the audience who didn't know who the Trade Guys were before you came here, go to SoundCloud or Apple podcasts. Subscribe and like please, thank you.

Laura Lane: Thanks.

Jack Caporal: Thank you.

Laura Lane: Thanks you guys.

H. Andrew Schwartz: To our listeners, if you have a question for the Trade Guys, write us at tradeguys@csis.org. That's tradeguys@csis.org. We'll read some of your emails and have the Trade Guys react to it. We're also now on Spotify so you can find us there when you're listening to the Rolling Stones or you're listening to Tom Petty or whatever you're listening to. Thank you, Trade Guys.

Scott Miller: Thank you.

Bill Reinsch: Thanks.

H. Andrew Schwartz: You've been listening to the Trade Guys, the CSIS podcast.