

CHAPTER 10

Spreading the Gains of Globalisation: Linking Women with Global Markets

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Introduction

In most developing countries, women producers and workers in the informal economy play a key role in providing the food and income that enable their families to exist. The impact of economic globalisation on these women has varied according to who they are, where they are, which sector they are involved in and how they are integrated in global production systems. While some women have lost markets and jobs or seen a decline in working conditions, others have been able to find new markets for their products and new jobs on favourable terms. Recent literature has emphasised the growing casualisation of the labour force and the increased number of women *workers* who form the backbone of many global supply chains for garments, footwear and other consumer goods. However, this chapter focuses on women *producers* (who still form the vast majority of those earning an income in the informal economy) and seeks to show how they can take advantage of new economic opportunities arising from increased economic globalisation if they are enabled to do so.

Always marginal and vulnerable, women's informal enterprises and incomes have come increasingly under threat with the rapid spread of trade liberalisation and globalisation. In particular, their ability to grow food is decreasing as more land is devoted to commercial export crops, and women's traditional non-farm enterprises, such as basket weaving, oil processing and garment making, are disappearing as a result of the influx of cheaper and/or dumped goods from around the world (Carr and Chen, 2004). While this is good for consumers, who benefit from lower prices, it is bad for women producers, who normally do not have either the skills, credit or information needed to diversify into alternative forms of production.

Often, without adequate support, women's only alternative is to move into less desirable sectors of the informal economy such as petty trading or open-cast mining, or to look for opportunities as outworkers or factory workers in global subcontracting chains. The latter is especially common in East and South-East Asia, where the proportion of self-employed among non-agricultural women workers fell in recent years (United Nations Statistical Division, 2000) as they were absorbed as outworkers or casual employees in factories and commercial farms supplying such chains. In part, this has been a result of multinational corporations and foreign companies appropriating the land and other natural resources that used to provide a means of self-employment, thus forcing women

and men to give up their independent status and to work for others in low-income and insecure jobs (Carr and Chen, 2004; Shiva, 2000).

Within this context, it is increasingly important for informal women producers to find ways to maintain their ability to earn a livelihood at the same time as retaining their sense of security. This will mainly involve: (a) upgrading quality and/or reducing prices so that they can compete with imports; (b) finding markets currently being filled by imported goods that could be supplied by local producers; and/or (c) diversifying into products that can find regional and global markets.

Experiences in Spreading the Gains of Globalisation

There are several examples (although still too few) that demonstrate ways in which women producers can be assisted to link with global markets. While it is important to assess the likely impact of changes in trade policies from a gender perspective and to advocate for more gender-sensitive trade policies, it is also necessary to give attention to supporting national economic and social policies and legislation aimed at overcoming the constraints women face in benefiting from increased globalisation. These include more restricted access than men to land, credit, improved technologies, skills and business training, and market and price information. These are both caused and compounded by women's reduced mobility and greater time poverty as a result of socio-cultural factors and family responsibilities; the constraints faced by women who wish to reach export markets are twice as severe as those for women who are supplying domestic markets (Tandon, 2003).

The range of policy initiatives that have been successfully introduced to help women overcome these constraints include: financial policies, including guaranteed loans and provision of micro-finance and meso-level finance for women;¹ education and training policies that widen women's access to the knowledge and skills important for integration into a globalised economy; and gender policies, including changes in women's rights to land that can provide collateral and also act as a base for economic activities. Most of these initiatives relate to women entrepreneurs in general and few of them help those women who are seeking to make links with global markets.

To assist women exporters in the most effective ways possible, there is a need to map existing global value chains carefully to see where women producers are currently located and identify where interventions can best be made in order to improve their position within these chains. Current research reveals the importance of helping women producers to organise – in trade associations, producer/marketing co-operatives and community-owned businesses – so that they can bargain with middlemen more effectively and gain greater control over the marketing chain. They also need greater access to improved production/processing technologies that will enable them to add value locally and produce high quality goods that meet international standards.² At the same time, better access to new information and communications technologies (ICTs) will enable many women exporters to operate more effectively in global markets through:

- creating opportunities for them to bypass male-dominated and exploitative market structures;
- providing a means to foster more efficient communication; and
- giving them a knowledge tool that will help maximise their productivity and earnings.³

Such supportive measures can be complemented by specific interventions that aim at directly linking women with export markets. Some of the better-known examples are fair trade, organic trade and gender mainstreaming national export strategies.

Fair trade

Fair trade is 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. It is concerned with the welfare of the producer – especially women and indigenous people – and, through a range of fair trade organisations, offers easier entry, guarantees a minimum price to avoid risks from price fluctuations and pays a premium to be used in community development projects. It relates to social responsibility, which is about large corporations trying to improve the returns to poor producers and workers in global value chains. Since women are the majority of the producers of fairly traded products (for example, they comprise 80 per cent of the 100,000 producers involved in fairly-traded handicrafts in Bangladesh), any gender-oriented export promotion strategies should incorporate fair trade (Redfern and Snedker, 2002).

‘Fairtrade’, on the other hand, is a term used to describe the limited number of products – including coffee, cocoa, tea, bananas, honey and cotton – that are certified by the Fairtrade Labelling Organization (FLO). Although Fairtrade is growing rapidly with, for example, a 50 per cent increase in sales in the UK from 2003 to £200 million in 2004, it is still relatively small, accounting for less than 1 per cent of all goods traded and involving only 800,000 families worldwide. However, because it pays special attention to improving the incomes, access and decision-making roles of women, it has a special significance in strategies aimed at linking poor women producers with global markets (Vidal, 2004). The potential of Fairtrade to support women’s empowerment can be seen in the Ghana cocoa co-operative (Box 10.1).

Organic trade

Organic trade overlaps to a certain extent with fair trade, but it is much larger in scale, with US sales up from US\$1 billion in 1990 to US\$20 billion in 2005 and with the European market growing at 200 per cent per annum. Unlike Fairtrade, there is no guarantee against price fluctuations and entry is difficult and costly. In addition, with more multinational corporations becoming involved in production of organic produce, prices are beginning to fall, which is good for consumers but makes it difficult for small women producers to compete. For the moment, however, organic certification for

Box 10.1: Fairtrade and women producers in Ghana

The Kuapa Kokoo co-operative 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 smallholder farmers of whom 30 per cent are women. The co-operative was established in 1993 with the assistance of Twin Trading, UK in response to the partial liberalisation of the cocoa sector, and has grown rapidly from its original membership base of 2,000 farmers. A proportion of the cocoa output is tagged for the Fairtrade market, which guarantees a 'floor' and a 'premium' price, which between 1993–2001 resulted in US\$1 million for investment in community projects – such as hand-dug wells and corn mills – that meet women's priority needs. Co-operative members own the Day Chocolate Company in the UK, which moves them up the global value chain from production to more profitable retailing. The model has boosted women's morale, self-reliance and confidence, and has given them a voice at the national and international levels, as well as within the decision-making bodies of the co-operative itself.

Source: Tiffen et al., 2004.

expanding export markets seems to be a promising avenue that can enable small women producers to increase both sales and income. Women's coconut oil co-operatives in Samoa (Box 10.2) are a good example of this.

National export strategies

While fair trade and organic trade initiatives play an important role in linking women producers with global markets, the vast majority of trading activities take place in mainstream markets. The question is: can national export strategies work for poor women producers? Export promotion agencies, which tend to be fairly centralised, have a poor record in reaching out to poorer and more remote producers, most of whom are

Box 10.2: Organic trade and women producers in Samoa

A local non-governmental organisation (NGO) in Samoa, Women in Business Development Incorporated (WIBDI), has provided 13 family co-operatives headed by women with access to a new processing technology that enables them to export organic virgin coconut oil to Australia and New Zealand. Obtaining organic certification was a lengthy and difficult process, but proved to be a key factor in the success of the project, with export sales increasing significantly following certification. While all family members are involved in the oil-processing businesses, it was the women who brought in the credit and enterprises through their involvement with WIBDI. Recognition of this has resulted in a significant increase in women's status within their communities.

Source: Cretney and Tafuna'I, 2004.

therefore excluded from the services and technical assistance that these agencies seek to provide. One study reports that:

... although women are increasingly starting their own businesses and contributing more to national economies, the unique capabilities and assets of women entrepreneurs are not being harnessed and incorporated into national export strategies. (Kitukale et al., 2004)

Thus, even when trade barriers are lowered, the majority of small women producers lack the support they need to access export markets and to participate in the process of meeting export targets.

There are some (but still very few) examples of export promotion agencies – and local government bodies that are involved in promoting exports – taking positive action to ensure that informal women and men producers are equally able to participate in and benefit from strategies aimed at expanding export output and revenues. One example of this is the Apiculture Export Strategy developed by the Uganda Export Promotion Board and the International Trade Centre (Box 10.3). Another is that of the Girijan Cooperative Corporation Ltd in Andhra Pradesh (Box 10.4).

Box 10.3: Apiculture export strategy and women producers in Uganda

Uganda aims to increase honey production from the 2004 level of 3,000 tons to 13,000 tons in 2008 and to simultaneously improve quality with a view to breaking into rapidly expanding export markets. This will involve attracting an additional 200,000 farmers into beekeeping – a target that would be difficult to achieve without the full involvement of women. To achieve its goals, the Government is following two approaches. First, it is assisting with the expansion and replication of the successful commercial company Bee Natural Products, which sources honey from over 4,000 small farmers (of whom 25 per cent are women) and turns it into a high quality product in its highly mechanised factory. This model should provide a relatively quick way of increasing the output of honey and achieving export standards, but although several measures are being incorporated to address specific training and other needs of women, it will not provide women farmers with any control over their participation in the production chain.

In the second approach, however, the Government is providing support to strengthen and build on women's beekeeping associations that offer services to their members. Although these are slower than private companies in reaching out to farmers and increasing supplies of good quality honey, once established they give members a great deal of control over their own enterprises. Recent gender-oriented research has suggested that the formation of a national women beekeepers network would assist Government to meet its twin targets of expanded output and exports and more equitable distribution of income and reduced levels of rural poverty.

Sources: Uganda Export Promotion Board, n.d.; Nadelman, Silliman and Younge, 2005.

Box 10.4: Gum exports and women producers in India

The Girjijan Cooperative Corporation Ltd (GCC) was established in 1956 as an undertaking of the State Government of Andhra Pradesh to procure non-timber forest products, including Gum Karaya, from tribals and to market these to best advantage. When stocks accumulated because the poor quality of the gum meant that traders rejected it, the decision was taken to look for scientific and organisational solutions to increase quality, rather than reduce the procurement price. Over 10,000 gum pickers have been grouped in associations that have federated into a state-level trust. The trust employs scientists to work with young tribal boys and girls to transfer and monitor improved methods of gum collection and processing, and this has led to higher standards of output that meet export market criteria. To enhance women's economic empowerment in this initiative, UNIFEM has supported a project that helps establish women as managers and sales people at procurement centres – thus shifting responsibilities in marketing from men to women.

Sources: Mehta, 1998; International Resources Group/KOVAL, 2004.

Future Directions

While successes in linking women producers with global markets have been achieved at the local level, it is obviously important to assess the extent to which this can be replicated more widely and with what degree of sustainability.

It seems more than likely that the models outlined in the boxed case studies could be easily replicated if they were supported by governments, NGOs and donors. In Ghana, Kuapa Kokoo is helping to set up a sister co-operative so that even more farmers can benefit from its marketing system; it is also in touch with other West African cocoa-producing countries in an attempt to share its experience and offer assistance. In Samoa, the technology on which the village oil-processing enterprises are based came from Fiji and there is every indication that it could be transferred to other countries in the Pacific (Carr, 2004). In Uganda, government funds are being used by both private companies and beekeepers' associations to reach out to other farmers, while in Andhra Pradesh, the hope of the GCC is that gum pickers in other Indian States will benefit from its successful model of increasing output and exports.

In general, the most common method of replicating these interventions is quantitative: scaling up is achieved by expanding size through increased membership or extending schemes to other areas or countries.⁴ While this is a useful approach, it is unlikely that the necessary numbers of informal women producers will be reached with appropriate support unless successful pilots can be used to advocate for a favourable policy environment. This type of *political* scaling up is evident in the case of the Ghana cocoa co-operative which, through its UK Chocolate Company, has played a role in advocating for more political support for fair trade in both the UK and the EU. The Andhra Pradesh co-operative has also shown how government bodies in other states can help women to increase exports.

Sustainability is a more difficult issue. While fairly traded chocolate (as well as coffee and tea) is now being mainstreamed in major retail stores, mainstream businesses demand a different approach to the Fairtrade niche: most buyers will not accept the late delivery, poor communications or changes in arrangements that are tolerated by Fairtrade organisations (Redfern and Snedker, 2002). Organic virgin coconut oil targets a niche market that could easily be flooded if too many coconut-producing countries take advantage of new processing technologies. Markets for honey are large and growing, but as more and more women are drawn into the industry, competition will increase and prices will fall, making it necessary to diversify into more complex bee-products. And, as with most non-timber forest products, the increased harvesting of gum can lead to over-exploitation of natural resources with resulting loss of livelihoods unless – as has been done in Andhra Pradesh – sufficient care is taken to protect the resource and to train collectors in low-impact harvesting techniques.

To ensure that women are able to fully participate in and benefit from new economic opportunities arising from increased economic globalisation, a concerted effort is now needed on behalf of all of the actors involved: governments, the private commercial sector, scientists and technologists, NGOs and women's associations and consumer associations. Linking women producers with global markets offers a way to help with poverty reduction and achieve an equitable distribution of gains, while at the same time helping governments to meet their targets in terms of increased export earnings.

Notes

1. In Africa in particular there is a missing middle in the area of women's credit. While very small and very large loans are on offer, the middle-level loans that are needed by women to graduate from very small enterprise activities into more technology-based industries are unlikely to be available. See, for example, Ellis, A et al., 2006.
2. Ideally, interventions aimed at women entrepreneurs/exporters should seek to raise both income through increasing productivity and control over the marketing chain through organising and capacity building. All too often, interventions have concentrated only on the former, with the result that any progress made in terms of increased income during a project's life is lost once the project comes to an end.
3. For examples of ITC-enabled women's enterprises, see Tandon, 2003 and Hafkin and Taggart, 2001.
4. For a description of various types of scaling up, see Hooper et al., 2004.

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