

# 6 Joining the global economy

How can women producers and workers in developing countries take advantage of the new economic opportunities offered by trade and market liberalisation?

How can women producers gain access to global markets in the context of the trade policy environment and multilateral trading system (MTS) described in the earlier units of this action guide?

How can women workers access better wages and working conditions within the global value chains of which they are a part? This unit will help you to:

- identify ways women producers and workers can take advantage of trade liberalisation
- learn from examples and case studies of initiatives
- outline the pros and cons of different strategies for accessing markets (e.g., fair trade, organic trade, national export strategies) and gaining better wages and working conditions (e.g., ethical trade, codes of conduct).

## In this unit

Women producers and workers  
A local economic enterprise  
Implementation strategies  
Market access and markets

## Women producers and workers

This unit offers six case study summaries to illustrate (a) the experiences of women producers linking to global markets and of women workers integrated in global value chains, and (b) the lessons that can be learned. These case studies are drawn from *Chains of Fortune* (Carr, 2004), on which the content and ideas for this unit are largely based. The full case studies appear in that book.

There is also an additional case study about shea butter production in Burkina Faso that illustrates some of the issues that face a local economic enterprise in the global context.

The question the case studies seek to answer is:

- What strategies have successfully linked women producers with global markets or created jobs for women in export markets and on what terms?

First, an overview. The following diagram (overleaf) shows the possible constraints and benefits that may result from initiatives to link women producers to global markets and initiatives to improve conditions for women workers.

As you read the case study summaries, note which of these apply and add others you think are relevant.

### Women producers

- gender inequalities in property rights and ownership
- lack of access to credit, technology and training
- cultural norms about women's roles
- negative effects of competition on weaker players, many of them women
- lack of effective organising

### Women workers

- parental/ family pressure against women working outside the home
- employer discrimination
- lack of organising/ effective trade union representation
- cultural norms about women's work

### CONSTRAINTS

Linking to global markets

### INITIATIVES

Improving working conditions

### BENEFITS

#### Direct

- profits/ income
- fair trade bonus payments

#### Indirect

- community development projects
- self-esteem and status
- raised morale and independence
- civil society organisations

#### Direct

- wages
- skills

The case study summaries suggest ways in which low-income women producers and workers can benefit from trade liberalisation if enabled to do so. They provide a range of contexts, strategies and experiences.

## A – Women producers

### Case study 6.1: The Kuapa Kokoo cooperative, Ghana

The Kuapa Kokoo cocoa cooperative in Ghana buys cocoa from its members for onward export and sale through the Ghana Cocoa Marketing Company. It has a membership of 45,000 farmers in 890 villages, of whom 70 per cent are smallholders and 30 per cent are women. The cooperative was established in 1993 – with the assistance of Twin Trading, UK and the Netherlands development organisation, SNV – in response to the partial liberalisation of the cocoa sector. It has grown very rapidly from its original membership base of 2,000 farmers.

In 2003, the output of this cooperative was 38,700 tonnes, which represented about 8 per cent of total world sales of cocoa. Of the total output, about 3 per cent is separated and tagged for the fair trade market, which guarantees a 'floor' price per tonne and a 'premium' of US\$150 per tonne for investment in community projects that meet women's priority needs in their everyday lives. In addition, Kuapa Kokoo members are part owners of the Day Chocolate Company in the UK, the purchase of which moved producers up the global value chain from production to retailing.

The case study shows how smallholders were helped to seize the opportunities that arose following the partial liberalisation of the Ghana Cocoa Board and were thus able to take control of their own livelihoods.

### Case study 6.2: Virgin coconut oil cooperatives, Samoa

In Samoa a local NGO, Women in Business Development Incorporated (WIBDI), has introduced an improved production technology to 13 cooperatives to enable them to produce organic virgin coconut oil for export markets – primarily Australia and New Zealand. Each cooperative has about 50 members, all of whom belong to the same extended family. Women manage all but three of the cooperatives, and women's status has increased as they are seen as having brought income opportunities to their communities.

The project was started by WIBDI in 1996 as part of its micro-finance and micro-enterprise scheme. It has enabled women and their families to improve their incomes as well as reviving coconut production and contributing to export earnings. Exports increased significantly when organic certification was obtained.



The study shows how a local NGO can assist women to enter export markets through provision of traditional business services including credit, training, improved technologies and marketing research and assistance.

### Case study 6.3: Cashew nut producers and processors, Mozambique

Women smallholders and factory workers were involved in efforts to regenerate the cashew nut production, processing and export industry in Mozambique. Following the collapse of the last state-owned processing factories in the 1990s, several smaller-scale factories were established by the private sector with government support.

A particularly interesting experiment was the setting up of 'satellite' processing units around one of these factories. This was seen as a way of adding more value locally, shortening the supply chain by eliminating middlemen and providing more employment for rural people, including women.

This innovative model revolves around a social entrepreneur in partnership with government and an international NGO, Technoserve.

## B – Women workers

### Case study 6.4: Deciduous fruit workers, South Africa

This study looks at the introduction of national labour legislation and private sector codes of conduct and their impact on women working in the fruit industry in South Africa. At the end of apartheid in 1994, there were an estimated 102,000 permanent workers on the country's fruit farms (of whom 26 per cent were women). While these numbers have increased, there has also been a restructuring of the workforce and of employment relations as a result of liberalisation. This meant the disbanding of the government-regulated marketing channel for fruit exports and opened fruit growers up to the direct forces of global competition and international quality and labour standards.

Enactment of national legislation, backed by international codes of conduct imposed by UK supermarkets, means that women's labour rights are being addressed for the first time and that they are now entitled to contracts in their own right. However, the combination of government legislation and increased global competition has prompted many growers to shed on-farm labour – mainly women – who then work as casual labourers without access to a contract.

Thus, although labour protection has shifted in a more equitable direction, further progress is needed if it is to be consolidated for all women workers, including the most vulnerable.





### Case study 6.5: Women garment workers, Bangladesh

The export industry for ready-made garments has been a major result of liberalisation in Bangladesh. The industry employed 1.5 million workers in 2003, the majority of whom were women, and is a prime example of female-led, export-led industrialisation. This was promoted by the introduction of international quotas and export-oriented national policies, which supported the transfer of production and marketing expertise from Korea, and by the drive of local entrepreneurs.

Women workers in export industries, and especially in Export Processing Zones (EPZs), receive more benefits, higher wages and better working conditions than those in domestic industries. Exports have provided much-needed employment for women in the poorer section of the rural population and raised their visible significance as economic contributors to their families.

However, any improvements that have taken place in labour standards have reflected pressure from international buyers. This does not necessarily reflect greater self-enlightenment on their part, but is rather a result of international pressure, particularly from the trade union movement in the buyers' own countries, backed by consumer groups and student activists. But these groups are only interested in the export sector of the economy, and improvements are largely confined to those factories with which buyers deal direct. Such top-down improvements are the product of voluntary agreements between buyers and their suppliers. They do not substitute for building the awareness and capacity of workers to represent their own interests with employers and the government.

Although there were queries about the long-term sustainability of the industry, partly as a result of the phasing out of the Multifibre Arrangement (MFA) in 2005, predictions so far have not been realised and exports continue to increase.

(See Unit 2 Concepts for a longer version of this case study.)



### Case study 6.6: Women call centre workers, India

This study looks at the relocation of jobs in the information technology-enabled service industries, such as call centres, from high wage to low wage countries. India has been a major recipient of such work and is expected to have a US\$57 billion annual export industry in information services by 2008 employing four million people, of whom at least 40 per cent will be women.

Call centres already employ more than 160,000 people, of whom between 45 and 70 per cent are women. Although these jobs are located in the formal sector, they display many characteristics typical of informal



employment. These include lack of security. Many workers lack formal contracts and there is no trade union organising in the industry.

As with garment workers, there are queries about the long-term sustainability of the jobs created, in part because of continued rapid technological change that could result in call centres being bypassed altogether as customers relate directly to the computer of the HQ company.

**Activity 6.1: Analysing the case studies**

Use this matrix to help you draw out the different features of the case studies. Choose which case studies or aspects of them are of particular interest. You may then follow up by reading the complete case study in *Chains of Fortune*.

	Cocoa	Virgin coconut oil	Cashew nuts	Deciduous fruit	Garments	Call centres
<b>Work involves:</b>						
Independent producer/ smallholders						
Employees of small factories						
Wage workers in larger enterprises						
<b>Product involves:</b>						
Traditional commodities						
Non-traditional agricultural exports						
Labour-intensive manufactured goods						
Labour-intensive services						
<b>Strategy involves:</b>						
Fair trade						
Traditional business development services/ niche market						
Small enterprise development/ social entrepreneurship						
Ethical trade/ labour legislation						
Female-led industrialisation						
Technology-driven globalisation						

## A local economic enterprise in the global context

Next, here's a short case study about shea butter in Burkina Faso. This shows some of the issues that face a local economic enterprise in the global context. Read the case study and use the information it contains to answer the questions in Activity 6.2, which follows.



### Case study 6.7: Shea butter in Burkina Faso – local to global

It is the mandate of the United Nations Development Fund for Women (UNIFEM) to increase women's economic power through the globalisation of women-produced commodities. As such UNIFEM initiated a project to assist women shea butter producers of Burkina Faso so that they had direct control over production and increased access to international markets. This study outlines trade and market information relevant to the project and makes recommendations on possible guidelines for increased marketability of shea butter on the international market.

Shea butter, or karite, is a vegetable fat extracted from the nut of the shea tree, which is indigenous to Sahelian Africa. This product is used in the manufacture of personal care, cosmetic and confectionery items. The producers of shea butter are mainly women, and there is high potential for income generation through local consumption as well as export of this product.

The market for shea butter worldwide in cosmetics is approximately 1,500 metric tonnes and about 500 metric tonnes for the European cosmetic market. Europe is currently the largest market for shea butter in both the cosmetics and confectionery industries. In the confectionery industry, shea butter is mainly used in chocolate products. If the European Union's proposal to allow vegetable fats (other than cocoa butter) to be used in chocolate production is passed, then the demand for shea butter in the confectionery industry could significantly increase.

There is also potential for increasing the size of the shea butter market in North America and Japan. Low consumer knowledge of the product has led to smaller markets for shea butter in the North American natural, ethnic and established cosmetic product markets. Japan uses very little shea butter in its chocolate production and none in its cosmetic industry. Some European and American companies buy shea butter directly from West Africa.

The fact that neither Europe nor North America have tariffs, quotas or restrictions on the import of shea butter, though tariffs may apply in Japan, reduces the cost of exporting the product and the commission that middlemen charge. Working with Alternative Trade Organisations



(ATOs) is beneficial because they offer viable mechanisms through which commodity producers can bypass several intermediary stages in the trade process and consequently increase their chances of receiving a fair return for their product. They also help with marketing and liaising with government import/ export agencies.

Consumers are interested in buying fair trade products. In 1993, a survey found that 86 per cent of those polled agreed that 'trading fairly with a Third World country is a better way to help that country than giving aid' and 85 per cent thought that 'workers in the Third World are exploited and don't get enough for their produce'. Sixty-eight per cent would pay more for the product if they knew that the producer was receiving a fair return. Women (74 per cent) are more likely to pay higher prices for a fairly traded product, which bodes well for the shea butter producers since women are the main consumers of the cosmetics/ personal care sector that is one of the primary uses of shea butter.

However, in order to access and harness the potential demand for shea butter, the producers would need to increase production effectively and efficiently. Production methods that decrease labour time while increasing productivity and quality products will have to be implemented.

The research team made the following recommendations based on their study.

### **Recommendations**

- Target the guidelines and specifications identified by European refining companies that currently constitute a significant and profitable market for shea butter. The specifications are minimal and offer the opportunity to supply large quantities.
- Tailor smaller quantities of shea butter for the North American natural, ethnic and cosmetic markets by meeting the minimal requirements as specified by the companies.
- Establish relations with ATOs to facilitate trade of shea butter in the international market.
- Carry out further research on the Japanese market for shea butter through the services of the UNIFEM national committee in Japan.
- Explore relationships with women's collectives in West and East Africa who are current suppliers of shea butter to the international market in order to exchange information about lessons learnt and export opportunities.
- Collaborate with Centre Canadien d'Etude et de Cooperation Internationale and UNIFEM, Dakar on efforts to effectively market the shea butter of Burkina Faso by strengthening the contacts initiated by the team in this study.

SOURCE: BEGURE, Z ET AL, 1997.



**Activity 6.2: Focusing on the issues raised by the shea butter case study**  
From the information contained in the shea butter case study, answer the following questions.

1 Which elements of the international trade context affect the shea butter sector in Burkina Faso?

2 Which policy changes impact on the shea butter sector?

3 How can shea nut collectors/ shea butter producers respond to the international and national context?

4 What role have fair trade/ ATOs played?

5 What gender issues does the case study raise?

*General points to consider/ discuss:*

6 What are the major lessons learned from the Burkina Faso case study and how can these best be shared with other countries?

7 What is the relative importance of trade policy versus national economic and other support policies to producers? Is there a role for regional trade policies?

If you cannot answer any of these questions, note what further information you need.

Here's a final activity in this section to help you relate the issues in the case studies to your own country or region.



**Activity 6.3: Relating the issues to your own country/ region**

From the case study examples and your own experience, list what you see in your country/ region as

- the three main constraints and three main opportunities for women producers to link to global markets
- the three main constraints and three main opportunities relating to the integration of women workers in global value chains on more favourable terms.

You can focus on a particular sector or initiative as appropriate.

<b>Constraints</b>	
<b>Producers</b>	<b>Workers</b>
1	
2	
3	
<b>Opportunities</b>	
<b>Producers</b>	<b>Workers</b>
1	
2	
3	

## Implementation strategies

What are successful implementation strategies to help independent producers link with global markets and to help women workers in global value chains to sell their labour on more favourable terms?

This section looks at strategies used in the case studies above. (The strategies are based on the final chapter 'Lessons Learned' in *Chains of Fortune*). First, it identifies six main factors to consider.

### Factors

- national policy environment
- production systems: global value chains
- technology and competitiveness
- organising
- institutional support.

And finally a separate section on

- market access and markets.

#### *National policy environment*

We have seen in earlier units that trade policy can have both positive and negative impacts on women producers and workers. However, complementary and flanking national economic and social policies and legislation will be needed to:

- enable women producers and workers to turn positive changes in trade policy to their advantage
- enable women producers and workers adversely affected by changes in trade policy to overcome negative effects.

These other policies/ legislation include:

- financial policies – guaranteed loans (producers), microfinance (producers and homeworkers)
- infrastructure – transport, markets (producers)
- agricultural policies (producers)
- labour codes and laws (workers).

#### *Production systems: global value chains*

The case study examples cover a variety of models of production with different ownership and marketing arrangements. They emphasise the use of global value chains:

*'A global value chain is the network that links the design, production and marketing processes that result in a commodity or product. Such chains link individual workers and enterprises, often operating under both formal and informal arrangements, spread across several countries and linked to one another within the global economy.'* (GEREFFI, 1994)

Two kinds of global value chains have been identified: buyer-driven chains (e.g., in footwear and garment sectors) in which retailers govern production; and producer-driven chains (e.g., in automobile and electronic sectors) in which large manufacturers govern the process. Powerful buyers or producers determine every link in the chain – from production of inputs to the sale of final products – which can reach all over the world.

### 'Global Barbie'



'Global Barbie' is an example of a buyer-driven chain and shows how complex such chains have become. Barbie costs \$11.95 to buy in the US and is labelled 'Made in China'. But the parts and functions are global and only 50 cents goes to workers in China. Typically, in buyer-driven chains such as this, less than 10 per cent of the total sales price goes to local producers/workers with over 90 per cent going to designers, distributors and retailers in the North.

While originating in the manufacturing sector, global value chain analysis is increasingly being applied to horticultural and traditional primary products with similar results. In all applications, it represents an important tool to

map out where low-income women fit into the chain, as either producers or workers, and how the balance of power, access and returns can be altered.

### *Technology and competitiveness*

The case studies show ways in which technology may be used or not used in relation to competitiveness. For example:

- For producers, it is possible to compete in export markets with the use of more labour-intensive technologies and smaller-scale production (Samoa, Mozambique examples).
- For workers, low-skilled labour could be replaced by advanced technology, but this could displace women's jobs and income (Bangladesh example).
- For workers, technological development facilitates the relocation and outsourcing of many jobs, but continued developments or competition could in turn make these jobs and skills redundant (India example).

### *Organising*

The case studies cover a range of very different strategies and issues for producers and workers.

- For producers, the examples cover complex cooperative structures, small producer-based cooperatives and community/ cooperatively owned and operated processing units, all of which help women to gain access to economic resources and more control of the marketing chain.
- For workers, issues relate more to organising to bargain for better wages and working conditions, action on labour legislation at national and international level and the scope for trade union activity.

### *Institutional support*

Support is offered by governments, UN agencies, bilateral agencies, international NGOs, fair trade and ethical trade organisations, academic and research institutions, national and regional NGOs, government agencies and the private sector.

For both producers and workers, government has a major role in creating a favourable national policy environment.

- For producers – the main role is taken by international NGOs and fair trade organisations, with some private sector involvement.
- For workers – the main role is taken by the private sector with limited involvement of unions and ethical trade organisations. International buyers can exert pressure on suppliers to observe at least minimum standards.



**Activity 6.4: Relating the factors to your own context**

At this point take a moment to reflect and to review the five factors discussed so far as they relate to your context and implementation strategies:

- national policy environment
- production systems
- technology and competitiveness
- organising
- institutional support.

For example, which of the five factors do you think is most important in enabling women producers and workers to benefit from trade liberalisation?

Why?

What action is needed to make factors more effective?

What further information or research is needed?

## Market access and markets

Finally, let's take a more detailed look at markets and market access, the sixth important factor in enabling both women producers and women workers to take advantage of trade liberalisation.

- For women producers the issue is market access.
- For women workers the issue is getting better wages and working conditions within the market.

There are related activities at the end of the section.

### Women producers

We look at three different strategies to enable women producers to access markets. They are:

- fair trade
- organic trade
- national export strategies.

#### Fair trade

*What is fair trade?*

- an alternative approach to conventional international trade that aims at sustainable development for excluded and disadvantaged producers through providing better trading conditions, awareness and campaigning
- a general term, meaning retailers and buyers are willing to try to give poor producers a better share of the total costs
- related to corporate social responsibility, which is also about trying to improve the share of poor producers and workers
- a term used strictly ('Fairtrade') to describe products certified by the Fairtrade Labelling Organizations International (FLO)
- unlikely to expand significantly, so one of its main purposes is to advocate for all trade to be fair.

#### Goals

- 1 To improve the livelihoods and well-being of producers by improving market access, strengthening producer organisations, paying a better price and providing continuity in the trading relationship.
- 2 To promote development opportunities for disadvantaged producers, especially women and indigenous people, and to protect children from exploitation in the production process.
- 3 To raise awareness among consumers of the negative effects on producers of international trade so that they exercise their purchasing power positively.
- 4 To set an example of partnership in trade through dialogue, transparency and respect.



- 5 To campaign for changes in the rules and practice of conventional international trade.
- 6 To protect human rights by promoting social justice, sound environmental practices and economic security.

### *Characteristics*

#### Fair trade:

- has concern for the producer
- pays a premium on community projects
- guarantees a minimum price to avoid risks from price fluctuations
- offers relatively easy entry
- is growing rapidly:
  - sales in the US and Europe grew by 30 per cent in 2003 to US\$400 million
  - sales in the UK increased by 51 per cent from 2003 to £1,200 million in 2004
- is relatively small, involving less than 1 per cent of all goods traded and 800,000 producer families worldwide.

### *Women and fair trade*

- Women are the majority of producers and consumers of fairly traded products – for example, 80 per cent of 100,000 producers in fairly traded handicrafts in Bangladesh.
- All fair trade organisations include respect for women in their criteria.
- Fair trade organisations aim to recognise the work of women, secure their employment, improve their income and ensure their access to technology, credit and decision-making processes.

### *Key players*

- IFAT – International Federation for Alternative Trade (advocacy role; represents fair trade at the WTO)
- FLO – Fairtrade Labelling Organizations International (certifies independently monitored fair trade)
- NEWS! – Network of European World Shops (2,500 shops in Western Europe)
- EFTA – European Fair Trade Association (coordinates 13 European ATOs; advocates at the EU).

### *Successful examples in mainstreaming*

- At policy level – there is more fair trade in Europe than in the US because there is more effective lobbying by fair trade organisations.
- At supermarket level – many UK supermarkets, including Marks and Spencer, now source all chocolate through fair trade.

- At local level – the Day Chocolate Company, part-owned by the cocoa cooperative in Ghana, is now influencing the mainstream retail market in the UK.

#### *Some fair trade products*

- FLO, which certifies Fairtrade products, covers a growing range, including bananas, honey, oranges, cocoa, cotton, dried and fresh fruits and vegetables, juices, nuts and oil seeds, quinoa, rice, spices, sugar, tea and wine. It also certifies sports balls.
- Some multinational corporations, such as Nescafe and Starbucks, now have a Fairtrade brand as a small part of their total business – sending out mixed messages to consumers. At the same time, Fairtrade companies such as Café Direct, which is now the 6th largest supplier of coffee in the UK, are becoming more mainstream.

### **Organic trade**

Organic food can be defined briefly as food produced without the use of synthetic pesticides, herbicides, chemical fertilisers, growth hormones, antibiotics or gene manipulation.

- There is much overlap with fair trade, but organic trade is much larger: US sales were up from US\$1 billion in 1990 to US\$20 billion in 2005 and the European market is growing at 200 per cent per annum.
- However, there is no guarantee against price fluctuations.
- Entry/ certification is difficult and costly.
- There is a problem with niche markets, with success during one season leading to flooded markets and lower prices in the next.
- Part of the growth is due to multinational corporations (MNCs) coming into the act, but they are bringing down prices to the extent that small producers can't compete.

#### *Pros and cons of organic trade*

##### **pros**

- anchors traditional knowledge
- producer earns more
- fast growing market.

##### **cons**

- requires rigorous reporting, record keeping, updating knowledge
- requires barriers to provide boundaries of organic farm
- costly certification.

The key point is that most trade takes place in the mainstream. The questions then are:

- Can national export strategies work for poor women producers?
- What are the entry points for global markets and what are the conditions for market access?

### Mainstream trade – national export strategies

#### *Range of entry points for global markets*

- direct foreign investment (DFI) and ownership
- large direct buyers
- initiatives by developing country producers
- alternative trade organisations
- export promotion agencies
- import promotion agencies
- aid programmes
- targeted technical research
- small enterprise promotion agencies.

#### **Conditions for market access**

##### *(a) Understanding of the market*

- 1 awareness
- 2 knowing buyers, including the perception that others can be different
- 3 knowing tastes
- 4 knowing and understanding standards

##### *(b) Organisation of the firm*

- 5 production equipment
- 6 investment capital
- 7 working capital
- 8 labour
- 9 appropriate technology
- 10 quality and reliability of good or service
- 11 appropriate organisation of firm

##### *(c) Communication and transport links*

- 12 efficient local transport and communications
- 13 efficient international transport and communications

##### *(d) An appropriate policy environment*

- 14 appropriate legal framework – for example. land tenure
- 15 acceptable tariff system and non-tariff barriers
- 16 appropriate additional trading environment – for example, exchange rates.

SOURCE: PAGE 2003.

In terms of mainstream trade and national export strategies, all the different entry points affect the conditions for market access in different ways. For example:

- DFI and foreign ownership is likely to meet all the conditions, including adequate resources.
- Developing country producers may not have the necessary understanding of the market, may need to find or create the organisational elements (capital, technology, etc) and will probably not have access to efficient communication and transport or enjoy an appropriate policy environment.
- ATOs are likely to be somewhere in between the two.

## Women workers

As already stated, the key issue for women workers is bargaining for better wages and working conditions within the market.

We look at two different approaches to enabling this:

- ethical trade
- codes of conduct.

### Ethical trade

- deals with women workers in global supply chains
- is driven by concerns of brand image in destination country
- concentrates on ensuring that working conditions meet minimum standards
- involves codes of conduct implemented due to pushes by consumers (but these are difficult to monitor).

#### *Successful examples of ethical trade*

- Vietnam Business Links Initiative – sports equipment
- Atlanta Agreement, Sialkot, Pakistan – leather footballs
- Ethical Trading Initiative (ETI) of the UK – a network of NGOs, unions, academics and MNCs created in 1997 to oversee the codes of conduct of supplier conditions put together by high street retailers.

### Codes of conduct

- There is growing interest in codes of conduct to implement minimum labour standards.
- Many MNCs now pursue social auditing and engage with NGOs and ATOs on standards for workers in their supply chains.
- Supply chain verification and social audits are increasingly part of the local business mix, especially in South and South-East Asia, and Southern Africa.
- Voluntary codes extend labour standards across national boundaries/ jurisdictions, and along international corporate supply chains.
- However, some people are sceptical, particularly if there is no independent verification, and many codes leave out the principles of freedom of association and collective bargaining

## Can progress be sustained?

Finally, if there is progress in enabling women to take advantage of trade liberalisation, is this sustainable? Some emerging issues:

- There is increased import competition for producers – e.g., the impact of the import of Chinese silk on Bangladesh and Indian markets.
- There may be flooding of niche markets – e.g., Brazilian melons did well in the UK one year, then the following year there was too much production in response. How to balance supply and demand?
- Non-tariff trade barriers are going up as tariffs come down. A good example is the Sanitary and Phytosanitary (SPS) Agreement (which deals with food safety and animal and plant health measures). When signed in 2001 few least-developed countries (LDCs) could comply. ATOs have helped several countries since then with technical assistance and advice.
- There is concern about a race to the bottom. How long can countries go on competing with each other to offer cheaper and cheaper women's labour – for example, in the garment sector? (see Case study 6.5 on women garment workers in Bangladesh).
- There is continued technological change – e.g., the impact on ICT employment in India (see Case study 6.6 on women call centre workers).



## Women producers

Activity 6.5: Applying the case studies to your own context

### Gaining market access

Look through the case studies in this unit. Identify three advantages and three drawbacks of the different strategies for gaining market access.

#### Fair trade

Advantages

1

2

3

Drawbacks

1

2

3

#### Organic trade

Advantages

1

2

3

Drawbacks

1

2

3

#### National mainstream export strategies

Advantages

1

2

3

Drawbacks

1

2

3

Note which advantages and drawbacks apply to a particular product/ industry in your country/ region.

Reminder: You may not have all the information you need. Bring in other knowledge and identify gaps where you need more information.

The next two activities consider how strategies can be applied in a more practical way.

**Activity 6.6: Developing a fair trade (or organic) case study**

Develop your own fair trade (or organic) case study based on an actual example (or one that might become an example).

Make notes and describe it under headings like:

What is the product?

Where is it made/ grown?

Who makes/ grows it?

How is it marketed?

What is its potential?

You could also do a PEST and SWOT analysis for the product (see Unit 7 Tools #4 for this).

**Activity 6.7: Developing a gender and national export strategy**

Develop your own case study of engendering a national export strategy.

Use the export promotion strategy guidelines (Unit 7 Tools #11) for this.

Show what changes are needed (indicating what, where, who, how, etc) to embed gender concerns into the strategy.

Base the activity on an actual national export strategy if available.



## Women workers

### Activity 6.8: Improving working conditions

Look through the case studies again. Identify three positive examples of ethical trade initiatives and codes of conduct and three examples where they have failed to have – or have not yet had – an impact.

Note which apply to a particular industry/ sector in your country.

Note opportunity points where the approaches of ethical trade and codes of conduct could have a positive impact.





- Choose a local case study and analyse it in relation to the benefits, obstacles and impacts from the beginning of this unit or to the questions raised about the shea butter case study (in Activity 6.2).
- With a group, get them to design and plan marketing for a local product. Use this to discuss the wider issues raised.
- With a group, do a 'consultant for a day' activity. Ask participants to draw up advice and guidelines for a local product/ initiative to include options for fair trade, organic trade and mainstream trade.
- Identify a tool from Unit 7 Tools (#9 Value chain analysis, #10 Star diagram or #12 Business appraisal questionnaire) and apply to a local example – e.g., carry out a value chain analysis of the tourist industry.
- Research local labour legislation and discuss the impacts in relation to the issues raised by this unit. Include differences between firms producing for export markets and domestic markets.



### Key reading Unit 6 (on CD-ROM)

'Lessons learned' from Carr, M (ed) (2004) *Chains of Fortune: Linking Women Producers and Workers with Global Markets*, Commonwealth Secretariat, London, pp 197–215.

## Unit review

Use this review of what has been covered to assess your progress. Look again at the unit objectives and check if you can now do them. Look through your answers to the activities and see if you want to add to them.

This unit has covered the following main points:

- case studies to show how women producers and workers in developing countries can take advantage of new economic opportunities
- strategies for women producers to gain access to global markets
- ways women workers can access better wages and working conditions within global value chains.

To recap, the learning objectives for the unit were to:

- identify ways women producers and workers can take advantage of trade liberalisation if enabled to do so
- learn from examples and case studies of initiatives, and relate them to your own context
- outline the pros and cons of different strategies for accessing markets (e.g., fair trade, organic trade, national export strategies) and gaining

better wages and working conditions (e.g., ethical trade, codes of conduct).

## References

Begure, Z et al (1997) 'Local to Global: The international market for shea butter', unpublished paper, UNIFEM, New York.

Carr, M (ed) (2004) *Chains of Fortune: Linking Women Producers and Workers with Global Markets*, Commonwealth Secretariat, London.

Gereffi G (1994) 'The Organization of Buyer-Driven Global Commodity Chains: How US Retailers Shape Overseas Production Networks', in Gereffi G and M Korseniewicz (eds) *Commodity Chains and Global Capitalism*, Praeger, Westport, CT.

Page, S (2003) 'Towards a global programme on market access: opportunities and options, report prepared for IFAD', Overseas Development Institute, London. (See particularly Table 1 'How different initiatives affect the necessary conditions for market access'.)