Development in Practice

Publication details, including instructions for authors and subscription information:
http://www.tandfonline.com/loi/cdip20

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Available online: 17 Dec 2010

To cite this article: Helen Hintjens (2006): Appreciating the Movement of the Movements, Development in Practice, 16:6, 628-643

To link to this article: http://dx.doi.org/10.1080/09614520600958355

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Appreciating the Movement of the Movements

Helen Hintjens

This review essay surveys the theoretical insights emerging from within the Global Justice and Solidarity Movement, also known as the Anti-Globalisation Movement, or the Movement of the Movements, and also reviews the literature focused on this phenomenon by those closely involved, as well as other observers. The central concern is to understand the nature and significance of the Movement of the Movements as it operates across local, national, and global boundaries, and to consider its capacity to represent and mobilise the many millions worldwide who stand to gain little or nothing, but may lose a great deal, from neo-liberal globalisation.

‘The space itself decides nothing: only actors and their actions can do that.’
(Therborn 2001: 87)

Introduction: enter the movements

There has recently been a veritable outpouring of published works and journal articles on the ‘Movement of the Movements’, also known as the ‘Anti-Globalisation Movement’, the ‘Global Justice and Solidarity Movement’, or the ‘Movement for Globalisation from Below’. Yet has all this writing and theorising bridged the gap, identified by David Graeber in 2002, between intellectuals’ and activists’ understandings of what is happening in the field of social movements? The Movement of the Movements is still widely viewed as either a romantic reaction to the harsh realities of economic restructuring, or as a chaotic Babel of groups with no clear common agenda or common purpose. In this review article, I suggest that the movement is neither a mess, nor a coherent whole; rather it is an entity in constant circulation, mutation, and proliferation, composed of highly varied and organised forms of what Albert Hirschman termed ‘social energy’ (Hirschman 1983). If that sounds vague, it is deliberately so.

Activist sites proliferate on the Internet, and there are now regular global and regional Social Forums in which to express the movements’ priorities. At the global level, knowledge about how people are constructing alternative visions and practices to replace the dominant world order is expanding rapidly. It remains a mystery why such movements are thriving in the present hostile environment, with an international war on terror and a political climate ever more intolerant of dissent (Chomsky 2003). Arguably, the key resources that the movement has managed to mobilise and harness for collective advantage are information and stories of human imagination. ‘We have our own channels of communication...and those who wish to
find us can do so without [the mainstream media’s] help’, comments Monbiot. In more
esselian mode, he adds: ‘They can pronounce us dead as often as they like, and we shall,
as many times, be resurrected’ (Monbiot 2003: 361–2). And so it does appear.

What has this Movement of the Movements to offer international development agendas and
priorities? How can it contribute to resolving problems of global poverty and achieving social
transformation, especially in the poorer parts of the Third World? I think it has a great deal to
offer. The Global Justice and Solidarity Movement (GJSM) is generally highly responsive to the
perceptions and experiences of the extreme crises engulfing people’s daily lives. The movement
assumes that the oppressed are quite capable of organising themselves and being proactive.
Even where they are unable to achieve much, the poor are always acknowledged to have
forms of latent collective power. The movement’s rationale is that it is always possible to
change things for the better, in ways that include the minor, the contingent, and the haphazard.
The Movement of the Movements has things to say that are highly relevant for poverty-
reduction strategies, and for the promotion of human rights in repressive situations.

The central concern of this review article is to understand the nature and significance of the
Movement of the Movements as it operates across local, national, and global boundaries. The
movement seems to offer a sense of hope without being excessively romantic or abstract.
The starting point is the politics of love, which can be defined as ‘the power to see similarity
in the dissimilar’ (Adorno 1974:191). Love is here a by-word for solidarity, through which
people’s organised actions can overcome divisions and inequalities of status. As such, the
politics of love can operate at the global and local levels, and at all levels in between.
Within its scope it includes people, institutions, ideas, and the environment in which we all live.

This review article first looks at how the participants and activists in the movement them-
selves express its goals and explain how the movement operates. Then some more scholarly
approaches to understanding and teaching about the movement are considered. All this has
required being very selective about sources. Regarding the activists’ voices, the ‘Movements’
section of New Left Review over the past five years has proved the best starting point. A special
issue of the journal Development (June 2005), devoted to the Movement of the Movements, has
also provided food for thought from its activists. As the editor claims, this special issue takes us
to the heart of the action (Harcourt 2005: 2). Finally, dozens of activists and thinkers have
contributed their insights to the edited volume, World Social Forum: Challenging Empires
(Sen et al. 2004). Hilary Wainwright’s Reclaim the State (2003) and Ananta Kumar Giri’s
Reflections and Mobilizations (Giri 2005) are also of interest here as activists’ accounts of
what is taking place internationally. For more academic treatments, the Global Resistance
Reader (Amoore 2005) forms a critical starting point. What is immediately notable is the
extent of overlap between scholarly and theoretical perspectives: the same key people both
take part in the movement and seek to explain it and theorise it. This situation is in part a neces-
sity, since social movements generally remain an under-theorised field of the social sciences. It
is in part a virtue, since it is producing theories and interpretations firmly grounded in some
practical engagement and experience. This is quite promising.

Crucial and boundary-breaking material tucked away on thousands upon thousands of
Internet sites is not covered here. To follow this up, readers may wish to start by consulting
a number of ‘gateway’ sites of the Global Justice Movement. Everything is there: from
anti-adverts to cross-frontier pro-asylum protests, direct-action training sites, and lobbying for legal change at the global level, for instance in relation to patents and TRIPS.\(^4\) Wainwright (2003) and Sen et al. (2004) both include invaluable appendices which highlight key websites of the movement.\(^5\) This article focuses on published material, including materials suitable for teaching and researching the Movement of the Movements. Although Internet sites are at least as important as the published material, they are also much more accessible, hence the decision to limit this review to publications alone.

So first I tackle the question: *what is the movement saying about itself, and what do participants think the movement is aiming for?* Next, I ask: *what scholarly insights are emerging about the Movement of Movements; how is it being theorised?* These movements have, in some sense, been around for a very long time, and so I also ask how new they are. But whatever it is, and wherever the Movement of the Movements is heading, it is clear that what matters most to activists is the way in which it is travelling in the present. This point is reiterated throughout, since it underlines the search for ‘authenticity’ characteristic of all parts of the Global Justice Movement today. In a world of global development goals, objectives, targets, and programmes, the need to abandon plans and start in the here and now is nowhere more radically expressed than in the coalitions of groups and activists that have formed themselves, more or less self-consciously, into what is now the global Movement of the Movements.

**What are the movements for?**

It is often obvious what the Global Justice and Solidarity Movement is *against*. Critics complain, however, that they cannot always identify what it stands *for*, and what practical alternatives it proposes. Rapacious commercialism through deregulated markets, shrunken states and starved public services, unaccountable multinational companies enlarging their markets on the back of a global underclass dreaming of unattainable consumer goods, a global media and politics machine controlled by a handful of wealthy individuals: the Movement of the Movements is against all these. Exploitation of just about everything on the planet for profit, including the gene pool itself, is also not wanted, even if such rapacious economics is sanctioned by law. The violation of the human rights of poor people in the name of progress is also opposed, as is the persecution of minorities and asylum seekers who seek to protect themselves against war, starvation, and other degradations of ‘progress’ in its neo-liberal form.

But what does the movement want? In part the answer is clear: the movement wants a politics of love, which means fair treatment for minorities of all kinds; improved rights and protection for indigenous people, women, children, and the poor. The overall ‘development’ process should be humanised and made more responsive to people’s real, lived needs. Irrespective of where they live or who they are, people have a right to be heard. The movement seeks forms of explicit and tangible solidarity between the wealthy and the most excluded; the most oppressed of society should not be forgotten. Sometimes the poor are seen as the salvation of us all, in a more or less revolutionary manner. Speaking in a tone reminiscent of liberation theology, Patrick Bond refers to social movements in South Africa opposing neo-liberal globalisation in the following way:

[\textit{The dynamic of progressive change will emerge from the alienation of those who suffer most from neo-liberalism, in South Africa and across the world, and from the creativity of those who demand and imagine a better world.} (Bond 2001: 282–3)]

In other words, the poor and marginalised have the capacity, under the right conditions, to find their own solutions. Such solutions, it is implied, will not be offered voluntarily by
the wealthy and powerful classes who benefit from the current structures, institutions, and practices.

Bond’s prognosis expresses a form of cosmopolitan yearning. This hopeful sense that the politics of love and solidarity can cut across the global divides of race, class, nationality, gender, and political identity motivates many parts of the Global Justice and Solidarity Movement. A sense of universalism, blended with respect for cultural diversity, serves to reconcile the general and the specific that are the subject of hundreds of academic articles, for example on human rights or development. In all this, some overarching and vague sense of human spirituality is as likely to be the inspiration as is cosmopolitan international socialism. There is, on the one hand, growing recognition of human contingency and of the limitations of global solutions and blueprints. The other side of this awareness is a full recognition of the huge untapped potential for ordinary people to engage creatively in direct forms of democratic action across boundaries, including in the face of oppression and terror. Thus the enemy for most parts of the Movement of the Movements is not the specific face, but a kind of politics that is based on greed, fear, and hate and which finds its expression in concrete form in the faceless, environmentally rapacious corporate economic order, and in the militarisation of public life and global relations. Mafia-style world business and politics are the corrupt global governance that fosters uncivil society. Its uglier manifestations (civil war, genocide, environmental destruction) are no more than the result of divide-and-rule policies of hate. To a remarkable extent, this is a shared worldview. Radical-democratic and cosmopolitan alternatives combine with highly context-specific solutions to form the basis for a truly global agenda for social justice. The following words from an Australian anti-uranium mining activist could have been said almost anywhere: ‘Until all humans realise we share a responsibility for each other and the planet, nothing will change until we have nowhere left to mine and no-one left to oppress’ (SchNEWS 13 November 1998). Although context varies enormously, the underlying message alters surprisingly little.

In its universalistic goals, the Movement of the Movements has been inspired by the growing universalism of human-rights codes and instruments, and has taken on the momentum created by mobilisation around successive UN agendas for the environment, gender, justice, and human development. Struggles for rights are increasingly fought with legal instruments at local, national, and global levels. As Hickey and Mohan put it, the discourse of rights offers an ideological resource that marginal groups can draw on in order to situate their struggles within a broader democratic project with a ‘universally recognized and politically powerful framework’ (Hickey and Mohan 2004: 165). Some clearly believe that the monolith can be reformed. In the same volume, Jeremy Holland, Mary Ann Brocklesby, and Charles Abugre, who have a great deal of political sympathy with the movement, show how rights-based approaches influenced the UK government’s Department for International Development (DFID) to pay more attention to globalisation from below, and the need to acknowledge the potential of citizens acting ‘as agents in their own development’ (Holland et al. 2004: 252–8).

Bottom–up mass struggles to secure rights in line with human needs characterise the purpose as well as the means of the movement. In Fighting for Human Rights (Gready 2004), chapters by human-rights activists and scholars discuss how campaigns were fought on diverse issues, including AIDS, bringing Pinochet to justice, debt cancellation, landmines, diamonds, and environmental justice. In the context of ‘an international society remade in the era of globalization’, the movement is the result of global–national–local connections being made everywhere. Movements become instruments of leverage, as processes ‘of mutually enforcing internal and external legitimacy’ open up new spaces for action to secure social justice and reduce inequality (Gready 2004: 21). The same forces that constrain solidarity through conventional channels (trade unions, global conferences, the UN) allow it to pass laterally into new directions.
How do the movements move?

The goals and priorities of the component parts of the Movement of the Movements are generally decided on by members, through committees, meetings, decisions and various forms of organisational governance. They are only rarely decided on by a central office, by a government, by donors, or by international organisations. Goals evolve through the actual making of decisions in diverse membership bodies around the globe. This makes the direction of such movements quite unpredictable. Priorities are determined according to local and wider national and global concerns, and in accordance with what is seen as feasible by the membership. The cumulative ripple effect of literally millions of local connections, actions, and decisions that I am here calling the Movement of the Movements (Stedile 2002: 79–86) is embodied social energy.

Again the questions arise: What do these movements want? What do they propose in practice? Naomi Klein’s answer is simple: ‘That’s not up to us’ (Klein 2001: 89). This is not an attempt to avoid the issues; it means that no-one can decide for others what their future or present priorities should be. Whether people concerned are few in number or number in the millions, whether they live in a poor neighbourhood in Manchester, or are peasant farmers in Chiapas, Aboriginals in a nature reserve, or citizens of New York, they need (indeed must take the responsibility) to decide for themselves what their own priorities should be, through various complex processes of democratic decision making. This is a basic principle of participatory development, what Waterman calls ‘radical democracy’, and others call ‘direct democracy’. This popular democratic ideal underpins the entire Global Justice and Solidarity Movement. It is no coincidence that the 2006 World Social Forum (WSF) was in Venezuela, where President Hugo Chávez claims to be conducting a mass experiment in direct popular democracy, or that it has been held twice in Porto Alegre in Brazil, home to an almost unique experiment in participatory public budgeting (Bruce 2004). Participation in this context is an inalienable human right; it is also a civic duty, and every adult individual’s responsibility.

Among recent studies by activists of the Movement of the Movements, a few make the state central to poor people’s claims for social justice. One is Hilary Wainwright’s Reclaim the State (2003); another is The Porto Alegre Alternative, edited by Iain Bruce (2004). These studies focus our attention on actual processes of change in state–community relations at municipal level. From the grimy estates of Luton, Newcastle, and Manchester in the UK with which Wainwright begins, to the complex processes of popular budgeting in Porto Alegre, people are shown to be coping with local manifestations of post-industrial crisis in creative and often very ‘partial’ ways that are genuinely transforming reality. In the present neo-liberal context, genuine reform is not bland or superficial: it is revolutionary. The search for social justice, which is global, is just as manifest in the post-industrial city as in the rural landscape, in shantytowns and slums as in dried-out rangelands and depleted forests where people try to improve their lives (Wainwright 2003).

Romanticising the poor in their capacity to organise, solve their own problems, and co-operate with the powerful is the stuff of eco-tour brochures and Oxfam gift calendars. While poor people are amazingly resourceful when given the chance, we should not ignore how rarely that chance presents itself. As Adorno reminds us: ‘...glorification of the splendid underdogs is nothing other than glorification of the splendid system that makes them so’ (Adorno 1974: 28); it must be avoided. When the Global Justice and Solidarity Movement is in danger of romanticising poverty, however, its most creative response is often to reiterate Naomi Klein’s point that solutions ‘are not up to us’. Listening to others’ stories, seeking to support their initiatives if possible, are far more important innovations than the progress that comes from ‘knowing’ the answers.
What Waterman calls ‘radical democracy’ Wainwright calls ‘the democratisation of knowledge’. Whatever we call it, these processes are providing powerful new possibilities for collective action, a highly complex set of ‘ways’ rather than simply the ‘third way’ that Wainwright describes. These thousands of ways merge into one huge movement that finds its strength in its sheer flexibility and internal variation. New social movements internationally – including revolutionary movements, women’s movements, environmental movements, landless movements, tribal people’s movements, peace movements, civil-rights movements, and movements that cut across these distinctions – have all fed into the Movement of the Movements. All have contributed to its working models for democratic decision making, and have influenced current activist practices, as well as ideas of what direction the future transformation of society should take (Wainwright 2003: 22–9).

Humility and humour are powerful ingredients and soften the appeal of militarism, violence, and heroism. The iconic status of Nelson Mandela, Subcomandante Marcos, and Mahatma Gandhi remind us of this. Although Che Guevara remains an icon, it is largely because of his iconic good looks and the manner of his death. Fidel Castro’s long rule of Cuba is not widely appealing for the new movement, nor was Yasser Arafat’s decades-long leadership of the Palestinian nation. It was when the Zapatistas burst on to the international scene early in 1994, just as NAFTA (the North American Free Trade Agreement) came into force, that a new set of heroes was born for the Global Justice and Solidarity Movement. Ya Basta! support groups sprang up all across Europe and North America almost at once; young idealists loved the anonymous style of dress of these new anti-heroes. The response to a movement locally rooted in the South, but globally minded, sophisticated, and cyber-literate, was overwhelming. An impeccable sense of timing and a keen sense of play and humour helped to promote the Zapatistas’ international stakes. All these were ideal role models for the aspiring activists on the way to Genoa, Prague, Seattle, and Porto Alegre.

In a line that sounds as if it were lifted from John Lennon’s song ‘Imagine’, Subcomandante Marcos says: ‘[O]ur army is very different from others, because its proposal is to cease being an army’ (Marcos 2001:70). Wanting to be unified through the concerns of the chiapaneco people rather than through violence or the threat of it, the Zapatistas simply laid down their arms. Their popularity in part derives from the way they started to view the military impulse as a sign of weakness rather than strength. This brought them into line with the dominant sentiment within the Movement of the Movements, which, while anarchist-inspired in large parts, is not at all military (or even particularly disciplined) in its orientation and organisation.

Sentiments of democratic action expressed by the Zapatistas are unmistakably echoed in the Movement of the Movements. Here is a global contestatory movement that would like to cease functioning in oppositional mode. It would like to be for another kind of system, another way of living. It would like to become the system – but not by replacing like with like. Refusing to use the same violence that runs through existing authority structures, the Movement of the Movements seeks its own, non-violent way of creating a new status quo so that people can constructively change their own lives in the here and now, rather than waiting for some better tomorrow. There are some dangers, which include taking oneself too seriously, and not taking others seriously enough. Activists are also aware of the need to avoid being over-zealous and to guard against petty objections to others’ ideas. For all these reasons and more, the new movement resists over-institutionalising its associational life. The movement embodies movement. Activists within this movement can consider ‘the disagreements between participants at the WSF [as] . . . a source of their strength’ (Anand 2004:145). Expressing interests in the most unmediated possible form is one of the principles of the Movement of the Movements, and is a lesson learned from indigenous people’s organisations, and from the women’s movement. Another is the simple insight that actions generally talk louder than words. The ideal for
Wainwright is in ‘resisting unaccountable power and creating democratic alternatives’, but ‘without also strengthening parochialism’ (Wainwright 2003: 28).

Reinventing democratic praxis

The anti-hierarchical practices of the Movement of the Movements have been borrowed from many sources: from feminist praxis, from grassroots movements of the dispossessed; from the ‘cells’ of guerrilla movements and warfare; from the clandestine organisational principles of anti-colonial movements; from farmers’ movements, affiliated with one another but largely autonomous for practical reasons (Waterman 2004); and even from college groups, linked through a loose network of subscriptions and membership, but acting in parallel.

The consciousness of a whole new generation of global and local activists has been formed in the school of what might be termed ‘horizontal power’. There is a strong antagonism to vanguardism, to knowing better than someone else what is good for them; there is resistance to figureheads who take charge, and an orientation towards those who inspire others to action. The desire for new modes of leadership and organisation was inspired by women’s campaigns around the globe to protect the natural environment, by tribal people’s cultural and political re-awakenings in the old colonies, and by international rights movements. The Zapatista leaders became icons largely because they rejected centralised command and protected their anonymity, opposing the cult of personality. Their literary erudition, their cyber-literacy, and their strong sense of theatre all contributed to what might be termed an anti-personality cult.

It is surely significant that Subcomandante Marcos attributes his own inspiration more to Don Quixote and Gabriel García Márquez than to Karl Marx or Che Guevara (Marcos 2001: 77–8). As people overcome their ‘Fear of Freedom’ and cease looking for messianic salvation, taking responsibility for the consequences of their actions, the global alternative to the present world order almost imperceptibly takes form.

Processes of consultation, organisation of meetings, and decision making have all been reinvented by the Movement of the Movements. Forms and practices are often derived from nonconformist organisations with a spiritual basis (Sufis, Quakers, mystics, Buddhists) and a long history of non-violent organisational experience among social and cultural movements internationally. The emphasis is on learning from others’ experiences. This has been greatly facilitated by the Internet, which can be used to form ‘webs’ of active citizens, connected horizontally as well as globally. Overcoming ideological polarisation, allowing for genuine dialogue, and making room for differences are part of the basic principles of solidarity that lie at the heart of the movement. Minimising harm to human beings and the environment are also central axioms. No solution is permanent, and new hierarchies can emerge unwanted, in turn becoming obstacles to creativity and authenticity, to a politics of love; as De Angelis puts it, ‘there is no centre of power, no Winter Palace to storm and hence … “any victory” is a “partial victory”’ (De Angelis 2005: 49). Overarching utopian proposals tend to be rejected, even when they come from the recognised gurus of the movement, such as George Monbiot’s proposal for a democratic world government. More reformist proposals can generate mass support, including Susan George’s arguments for reforming the World Trade Organization, and the Tobin Tax proposals, which were so central to ATTAC’s original campaigns in France. But even such reforms are contingent, and treated without reverence.  

Within the general disrespect for hierarchy and the resistance to institutionalised solutions to problems, there are great variations among the movements. Autonomist thinking is perhaps most powerfully expressed in the actions of the Italian social-justice movements, and in anarchist circles. It is less apparent in Brazilian social movements, or those in India, where positive returns may be expected from articulating demands for socio-political and economic
transformation within the constitutional and state framework. The Movement of the Movements cannot possibly be entirely spontaneous, fluid, or process-driven. It must have its nodes and structures of organisational and institutional fixity. Among the most important, besides those formed by the virtual world of the Web, are the World Social Forums and regional Social Forums. The Forums express a constant tension in all social movements between the need for bureaucratisation and the fear of (alternative) elite consolidation.

The importance of having such spaces for the Global Justice and Solidarity Movement is nonetheless clear from the vital collection of short papers by activists in the Movement of the Movements edited by Jai Sen, Peter Waterman, and Arturo Escobar: *World Social Forum; Challenging Empires* (Sen *et al.* 2004; see also Waterman 2002). As many of the contributions to this volume make clear, to function at all, processes of democratic participation need to find some institutional expression and to work through channels that are to some extent replicable and formalised. But once such institutional structures are formed, the challenge is to keep them working for the benefit of the mass of the membership and not allow them to become the property of an articulate and well-placed cohort, however well intentioned. The innovation for 2006 was to create a polycentric WSF, which met simultaneously in three continents.8

The main purpose of the World Social Forums is to hammer out broad agendas that can form the basis for discussion and shared actions globally. A volume edited by John Clark (2003) studies forms of transnational action and is useful in its reflections on the ways in which activists organise themselves and achieve results. Specific goals and actions can be decided on only by those involved directly in the local context, as this volume makes clear. When uranium mining threatened a tiny population of Aboriginal people in a national park in northern Australia, for instance, the concerns of these 32 people drove an anti-mining movement of thousands. If land rights became the priority of the anti-mining movement, this was through respect for the wishes of the Aboriginal population of Kakadu (Hintjens 2000). In situations of mass poverty and political exclusion, the priority might be to create employment and secure economic rights for hundreds of thousands, for example through publicly supported or worker-run enterprises and more participatory forms of public administration. This was the mode, for instance, in Porto Alegre, when participatory budgeting was practised (an experience described by Wainwright (2003: 44–59)). Popular democracy initiatives in Venezuela similarly involve mass job creation and basic literacy and health care for millions identified as poor. How to meet the claims and entitlements of the poor, rather than how to protect the privileges of the wealthy, is the starting point for social-justice campaigns (Chávez Frías 2004: 35–6).

Are the movements new?

Parallels can be drawn between the Movement of the Movements today and the anti-colonial struggles of a previous era (Waterman 2005; Patel 2005). Hugo Chávez’s Venezuela is important as an experiment in redistributing massive oil revenues to the rural and urban poor and resisting privatisation of oil assets, about which Waterman observes: ‘[T]his is so much a replay of the radical-nationalist-military of the 1960s-70s, in Africa and the Middle East, as well as Latin America, that I have to keep checking my calendar’.9 Similarly, Nawal el Sadaawi asks whether President Lula might be the ‘Nasser’ of Brazil (el Sadaawi 2004: 136–7), and Michael Hardt asks whether the WSF is the inheritor of the spirit of the 1955 Bandung Conference (Hardt 2002). Elements of the old liberation struggles, which were centred on state-led forms of development, now merge with newer, more horizontal struggles to promote human rights and local development. A more humanist, less national form of liberation
It is notable how often contributors to the *New Left Review* Movement section, and to the June 2005 issue of *Development*, agree that the distinctions frequently made between old and new theory and practice are often false and do not capture the insights of those activists who theorise the movements (Waterman 2005: 45). Michel Albert, himself an activist-scholar, identifies the inherited sectarianism of the 1960s as an obstacle that remains to be overcome. For him the main problem lies in ‘somehow connecting your personal identity to a set of ideas’, with the implication that ‘... if anybody challenges something that you think, it is taken as a devastating attack upon your being’ (Albert 2002:105). He argues for tolerance and mutual acceptance as vital ingredients of the movement if it is to attract more participants and keep their energies channelled.

Among the issues that divide the movement, both internationally and in most localities, is the whole question of tactics, and the use of violence and non-violence. Here there is much that is new, since disagreements over tactics and philosophy are generally deliberately disconnected, rather than being wrapped up together. The issue of whether violence can ever be justified produces conflicts and schisms within and among groups and individuals involved in the movement. A creative response, however, is to suggest that such questions cannot be answered in the abstract. If questions are contextualised, differences of opinion can be handled in more creative ways. Differences can come to seem the basis for discussion and negotiation; as one activist candidly remarks, the meaning of violence (whether structural systemic violence, or the violence of attacking persons, or damage to property, so beloved of media coverage) need not be defined once and for all. Instead it needs to be revisited periodically in the light of present and existing circumstances. So-called Black Bloc anarchists were decried as spoilers at Seattle in 1999. In other contexts, to bar the destruction of all property would be ‘pacifism gone mad’ (consider Palestine or apartheid South Africa) (Kauffman 2001). Disobedience therefore cannot be simply and neatly divided into ‘pacifist’ versus ‘violent’. Whatever media and movement spokespeople claim, it is not this simple. In retrospect the main problem identified by Seattle protesters was not violence against property, but the failure to connect with the whole question of racial oppression and mass incarceration of African Americans and other Americans of colour (Kauffman 2001:128). In a typically creative and tongue-in-cheek response, the feminist Pink Bloc appropriated the attractive irreverence of the Black Bloc anarchists, while using this approach for other purposes (Vargas 2005).

Louise Amoore poses a deeper question when she asks how we know global resistance when we see it (Amoore 2005:1). Resistance takes so many forms, including passive, invisible resistance. Images of street protests, of Internet activism, of petitions, banners, slogans, and anti-advertisements can inevitably reflect only the tiniest and most highly visible part of how people globally resist the impact of economic and political injustices on their daily lives. What emerges most revealingly from this brief review of current writings by the movement’s activists is first of all the sheer complexity and multiplicity of their standpoints. Secondly, what strikes one is the quality of compromise and the consistent pleas for renewal and the search for strength in diversity rather than unity. The ‘multiplicity of social actors who contribute multiple forms of resistance and in the process construct democracies with social justice and equity’ is at once the means and the goal of the Movement of the Movement. Its aim, in a nutshell, is to achieve a better world through encouraging a world of active citizens (Vargas 2005: 108). But visible activism can endanger people in vulnerable situations. This needs to be recognised, and remembered whenever passionate calls to action are issued.

For some, for example, the WSF is a relatively open space in which people ‘with no voice’ can come to express their priorities, finding strength in solidarity and a politics of love. But this
is expecting a lot. The Social Forums are generally experienced by participants as chaotic and de-centred, as spaces where voices can be lost as well as heard. For many people who face oppression, raising their own profile through seeking international recognition may endanger themselves, their families and communities, and expose them to violent and economic retaliation. A hierarchy persists among alternative visions presented at the Social Forums. Causes go in and out of fashion, and those that are remote are generally more attractive and popular to large audiences than those that concern what we each do in our own backyard, so to speak.

Theories for the movements

In this part of the review article, the way in which the Movement of the Movements is starting to be included in the mainstream of Development Studies will be explored through considering some textbook treatments of the subject. Interestingly, the activists referred to in the previous sections are often the same people who are theorising the movement in these textbooks. A nice tidy distinction between activists and scholars, doers and thinkers, breaks down. This can be understood as an outcome of the nature of the Global Justice and Solidarity Movement itself, which has embraced a huge diversity of types of organisation and individual in its wake. As one activist comments: ‘The extraordinary energy of attraction and aggregation revealed by the WSF resides precisely in refusing the idea of a general theory’ (De Sousa Santos 2005:16). There is no single approach to understanding the Global Justice and Solidarity Movement; instead, the whole notion of globalisation itself is being opened up and democratised. Goals of social justice, human rights, peace, women’s rights, corporate responsibility, sustainable economics, and workers’ and farmers’ control, democratic governance, and social solidarity are being incorporated into global governance structures in response to persistent demands from below. With this in mind, a number of volumes have begun to appear in the past few years that have started theorising the Movement of Movements. The main one is The Global Resistance Reader (Amoore 2005). Another useful volume is the annual Global Civil Society, produced by the LSE Centre for the Study of Global Governance (the most recent of which is Anheier et al. 2005). Some practical volumes include the influential Advocacy for Social Justice: A Global Action and Reflection Guide (Cohen et al. 2001) and The Trajectory of Change: Activist Strategies for Social Transformation (Albert 2002).

The Global Resistance Reader is an impressive collection by any standards, a treasure trove for anyone interested in researching or teaching about the Movement of the Movements. In an effort to reflect on the historical and theoretical importance of the Global Justice and Solidarity Movement, the volume starts with chapters by Antonio Gramsci, Karl Polanyi, Michel Foucault, and James Scott, but also Fantu Cheru, who reminds us, recalling his own childhood in Kenya, that one of the weapons of the weak is illegality: ‘call it tax evasion, bootlegging or stealing, these activities represented a defence of self and community’ (in Amoore 2005: 77). The rest of the contributors read like a Who’s Who of the Movement of the Movements, including Arundhati Roy, Arturo Escobar, Cyril Obi, George Monbiot, Naomi Klein, Manuel Castells, and Richard Falk. The book includes sections on the history of the movement, on examples of practice, on work, debt, environment, and cultures and technologies of resistance (music, the Internet, media). Generally the tone is highly optimistic, as expressed in Monbiot’s chapter, based on an article published in the Guardian (28 January 2003), ‘Stronger than ever: far from fizzling out, the global justice movement is growing in numbers and maturity’ (pp. 361–2). The Reader forms the start of a serious effort to integrate academic and scholarly understandings of power, activism, and resistance within the global justice movement. There are two chapters by James Scott, reminding us that for poor people resistance is not a special set of activities, but the daily counterpart of enforced subservience. Scott’s Weapons of the
**Weak** (1985) remains the starting point for those working in development and seeking to understand the deeper bedrock of current social movements.

For teaching purposes, this textbook could be accompanied by more focused regional examples, such as those included in the book by Maxine Molyneux and Sian Lazar, *Doing the Rights Thing* (2003), which concludes its review of women’s NGOs in the Latin American context by stating that ‘[r]ights are conceived of as indivisible, as including civil, political, social and economic rights, and are pursued as a means to create a more just and democratic society’ (p.137). It shows the many ways, both mundane and dramatic, in which Latin American women, through a number of important women’s NGOs, mobilise to extend their room for manoeuvre.

The importance of considering power from below is apparent in a number of more general works. In *The Global Governance Reader*, edited by Rorden Wilkinson, James Rosenau acknowledges the importance of transnational ‘antisystemic movements’ for global governance; he recognises their ability to mobilise and organise as well as to achieve their aims despite the lack of centralised organisational command. He notes that the need for organisation has started to result in what he terms ‘transnational social movement organisations’ beginning to ‘dot the global landscape’ (Rosenau 2005: 54). On the other hand, a number of the debates on globalisation presented in the second edition of *The Globalization Reader* (Lechner and Boli 2004) remind us that civil society is not automatically democratic. Overall, ‘the responsibility for maximising civil society contributions to democratic global governance does not lie wholly with civil associations themselves’ but also with governments, and transworld governance institutions, including the media (Scholte 2005: 337). This insight is applied to examples of actions by global civil society, from tobacco control and climate change to NGO participation in UN Conferences. Both books are teaching volumes that usefully complement the activists’ own accounts referred to in earlier sections of this review essay. The work of global anthropologists can also be important for theorising the Movement of Movements, and here the work of Michael Burawoy and his collaborators has been path-breaking (Burawoy et al. 2000).

Similarly, the 2004/5 edition of the LSE volume *Global Civil Society* takes the new social movements seriously. Presenting ‘state of the art’ knowledge about how civil society operates worldwide, this volume includes a few academic sceptics alongside more optimistic accounts by activist-scholars such as Waterman and Wainwright. The study also presents useful statistical information and maps, as well as a detailed chronology of ‘Global Civil Society events’ from January 2003 to April 2004. These sources of ‘hardish’ information on the new world disorder are a very useful basis for discussion and debate. A chapter by Ezzat (2005) courageously tries to construct a bridge across the chasm between the complex reality of the Global Justice and Solidarity Movement and the present state of social theory. If globalisation has suffered a loss of legitimacy, it has done so especially in the Islamic world (for example, in Egypt, Jordan, Malaysia), and in post-crisis Latin America (in Argentina, Brazil, Mexico, Uruguay, Venezuela, for example). The statistical records in this volume tend to confirm that these are also the regions of the globe where globalisation is the least popular (Anheier et al. 2005: 331–4).

**Does the movement mean something?**

Has all this information-sharing and activism democratised global governance, or freed the majority of the people of the world from the tyranny of the few? Of course not. As Arundhati Roy comments: ‘[w]hile the elite journeys to its imaginary destination somewhere near the top of the world, the dispossessed are spiralling downwards into crime and chaos’ (Roy 2004: 51). Everywhere the focus is on security at the top and the bottom; those who fear living amid disorder and growing desperation are divided in class terms. Ironically, it is in the poorest
regions of the world, where global news and Internet do not reach, that ordinary people seem to retain a more positive attitude to economic globalisation than elsewhere (Anheier et al. 2005: 330–2). As Victor Youmbi says: ‘[t]he benefits of globalisation are hard to see in Cameroon’ (Youmbi 2004: 207). Yet the population of African countries surveyed were the most positive in relation to the benefits of globalisation in terms of trade and consumer goods, and were also fairly negative about anti-globalisation protestors (Anheier et al. 2005: 331–2). In many countries and regions of the world, the proliferating sources of independent information on the Internet still cannot be accessed by anyone but a proportionally tiny elite.

This raises the whole question, which many activist accounts emphasise, of what the Movement of Movements means. Is it mostly the expression by middle-class and activist progressives and reformists of disappointment at the failed outcomes of economic globalisation processes? Is it born of disillusion with the limited results of transnational consultation and target-setting processes, such as those initiated at the UN for example, on the environment and on women’s rights and the whole process of the Millennium Development Goals (Clark et al. 2005: 303–12)? On the right, the explanation for the Movement of the Movements is that the activists and campaigners of all stripes wish to be included in the benefits of globalisation. In other words, for all its sound and fury, the movement may represent a knock of entry rather than a knock of exit. This is too simplistic a view. Certainly, the Global Social Justice and Solidarity Movement has arisen most obviously in post-crisis states with a complex and vibrant civic life, such as Brazil, France, Italy, and Mexico. Underlying its activities is more than the search for simple integration in existing injustices and inequitable distribution patterns. The movement is revolutionary insofar as ‘The human desire for justice, for fairness, for observance of the fundamental law, can be as urgent as hunger and thirst’ (Reich 1995: 115). In his seminal study *Opposing the System*, Reich shows that not all radical movements for social justice need come from the most hungry or thirsty of people. The loudest ones certainly do not. We could do worse than return to James Scott to be reminded that open protest is a relative luxury which is not usually available to those who must accommodate themselves daily to the more powerful, simply in order to survive (Scott 2005: 392). This does not make those who protest ‘unrepresentative’; but it does impose on them a duty to consider the interests and priorities of the most excluded and vulnerable in any given situation.

The LSE volume reminds us yet again that the civility of civil society should not be taken for granted. The centrality of rights and social-justice issues must constantly be struggled for and reasserted, rather than assuming civil society to be a force for these values. Earlier volumes in the series (Glasius et al. 2002; Kaldor et al. 2003) have reflected on the way in which law and the use of force have constrained the degree to which the actions of global civil-society actors can be emancipatory. The 2004/5 volume suggests that a network approach may help to theorise the dispersed and relational qualities of global civil society as it is currently being organised, in terms of processes as well as structures (Anheier and Katz 2005; for a similar approach, see Escobar 2004). Network theory forms a methodologically useful addition which complements activists’ own insights into how the movements are organised. Our whole approach to global civil society may need overhauling and may need new forms of theory that can grapple with its dynamic and multi-cultural forms (Ezzat 2005).

In the face of disenchantment with conventional multi-party politics, there are some signs of vibrancy, and the opposite of what Noam Chomsky has identified as the culture of fear and apathy, induced by official discourses emptied of all meaningful content (Chomsky 2003). Such signs of vibrancy now largely come from the mass social movements of the global South, and among the poor and socially excluded of the planet, if not necessarily from the poorest or the most excluded. Necessity may be both the mother of invention and the father of shared, global values, producing offspring that can develop in different ways: liberationist...
and justice-oriented, or exclusionary and hateful. Social renewal and community regeneration from within the post-industrial core of the North has taken place in contexts of rising unemployment, social chaos, and community disintegration. Amid the new global disorder in North and South, East and West, new communities are forming, partly through cyberspace, information technology, and shared values rather than on the basis of plans, explicit agendas, or common location (Escobar 2004: 350–1). How do we make sense of the parallel Internet being formed by the US military and intelligence communities, or the Internet-based movements supportive of al-Qaeda, and on the other hand relate these to the thousands upon thousands of groups that form virtual communities striving to promote positive social change through making global connections and engaging in non-violent transformation?

There is one encouraging sign. The social movements that make up the Movement of Movements ‘do not take their cues from any central committee, but act largely in response to local/national concerns, albeit having in mind some global issues’ (Escobar 2004: 353). There are few grounds for optimism regarding the prospects for global peace and social justice; the novelist and activist Arundhati Roy warns that ‘under the spreading canopy of the War Against Terrorism, the men in suits are hard at work’ (Roy 2004: 53). This is not a reason for sitting back.

Anyone involved in the Movement of Movements must work as hard as those men in suits, but to different purposes. It was Arundhati Roy herself, together with Richard Falk, who recently produced evidence to show that hard work can pay off, when they convened a World Tribunal on Iraq, an initiative based on Bertrand Russell’s idea of people’s tribunals, and reminiscent of one held on Vietnam in an earlier era. The World Tribunal on Iraq condemned US atrocities and gained a great deal of media and public attention by supporting war-crime charges against President Bush and US defence officials, currently not liable to prosecution under the International Criminal Court.

Wheels within wheels: a brief conclusion

The story seems to have gone full circle. I have somehow come back to the quote from Therborn at the start of this article, where he insists on the primacy of agency over structures in determining our actions and their results. Here the rather unexciting, but probably quite realistic, conclusion is reached that ‘[t]he vitality and political relevance of global civil society will be tested by whether it can give renewed energy to the worldwide movement of peoples to advance human rights [and global justice]…in the face of terrorist and imperialist diversions’ (Falk 2005: 49). The Global Justice and Solidarity Movement can try to hold the powerful to account. It can provide new sources of power and knowledge about what is going on in the world, and tell new stories about alternatives. It can help to unmask imperial ambitions and corporate misdoings through relentless investigative work and counter-publicity. Alternative media are now firmly part of the cyberspace world. Arguably, at a time when the global neoliberal Empire ‘…stands before us on the world’s stage in all its brutish, iniquitous nakedness’ (Roy 2004: 53), there are some grounds for believing that alternative systems can be consolidated. But, like the naked Emperor, although unrobed and unmasked, the system continues its onward march past us. For how long will this state of affairs continue? As Therborn reminds us, how long it takes is partly up to each one of us.

Notes

1. According to Graeber (2002:61), ‘It’s hard to think of another time when there has been such a gulf between intellectuals and activists; between theorists of revolution and its practitioners. Writers who
for years have been publishing essays that sound like position papers for vast social movements that do not in fact exist seem seized with confusion or worse, dismissive contempt, now that real ones are everywhere emerging. 1 However, Graeber probably overstated his case, even in 2002.

2. Wainwright’s study contains an excellent annotated listing of most key activist and research networks with websites and postal addresses, which is a good starting point for someone interested in learning about the field of the Movement of the Movements. Among her many positions, Wainwright is connected with the Transnational Institute (TNI) in Amsterdam and the Centre for Global Governance at the London School of Economics (LSE).

3. Gateway sites include Indymedia (www.indymedia.org), which operates in approximately 50 countries, and Our World is Not for Sale, a hub for activists (www.ourworldisnotforsale.org), and finally People’s Global Action, which co-ordinates such groups as Ya Basta! in Europe and the Brazilian Landless Workers’ Movement (MST) (at www.agp.org). This list is by no means adequate, but constitutes a realistic starting point for anyone who wishes to explore the thousands of interrelated web sites that make up the virtual Movement of the Movements. Training in non-violent direct action and civil disobedience is provided by the inimitable Ruckus Society (at www.ruckus.org).

4. At the WSF and regional Social Forums, the work of translation has been undertaken by Babel, an organisation set up in Barcelona. For discussion of translation issues, see Bullard (2005) and De Sousa Santos (2005).

5. I owe much to the Community Development Journal, which enabled me to work out some ideas on activism through being on the editorial board for many years, and being invited to write a piece for the journal on ‘something hopeful’ (Hintjens 2000). In The Hague, I am grateful to know Peter Waterman, who has responded to my constant enquiries about activism in the Netherlands with patience and restrained supportiveness.

6. Michel Albert (2002:125) asserts that the left needs to answer three crucial questions before it can get people motivated to become involved en masse. These are: What do we want?, How do we get it? and What can I do that will matter? However, Albert’s approach is rather classical, to the extent that he asks the question in terms of ‘we’, begging the further question of who belongs to this ‘we’.

7. Monbiot (2003: 6) for example suggests an all-or-nothing solution: ‘Unless we are prepared to take our arguments to their logical conclusion [i.e. democratic world government], we may as well furl our banners and go home’. Yet because of his insistence on democratic principles, Monbiot acknowledges a few pages later that ‘. . . if, in the initial referenda, the people of the world reject a world parliament, then a world parliament will not come into existence’ (p.109).

8. The Polycentric World Social Forum 2006 was proposed in January 2005 in Porto Alegre as an attempt to globalise the experience of the World Social Forum, reducing transport costs and making the Forum more accessible to marginal voices.


References


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Development in Practice, Volume 16, Number 6, November 2006 643
Report No 42

Global Trade expansion and liberalisation: gender issues and impacts

A study prepared for the Department for International Development (DFID) UK

by Marzia Fontana, Susan Joekes and Rachel Masika

January 1998 (revised)

The authors gratefully acknowledge support for the preparation of this report from the Department for International Development (DFID), UK. However, the views expressed and any errors or omissions are those of the authors and not of DFID.

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ISBN: 1 85864 236 1
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<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ACP</td>
<td>African, Caribbean and Pacific countries (under Lomé Convention)</td>
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<td>ARTEP</td>
<td>Asian Regional Team for Employment Promotion (ILO)</td>
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<td>BRIDGE</td>
<td>Briefings on Development and Gender (IDS)</td>
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<td>CAP</td>
<td>Common Agricultural Policy</td>
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<td>CCC</td>
<td>Clean Clothes Campaign</td>
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<td>CEP</td>
<td>Council for Economic Priorities</td>
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<td>CIIR</td>
<td>Catholic Institute for International Relations</td>
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<tr>
<td>CLAIHR</td>
<td>Canadian Lawyers Association for International Human Rights</td>
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<tr>
<td>DFID</td>
<td>Department for International Development (UK)</td>
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<td>EDI</td>
<td>Economic Development Institute (World Bank)</td>
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<td>EIU</td>
<td>Economist Intelligence Unit</td>
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<td>EPZ</td>
<td>Export processing zone</td>
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<td>ERP</td>
<td>Economic recovery programme</td>
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<td>EU</td>
<td>European Union</td>
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<td>EUD</td>
<td>European Union Division, DFID</td>
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<td>FDI</td>
<td>Foreign direct investment</td>
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<td>FLF</td>
<td>Female labour force</td>
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<td>FLFP</td>
<td>Female labour force participation</td>
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<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
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<td>GDP</td>
<td>Gross domestic product</td>
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<td>GSP</td>
<td>Generalised System of Preferences (EU)</td>
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<tr>
<td>H-O</td>
<td>Hecksher and Ohlin (trade theory)</td>
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<tr>
<td>ICDA</td>
<td>International Coalition for Development Action</td>
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<td>ICFTU</td>
<td>International Confederation of Free Trade Unions</td>
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<td>IDS</td>
<td>Institute of Development Studies</td>
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<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
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<td>IFPRI</td>
<td>International Food Policy Research Institute</td>
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<td>IILS</td>
<td>International Institute for Labour Studies (ILO)</td>
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<td>International Labour Office</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>MFA</td>
<td>Multi-Fibre Arrangement</td>
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<td>Abbreviation</td>
<td>Full Form</td>
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<tr>
<td>MNC</td>
<td>Multinational corporation</td>
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<td>MVWG</td>
<td>Monitoring and Verification Working Group</td>
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<td>NAALC</td>
<td>North American Agreement on Labor Co-operation</td>
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<td>NAFTA</td>
<td>North American Free Trade Agreement</td>
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<td>NEF</td>
<td>New Economics Foundation</td>
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<tr>
<td>NGO</td>
<td>Non-governmental organisation</td>
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<td>NIC</td>
<td>Newly industrialising country</td>
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<td>NTAE</td>
<td>Non-traditional agricultural export</td>
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<td>ODI</td>
<td>Overseas Development Institute</td>
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<tr>
<td>OECD</td>
<td>Organisation of Economic Co-operation and Development</td>
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<td>PIHS</td>
<td>Pakistan Integrated Household Survey</td>
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<td>SAP</td>
<td>Structural adjustment programme</td>
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<td>SCF</td>
<td>Save the Children Fund</td>
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<td>SDD</td>
<td>Social Development Division, DFID</td>
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<td>SSA</td>
<td>Sub-Saharan Africa</td>
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<tr>
<td>TNC</td>
<td>Transnational corporation</td>
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<td>TPR</td>
<td>Trade policy review (WTO)</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<td>UNIFEM</td>
<td>United Nations Fund for Women</td>
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<td>UNRISD</td>
<td>United Nations Research Institute for Social Development</td>
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<tr>
<td>UR</td>
<td>Uruguay Round</td>
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<td>WB</td>
<td>World Bank</td>
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<tr>
<td>WEDO</td>
<td>Women, Environment and Development Organisation</td>
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<td>WIDE</td>
<td>Women in Development Europe</td>
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<tr>
<td>WTO</td>
<td>World Trade Organisation</td>
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<td>WWW</td>
<td>Women Working Worldwide</td>
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1. BACKGROUND AND INTRODUCTION

1.1 Background to study

This study was commissioned by the Social Development Division (SDD) of the Department for International Development (DFID), UK, to assess the current state of knowledge about gender inequality and trade, to inform the development of policy in this area and to identify areas for future, policy relevant research. It is largely based on existing literature and analysis of secondary data, as well as on information from selected stakeholder organisations, including international agencies and non-governmental organisations.

The report was prepared by a team of gender specialists and economists, Marzia Fontana, Susan Joekes and Rachel Masika, under the management of the BRIDGE (briefings on development and gender) service at the Institute of Development Studies (IDS), UK. A draft version was submitted to DFID in September 1997 and this formed the basis of discussion at a workshop convened at DFID on 10 October 1997. Participants at the workshop included DFID personnel from SDD and the European Union Division (EUD), as well as representatives of NGOs and research institutions. A summary of workshop discussions and list of participants are appended to this report (Appendices 3 and 4).

Concern with the coherence of development co-operation and broader economic co-operation policies is growing. This report constitutes a contribution to this debate and highlights areas where the existing database needs to be strengthened in respect of gender issues. Given that this is a relatively new area of inquiry, there is also a need to develop the methodological framework to enable more rigorous analysis. For these reasons, only provisional conclusions can be drawn at this stage requiring further empirical investigation and verification.

1.2 Overview

A major challenge for development policy aimed at reducing poverty is to enable a more equitable distribution of the gains associated with trade expansion and liberalisation. This requires a better understanding of why some countries and social groups are able to benefit more than others from increasing trade flows. There is some understanding of these issues at country and regional level but there has been little consideration as yet of the gender dimension of trade outcomes.

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1 Sally Baden, BRIDGE Manager, was also involved in developing terms of reference, advising on drafts, overseeing the project and editing the final report. Comments from Chris Stevens and Adrian Wood, IDS Fellows, on an earlier draft, are also gratefully acknowledged.
This report will argue that:
(a) gender analysis is important in understanding why some countries, sectors, or regions are unable to capitalise on potential trading opportunities, which relates in part to rigidities and distortions, including gender distortions in factor markets; and
(b) the benefits of trade expansion are differentiated between women and men, as well as between different groups of women, with implications for both gender equality and poverty reduction goals.

The consequences of trade liberalisation and expansion for women both absolutely, and relative to men, have been mixed, with both positive and negative features, depending on a range of factors and preconditions. These include gendered patterns of rights in resources, female labour force participation rates, education levels and gaps by gender and patterns of labour market discrimination and segregation, as well as socio-cultural environments.

The report presents evidence that in some parts of the developing world (particularly Asia, but also Latin America and the Caribbean), the expansion of export production has been associated with the feminisation of the industrial labour force, at least in its initial stages. Women, especially younger, educated women, have been drawn into paid work for the first time in export industries. This has had positive implications for their well being and autonomy, although controversy remains about the terms and conditions of female employment in export production and evidence shows that benefits may be short-lived.

In Sub-Saharan Africa (SSA), where agriculture predominates in export activity, women often do not benefit directly from increased export production since their property rights in land are limited and unpaid family labour is the mainstay of smallholder export production. In poorer SSA countries, there is a danger that the intensification of female labour in export production, often unpaid, may undermine other developmental gains, particularly in the education and health status of women and girls.

These preliminary findings, although they require further elaboration and investigation, suggest a need for a differentiated approach in policy interventions aimed at redressing gender inequality linked to trade patterns:
• in countries where female participation in wage labour in export industries is high, emphasis on reducing labour market discrimination;
• in countries where agriculture is the main focus of export activity, emphasis on strengthening and enforcing women’s property rights in land.

Policy needs to act to reduce gender-based constraints to trade expansion and to enhance gender-equalising trends associated with trade, as well as to offset any negative consequences of trade in terms either of widening overall gender inequalities or of specific losses for particular groups of women. This requires first that the gender-differentiated effects of particular trends and policy changes are well understood.
Research and monitoring of gender aspects of trade expansion and liberalisation is thus a high priority, particularly with respect to traded service sectors, informal sector manufacturing, and non-traditional agricultural export production and processing activities. These are areas where women’s participation levels are known to be high in absolute and, sometimes, relative terms, but where empirical knowledge is currently weak.

In addition to the broad orientations identified above, policy also needs to emphasise gender equality in the monitoring and enforcement of labour standards (whether in the context of social clauses or not), greater corporate responsibility for gender equality in labour conditions, including in local subsidiaries, and support for women’s organisations engaged in monitoring and advocacy on issues of labour standards and rights.
2. GLOBAL TRADE EXPANSION, CHANGING TRADE PATTERNS AND THEIR IMPLICATIONS FOR WOMEN’S LIVELIHOODS

2.1 Recent trends in world trade

The past twenty years have seen a steady growth in international trade and significant changes in its composition both in the North and in the South. Overall, the volume of world merchandise trade is estimated to have increased at an average annual rate of slightly more than six percent during the period 1950-94 (WTO 1995: 15). Trade now accounts for about 45 percent of world gross national product (GNP) compared to 25 percent in 1970 (World Bank 1995: 51).

The structure of world trade has also changed substantially. The share of manufacturing has increased rapidly and in 1994 constituted 74.3 percent of the total value of world merchandise exports (WTO, 1995: Table II.2). Manufactured goods and, latterly, services² have risen steadily at the expense of trade in primary commodities.

Table 1: Composition of merchandise exports by region and product type

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</thead>
<tbody>
<tr>
<td>N America and W Europe</td>
<td>54.1</td>
<td>60.5</td>
<td>Agricultural products</td>
<td>14.5</td>
<td>11.9</td>
</tr>
<tr>
<td>Latin America</td>
<td>6.0</td>
<td>4.5</td>
<td>Mining products</td>
<td>22.7</td>
<td>10.7</td>
</tr>
<tr>
<td>Central/Eastern Europe and the former USSR</td>
<td>9.2</td>
<td>2.9</td>
<td>Manufactures</td>
<td>58.5</td>
<td>74.3</td>
</tr>
<tr>
<td>Africa</td>
<td>4.2</td>
<td>2.2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Middle East</td>
<td>5.9</td>
<td>2.9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asia</td>
<td>20.6</td>
<td>27.0</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: WTO, 1995

² Shares do not add to 100 due to unspecified products

International trade expansion has not affected all developing regions evenly. Countries in East and South Asia have in varying degrees succeeded in supplying both new and traditional goods to the world market, expanding the world market share of Asia from 20.6 percent in 1984 to 27 percent in 1994, while Sub-Saharan Africa and Latin America’s world market shares fell from 4.2 to 2.2 percent and from 6.0 to 4.5 percent respectively (see Table 1). The growth of manufactured exports from developing countries has been particularly rapid in South and South East Asia where 78 percent of exports now consist of manufactures. By contrast, Latin America and

² Services are currently the fastest growing element in world trade and account for approximately 20 percent of the total (GATT, 1994).
especially Africa remain predominantly exporters of primary products, although their
share of manufactured exports has increased. Within manufactures, electronics have
recorded a much more rapid growth than clothing in recent times, from 2.1 percent of
total developing country exports in 1980 to 9.9 percent in 1990, while clothing
exports increased from 2.7 percent to 5.9 percent (UNCTAD, 1993: Table 3.4). Table
1 gives a breakdown by broad region and product type of the composition of
merchandise exports.

Growth in world trade has been due to three main factors:
- changes in transportation and telecommunications which have facilitated the
  international transfer of goods and services;
- increased flows of foreign investment and changes in the nature of international
  business location decisions with a greater dispersion of functions;
- the promotion of trade liberalisation (through the reduction of tariff costs and
  physical obstacles to trade between countries) both at national level and in terms
  of international treaties, most notably the General Agreement on Tariff and Trade
  (GATT). However, elements of discrimination against developing countries still
  remain in the current trade regulations.

2.2 Theoretical framework

Existing literature on the gender dimensions of international trade tends to focus on
income and employment rather than consumption effects, and on the impact of
changes in export production rather than of import displacement. Reflecting these
biases, this report analyses the livelihoods effects of trade expansion for women,
primarily through their impact on women’s employment opportunities. This is
analytically less difficult than examining other aspects and data are more readily
available. However, reference to broader issues is attempted wherever possible.

The analytical framework used to study the link between trade expansion and
employment is based on an often disputed but widely used theory of trade, that of
Hecksher and Ohlin (H-O)\(^3\). The H-O framework dominates the entire economic
literature on trade and labour (see for example, OECD, 1997; Wood, 1997). This is
because, uniquely, it directly links trade to domestic demand and supply for factors,
including various categories of labour (Adrian Wood, personal communication).

It is also a flexible framework, which can without much difficulty be extended to
include different kinds of resource endowments, international differences in
technology (or other determinants of efficiency) and even institutional intervention in
wage-setting (e.g. minimum wages) as source of comparative advantage. Nor would
it be difficult to link the H-O theory up to an analysis of broader social considerations,

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\(^3\) H-O theory asserts that countries export goods which use intensively those factors of production that
are relatively abundant at home and import goods which use intensively factors that are relatively
scarce. Trade thus increases the demand for abundant factors, because of the expansion of export
sectors, and reduces the demand for scarce factors, because of the contraction of import-competing
sectors, with corresponding effects on factor prices.
both as ‘inputs’ (i.e. as determinants of labour supply, domestic labour demand and wages) and as ‘outputs’ (i.e. the consequences of trade-induced changes in wages and employment) as Kabeer (1995) does in her study of Bangladesh.

On a less positive note, the H-O framework, as with most mainstream economic approaches, does not consider gender as an analytical category. It is increasingly emphasised in the feminist economic literature (e.g. Cagatay, Elson and Grown, 1995) that failure to take into consideration important aspects of gender relations, such as women’s unpaid reproductive work and intra-household resource allocation, leads to an inaccurate evaluation of the impact of economic liberalisation on women both inside and outside the labour market. Further work is needed to develop analytical frameworks which incorporate these concerns while providing a basis for estimating empirical outcomes.

2.3 Impact of trade liberalisation on income distribution and poverty

An increasing number of developing countries have adopted trade liberalisation strategies in recent times. Whilst trade has the potential to support growth and development, there are structural problems which make it difficult for developing countries to reap fully the potential gains from trade (Evans, 1990; Taylor, 1988).

The neo-classical theoretical rationale for trade liberalisation is that increased openness to trade is beneficial to economic growth and efficiency. It promotes specialisation in conformity with a country's comparative advantage, economies of scale due to the widening of markets, better utilisation of productive capacities, improved management methods and greater enthusiasm for innovation and technical progress in response to foreign competition. Moreover, it is often argued that an outward-oriented policy is more effective than an inward-oriented policy, even when goals such as reducing poverty and inequality are taken into account. As developing countries’ comparative advantage often lies in unskilled labour (the most abundant - and often sole - asset of the poor), foreign trade exposure is likely to favour an expansion of labour-intensive activities (Wood, 1994).

Inferences about the impact of trade liberalisation on poverty can be drawn from the literature on structural adjustment and poverty (for example, Addison and Demery, 1986; Stewart, 1995) which documents increases in poverty following adjustment. However, this probably can be traced to components of adjustment other than trade reform.

Theoretically, the effects of trade liberalisation on poverty are ambiguous. Tracing these effects empirically is not an easy task, due to poor data availability, the absence of a counterfactual and the complexity of demonstrating a clear link between various trade reforms and the resulting income distribution, when many other elements are at work simultaneously.

Three main mechanisms through which trade policy reform may affect the distribution of income are identified in the literature (Addison and Demery, 1986):
• Employment effect. Changes in the relative prices for goods, by altering incentives, induces a reallocation of factors of production among sectors that use them with different intensities (and therefore changes in their remuneration);

• Price effect. Changes in real incomes, brought about by the same changes in relative prices, affect various social groups differently due to differences in consumption patterns.

• Public provision effect. Trade liberalisation may induce income transfers. For example, tariffs generate revenue for the government and any reduction in tariff revenues may affect social groups differently depending on the changes in the composition of government expenditure.

The well-being of the poor depends on both their primary and secondary incomes. The former depend on household assets (land, capital, human capital and labour) and the employment of and returns to those assets. The latter are determined by taxes, transfers and public goods and are mainly provided by the state (Stewart, 1995). The effects of changes in these will impact different on social groups depending on their sources of income and patterns of consumption.

In terms of the employment effect, the most common view is that the distributional effects of trade are likely to vary with the type of the economy. There may be positive effects where the poor are heavily concentrated in labour-intensive manufactures and in economies exporting agricultural products produced in a labour intensive way by small farmers (Bourguignon and Morrison, 1992; Stewart, 1995). However, in many countries, although the poor participate, agricultural export production tends to be concentrated among richer farmers (see Boateng et al., 1990 on Ghana and Kanbur, 1990 on Côte d’Ivoire). Subsistence farmers and net food purchasers are likely to be less favourably affected and each of these groups tends to contain a high concentration of those below the poverty line and specifically of women.

In terms of the price effect, conventional trade theory suggests that trade liberalisation will lead to lower prices in domestic markets since goods produced more cheaply in other countries are imported at lower prices than goods produced locally. To the extent that prices do decrease, it can benefit consumers. Women will benefit from these price effects both as individual consumers and as household members primarily responsible for the family budget. It is also suggested that changes in the price structure may lead to consumption effects over and above price effects, as a result of shifts in consumer preference and in cultural norms and values associated with the new goods. In this instance, local crafts and locally produced staples may suffer a decline in demand. Moreover, while middle- and upper-income consumers may benefit from the new market for imported goods, poor households are less likely to be in a position to take advantage of this (Beneria and Lind, 1995).

In terms of the public provision effect, the poor will be negatively affected by cuts in public expenditure on goods and services to the extent that a significant proportion of that expenditure goes on priority services reaching the poor (which, however, is often not the case).
2.3.1 Employment consequences

One of the most important distributional implications of trade liberalisation is through its effects on the level and composition of employment. Moreover, access to productive employment is one of the most effective ways of breaking out of poverty. A number of recent reports and studies have addressed the issue of the employment consequences of globalisation (Wood, 1994; ILO, 1995; World Bank, 1995).

Trade theory does not lead to unambiguous predictions about the level and pattern of labour demand that might result from trade liberalisation (Fitzgerald and Perosino, 1995). The empirical verdict remains open as well, as demonstrated by the divergence in views expressed in UNCTAD and World Bank’s most recent assessments (reported in The Guardian, 16 September 1997). The most common view seems to be that while the employment consequences of increased trade are negative in the North, the South is likely to benefit from trade expansion (ILO, 1995: 35-39). However, not all regions of the South have been affected in the same way, with major gains concentrated in South East Asia while Africa appears to have been unable to take advantage of these international developments.

Another dimension which is less investigated is that of the negative employment effects induced by cheap import displacement. These are likely to be strongest in small-scale subsistence agriculture and in the informal sector, although in this latter case other offsetting forces may be at play (e.g. expansion of sub-contracting) (Beneria and Lind, 1995). Women’s economic activity is heavily concentrated in subsistence agriculture and the informal sector so that negative employment effects may disproportionately affect them.

The theoretical predictions about the employment consequences of trade liberalisation are based on assumptions of full employment of resources and of quickly adjusting and frictionless markets. These are strong assumptions, particularly in developing countries where structural factors and non-price mechanisms hinder the response to changes in relative prices. So, for example, labour displaced in the sectors that decline may not easily be re-employed in the expanding sectors because of labour market segmentation. This aspect is particularly significant from a gender perspective. As Haddad et al (1995: 893) state: ‘In order to participate an individual must own factors of production, or have access to them, and must be able to reallocate them in line with the new economic incentives that trade liberalisation precipitates’.

Access to, control of, and ability to move productive economic resources between sectors are gender differentiated. Women are less likely to own or have access to resources and they are less able to reallocate the few resources they do command. With respect to labour, one study of factory workers retrenched under adjustment showed that married women fared much worse than any other group of workers in

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4 Wood (1994: 147-165), for example, estimates that the cumulative reduction up to 1990 in the demand for unskilled workers caused by expansion of trade in the North was of approximately 36 million person-years and that the demand for unskilled workers relative to skilled workers decreased by around 20 percent.
terms of the quality of job opportunities available to them after retrenchment (Hirata and Humphrey, 1990, cited in Baden, 1997).

On the other hand, women's labour has relatively easily been drawn out of the household sphere and into the labour market, as witnessed by the secular rise in female labour force participation rates over the past 30-40 years in almost all developing regions. One possibility is that the labour allocative incentives prevailing after trade liberalisation have most directly impacted on the incremental labour resources brought to the labour market by women, and that this has allowed greater flexibility in their supply response.

2.4 Relevance of gender issues to trade expansion and liberalisation

Most of the observations discussed above in relation to trade and poverty are particularly pertinent to gender concerns. Gender is a key determinant of vulnerability to poverty. Whilst the processes which bring about poverty among men and women are similar, there are processes which are gender specific. Women are more vulnerable to fall into, and to remain entrapped within poverty, than men (Baden with Milward, 1995).

The vulnerability to poverty of women is strongly linked to their pattern of employment and to their disadvantaged position in the labour market. Women workers in developing countries are concentrated in jobs which bring low earnings, are irregular and insecure and are beyond the effective reach of labour and social protection laws. Three main factors channel women into low-income, low-productivity and often casual employment:

- Women’s reproductive and domestic responsibilities are generally perceived to be their primary function. This perception reinforces structural barriers to women’s access to education, training, land and productive assets, restricts women’s time and mobility for productive work and limits their choice of income-earning activities.
- Women are perceived to be merely secondary earners so that often men have priority over women in the allocation of opportunities for remunerated employment.
- Women face unequal access to productive resources and services although they are largely dependent on self-employment for which land, capital, technology and labour are critical (ILO, 1995: 10).

Many women produce for the international market both directly and indirectly. Rural women in Africa, Asia and Latin America are involved in producing agricultural or horticultural products for foreign markets, or work for wages in traditional cash crop plantations. In industry, women work in factories, not only in export processing zones (EPZs), but also more broadly in clothing, food-processing and electronics industries, and, generally, in industries with a high propensity to export.

Overall, existing evidence seems to suggest that women are likely to benefit from the employment-creation dimension of trade expansion, but that this is largely limited to
the industrial sector. The situation is much less clear with respect to agriculture. Trade-related employment is also recruiting women in varying degrees in services such as finance, tourism and information processing and in agribusiness and food processing. However, the relative importance of the services sector and women’s representation within it varies significantly among regions (Joekes, 1995: 36). The current and prospective labour demand for women workers in the modern services sector has been little studied and warrants much more research.

2.5 Existing research on gender and trade

2.5.1 Trends in female employment and trade expansion

Increased manufactured exports from the South are very strongly associated with the feminisation of the industrial labour force, as shown in a study of formal sector employment in manufacturing in developed and developing countries over the period 1960-1985 (Wood, 1991). With reference to developing countries, the study shows a strong relation between increased exports and increased female employment in manufacturing. The largest increases in both the export orientation and the female intensity of manufacturing appeared to be in Mauritius, Tunisia, Sri Lanka, Malaysia and the four East Asian ‘tigers’.⁵

2.5.2 Case studies and comparative research

The existing research on women and trade (reviewed in Joekes and Weston, 1994) consists primarily of several case studies of EPZs and of export-oriented manufacturing firms (mainly in East Asia and Latin America, but also Sri Lanka and Bangladesh), some household-level case studies of women with jobs in such firms and two cross-country studies. The contribution of EPZs has been much studied, as the majority of their employees are women.⁶ Studies have focused on employment opportunities, which favour women, and working conditions. Evidence is inconclusive on this latter point. Some argue that women fare better in EPZs than in domestic industries, especially when total remuneration is taken into account; others show that pay is poorer. Working conditions generally appear to be poor, although arguably not usually worse than in most jobs open to women. Some evidence also suggests that young single women were the preferred workforce, at least initially, in many EPZs in Asia (Baden and Joekes, 1993). Other evidence shows clearly that wage discrimination tends to be more severe among married persons than among young single persons (Gannicot, 1986; Tzannatos, 1995).

One important conclusion of this research is that the growth of export-oriented manufacturing has benefited women. It has created many jobs for them (both absolutely and relative to men) often drawing them into paid work for the first time, at wages which, although lower than those of men, are often higher than women would

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⁵ The developing country sample in the study covers 35 countries. It would be useful and interesting to update and extend this dataset. The inclusion of Bangladesh, for example, is likely to make the results stronger.

⁶ For a comprehensive review of gender issues and EPZs, see Baden and Joekes (1993).
have earned in the alternative forms of work open to them. In some countries, the regularity of the wages from these factory jobs, and the location of the work outside the sphere of control of male relatives has empowered women, increasing their influence on household decisions, and permitting them to escape from situations of domestic violence and oppression (Kabeer, 1995). However, it is also observed that these gains may be only short term (Joekes, 1995).

The agricultural export sector (plantation and small farms) accounts for the bulk of women’s trade-related economic activity in Africa but remains relatively under-researched. The limited evidence shows that the effects of increased exports of traditional cash crops in Africa are generally less favourable to women than to men (Gladwin, 1991; Kennedy and Coghill, 1987). But the picture is mixed, with differences between traditional export crop production, newer exports such as horticultural products and agro-industry; the gender impact of the latter is particularly under-researched.

The impact on women of expanding export production varies according to social and other factors governing the division of labour. Increasing demands on women’s labour contribution to export cash crop production (where they generally work as unpaid family labour for male relatives) can lower their nutritional status and that of their families, where income is appropriated by men and not spent on food, or else drain women’s energies if they keep up production for own consumption. Women farmers - particularly female heads of households7 - may find it difficult to become independently involved in the production of newer export crops because of limited access to credit, technology and marketing channels. Many women have found employment in agro-industry but this may not have improved their status as much as in manufacturing, as the work is highly seasonal and dependent on yields.

2.5.3 Gaps in existing research
There are important gaps in the sectoral coverage of the existing research, i.e. a lack of analysis of:
- non-traditional agricultural exports;
- primary processing activities;
- traded services; and
- small-scale informal sector manufacturing.

Data limitations are particularly strong with reference to agricultural employment (information is generally only available on the traditional sector) and the informal sector, where the negative effects of trade expansion may be concentrated, through pressure of import competition from trade liberalisation. On the other hand, small workshops supplying work for larger export concerns may be expanding in line with patterns in the formal sector and amplifying the employment creating effect (ILO, 1996b). Although observations to date of the relationship between trade expansion

7 Female heads of households are often thought to face particularly strong constraints in their access to productive resources. This, however, is not always the case and may vary from country to country and between different types of female-headed households (Baden with Milward, 1995).
and female employment have been limited to employment in the modern factory sector, which conventional statistics cover most satisfactorily, there is some evidence that the expansion of exportable services is another source of employment for women in the modern sector, especially in the Newly Industrialising Countries (NICs). However, it is difficult to disentangle information on internationally traded services which often are not isolated in data from traditional commercial services, or social sector personal services. In both the informal sector and services, further research is much needed.

The limitations of the literature on this area are not just in its empirical coverage, but also of an analytical nature. For example, most of the analysis is partial equilibrium, looking at specific firms or sectors in isolation, neglecting linkages to other sectors and failing to trace indirect effects, which can cause the ultimate outcome of policies or exogenous shocks to be different from their immediate impact.

Of particular importance here, the literature does not explicitly and systematically introduce gender as an analytical category. The interaction between market and non-market spheres, mediated by unequal gender relations, is important for overall outcomes. To date, there is a very limited number of studies which analyse what happens in the invisible economy under adjustment, i.e. how dynamics within the household affect women’s decision to participate in market activities and whether there is any change in resource allocation patterns within the household. Thus, it is not clear whether, or under what conditions, women acquire greater control over their income, whether the way they spend it is changed, and whether a reallocation of time between unpaid and paid work occurs, as a result of their entry into trade-related employment.

There are other areas in which more research would be valuable. Some recent studies have tried to investigate the correlation between outcomes for women in the labour market and other variables such as education (Wood and Berge, 1994) and rapid economic change (Tzannatos, 1995). Wood and Berge (1994) investigate the linkage between female education and export competitiveness. They test the hypothesis that availability of educated female labour is an important determinant of success in exporting manufactures using cross-country regression analysis, but measurement problems prevent the emergence of any clear result.

The hypothesis nevertheless remains an important one in this context, for it raises two important issues. First, can the adoption of a human resource-led development strategy be one way of reshaping a country’s comparative advantage (Godfrey, 1997)? Competitiveness can be created and not just endowed and female education could play an important role in this. Second, the literature on the preferential demand for female labour in export production suggests that the female labour force may be endowed with skills that enable them to contribute significantly to the expansion of export-oriented industry. These would relate not necessarily to education, in the conventional

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8 For a comprehensive discussion of these limitations, see Cagatay, Elson and Grown (1995).
9 Most notably collinearity between the overall level of education and the relative educational position of women.
sense, but to such characteristics as 'docility', 'dispensability' and greater amenity to
discipline, as stressed in the early feminist literature (see Baden and Joekes, 1993, for
a discussion). Inter-personal communications skills and task-flexibility requirements
of flexible specialisation, and of the total quality control and just-in-time methods
associated with the Japanisation of production, are also likely to increase under trade
liberalisation. These characteristics are often associated with female workers.

Another area of research is the impact of trade on gender-based wage discrimination.
A study by Tzannatos (1995) suggests that the terms and conditions of women’s
employment in developing countries have benefited from economic change and
liberalisation and that improvements appear to occur at a more accelerated pace than
in developed countries during their industrialisation. His findings point to an overall
improvement in the position of women in the labour market mainly resulting from
increases in female relative pay within sectors, particularly manufacturing, more than
from shifts between sectors. However Tzannatos' data also point to another disturbing
trend: a strong, positive relationship between the size of the discriminatory gap in
male and female wages and the level of female education in the population (Susan
Joekes, personal communication). The convergence of male-female wage gaps which
Tzannatos identifies is not happening as fast as would be predicted, given the
diminution of gender gaps in educational provision. This may reflect the fact that
most educated women are absorbed into low-wage parts of the manufacturing sector
such as clothing. This should be a source of concern for policy makers, particularly
given the importance accorded to female education as a means to promote gender
equality. The relationship between trade and gender discrimination in labour markets
certainly warrants further detailed investigation.

2.6 Case studies

The gender-differential effects of increased openness to trade vary with resource
endowments, educational levels, labour market institutions and policies and socio-
cultural norms. The use of national case studies may help to illustrate some of the
mechanisms operating in relation to trade and women’s livelihood opportunities. This
approach poses some methodological problems as it is difficult to disentangle the
effects of trade expansion from those of other simultaneous changes. Nevertheless,
tentative interpretation can be made of the limited facts observed.

Comparison between regions with different performances in relation to trade
expansion may be of particular value. Asian and African countries have experienced
divergent outcomes from increased openness to trade mainly resulting from their
different comparative advantage, based on abundant labour in Asia and on abundant
natural resources in Africa.

Women seem to have been better placed to benefit from trade in Asian than in African
countries. Joekes (ICDA, 1997) has developed a schematic model of the gains and
losses to women from expansion of trade, based on differential property rights. The
more positive outcome for women in Asia may be attributed to the fact that women’s
labour power is less alienable than their rights over land and natural resources, which are tightly constrained and contingent.\textsuperscript{10}

As well as comparing across regions, comparison between countries within regions may shed light on factors which lead to more or less positive outcomes from trade expansion, in terms of gender equality. Here, case study material will be drawn from Bangladesh (archetypal low income, low education, labour surplus case), Pakistan (which has implemented similar economic strategies but where expansion of textiles and clothing has apparently been more male-intensive) and Sri Lanka (with relatively high levels of skills development and particularly of female education). Uganda and Ghana may also provide a useful comparison as they are both reliant on smallholder production of agricultural exports, but with a greater and growing reliance on and high levels of female involvement in non-traditional crops in Uganda. These are all low-income economies of particular interest to DFID in respect of its poverty reduction objective.

A gender-aware approach to trade expansion and liberalisation should assess, first, the impact of trade on women’s current material status, given existing tasks and responsibilities under the gender division of labour. Secondly, it should establish whether outcomes and policies contribute to more egalitarian gender relations, either by reducing the basis of women’s economic disadvantage or by modifying the gender division of labour (in the household or in the labour market) so that it is less prejudicial to women’s income-earning capacity or well-being.

The analysis of case studies below will try to illustrate, wherever the evidence allows, direct, short-term employment effects of trade expansion and liberalisation as well as longer-term effects. The former depend on where women are located in the process of production, and also on the extent to which trade liberalisation has an impact on the relocation of production. Longer-term effects concern whether there is any change in gender segregation by sector and occupation or in gender divisions of labour in the household, whether wage discrimination decreases and whether there is any improvement in labour legislation with reference to women. Moreover, income, welfare and bargaining power benefits within the household and the impact on different groups of women (by age, education, income group etc.) will be highlighted, wherever possible. A ‘check-list’ matrix (see Table 2) will be used to highlight similarities and differences between countries and also to point to where data is lacking.

\textsuperscript{10} This interpretation is not undermined by the stylised fact that property rights are more favourable to women in Africa than in other developing regions. Property rights in land are not relevant to the gender distribution of gains from trade elsewhere.
### Table 2: Check List Matrix

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<tr>
<th></th>
<th>Ghana</th>
<th>Uganda</th>
<th>Bangladesh</th>
<th>Pakistan</th>
<th>Sri Lanka</th>
<th>Jamaica</th>
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<tr>
<td>Ratio of human: natural resources(^{11})</td>
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<td>Female enrolment ratio and female: male gap in education</td>
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<td>Trade reforms</td>
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<td>Export performance</td>
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<td>Female labour force participation (FLFP)</td>
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<tr>
<td>Female labour force (FLF) sectoral composition</td>
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<td>Educational composition of labour force</td>
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<td>Female: male wage gap</td>
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<td>Property rights</td>
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<td>Non-market sphere</td>
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### 2.6.1 Ghana

Ghana is a low-income economy well endowed with a range of natural resources. The economy has traditionally depended to a high degree on primary (agricultural as well as mineral) production and exports, particularly cocoa.

Human resources are not well developed, with an adult literacy rate of 64 percent in 1995, although much improved from only 31 percent in 1970 (World Bank, 1996). Literacy rates are still much lower for women than for men and are particularly poor for women over 35. The literacy rate for women is estimated at 53 percent compared to 66 percent for men (\textit{ibid.}). Gender differences in enrolment in formal education have narrowed slightly since independence but persist particularly at higher levels. In 1993, primary enrolment ratios were 83 percent for boys compared to 70 percent for girls (\textit{ibid}: 200). In urban areas, lack of qualifications and a narrow range of skills restrict female access to formal employment while in rural areas they limit farm productivity. Up to three-quarters of female farmers have no education (Baden \textit{et al}, 1994: 39).

After a period of severe economic difficulties, in 1983 Ghana implemented a structural adjustment programme (SAP), supported by the World Bank, with trade liberalisation as a major component. Imports have gradually been liberalised (quantitative restrictions were abolished and tariffs reduced) and efforts have been made to promote exports over a period of around seven years. These changes were

\(^{11}\) The ratio of human over natural resources is taken from Wood and Berge (1994). It is measured in terms of school-years per square metre of land.
accompanied by a series of massive devaluations. However, some elements of protection and bias against exports remain in place (Husain and Faruqee, 1994).\textsuperscript{12}

Following the implementation of liberalisation policies in Ghana, there has been a general expansion in the level of production in all sectors and significant export growth. However, the composition of total production and of exports has not altered much. Primary products are still very important in the export sector, so that the economy remains highly vulnerable to sharp changes in commodity prices. Moreover, there has been continued heavy dependence on a small number of traditional exports. In 1994, cocoa exports continued to provide around 42 percent of total export proceeds (no change over 1983), and mineral exports accounted for around 36 percent of total export value (up from 23 percent in 1983). Although the supply response of some non-traditional exports to the strengthened incentives has been fairly strong, the importance of manufacturing as a foreign exchange earner has remained small at less than six percent of total exports (Fontana, 1994).

In terms of employment composition,\textsuperscript{13} the reduction of the agricultural share in total GDP and the increase in the agricultural share of the total labour force, may (tentatively speaking) indicate that the agriculture sector became more labour intensive during the reform period. For industry, the converse argument may hold, and also more strongly. This may be partially attributed to the expansion of aluminium production, which is generally skill intensive, and to the contraction of some labour-intensive sectors, such as garments and footwear, in the face of increased competition from imports. This may have had a gender-differential impact, as the garments and footwear sectors employ predominantly women, while male workers are the majority in the aluminium industry. Labour force data disaggregated by gender over a longer time series than currently available would enable a comprehensive assessment of changes in women’s employment brought about by trade reforms. Given the lack of this information, only few inferences can be drawn, based on scattered evidence on the distribution of female employment across sectors.

The female labour force as percentage of the total labour force seems to have been stable over time, representing around 40 percent both in 1975 and 1994. Women’s participation rates are generally high throughout Ghana, with some regional diversity. The most striking feature is that about 90 percent of women are self-employed or work as unpaid family labour in agriculture, agro-based enterprises and commerce or small-scale manufacturing in the informal sector, in activities with low productivity and low incomes\textsuperscript{14}. The division of labour is highly segregated in both traditional and modern wage sectors. In agriculture, the majority of women are food producers, while the majority work in joint family

\textsuperscript{12} Nominal protection is estimated to be around 30 percent while, on the export side, lack of access to export finance by private firms and extensive control of public enterprises over marketing activities inhibits the country’s export potential (Husain and Faruqee, 1994).

\textsuperscript{13} The share of total labour force in agriculture has increased from 56 percent in 1980 to 59 percent in 1990, with agriculture’s share in GDP falling from 60 to 48 percent. In services, the share of the labour force increased from 26 percent in 1980 to 30 percent in 1990, with its share in GDP rising from 34 to 36 percent. The share of the labour force in industry decreased from 18 percent in 1980 to 11 percent in 1990, with industry’s share in GDP rising from seven to 16 percent.
farms. Women cultivate smaller plots than men and produce mainly for own-consumption. Only a small number of women are working in the modern sector and very few hold managerial positions. The government accounts for about two thirds of total employment in the modern sector, but women are under-represented here and concentrated in a narrow range of occupations. The labour force is strongly feminised in the trading sector, in which women made up to 86 percent of the persons employed in 1984 (Sarris and Shams, 1991: 101). Most of women’s activity is in petty trading, although a small percentage of women have gained substantial market power. Since liberalisation, the trade sector has become more differentiated.

With regard to the distributional impact of the reforms, in agriculture the benefits of adjustment have largely accrued to medium and larger farmers in the cocoa sector, of whom few are women. There is little evidence as yet of women own account producers switching to cocoa production in response to trade liberalisation. Their limited access to credit, inputs, and other resources may have hindered their ability to do so. This points to the need for enabling policies to be introduced to allow women better to take advantage of price incentives.

On a positive note, a recent World Bank study (1995c) highlights a significant reduction in poverty among households headed by women in the 1980s, reversing earlier trends. The marked reduction in rural poverty is due mainly to growth in non-farm self-employment which is the main source of income for female-headed households. These activities are mainly service based and probably have been stimulated by the surge in both imports and exports during the period of economic reform.15

A commonly held view is that women in West Africa generally, and in Ghana particularly, enjoy a greater degree of economic and personal autonomy than women elsewhere in SSA. However, the autonomy of the majority of women in Ghana is highly circumscribed by the limited range of their economic opportunities and lack of upward mobility. Moreover, increased participation in market activity alone is unlikely to lessen gender inequalities, since the terms of women’s participation are constrained by inequalities at the level of the household.

When all non-market work is accounted for, women work on average longer hours than men. Men have considerable control over women’s work time. Women are responsible for all reproductive labour and rely on female kin when engaged in market work. Women are also often expected to contribute to husbands’ enterprises without remuneration. These constraints, combined with lack of start up capital, limited access to productive inputs and lesser skill endowments, severely limit the scale of women’s operations (Baden et al, 1994). Even if adjustment has increased the extent of women’s market activity and thus their income-earning capacity, there is nothing in

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14 According to calculations by Beaudry and Sowa (1994), 87 percent of women are involved either in household farming or household business while only four percent are employed by the government and three percent are in the formal private sector.

15 It is not clear what methodology has been used in reaching these findings.
the reforms to enable women to overcome these scale constraints, to improve the productivity of their enterprises or to sustain income rises into the longer term.

2.6.2 Uganda

Uganda has been successful in overcoming much of the devastation caused by many years of political instability and since 1990, it has been one of the fastest growing African economies. Nevertheless, it remains one of the poorest countries in Africa with a per capita income of $US 220 (World Bank, 1996).

Human resources in Uganda are quite poorly developed with significant gender differences in education levels. Less than half of the female population (46 percent) are literate compared to almost three quarters of the male population (71 percent). Overall enrolment ratios remain low and only 29 percent of girls compared to 48 percent of boys complete primary school (World Bank, 1995b).

A programme of economic reforms began in 1987 in Uganda with the implementation of the WB/IMF Economic Recovery Programme (ERP). Trade liberalisation has involved the termination of most imports bans, gradual tariff liberalisation, the introduction of more streamlined export and import procedures and the dissolution of state marketing and processing monopolies (WTO, 1995).

Economic recovery has averaged six percent a year since 1987 (World Bank, 1996). Output in agriculture, by far the most important sector of the economy, is beginning to recover. Nevertheless, the economy continues to suffer from serious economic imbalances. The trade balance remains highly vulnerable to fluctuations in world commodity prices, particularly coffee. Other traditional export crops (cotton, tea, sugar and tobacco) have not recovered from their collapse in the 1970s and 1980s. Trade diversification has occurred in agriculture, with a significant rise in non-traditional agricultural exports (NTAEs). Coffee’s share of total merchandise exports has declined from about 90 percent in 1985/86 to about 65 percent of the total in 1993/94 (Uganda, 1995, cited by Elson and Evers, 1996a).

Uganda has almost no current capacity in export manufacturing (less than one percent of total exports are manufactures) and the share of manufacturing in GDP (5.4 percent in 1990) is lower than in Ghana. The services sector accounts for around one third of GDP and only one tenth of the labour force, whilst in Ghana services account for the same share of GDP but for a much higher share of the total labour force. The formal services sector is male dominated while informal services, mainly roadside sales of food, tobacco and newspapers, are more female intensive (males are 68 percent of the workforce in services overall) (Elson and Evers, 1996a: 8).

The majority of Ugandans (89 percent) live in rural areas and smallholdings provide livelihoods for most people. It is estimated that 90 percent of rural women and 53 percent of rural men are engaged in agricultural production (Elson and Evers, 1996a). About two thirds of food production is retained for own use, although this share is declining as more food is marketed on a regular basis (World Bank 1995b: 103). Women account for most of the labour involved in the production of all three categories of agricultural output: food for consumption (80 percent of the total labour
force), traditional exports (60 percent) and NTAEs (80 percent). The latter comprise about one quarter of total exports and include cereals and beans, as well as fish and other high value-added products such as vanilla and horticultural products.

There are important gender distortions in labour markets. Women’s wages are, on average, 40 percent below those of men and as much as half of this gap is estimated to be due to direct discrimination (Appleton et al., 1995). Gender inequalities are particularly strong in the agricultural labour market where women are concentrated in the category of ‘unpaid family worker’ whereas men are concentrated in the category ‘self-employed’ (1991 Census cited in ILO, 1995b).

Data are generally lacking to analyse changes in the gender composition of employment in each sector and subsector resulting from trade reforms. In agriculture, the reforms implemented in 1987 have had an effect on trade performance, but basic food production has been stagnant (World Bank, 1995b). Export successes have been limited to NTAEs. It seems that women have been better able to participate in this instance. By 1992, more than 25 percent of women farmers had adopted new food export crops and 48 percent of all women farmers were producing NTAEs. Some of these products (e.g. green beans) are grown both by large and small farmers, sometimes on contract to international food marketing companies and processors. This has the advantage, from an equity perspective, that small farmers can produce and market them as successfully as large. On the other hand, production of flowers for export, despite its agricultural character, is closer to an industrial process. A contractual wage labour force is used, whose terms and conditions of employment are akin to those of industrial workers, except that the work is clearly seasonal.

Where production of these non-traditional, semi-processed agricultural outputs has been developed, evidence suggests that this has relied on the specific use of female labour. This has led to increased incomes for households involved, but the demands on the labour of women and children may have social costs (such as girls substituting for their mothers in household tasks, at the expense of their schooling). Moreover, women do not always sell the crops and control the proceeds. Kiggundu (1996: 34) observes that 53 percent of soy growers are women but that often they are not the ones selling the products, and therefore do not have control over the receipts. This confirms the view (e.g. in Haddad et al., 1995) that generally women producers are less able than men to capture the benefits of increased producer prices and for this reason, the effect of new incentives on agricultural supply response is dampened.

Gender inequalities within the household appear to be strong in Uganda. Intra-household expenditure appears to favour men and boys over girls and women (UNDP 1995: 77). In many areas, there are striking differences in the welfare status of female- and male-headed households and between males and females in the same family (Elson and Evers, 1996a). The increased involvement of women in NTAEs may contribute to reducing these gender inequalities but data is to assess this is lacking.
2.6.3 Sri Lanka
Sri Lanka is a low-income economy, with some mineral deposits. Sri Lanka’s human development indicators are remarkably good for a poor country with a literacy rate higher than 90 percent (Fontana, 1994). Compared with other developing countries, the gender disparity in formal education is not significant. Educational attainment levels of both men and women have shown a persistent upward trend and the female literacy rate, at 87 percent in 1995, is only marginally lower than that of their male counterparts (World Bank, 1996). Among employed females, the share of persons with no schooling had been reduced to around 25 percent by the early 1980s (Rodrigo and Deraniyagala, 1990: 8).

Sri Lanka adopted liberalisation policies in 1977 and since then has succeeded in attracting both foreign and domestic investment in manufacturing. The policy reform facilitated an acceleration of GDP growth to an average of about 5.6 percent during the early 1980s. The fastest growing sectors since 1977 have been the industrial sector (mainly garments and textiles) and the service sector, whereas activity in the agricultural sector has grown more slowly. One of the forces behind the growth in manufactures has been the increasing presence of EPZs, with a largely female workforce. Garments industries have predominated with subsequent promotion of food processing and non-metallic mineral industries.

As a result, the composition of exports has changed in favour of unskilled labour-intensive manufactures, primarily garments, and the employment share of this sector has also increased. Agricultural exports remain important, normally accounting for between a quarter and a third of total exports. However, in 1986, textiles and clothing overtook tea as the country's leading exports.

Despite economic changes and sectoral shifts in composition, the bulk of female workers are still concentrated in farm- and plantation-based activities at the lower end of the occupational/skills range with limited vertical career mobility. The comparatively low cost of labour and the enthusiasm on the part of foreign investors to establish themselves in a new quota-free location facilitated the emergence of the textile industry as a major employer of female labour. The incremental employment generated for women by the expansion of manufacturing has positive features, but much of it has been concentrated at lower levels of the occupational structure and displays low wage characteristics. The female: male ratio in manufacturing increased from 25 percent in 1963 to 80 percent in 1985 (Wood, 1991) and employment of women in manufacturing increased by 50 percent from 1977 to 1995.\(^\text{17}\)

The distributional implications of the reform package implemented in 1977 have been assessed in many studies (see for example Bruton, 1992 and Rodrigo, 1988). Many of them contend that liberalisation increased inequality in Sri Lanka. Some authors, on the other hand, question the reliability of the income data available, and furthermore

\(^{16}\) Three EPZs were established in 1978, 1984 and 1990 with almost 80 percent of the workforce female (Jayaweera, 1993).

\(^{17}\) Calculated from ILO labour force data.
conclude that Sri Lanka's economic liberalisation policies did not aggravate income inequality (Glewwe, 1986). While these studies do not explicitly refer to the gender distributional consequences of trade liberalisation, a few inferences can be drawn out. The fact that benefits accrued mainly to entrepreneurs and to larger-scale operations suggests that less of the benefits will have accrued to women, who are under-represented as entrepreneurs, and who tend to be employed in greater numbers in small-scale operations.

Data for the last ten years or so are scattered. A World Bank study on unemployment in Sri Lanka (Prywes, 1995) explains the high rates of unemployment among women, and in particular, among young educated women, with reference to the very limited mobility of women across occupations and the high degree of gender segregation, confirming the trends highlighted in the ILO/ARTEP study (Rodrigo and Deraniyagala, 1990). It is observed that much of the expansion of employment over the past decade has been in predominantly male occupations - such as the military and the police - while the growth of job opportunities for women has been limited to the garment industries and in domestic employment abroad. This latter activity has become an important phenomenon in Sri Lanka.

The small stream of unskilled and semi-skilled workers migrating abroad in the late 1970s had swelled to nearly 500,000 by 1990 (Jayaweera, 1993: 16). These workers, mainly migrating to the Middle East, have often been exploited by unscrupulous agents. Women working as domestic servants abroad make a crucial contribution to the nation’s foreign exchange earnings and to family resources, but at considerable cost to themselves and with minimal improvement in their position (ibid.:17).

2.6.4 Pakistan

Pakistan is a semi-arid country with a total population of 128 million people of which two thirds live in rural areas. Illiteracy is widespread (71 percent) and is particularly prevalent among women and girls. Eighty-three percent of females are illiterate, with no change in the period 1981-91, while 60 percent of males are illiterate with a decline of five percent in the same period (PIHS, 1991 cited in Elson and Evers, 1996b). Enrolment ratios are much lower for girls than boys at all levels: 49 percent of eligible girls were in primary school compared with 80 percent of boys in 1993 (World Bank, 1996).

Since 1988, Pakistan has implemented a structural adjustment programme (SAP) under the aegis of the World Bank and IMF, with trade liberalisation as a major component. However, the economy has not responded to the reforms as quickly as policy makers had hoped and macroeconomic imbalances remain serious.

Although the trade deficit declined in the mid-1990s, this was primarily due to falling imports rather than any growth of exports. Despite a commitment to export diversification, the country remains highly dependent on the export of cotton and cotton products. Growth in agriculture has been relatively slow and recently the manufacturing sector has also been expanding very slowly. The major export, cotton textiles, relies for its competitiveness on the invisible low-paid and unpaid work of women, both directly in cotton picking and small-scale manufacturing and indirectly...
in household production for own consumption, which enables textiles mills to pay low wages to men. Pakistan appears locked into a stagnating, low-income, low-productivity economic regime.

The labour market in Pakistan is highly segmented, particularly in urban areas because of widespread segregation between the sexes. Women are crowded into low-productivity activities. This segmentation has high equity costs because the poorer the family, the more likely they are to depend on women’s earnings (World Bank, 1989: 85). There is serious underestimation of women’s work in most official data in both rural and urban economies. The annual labour force surveys (LFS) give an implausibly low female labour force participation rate of 11.9 percent for rural and urban areas combined, while the agricultural census from the 1980s indicates that women’s participation rate in agriculture was 73 percent (World Bank, 1989: 85-7). More reliable and consistent gender-disaggregated labour force data, broken down by sector, are much needed for any comprehensive labour market analysis.

Agriculture, including livestock, contributes directly and indirectly to the export sector and is the most important source of livelihood for rural Pakistanis, the majority of whom are landless labourers or sharecroppers. Productivity is generally very low. Cotton is one of the main sources of growth and export earnings while wheat is the main food crop. Women are extensively involved in agricultural production, mainly in homestead-based agricultural activities, while men are responsible for most field-based, outside activities. There is no data readily available on relative shares of labour input in agriculture by gender.

Modern industry largely consists of labour-intensive processing of agriculture products as well as textiles and clothing. In 1992-93, textiles and garments accounted for 64 percent of total export revenue (Elson and Evers, 1996b). This is a male-intensive sector: men comprise 88.3 percent of urban manufacturing sector workers, while women represent only 11.7 percent, at least according to official statistics. However, there is evidence of widespread subcontracting by garments enterprises which frequently employ poor and lower-middle class young women. Most of women’s work in textile and garments is done either in informal sector workshops or by home-based workers (World Bank, 1989).

The service sector in Pakistan is overwhelmingly male intensive, with female workers being restricted to community and personal services. Women are virtually excluded from transport activities and account for a very small share of financial and trade-related services (Elson and Evers, 1996b: 10).

Two thirds of all urban employment is in the informal sector, with around twenty percent of the employed working outside the home, mainly in small workshops for larger firms, while the majority are home based (ibid.:15). In rural labour markets, women constitute the bulk of unpaid non-agricultural work and also are more active than men in wage labour, which is one of the lowest paid rural occupations (ibid.: 16). In both formal and informal sectors, men’s wages are substantially higher than those of women. Moreover, many women obtain work through middlemen, receiving about half the rate of women who are contracted directly (Zia, 1992).
With the currently available information is quite difficult to assess what the changes (if any) are in women’s livelihoods, resulting from trade reform. Moreover, the impact of trade reform to date has itself been limited. Much more detailed, disaggregated data would be required to monitor the gender-differentiated impacts of further reform.

The social costs and benefits of growth have been inequitably distributed in Pakistan. Although information on poverty is not disaggregated by gender, gender inequality in income distribution is marked: women receive only ten percent of total earned income, while men receive 90 percent (UNDP, 1995: 77). Comparing Pakistan’s performance with other South Asian economies, one interpretation is that the marked gender biases and distortions in labour and other markets may be in part responsible for the sluggishness and lack of supply response in the Pakistan economy. In turn, they have deprived Pakistani women of the benefits from trade expansion that women in comparable countries, notably Bangladesh, have gained (see below).

2.6.5 Bangladesh

Bangladesh is a case of female-led industrialisation, par excellence. The emergence of export capacity in manufacturing in Bangladesh is quite recent. The degree of female intensity in manufacturing is far above the norm for other developing countries, although consistent with the very high share of clothing in its export production. In garments enterprises, 70 percent of employees are women (Rahman, 1993a).

Bangladesh has a poor human development record, with a 62 percent illiteracy rate overall, rising to 78 percent among adult women, in 1995 (World Bank, 1996). While female literacy has risen more rapidly than that of men, it remains very low. There has been considerable improvement in the gender gap in enrolment in recent years, particularly at primary level, but overall, primary enrolment is far short of universal (Baden et al, 1994).

A major IMF-assisted adjustment programme began in Bangladesh in the mid-1980s and included trade reforms. Exports increased considerably, as did imports, and employment in export-oriented industries expanded in consequence, especially for women.

The female activity rate apparently increased from only ten percent in 1985 to 63 percent in 1989 (Baden et al, 1994:10) although problems of under-reporting have affected the earlier surveys, so that the increase probably appears greater than it is. Seventy-one percent of economically active women work in agriculture, while 21 percent work in manufacturing, concentrated in rural industries. Although women’s involvement in rural industry has been increasing, their share of the workforce tends to fall as units become larger or more technologically advanced. In large-scale industry, there has been a significant increase in the numbers of women working in garments and textiles and, to a lesser extent, pharmaceuticals and fish processing.

Some evidence (Kabeer, 1995: 8) suggests that most women in the garment factories are very young, mainly unmarried or divorced, and probably have a basic level of
education, since entry qualifications often include a literacy requirement. Women are favoured as employees in export-oriented firms but their employment in these industries is less stable than that of men. A very small but growing number of female workers are also engaged in the construction industry as unskilled day labourers.

One interpretation is that the case of Bangladesh shows that it is not absolutely necessary for a country to have a generally well-educated female population in order to break into world markets in clothing. Up to the present, the rate of labour force participation among (the albeit relatively small number of) more educated women in Bangladesh has been extremely low (Rahman, 1992). More accurate information on the educational level of women in the manufacturing labour force (and conversely on possible changes in labour force participation rates among women according to their educational level) would be valuable in helping to examine whether a competitive, modern sector can be built up employing workers with minimal levels of education, contrary to the assumption in Wood (1994).

Information is available on wage rates in the export sector in Bangladesh. The average weekly female wage in manufacturing is Tk 178 compared to Tk 283 for men (Rahman, 1993b: 101). However, this conceals the fact that among unskilled workers the gap is minimal, at 3.9 taka per hour for males and 3.8 taka for females (a female: male wage ratio of 0.97) (ibid. cited in Joekes 1995). A concrete interpretation of the situation might be that employers, knowing of the prevalence of women workers in the industry in other locations, are prepared to pay equal wages - even in some cases perhaps a wage premium to women - at the early stages of export industrialisation, in order to encourage women workers to come forward. Once the labour supply pattern is established, a wage gap may emerge, as in other countries, through a range of mechanisms, such as differential seniority payments, marital status bonus or discount, differences in employment contract status or differential job grading (see e.g. Anker and Hein, 1986). In this case, the relatively gender egalitarian situation in export-oriented employment would not persist. This situation needs to be closely monitored. More importantly, it represents an opportunity for public action to prevent a wage gap by gender appearing among unskilled workers.

2.6.6 Jamaica

Jamaica has a substantial export manufacturing sector, and a growing presence in the international market in services. It is a rare example of a country where female-intensive growth in manufacturing has been replicated in the new services sector (Joekes, 1995). Data-entry has been established as a significant export activity, employing women workers almost exclusively, in low-skilled but prestigious and relatively well-paid quasi-clerical jobs, many in the Digiport (Dunn, 1995; Pearson, 1996). The female: male wage ratios for other grades are 0.62 for skilled workers, 0.88 for clerical workers and 0.91 for executive and managerial workers (Rahman, 1993b: 103).

Experiences elsewhere suggest that enforcement of equal wages may not penalise women's access to jobs. Male workers may insist on receiving a premium over the female wage but (as in the Dominican Republic in the mid-1980s) find export employers not willing to oblige (Joekes, 1986).

The Digiport is an EPZ for services firms, with telecommunications in place of transportation infrastructure.

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18 The female: male wage ratios for other grades are 0.62 for skilled workers, 0.88 for clerical workers and 0.91 for executive and managerial workers (Rahman, 1993b: 103).
19 Experiences elsewhere suggest that enforcement of equal wages may not penalise women's access to jobs. Male workers may insist on receiving a premium over the female wage but (as in the Dominican Republic in the mid-1980s) find export employers not willing to oblige (Joekes, 1986).
20 The Digiport is an EPZ for services firms, with telecommunications in place of transportation infrastructure.
In addition, Jamaica has seen more rapid growth of the financial sector than of any other sector over the past two decades. While GDP rose by 19 percent over this period, the finance and insurance sector grew by 182 percent and by 1989 it provided 9.1 percent of Jamaican domestic product (ILO, 1993). In total services, ‘other private services’ which include financial services as well as data processing, have grown rapidly in recent years, although it is not possible to separate out their respective shares, and a relatively large share of these jobs may have gone to women.

The high skill and qualification requirements of the new international services sector must predispose employers to invest and recruit female employees in locations where a pool of educated female labour is already available. It would be of great interest to monitor this situation, as a possible test case of the gender equity in employment creation in the new international services sector.

No systematic data on the amount of employment generated by these trends, nor of its gender breakdown, are available. But it is significant that Latin America and the Caribbean is the only region in the world where educational enrolments by women exceed those of men. Despite this apparently positive picture, a disturbing finding is that, on average, women’s weekly wages in Jamaica are only 57.7 percent of men’s earnings (Psacharopoulos and Tzannatos, 1992: 323). Women’s greater endowments both in education and experience appear to be more than offset by the very strong effect of different valuations of male and female labour in the market place.

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21 Japanese foreign direct investment (FDI) in Latin America (including Jamaica) has been concentrated in the services sector (Watanabe, 1993) and has presumably contributed to this rapid expansion. Foreign investment in all sectors in Latin America is said to embody an increased export orientation (UNCTAD, 1994).
### Table 3: Completed check list matrix

<table>
<thead>
<tr>
<th>Human: natural resources(^{22})</th>
<th>Ghana</th>
<th>Uganda</th>
<th>Bangladesh</th>
<th>Pakistan</th>
<th>Sri Lanka</th>
<th>Jamaica</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female enrolment ratios and female: male gap in education</td>
<td>Female literacy rate only 23 percent, high female: male gap in enrolment slowly narrowing</td>
<td>Female literacy rate 46 percent, very low enrolment ratios with high female: male gap</td>
<td>Female literacy rate 22 percent, low enrolment ratios with narrowing gender gap in primary education</td>
<td>Female literacy only 17 percent, very high female: male gap in enrolments</td>
<td>Very high level of female literacy (83 percent in 1981); no gender gap in enrolments</td>
<td>Education levels and work experience higher for women</td>
</tr>
<tr>
<td>Trade reforms</td>
<td>Started in 1983, moderate export bias remains</td>
<td>Started in 1987</td>
<td>Started in 1985</td>
<td>Started in 1988, but very slow</td>
<td>Started in 1977, mainly expansion of EPZs</td>
<td>-</td>
</tr>
<tr>
<td>Export performance</td>
<td>Growth but no diversification, cocoa dominating</td>
<td>Traditional exports stagnating, but significant trade diversification with NTAE</td>
<td>Export growth with manufacturing share increasing and agriculture share decreasing</td>
<td>Cotton dominating with no diversification over time</td>
<td>Significant change with garments overtaking tea and rubber</td>
<td>Still dependent on mining exports (alumina and bauxite) but electronics and services rapidly expanding</td>
</tr>
<tr>
<td>Female labour force participation (FLFP)</td>
<td>High</td>
<td>-</td>
<td>From 10 percent in 1985 to 63 percent in 1989, but statistical sources unreliable (Baden <em>et al.</em>, 1994)</td>
<td>Very low, according to (questionable) official statistics</td>
<td>32.5 percent (Rodrigo, 1990)</td>
<td>Increasing (see Psacharopoulos and Tzannatos, 1992)</td>
</tr>
<tr>
<td>Female labour force (FLF) sectoral composition</td>
<td>87 percent of economically active women in agriculture or small business</td>
<td>Majority of economically active women in agriculture</td>
<td>71 percent of economically active women in agriculture and 21 percent in manufacturing</td>
<td>-</td>
<td>Majority of economically active women still in agriculture but increasing share in manufacturing</td>
<td>Economically active women concentrated in manufacturing and services?</td>
</tr>
<tr>
<td>Educational composition of labour force</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Reduction in the proportion of the female workforce with no education</td>
<td>See Psacharopoulos and Tzannatos, 1992</td>
</tr>
<tr>
<td>Female: male wage gap</td>
<td>-</td>
<td>Female wages on average 40 percent lower than male with a high proportion of this disparity due to discrimination</td>
<td>Wage gap narrower in manufacturing, particularly among unskilled workers</td>
<td>High disparities</td>
<td>-</td>
<td>High wage disparities (female earnings only 57.7 percent of male on average), despite the higher female educational level</td>
</tr>
<tr>
<td>Property rights(^{23})</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

\(^{22}\) The ratio of human over natural resources is taken from Wood and Berge (1994) and is measured in terms of school-years per square metre of land.

\(^{23}\) Insufficient time or information was available to fill in the property rights boxes. Some research on gender and property rights in Africa has been done by the World Bank and IFPRI.
2.7 Overview of issues

Table 3 summarises key findings from the case studies in 2.6 which could form the starting point for a more rigorous analysis. Not all the boxes have been filled due to lack of available information. Reliable time series data (or FLFP, its sectoral composition, educational endowments of workers and wages) by gender and more in-depth qualitative information (on property rights, labour market institutions and intrahousehold relations) would be required for a systematic analysis.

At this stage, some general lessons on gender equality and human resources development can be drawn for trade policy.

Trade expansion has distinct gender relations and human resources development consequences depending on country income level, resource endowments, educational levels, labour market institutions and policies and characteristic of other markets, *inter alia*. In some situations the first round impact of trade expansion is clearly positive while in others it is not. The longer-term effects are more difficult to assess due to lack of time series data but there is a danger of short-term gains being eroded.

Trade expansion has the potential to be a powerful contributor to gender equality and human resource development goals, as creator of new income-earning opportunities for women. The challenge is therefore to identify and promote the conditions and pattern of trade most beneficial to women and most likely to extend their gains into the longer term, or to identify the preconditions for women to benefit from trade expansion and liberalisation.

On a pragmatic level, internationally employers have revealed preferences for women workers, not just in light manufacturing, labour-intensive jobs but also in modern services. As the case of Bangladesh suggests, this is not strictly dependent on lower wages paid to women. It is also a function of women’s social characteristics as workers, including greater ‘docility’ but also communications skills and personal flexibility.

Thus, the availability of a high quality female labour force is an important consideration for both old and new types of employer associated with trade expansion. The skills and qualifications of the female workforce warrant policy attention on these grounds. Public action is also needed to monitor and enhance working conditions for all workers, but especially women, insofar as they may be a preferred source of labour and face special disadvantages and constraints in employment.
3. GENDER IMPACT OF CONTINUED TRADE LIBERALISATION

3.1 Introduction

The Uruguay Round of GATT, which was finally signed in April 1994, marks a major change in the rules of the international trading system towards greater trade liberalisation. Some of its most important outcomes are the phasing out of the Multi-fibre Arrangement (MFA), the reform of agricultural production and the creation of the World Trade Organisation (WTO).

An assessment of the gender-differentiated impact of the new trade agreements in the Uruguay Round (UR) of the General Agreement on Tariffs and Trade (GATT) can only be speculative as:

1) Most existing estimates of the impact of the UR, especially in terms of employment, are based on the assumptions that all the trade agreements will be implemented, and that there will be a smooth adjustment to new incentives;
2) There is limited evidence to date on the gender composition of the labour force by sector and on the gender division of responsibilities within sectors, and consequently on the way in which female and male workers are able to respond to economic reforms.

The different distribution of male and female workers across sectors and their ‘substitutability’ as factors of production is important not only to assess the impact of reforms such as trade liberalisation but also because it may determine whether the reallocation of resources expected from liberalisation actually takes place.

3.2 Effects of the Uruguay Round on developing countries

According to most studies, less than one third of the overall income or welfare gains from the UR will go to the South, with a few upper-income Southeast Asian countries as the main beneficiaries. The greater share of the gains will accrue to the European Union (EU), while SSA will lose income, due to the erosion of preferential treatment through the Lomé Convention, shifts in clothing production to Asia and Latin America with the dismantling of the MFA, and the continuation of high tariff levels.

Under the new trade arrangements, discrimination against developing countries remains. Tariffs are still high on Common Agricultural Policy (CAP) products, although this only affects a small share of SSA exports. Among the poor countries of SSA, there are fears that the UR will jeopardise their trade prospects in European

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24 There are several detailed accounts and evaluations of the UR outcomes (for example, Davenport and Page, 1994; Davenport et al., 1995; Greenaway and Milner, 1995; Harrison, Rutheford, and Tarr, 1995; Stevens, 1994). One estimate is that the UR will increase world economic growth by between 0.2 percent and 1.4 percent of GDP (Vainio, 1996).
markets since the agreement will lower tariffs for all countries, thereby reducing the impact of the trade preferences currently available to Africa under the Lomé Convention. For textiles and clothing, the liberalisation will be protracted as the MFA will be phased out very slowly.

There is considerable speculation about the employment effects of the UR. For example, Nguyen et al (1993) predict a significant change in the composition of employment, with a drop in agricultural employment and substantial gains in the textile industry, mainly concentrated in South and Southeast Asia. However, the evidence on this is limited, especially as regards the gender dimension of employment effects.

3.3 Gender aspects of continued trade liberalisation

Trade expansion has benefited women’s access to paid employment in many, though not all, developing countries, as seen in section 2.6. It is plausible that some women will benefit from the changes in trading opportunities resulting from the implementation of the UR. Women employed in the manufacturing sector stand to benefit the most, together with women employed in services trade and, to a lesser extent, agriculture, where non-traditional export crops may offer better employment prospects for women than traditional ones. In agriculture, women’s status as farmers or workers is more circumscribed and their social entitlement to a return on their labour is mediated in a more complex fashion than under wage-labour contracts.

There are many dimensions and effects to consider when evaluating the implication of the UR for employment. The analysis in this section focuses on two aspects:

- **Lomé/ACP countries:**
  1) whether they have benefited from the preferential treatment under the Lomé Convention and what the implications are in terms of women employment;
  2) what would happen to women’s employment if preferences are eroded.

- **Multi-fibre Arrangement (MFA):**
  the implications of the phasing out of MFA in terms of women’s employment.

3.3.1 Reform of the Lomé Convention

The progressive liberalisation of tariffs to developing countries implies the erosion of preferential agreements that groups of countries had secured for access to developed country markets, most notably the series of Lomé Convention agreements between the EU and African, Caribbean and Pacific (ACP) countries.
A recent study by Davenport et al (1995) observes that:

Clear evidence proving correlation between export growth and the margin of preferences available to the ACP is lacking. Although exports enjoying high tariff preferences, such as horticulture, fish and clothing exports, have performed well, it is hard to tell whether their expansion can be attributed to the ACP preferences alone (p.30).

Overall, it does not appear that the performance of ACP countries in world trade has been greatly improved by the trade arrangements under Lomé. Some countries like Kenya and Jamaica (Stevens, 1990), and more recently Uganda (Elson and Evers, 1996a) have been successful in developing non-traditional agricultural exports especially horticultural products. Horticultural exports (fruit, vegetables and flowers) may offer better employment for women and have better earning prospects than other activities, although gender based distortions in markets and in the transmission of benefits to women remain (see section 2.6). While non-ACP countries face very high barriers to entry in developed countries markets for horticultural exports, it is hard to establish that the positive performance of selected countries is directly linked to the effects of Lomé.

The fact that ACP countries have been exempted from the highest trade barriers on agricultural products in particular, which are now being dismantled, means that they are likely to lose out following the reduction in their preferential margin (Davenport et al, 1995). However, the likely effect of the erosion of preferences is believed to be small since the majority of ACP exports have duty-free access to the developed countries anyway. The countries most affected by the erosion of preferences on tropical products are Cameroon, Ivory Coast, Ghana, Kenya, Malawi and Zimbabwe. Burundi, Uganda and Rwanda will also lose a relatively large proportion of their export earnings because of their high dependence on coffee and cocoa exports to the EU (ibid.).

With reference to horticulture, which has expanded under Lomé and appears to have good potential with regard to women’s employment, there are divergent views on the link between trade growth and Lomé preferential treatment (Davenport et al, 1995; Chris Stevens, personal communication). How the erosion of preferences under the UR is likely to affect the prospects of non-traditional export agriculture and, assuming that women benefit from involvement in this sector, whether further liberalisation is likely to have positive employment effects for women is unclear.

3.3.2 Reform of the Multi-fibre Arrangement (MFA)

World trade in clothing has been governed for a long time by a range of quantitative restrictions under the Multi-fibre Arrangement (MFA). The agreement in the UR to phase out this arrangement over a ten-year period is an important event in global trade liberalisation. According to the new agreement, importing countries are allowed to pursue different policies on the timing and selection of products. In fact, the EU and USA have chosen two distinct integration processes which reflect their different interests, with Europe focusing more specifically on products and market access rather
than targeting in general of specific emergent countries, as the USA is doing\textsuperscript{25}. The process of dismantling appears to be very slow and it is thought that textiles and clothing will remain one of the most heavily protected sectors for some time to come.

Under the MFA in the clothing industry countries were given exact product quotas for export to certain markets (primarily the US and Europe) on an annual basis. When these quotas are filled there is no scope for further production and foreign contractors\textsuperscript{26} will look to other locations, with unfulfilled quotas, to expand. It could be argued that the MFA restrictions have encouraged some lessening of the concentration of production capacity among developing countries by encouraging diversification into new locations. However, it also clearly penalised countries which were too successful by imposing a ceiling on their expansion.

Various studies try to estimate the impact of liberalising the clothing sector. Despite some differences, all conclude that most countries should gain from the eventual abolition of MFA quotas. The possibilities of unequal distribution of the effects of quota removal in developing countries are explored by Page and Davenport (1994) who estimate that the countries likely to gain most are China, India, Pakistan, South Korea and Eastern Europe. As economies-of-scale considerations become important, most gains are estimated to move in favour of China and India. By contrast, SSA countries are expected to lose their already very small export shares. It is likely that developing countries which are textile and clothing suppliers will face unequal opportunities from the removal of quotas in different import markets. Minor suppliers will leave the market while the suppliers with the lowest labour costs will benefit the most. In the short run, geographic origins and buyer preferences working through individual markets will remain important in sourcing decisions. In the long run, cost factors and product differentiation will acquire greater importance.

Another study suggests that:

\begin{quote}
    countries which lose most as a result of the preference erosion on industrial products (excluding textiles and clothing) are those that have become more advanced in processing and manufacturing or have been able to take advantage of some of the Lomé preferences... [O]nly a few countries including Mauritius, Jamaica, Lesotho and Zimbabwe have benefited from their exemption from MFA. The phasing out of the MFA will affect them because of fiercer competition (mainly from Asian producers) once the exemptions have been removed. Mauritius and Jamaica are expected to lose most in terms of export earnings, 16.5 percent and 7.6 percent of 1992 exports respectively, mainly because they are seen as not having a comparative advantage in producing clothing but instead are exploiting EU (and US) preferences in this sector. (Davenport et al, 1995: 67-70).
\end{quote}

Jamaica has seen the establishment of data-entry as an export activity on a significant scale together with an expansion of financial services as well, as discussed in 2.6.6. It

\textsuperscript{25} For more details on this point see Majmudar (1996).
\textsuperscript{26} There is little foreign direct investment (FDI) in the clothing industry; international links most often take the form of sub-contracting.
is plausible to think that these sectors will expand further as the advantage in clothing is eroded. Overall this should not have major implications for women’s employment overall, as data entry activities and services seem also to employ predominantly women. It may, however, have a different impact on different groups of women, particularly if the educational or training requirements of these new sectors are higher. In this case, the erosion of preferences will lead to a relative increase in demand for more educated women and falling demand for less educated women workers.

In terms of women’s employment opportunities, it is quite difficult to say overall what the implications of these shifts are. The textile and clothing industry employs a large share of female workers, so that an increase of exports in this sector should be beneficial to them, where this occurs. However, there may also be risks associated with the fact that as the sector expands, new approaches to production, new technologies and product diversification may be adopted leading to shifts in labour composition towards men.
4. MECHANISMS FOR REVIEW, MONITORING AND ENFORCEMENT OF LABOUR STANDARDS AND HUMAN RIGHTS LINKED TO TRADE EXPANSION

4.1 Labour standards, social clauses and international trade

In recent years, international debate on mechanisms for reviewing, monitoring and enforcing labour standards in the context of trade expansion has focused on the inclusion of social clauses in trade agreements (de Castro, 1995:4; de Wet, 1994:1; Shaw, 1996). The present system of developing, monitoring and enforcing labour standards is increasingly seen as inadequate (World Bank, 1995a: 78). Social clauses consisting of ‘core’ ILO international labour standards, would provide a mechanism for linking trade to human and workers’ rights. Sanctions\(^{27}\) would be imposed by a joint WTO/ILO Advisory Body, if these clauses were violated. Advocates want to make trade and access to markets conditional on exporting nations meeting previously agreed core minimum labour standards in the production of internationally traded goods (Shaw, 1996: 2).

While there has been much debate over which international labour standards should be included, the International Confederation of Free Trade Unions (ICFTU) proposal is most widely accepted. The core standards proposed cover rights to freedom of association and collective bargaining (Convention Nos. 87 and 98), the prevention of forced labour (Nos. 29 and 105) and prohibition of discrimination (Nos. 100 and 111) (De Wet, 1994: 8; Shaw, 1996: 4). Social clause proposals have also been discussed in various intergovernmental fora and by NGOs, with proposals for additional standards e.g. occupational safety and health (No 155) as well as minimum wage fixing (No 131 and 138).

4.2 Competing views on social clauses

There are significant differences of opinion on whether there is a need for social clauses, how they should be promoted and which should be the core or minimum labour standards. Conceptual difficulties are also raised.

Some trade economists contend that the WTO does not provide the appropriate framework for labour standard setting and that fixing standards between countries is incompatible with market principles, since regulatory diversity is one dimension of comparative advantage. This issue is sometimes polarised as:

1. whether observance of labour standards constitutes a cost of labour or;
2. whether labour standards as workers’ rights can be reduced to a human rights issue which may best addressed in other fora.

\(^{27}\) Probably in the form of financial penalties on offending national governments to conform with WTO principles.
The neo-liberal economic tradition addresses labour standards as a cost issue and as an interference in the market process, impeding efficiency, creating sub-optimal allocation of labour, stifling competition, deterring investments and constraining growth (de Wet, 1994: 3). However, even within this perspective, others see raising labour standards, competitiveness and efficient allocation of resources as mutually reinforcing, although conceding that more empirical and analytical evidence is required to assess the extent to which low labour standards are correlated to lower wages and labour costs (de Castro, 1995). A common argument, for instance, has been that eliminating child labour could contribute to improving allocative efficiency since it undermines efficiency in the long-term insofar as child labour hampers children’s education possibilities and degrades their health and welfare (OECD, 1996: 11).

Other economic-centred concerns focus on claims that the relatively weak protection of basic workers’ rights and inhumane working conditions in developing countries aggravate low-wage import competition and encourage companies to move overseas, thereby depressing employment, wages and living standards in the North. However, empirical evidence to support claims that differences in labour standards have an impact on trade flows is lacking (ibid: 9).

Opponents of social clauses have concluded that linking labour standards to international trade transactions raises complex sets of questions concerning cost implications for both the economic development of countries and for the workers whom sanctions are intended to help (World Bank, 1995: 78). It is seen as unfair and discriminatory to aim labour standards at the trade sector where working conditions are frequently better than in the rest of the economy. Labour standards would thus provide selective protection and would be of no benefit to other sectors, such as the small-scale agrarian sector, for example, where female and child labour is common. This raises the question whether trade sanctions should only be related to labour conditions in the trade sector, or connected to broader human rights (de Wet, 1994: 7).

One strand of thought argues that existing human rights instruments and bodies are more appropriate than social clauses for dealing with labour rights since labour standards are protected in other widely ratified and accepted international instruments such as the Covenant on Economic, Social and Cultural Rights. Critics of sole reliance on human rights instruments to enforce international labour standards hold that trade may encourage the violation of human rights and because trade institutions and instruments may be more effective than existing, often weak, instruments (de Wet, 1994: 8-11; Romero, 1995: 261).

Proponents of social clauses suggest that labour standards should be discussed within the WTO framework because optimal social protection requires political negotiation and standard setting and should not be left entirely to market forces. Increased mobility of capital and the freedom of locating fixed investments to almost anywhere in the world puts developing countries under pressure to lower their labour standards

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28 By December 1993, 127 countries had ratified this Convenant.
which can lead to ‘social dumping’ - a process by which countries make use of unacceptable labour practices in order to lower the costs of production (de Wet, 1994: 4-5). The inclusion of international labour standards in the form of a social clause in the WTO framework would in theory make it possible to restrict the importation of products originating in countries or industries which make use of unacceptable practices, such as child labour, prison labour, forced labour, unsafe and unhealthy working conditions, unfair wages and discriminatory practices (ibid.).

4.3 Current status of debate and negotiations

The issue of social clauses was prominent in the closing stages of the Uruguay Round negotiations, which included many more developing countries than previous multilateral trade negotiations. Even though most of the ‘core’ labour conventions (except 155 and 131) are widely ratified, implying a degree of universal acceptance, and are derived by governments from rights enshrined in the 1948 Universal Declaration of Human Rights (Articles 20:1 and 23:4), social clause proposals have not made much headway.

WTO has declined to include labour standards in trade agreements maintaining that the ILO is the appropriate forum for the monitoring and enforcement of labour standards. It is argued that existing WTO provisions have not been designed for promoting core standards and that the adoption of social clause propositions would imply a reinterpretation of some WTO practices and procedures, and a renegotiation and amendment of some WTO articles.

The ILO’s tripartite governing system (employers, governments and trade unions) is split on the issue. It has yet to reach a political consensus on whether core minimum standards should be included in a social clause, and if so, which ones. The social clause issue was on the agenda for the ILO governing body conference in November 1997, and it is anticipated that a declaration on social clauses will be agreed in 1998 (Doumbia Henry, ILO, personal communication).

NAFTA (see Box 1) has, however, set a precedent for explicitly linking trade liberalisation with the observance of certain labour rights and allowing for penalties in cases of non-compliance. Labour rights have been enhanced with the expansion of NAFTA, and some cases have come to trial (Bukart, 1997). A successful case was brought by 118 female employees of a US-owned assembly plant based in Mexico after they were ordered by the managers of American United Global, a Californian manufacturer of vehicle parts, to strip and take part in a bikini contest. While they complied for fear of losing their jobs, they filed a sexual harassment suit before the Mexican courts. This was unsuccessful and they were fired but they then filed a suit before the Los Angeles Superior court, claiming severance pay owed to them under Mexican law, and American United Global settled out of court (Kearney 1996).

Support for labour standards has been led by the US (see Box 1) and the EU (Lawrence, 1996: 120), but resisted by most developing country governments, mainly on the grounds that it constitutes a form of disguised protectionism. Other opponents believe that multilateral agreements on labour standards would not be enforceable in
practice. Even though labour standards are intended to protect workers’ rights, some trade unions, e.g. in India, have been opposed to labour standards, citing protectionist intentions on the part of advocates (de Wet, 1994: 6), while others like those in Brazil have supported them (Shaw, 1996: 25). Nevertheless, pressure for action is now coming from some workers in developing countries, through civil society organisations. Consumer pressure in the industrialised world is pushing leading retail chains to outlaw employment abuses by their suppliers.

**Box 1: Trade and social clause linkages**

**North American Free Trade Agreement (NAFTA)**

Although NAFTA itself does not include provisions on labour rights, one of the side agreements, the North American Agreement on Labor Co-operation (NAALC), is aimed at strengthening enforcement of national labour standards. In particular, it has established a tri-national enforcement regime for alleged violations of minimum wage, child labour, and occupational health and safety regulations, and an oversight and evaluation mechanism (without enforcement powers) for other labour issues: rights of association, organising and bargaining (Lawrence, 1996: 121; OECD, 1996: 178).

**US trade legislation**

US trade legislation provides special trade benefits to developing countries, such as duty free treatment of selected goods. Preferential treatment is accorded only if a country is taking steps to accord the following workers’ rights: rights of association; right to bargain collectively; prohibition on any form of forced or compulsory labour; minimum age for the employment of children; and acceptable conditions of work, occupational safety and health (Shaw, 1996: 13).

**EU Generalised System of Preferences (GSP)**

The EU Generalised System of Preferences (GSP) incorporated two labour clauses. A ‘special incentive’ clause aims at stimulating beneficiary countries to apply more advanced social policies. The ‘withdrawal’ clause has been expanded to include the possibility of withdrawing GSP benefits from any beneficiary country which uses slavery, forced labour or prison labour for the production of goods for export. This was used against Myannari, 1997 (Chris Stevens, personal communication). The detailed design and implementation of the special incentive regime has been delayed until 1998, while the withdrawal procedure became effective in January 1995 (EU/LDC, 1996: 2).
4.4 Gender, labour standards and trade

Specific attention to women workers within existing international conventions on labour standards focuses on special rights and protection in relation to women's childbearing role (maternity benefits) as well as provisions to end discrimination (ILO Convention No. 111) and establish equal pay for work of equal value (ILO Convention No. 100). In the early years of ILO activities, the emphasis was placed on protection, but over time there has been a shift of attention towards ensuring the application of the principle of equality (World Bank, 1995a: 73; Oppong, 1993: 9). Gender equality advocates are pushing for a broadening of existing provisions to comprehensively address reproductive rights (e.g. right to refuse to work overtime, right to bodily integrity) in the workplace (WWW, undated: 2).

Social clauses are of particular relevance to the disproportionately large numbers of women found in labour-intensive segments of industries producing traded goods, although not of direct relevance to the possibly larger numbers of women involved in export production in the informal sector. Nevertheless, the mainstream social clause debate has, to a large extent, ignored the wider gender issues of significance to female workers in trade-related sectors (WWW, undated: 2). Women’s views and interests have not been represented by governments, trade unions, civil society organisations and international NGOs in the present debate.

In the main institutions (WTO, ILO, EU, government, trade unions etc.), the decision-making structures allow little room for a gender perspective to be taken on board. Decision-making processes are not transparent and women are not well represented at higher levels. In general, ‘trade interests are associated with corporate interests ... the capacity, interest and administrative obligation to analyse the effects of new trade rules on different aspects of society, social policy and gender is very small at national and international levels within the government sector and for NGOs and universities’ (Stichele, 1997: 32).

Gender equality advocates, although conceding some potential benefits from social clauses to some categories of female workers, have highlighted their inadequacies in terms of achieving gender equality goals. Generally, social clauses overlook gender disparities and barriers in the economy, which means that even if they were implemented, there would be no guarantee of increased freedoms and equality for women. Specifically, the debate needs to examine issues around equality of pay and opportunity (WIDE, undated: 3). While achieving equal participation in the workforce is a useful strategy for alleviating gender inequality, it is only part of the solution. As long as women have lesser property rights and access to education, incomplete bodily integrity and control over their sexuality, gender equality will not be achieved. This perspective challenges the view that a general improvement in workers’ rights will strengthen women’s rights.

Social clauses will not cover a great deal of women’s work since they apply mainly to formal sector employment. Much of women’s domestic and family work is unrecognised and unremunerated. Equally, much of their paid employment is hidden in homes or small workshops where they are more likely to be employed on a part-
time, casual or temporary basis (Hale, 1996: 8-13; Oppong 1993: 11-12; WIDE, undated: 2). Social clauses may lead to differentials among women just as the protection earlier accorded to formal sector female workers turned them into a relatively privileged group.

Informal sector workers are largely beyond the protection offered by ILO standards, since they are classified as self-employed or family workers. The number of women working in the informal sector is estimated to have risen under economic reform with the highest participation rates occurring in Africa. In India and Bangladesh, more than 90 percent of economically active women work in the informal sector, particularly in industries such as hand loom weaving (Hale, 1995: 7; Hale, 1996: 13; Oppong 1993: 11-12).

Homeworkers, most of whom are women, are another category out of the reach of the social clauses mandate. Homeworkers in developing countries are not protected by basic employment rights since they are classified as 'self-employed'. In general, homeworkers tend to work for little pay, sometimes under unsafe and hazardous conditions (Oxfam, 1996; Shaw, 1996:29). A proposal for a Convention on Homebased Workers outlining the key points on which homeworkers need protection was discussed at an ILO conference in 1995 and adopted in June 1996. The next stage is to get a sufficient number of ratifications by governments to give the Convention some political weight.

Concerns with the shortcomings of current social clause proposals have led to calls for a gender clause for trade agreements. The UK Women’s Trade Union Congress has approved a gender clause proposal and WIDE is considering taking this up in its lobbying work.

4.5 Possible benefits of social clauses for women

Despite the shortcomings of current social clause proposals in gender equality terms, women workers in trade-related sectors may stand to benefit from social clauses, even as currently proposed. The preference for female labour is associated with the desire to keep labour and production costs down by subcontracting or employing workers on a casual, part-time basis with no formal rights and agreements, and not protected by labour legislation or union membership (Hale, 1995: 8; Hale, 1996: 8; Oppong, 1993: 12). Social clauses should lead to improved working conditions for some women workers in those parts of the world where the numbers of female workers are increasing e.g. in South and Southeast Asia.

A strengthening of labour standards through social clauses in trade agreements could enhance female workers’ rights to freedom of association and collective bargaining (ILO Conventions Nos. 87 and 98). The ability of female workers to organise and bargain collectively around workplace issues is severely curtailed in industrial zones in many countries, by the non-existence of unions, e.g. in Malaysia, or past banning of trade unions, e.g. in the Philippines. More generally, the fear of redundancies and of withdrawal of companies, and the nature of work itself (subcontracting, part-time and temporary employment) makes organising difficult. Where trade unions exist, the
interests of women workers are rarely represented (Hale, 1996: 9), workers may be intimidated, and in some instances, new entrants (young women) may not be aware of unions (ILO, 1996c: 108; Romero, 1995: 261).

Fiji has been subject to strong criticism by the ILO for non-respect of freedom of association. An ICFTU paper, presented to the WTO trade policy review in April 1997, highlighted the plight of female workers in Fiji (see Box 2).

**Box 2: Case study of women workers in Fiji**

In 1991 new restrictions were introduced by the Fiji government on the right to strike and on the recognition of trade unions, excluding certain categories of workers from union membership rights. Manufactured garments, the main export sector and a major employer of women, was affected. Wages are relatively low in this sector, conditions of employment poor and there is no security of employment. Sexual harassment, denial of maternity leave and annual leave are typical features of the tax free zones of Fiji.

A survey dating from 1990 found that many workers were required to work excessively long hours (sometimes 24 hours per day) and that 81 percent of the factories did not pay overtime rates, in violation of Fiji’s Employment Act. Work was required during weekends and public holidays without overtime pay. The average wage was Fiji $1200, way below the official poverty line of Fiji $3000 for a family of four.

Large-scale violation of health and safety and sanitary facilities was prevalent, such as inadequate ventilation and sanitary facilities. Instant dismissals, random strip searches of women, clocking in and out when visiting toilets and refusal of sick pay or annual leave were evident.

**Source:** ICFTU, 1997:1

Protecting labour standards such as the ILO Convention 100 (on equal pay for work of equal value) through social clauses in trade agreements is, in principle, particularly important for women workers because wage levels and conditions of work for women are already below those of men (Hale, 1995: 10) and because social clauses have gender-equalising potential.

However, Romero (1995) argues against the potential effectiveness of social clauses in changing wages. S/he points out that, in general, women in EPZs are apprentices, unskilled and semi-skilled workers and that ILO research and surveys provide no evidence that wage disparities between men and women are due to deliberate setting of different gender-based wage and emoluments. Rather, they appear to be the result of gender-based biases with respect to recruitment and promotion of staff, which result in a severe under-representation of women in better-paid, skilled, technical and managerial positions. A 1991 manpower survey showed that 57 percent of employers in EPZs in the Dominican Republic preferred to hire men for administrative and
managerial posts (Romero, 1995: 255). Other research, however, provides evidence of wage discrimination in EPZs (Susan Joekes, personal communication).

Women in Development Europe (WIDE) suggest that although the equal pay for equal work section of the social clauses may be theoretically useful, past experiences show that women continue to receive lower wages than men despite equal pay legislation (WIDE, undated: 3). However, while the scope for effective implementation of equal pay legislation in LDCs is under-researched, the implementation of equal pay legislation in developed countries has reduced the gender wage gap by as much as a third. What is not clear is under what conditions and by what measures a reduction of the gender wage gap in developing countries could be effected (Susan Joekes, personal communication).

A strengthening of ILO Convention 111 through social clauses in trade agreements might, in theory, provide a mechanism for advancing gender quality in labour practices but it is unclear how this would work in practice. Additional non-employment measures such as strategies to alleviate poverty, to increase access to education and training, and to support childcare required. Trade-related measures should be part of a wider strategy to eliminate bad working conditions (Oppong, 1993).

Social clauses may not be enough, but should be seen as one possible strategy to protect the rights of women workers. They provide a mechanism for raising women’s rights issues in the work context, where constraints to collective action and political representation make this difficult to do in other ways (Stichele, 1997: 34).

Social clauses need to be backed up by strong action at local level, international campaigning and information exchange. Other ways of supporting workers’ rights would involve making companies responsible through company codes of conduct (international codes and voluntary codes), since social clauses can only sanction countries. Alternative fair trade networks have a place, as do trade unions (Hale, 1995: 14-15)

4.6 Monitoring and Implementation of labour standards

Women’s groups world-wide have expressed concern at the lack of clarity over which institution would monitor ‘core’ labour standards and have taken diverse positions over the effectiveness and appropriateness of proposed social clauses in achieving gender equality, or protecting female workers’ rights (WIDE, undated:2). The tendency to refer to workers in a gender-neutral way in high level policy fora means that men and women’s gender-differentiated experiences of work in trade-related sectors are overlooked. The absence of women, or their limited presence in key decision-making positions in trade unions, the WTO and the ILO suggests that gender interests may not be taken into consideration in implementing social clauses (ibid.).

Current implementation and monitoring mechanisms are not adequate for enforcing gender equality-focused labour standards (Convention Nos. 100 and 111). The ILO’s supervisory system is composed of regular reporting on the basis of ratified
Conventions, and of complaints procedures (ILO, 1995; ILO, 1996a: 3). Countries which have not ratified these Conventions are asked to submit reports every four years and respond to a limited number of questions concerning the difficulties of ratification, measures envisaged to overcome these and prospects for future ratification (ILO, 1996a: 1).

At domestic level, governments have the main responsibility for monitoring and enforcing the application of labour standards. Once conventions are ratified governments are obliged to convert them into national laws. Many countries have labour inspectorates, but these are sometimes small or corrupt, and coverage is limited. Every two years, governments are required to submit reports to the ILO government body. Employers and worker’s representatives have a right to comment on these reports and also play a vital role in promoting awareness of labour standards (ILO, 1995; Romero, 1995: 249).

At international level, the ILO as the key UN agency concerned with labour standards engages in activities that include technical co-operation. The scope for including gender considerations in the process of reporting is very much dependent on the gender sensitivity of the institutions involved (ILO, governments, employers, workers’ representatives). Material submitted varies in content and depth. There may be scope to advance gender equality issues through ILO experts based in regional offices since they tend to be well regarded, well informed and in contact with a range of stakeholders (Susan Joekes, personal communication).

The WTO has been earmarked as a possible institution to enforce and monitor proposed social clauses and has expressed some commitment to tackling gender aspects through the WTO Trade Policy Review (TPR) mechanism and process (ICDA, 1997). While the Trade Policy Review Board has no enforcement authority (WEDO, 1995: 4), it serves as vehicle to ensure that information on all members’ trade practices and laws is disclosed, and this could serve as an entry point to highlight gender considerations.

A major concern is whether labour standards that deal with gender equality, or related trade sanctions would be imposed objectively or selectively, given that no country in the world fully observes the ILO conventions embodied in current proposals. Furthermore, the effectiveness of social clauses or codes of conduct depends on sufficient resources and commitment to ensure their implementation and monitoring. The difficulties of monitoring are compounded by the complexities of the production process, where work is subcontracted to smaller employers and home-based workers (Hale, 1996:12). In addition there are concerns as to whether ILO, with its reliance on persuasion, and on governments, could effectively monitor relevant social clauses in trade agreements.

29 Technical co-operation for the implementation of ILO Convention No. 111 has been provided to Nepal and Eastern Europe.
4.7 Other mechanisms for addressing labour and human rights in trade-related activities

Concern with the effectiveness of mechanisms to monitor and enforce labour standards and more broadly with human rights issues linked to trade, has spawned a range of initiatives from international social movements, NGOs and the private sector, as well as governments. These include voluntary company codes of conduct, fair trade networks and anti-child labour initiatives. Women represent the majority of workers in industries targeted by international trade campaigns (Hale, 1995: 18; Shaw, 1996).

4.7.1 Company codes of conduct

Accusations of low wages and poor working conditions by trade unions, development organisations and consumer groups have put pressure on companies to adopt voluntary codes of conduct in their international operations. While voluntary codes of conduct are more comprehensive than social clause agreements, they generally do not extend to concerns about gender discrimination in work practices. They mainly focus on health and safety, working hours and equal opportunities, and are often combined with concern about environmental issues (Hale, 1995: 16).

Organisations such as Human Rights Watch and the International Secretariat of Amnesty International have actively promoted the use of human rights-sensitive codes of conduct by firms operating internationally, and have been supportive of women’s labour rights. Human Rights Watch has been instrumental in highlighting the plight of the female labour force in industrial plants in Mexico. For instance, they have pointed out that Mexican subsidiaries of US and Japanese corporations subject prospective female employees to mandatory pregnancy tests to screen out expectant women, in violation of Mexico’s Labour Code (Financial Times, 1996a: 4).

Governments have also begun promoting voluntary human rights codes of conduct. A number of US Congressional bills encourage US businesses to adhere to human rights standards in international operations. In Canada, corporate human rights codes of conduct are beginning to generate interest among business and political leaders.

The development of corporate codes of conduct represents a significant change within the private sector and its engagement with stakeholders (Marlin and Leipziger, 1997: 1). Voluntary codes of conduct have been useful instruments for engaging the corporate sector in issues of labour standards. In practice, however, they are difficult to implement and enforce because industry will only dedicate resources to code administration if it expects benefits such as consumer loyalty, or the removal of government legislation, and will not change its behaviour where profits are at issue (CLAIHR, 1996: 1). This implies that the scope for advancing labour standards that deal with gender inequality in the context of codes of conduct may be limited unless public opinion consumers or women’s groups are able to highlight concern with this issue. Independent monitoring bodies may be required.

The Council for Economic Priorities (CEP) is drafting a set of standards for monitoring vendor compliance and outlining a framework for accreditation of
monitoring bodies. It is not clear whether gender equality considerations will be prominent in this framework although women’s advancement has been one criterion in CEP’s social profile of companies for ethical investors. CEP is creating a standards Advisory Board with representation from unions, the private sector, and NGOs from around the world to build a consensus for monitoring standards. In order for the standards to be effective, they will need to be auditable, incorporate continuous quality improvement and create incentives for compliance (Marlin and Leipziger, 1997: 1).

4.7.2. Fair trade networks

Fair trade networks are being promoted by a growing number of organisations in the North. Oxfam, for instance, has been involved in direct marketing of goods made by small producers, importing goods made by co-operatives and development projects in the South. The principle is one of a fair price for fairly produced goods. Women producers have been central to fair trade campaigns, and make up 80-85 percent of Oxfam’s producer partners (Oxfam, 1996). Many of the small producers involved in direct trading links are women’s co-operatives.

While many campaigns for workers’ rights have focused on trade-related sectors that employ large numbers of women and children, gender equality-focused labour standards have not been a major consideration. Many northern NGOs run trade campaigns focusing on particular goods produced in the South, e.g. coffee and bananas to ensure that labour standards are fair throughout subcontracting chains. Trademarks are used to identify which products have been manufactured under fair conditions. The Fairtrade Foundation also provides guidance on fair trade criteria and works with companies to encourage their adoption (Hale, 1995: 17; Oxfam, 1996; Shaw, 1996).

The Clean Clothes Campaign (CCC) in the Netherlands aims to improve the labour conditions of workers in the garment industry worldwide (CCC, undated; CCC, 1995). Oxfam’s Clothes Code campaign, aimed at protecting the rights of workers to organise and bargain collectively, has made some progress with three of the UK’s top five retailers. C & A’s code of conduct has been strengthened following a meeting with Oxfam. ‘Next’ want to work with Oxfam on developing more detail in their code of conduct and monitoring systems, while Sears would like to work with Oxfam to further strengthen the implementation of their existing code of conduct (Oxfam, 1996).

There may scope for advancing gender equality labour standards through the activities of northern NGOs whose effectiveness lies in consumer awareness and power. But, while gender issues are a concern to them, little has yet been done to tackle these issues systematically. UK NGOs have set up the Monitoring and Verification Working Group (MVWG) to research and push forward the dialogue about corporate codes of conduct, and more broadly, corporate accountability. To date, MVWG has published a report, Open Trading, which sets out what companies, NGOs, trade unions and consultancies are already doing in the area of monitoring and verification. A subset of MVWG has also begun a process of active dialogue with 30 UK retail...
companies (Rebecca Abbot, FairTrade Foundation, personal communication; NEF/CIIR, 1997).

4.7.3. Anti-child labour measures
The issue of child labour is highly contentious. Efforts made by some governments (e.g. India, Brazil and the Philippines) to halt child labour are well known. Brazil and India have both followed approaches which combine legal action with economic incentives (Grootaert and Kanbur, 1995: 41). Trade unions have also demanded that a ban on child labour be included in basic social standards (ILO, 1996c: 110).

In 1992, USA introduced the Child Labour Deterrence Act (Harkin Bill) that sets out to ban foreign goods manufactured by using child labour (ILO, 1996c: 109). Worker organisations in Bangladesh have opposed implementation of this Bill which proposes to link the increase of garment quotas to the banning of child labour, arguing that what is needed are strategies to address poverty and improve employment conditions, rather than the dismissal of children from factories (Hale, 1996: 12) (see Box 3).

Box 3: Trade policy, human rights and girl workers in Bangladesh’s garment industry

Five million people are estimated to be dependent directly or indirectly on the garment industry in Bangladesh. Over 50,000 girls are thought to have been made redundant as a result of the US Harkin Bill, which legislates against US imports of garments produced by children under 15. These redundancies have caused hardship for girls and their families who have relied on their income from the garment industry, and have few alternative sources of livelihood. Many sacked underage garment workers go on to work in informal sector production, much of which is sub-contracted from registered factories.

These moves to improve employment conditions without providing an alternative livelihood for child workers and their dependants have been described as negatively impacting on the basic human right to life, and the need for children to contribute to poor families’ incomes. After pressure from international and Bangladeshi human rights organisations, trade unions, ILO, USAID and UNICEF, a small-scale programme has been introduced to benefit retrenched girls in the form of an ‘education programme’ for 7-8,000 girls.


Establishing a minimum working age may be counterproductive and, in the absence of alternatives, could force children into worse working conditions. It may offer little protection to underage child workers, and put them into a vulnerable position since they are unable to seek assistance when exploited because of their illegal status (Johnson et al, 1995: 76) For example, an illegally employed underage worker may be unable to claim compensation for a factory accident (Marcus and Harper, 1996:}
43). There may be knock on effects on women, whose livelihoods depend on managing their children’s labour at home (Susan Joekes, personal communication). Furthermore, such legislation is geared towards formal sector employment whereas many children work in the informal sector (Marcus and Harper, 1996).

The ILO is in the process of developing a new Convention that targets the most intolerable forms of child labour. In its preparatory work, the ILO has produced a report which examines the law and practice on this subject. The report makes reference to the special problems of girls and the need for ‘special protection of girls’. It maintains that the nature of girls’ work is significantly different from that of boys, and that these differences need to be considered in evaluating what is considered ‘intolerable’. With respect to trade, subcontracted wage work for girls is highlighted. Progress in enforcing any new conventions will be hampered by lack of gender-disaggregated data, particularly as regards the informal sector where most girls’ work is concentrated (ASI/ILO, undated: 1).

4.8 Policy options to support gender equality in labour standards

The arguments for and against social clauses raise a number of issues. The notion that trade sanctions (financial penalties that the WTO dispute resolution procedures allow for, rather than the unilateral trade embargo actions previously used) would influence the actions of developing country governments may have some mileage as the case of Bangladesh shows, where employers shed child labour in the face of the Harkin Bill. However, it also had counterproductive effects, plunging families reliant on the proceeds of child labour into deeper poverty.

Negotiating minimum labour standards through consensus building is complicated by the fact that it is not obvious how all parties stand to gain by observing these standards. From experiences of similar negotiations e.g. on global trade liberalisation, progress was secured by extremely complex negotiations involving offsetting deal-making and bargaining among parties on arrangements for particular products, in what was a fundamentally a non-zero sum situation, i.e. where all could in principle gain from trade expansion (EIU, 1994).

Furthermore, judging from how environment and trade issues have been treated, developing country governments would either need to be persuaded of the national benefit of enforcing labour standards, or compensated by rich countries to make it worthwhile to observe labour standards. Within this scenario, labour standards that deal with gender inequality (e.g. Convention No. 111) could be addressed. Public action for gender equality is intrinsic to development, a fact recognised by governments and donors in relation to girls’ education. It is acknowledged that educational investments in girls are necessary to generate proper returns to their labour. For this to be sustainable requires the removal of gender distortions in labour markets. The inclusion of relevant provisions in trade agreements could provide leverage in this direction.

Problems of implementation and political will highlighted above suggest that complementary avenues also need to be explored, e.g.:
• Northern TNCs whose subsidiaries must follow local statutory provisions can be made accountable through their headquarters;

• Importing firms, retailers or contractors (as in garments) can assume ‘chain of obligation’ for in-country employment conditions;

• Supporting local civil society organisations promoting gender equality in labour markets;

• Supporting local organisations of women workers seeking fair treatment;

• Supporting research into better understanding of the causes, nature and consequences of gender inequality in labour markets in developing countries. This should also include the conditions under which public action is feasible, what kinds of measures would be most effective, and the standards to which it is reasonable to expect governments to aspire.

Export expansion in many situations provides an economically buoyant context, often with specific demand for female labour in the most rapidly growing sectors, in which action in support of gender equality can be accommodated politically without threatening growth.

Growth and social development which rests on the exploitation of women is a pattern that threatens human resource development in the broadest sense: immediately, in terms of the attack on the dignity and right to equality of leisure of women and, in the longer term, through its impact on the well-being of children.
5. CONCLUSIONS AND POLICY IMPLICATIONS

5.1 General findings

This report analysed the observed and potential gender effects of trade expansion in poor countries of special interest to DFID, with a view to drawing out lessons for trade negotiators concerned with gender equality.

A starting point is that the comparative advantage theory of international trade, which has strong explanatory power in respect of actual inter-regional trade flows and is familiar to trade policy analysts, can be broadened to incorporate social and political analysis. In this way, the gender variable can become an integral part of analysing and formulating trade policy.

Existing literature on the gender dimension of international trade tends to focus on the income and employment rather than the consumption effects, and on the impact of changes in export production rather than of import displacement. It is analytically difficult, and the data are lacking, with which to link macro- and micro-price and consumption effects, even though a significant gender dimension may be present in this connection. In contrast, the income-changing and employment-creating effects of trade expansion are relatively easily identified, and so too are the livelihood effects of trade expansion on particular occupational sub-groups.

A focus on employment is helpful for development purposes, as employment provides one of the most effective ways of breaking out of poverty. But it should be noted that occupational changes cannot be mapped onto livelihood effects for households, except when whole families are concentrated within a given occupation, perhaps on a caste or immigrant-group basis. Therefore, this report has been concerned primarily to understand and highlight the gender dimension in the income side livelihoods effects of trade expansion, with emphasis on the impact on the poorest groups wherever possible. The findings are most simply presented in terms of the effects in different economic sectors.

5.1.1. Industry

Here the gender outcomes of trade expansion are most clearcut; indeed some powerful general results emerge.

Where poor countries have achieved expansion of non-commodity exports, there has been relative growth in female-intensive sectors of industry. The lower the income level of the economy, and/or the greater the concentration of clothing production and electronics assembly in export production, the greater the employment-creating effects of trade have been for women. The result holds up statistically worldwide. Increases in the ratio of exports to total manufacturing output have been strongly associated with increased shares of women in the manufacturing labour force.
Bangladesh provides - through the growth of its clothing industry - what may be an extreme illustration of the scale and effects of employment creation for women directly attributable to trade expansion. But many other countries also show a significant effect in terms of increases in the share of women in the formal labour force in industry (and by extension, in most cases, in the formal labour force overall). This has undoubtedly had multiplier effects on employment creation in the informal sector, in which women may be expected also to share. Sub-contracting and supply links between formal sector enterprises and small workshops are widespread, illustrated in this report for the case of Pakistan. No estimates exist for Pakistan - nor any other country, as far as is known - of the ratios of production and employment in formal and informal sector enterprises respectively, as regards production for export. But a UNIDO estimate that the ratio of informal to formal sector jobs in newly created industrial employment in developing countries is around 3:1 is suggestive of the likely order of magnitude involved (UNIDO, 1995).

The literature suggests that in many countries women’s employment opportunities are concentrated in the informal sector. Given the lack of quantitative information about the informal sector, it is not known whether trade expansion tilts the balance of employment opportunities for women towards the formal sector by drawing in more women, or whether, via the multiplier effect, it provides a basis for expansion of the whole range of opportunities in a similar formal: informal sector proportion as before. In either case, trade expansion has a real effect in improving the balance of employment opportunities open to women, in terms of provision of wage employment on better terms (if there is a shift towards the formal sector) or in terms of expansion of income-earning opportunities of all kinds, relative to unpaid work (if the expansion does not disturb the ratio of employment between the formal and informal sectors).

The literature also indicates that the impact of trade-related employment creation is on balance beneficial to women in social as well as economic terms. Employment provides women with some degree of economic autonomy, improved status and influence within their households, the choice to enter or leave marriages and the possibility of providing for children’s material welfare in the event of divorce. It also sets in train wider change in gender relations, by shifting parents’ perception of girls away from being a liability and towards seeing them as potential income earners and contributors to the household. Attitudes and incentives towards educating girls are improved as a result (Kabeer, 1995).

In general, the gender effects of employment would seem to be most beneficial to women:

- where wages for women relative to men are highest;
- where new trade-related employment represents the greatest increase in income-earning opportunities compared to alternatives;
- where new opportunities entail the greatest change in social practices of seclusion and subordination of women.

Employment in newly created export industries often meets these conditions. Some of the same gains can be captured by women working in the informal sector, if they are
able to participate in organisations that support collective bargaining with brokers on the terms of work.

Although some case studies in the literature show that women are more qualified than men in export industries, and also that, according to Wood (1991), basic levels of education are a prerequisite in a modern industrial sector labour force, it is certainly not the case that in low income countries, poor, uneducated women are completely barred from employment in the export manufacturing, as for example in Morocco and, possibly, Bangladesh (Joekes, 1995). Indeed, such jobs offer women without education by far the best earning opportunity, and may attract earnings far higher than those available to most similarly uneducated male members of their household. In Bangladesh, women’s clothing factory wages are two to three times male agricultural workers’ earnings (ibid, 1995).

However, the longer-term benefits of trade-related employment for women are less clear. Trade increases women's access to labour markets, but women may stay locked in at relatively low levels of pay and skill in the export sector, becoming increasingly discriminated against as export production is diversified and industrial production structures are upgraded. Thus, the share of women has fallen off markedly in EPZs in Singapore and Mexico. One interpretation is that trade expansion offers women a once-off benefit in terms of improved access to the labour market, but with no sustained improvements in labour market status thereafter.

In summary, trade expansion facilitates and accelerates the absorption of women into the modern industrial economy. This has strongly positive gender equity effects, even when the conditions of work are less favourable than for men in similar occupations. Women's universally disadvantaged position in labour markets in developing countries - the wage and job discrimination they face - paradoxically rebounds to their advantage under the competitive conditions brought in with trade liberalisation, at least in those countries which have a comparative advantage in labour-intensively produced goods.

The impact of trade expansion on women's economic activity also has wider human resource development as well as gender benefits. It gives women greater control of income, although not always absolute individual control. Women tend to have more family- and 'socially'-oriented expenditure patterns than men, i.e. they invest in social networks and reciprocal support relationships. Therefore, as women’s share of total wage payments rises with trade expansion, child nutritional status and other human resource development indicators may be expected to rise and the livelihood basis of households with women wage workers be more securely founded to survive adverse circumstances. In particular, improvement in women’s demonstrated income-earning capability strengthens the incentive for investment in the human capital of girls, with all the wider benefits that the education of girls brings.
5.1.2. Services

The services sector is highly heterogeneous, but one part of it - business and financial services - is expanding rapidly in developing countries. Trade in services is the fastest growing component of world trade, accounting for about the same amount as primary commodities (20 percent of the total) but soon expected to overtake them in value. Just as in the case of manufactures, developing countries are a force in world trade in services; in general terms, the main non-OECD exporters of services are the same countries that predominate as exporters of manufactures.

Despite this rapid growth, information is sparse about the employment and income effects of traded services. There is no systematic information in the standard sources about the scale of employment or its expansion path in modern traded business services (consultancy, accountancy, legal services etc.). Some but not all services are labour-intensive. Modern business services may be characterised as labour-intensive with high levels of labour productivity due to their technological intensity. The developing country offices of multinational enterprises supplying business services pay much higher average wages than manufacturing multinationals (Joekes, 1995, citing UN/UNCTAD).

Gender-disaggregated data on employment in traded services are even sparser. The main traditionally traded, labour-intensive service affected by trade expansion is tourism. Even though the share of female employment in domestic services tends universally to be high, this does not necessarily carry over into tourism-related service occupations. A few national and sectoral case studies demonstrate that employment in the business services sector is heavily feminised and that, unlike industry, women are represented at all levels of the employment hierarchy. In information-based activities, this is significant because the sector covers a wide skill range, from data entry to computer software design. Women employed in these activities probably earn higher incomes than women workers in industry. The prospective liberalisation under the WTO of trade in financial services, continuing relaxations on foreign investment, and the income elasticity of many financial services suggest that growth in this area is likely to continue.

It is notable that growth of the modern services sector is not limited, as might be expected, to middle-income countries with well-educated labour forces. India in particular has seen the very rapid growth of its information service industries. Sometimes information-based services are presented as a great opportunity for low-income countries to enter the world economy, perhaps even avoiding the need to compete in the world market in clothing, shoes, sports goods and other light manufactures, where trade rivalries are increasing over time. As with manufacturing, the indications are that women will certainly benefit and may see better long-term employment prospects in this process.

One hypothesis is thus that the modern traded services sector might take over where the industrial sector leaves off, as a second source of relatively well-paying jobs for women. In this case however, access seems likely to be open only to relatively well-educated women, and therefore closed to women from the poorest households.
5.1.3 Agriculture

The findings about the effects in poor countries of trade expansion in agriculture are complex. The analysis reduces here mainly to consideration of agriculture in SSA, for two reasons. Firstly, the region's resource endowments suggest that its comparative advantage in international trade will lie in natural resource-based production, and its export composition is indeed biased in this direction. Secondly, consistent with this fact, agriculture predominates in economic activity in Africa and the population is reliant on agriculture for livelihoods to a much greater extent than in other regions.

The problem of gender biases in the allocation of labour and control of income, which are central concerns of the gender and development literature on Africa, are highly pertinent to trade expansion. Both allocational problems stem from and are reinforced by women's limited property rights in land. In relation to trade, they are manifested in two ways. The first is the co-option of export crop revenues by men even where women's labour is a major input into production. The second is the coercion of female labour into export activity, without adequate return, which diverts resources from subsistence food production and can be detrimental to the nutritional status and welfare of both the woman and her children, leading to, for example, reduced school enrolment of girls. To what extent trade expansion in agriculture can be held responsible for such negative effects, and in what measure, has not been investigated. In any event, analysis of the effects of trade highlights the existence of gender biases that pervade agricultural production systems and suggests the need to take their negative welfare and efficiency consequences seriously.

Non-traditional agricultural exports (NTAEs) are the only significant growth area in SSA exports. They are providing an important source of export revenues in some cases. Women are involved more variously in this than in traditional agricultural production, not only as family labour and own-account farmers but also as 'modern' agricultural wage labour, providing the bulk of the quasi-industrial labour force mobilised for horticultural production on large farms. Evidence from Uganda also suggests that women own account farmers may find it easier to switch to growing NTAEs than to traditional export crops like coffee. It seems that women benefit more substantially in new than in older forms of agricultural production for export in Africa. This kind of trade seems to have relatively good potential to increase women's autonomous income-earning capacity, separately from the issue of property rights in land. This might also have knock-on effects and strengthen women's bargaining position within farm households. But not all African countries will be able to develop NTAEs, and in total value they still remain relatively low in comparison to other export crops.

5.2 Policy implications

Gender equality objectives are not intrinsically in conflict with trade expansion and therefore there is no a priori reason to oppose trade liberalisation on these grounds. The goal for gender policy in this connection is to try to bring about the most favourable results from trade expansion, by compensating for ill-effects and by promoting the sustainability of gender benefits from trade.
In particular, gender analysis suggests that rapid phasing out of the MFA is highly desirable. In a post-MFA world, the textiles and especially clothing world market would be supplied to a much greater extent than now by developing, predominantly low-income country producers, since clothing production is highly labour-intensive and automation has not proven viable. Full liberalisation of trade in garments presents the prospect of a greatly enlarged world market to developing country producers.

However, the fallacy of composition might still apply, i.e. international price competition might be so severe as to significantly reduce the profitability of production as already exporting countries increase output and other countries seek to enter the market. Intensified cost competition among low-income countries might drive clothing wages down even further compared to other industrial sectors. Clothing wages are generally the lowest in manufacturing, suggesting that female labour mobility between industrial sub-sectors, which would otherwise moderate relative wage falls, is quite restricted. Policy aimed at promoting gender equality should be concerned at the possible over-concentration of women in low-wage parts of the export sector. Policy needs to encompass measures to ensure gender equality in education and training so that levels of women’s qualifications for employment rise in step with men’s, as well as measures to ensure gender equality in promotion and in other employment practices.

There is also a case for the formulation and implementation of further measures to reduce discrimination against women in labour markets, so as to bring about sustained improvements in women’s labour market status. International action on labour standards and/or for other actions supportive of women workers’ rights (such as codes of conduct observed by rich country buyers and contractors) could be increasingly important in such a scenario. It should provide a means of protecting women workers from employment abuse, in terms of wages and working conditions, which is likely to increase, as competition for international markets intensifies.

In the shorter term, advocacy efforts by the consumer and ethical investment movements should include better exposition of the welfare benefits to women from trade, as discussed in this report, alongside dedicated efforts to improve worker protection. The national politics of trade negotiations tend to be heavily influenced by domestic producers; redressing this imbalance, contemporary consumer and ethical investment campaigns provide a mechanism for the normally diffuse interests of consumers to be articulated. Yet, as suggested, ethical consumption campaigns have not devoted much attention to describing the special social developmental effects that can come from improving women’s access to paid employment under trade expansion. There is a delicate balance for advocacy organisations to strike in ensuring that in stressing the most negative aspects of employment for women in export activities they do not fall into an unwitting alliance with producer interests that might bolster protectionist tendencies.

Particular attention is required to the situation of domestic outworkers and other women working in the informal sector - more than would be the case for any parallel efforts on behalf of male workers. Implementation of international agreements on labour standards enforced through official machinery cannot be expected to have an impact on them. Without complementary measures, international adoption of labour
standards may lead to further dualism in working conditions, with perhaps even to
greater segmentation in the labour market than presently exists between protected and
unprotected workers.

Two kinds of measures are required. First, the distinctive appeal of company codes of
conduct is precisely that they may be able to circumvent this problem by
acknowledging accountability for conditions in all enterprises in the supply chain,
reaching down to the smallest workshop and beyond this to domestic outworkers. The
identification of plausible mechanisms for monitoring standards in company
contracted enterprises and evidence that codes of conduct can be effective in
introducing good practice are the next steps needed. If such evidence is not
forthcoming, the broad momentum currently behind the company codes of conduct
and ethical trading movements may soon fade. Their credibility also depends on the
involvement of local NGOs and women’s organisations in a consultative or
monitoring capacity.

Second, support needs to be given to working women’s organisations, covering both
formal and informal sector workers, to improve their access to information on labour
rights and standards and their ability to take collective action to uphold their rights.
There are existing models of good practice in this respect. Support for NGOs active
in the field of women workers' rights, organisations of women workers, co-operative
organisations such as the Self Employed Women’s Association of Ahmedabad, India,
(which describes itself as a trade union), and networks and advocacy groups focussing
on the conditions of homeworkers (such as Homenet) all deserve consideration and
support in this context. The part that enforcement of the June 1996 ILO
Homeworkers convention (largely promoted by SEWA’s efforts) might play in
strengthening such efforts also needs to be given serious consideration by trade policy
makers.

In general, more attention needs to be given to representation of women workers in
negotiating forms concerned with employment terms and conditions as well as in
trade policy matters. International organisations concerned with this issue (e.g.
perhaps the ILO) may need support to drive this message home in different countries.
Strategies will differ according to circumstances. Dialogue may need to be fostered at
country level between women's organisations and general labour organisations
concerning women's rights at work and the developmental importance of securing
good working conditions for women.
Moving to agriculture, the poor supply response and moderate trade performance by African agriculture - where regional comparative advantage lies - has been ascribed to several factors:

- the limited application of trade liberalisation in this sector, with many trade restrictions including strongly cascading tariff structures remaining in place;
- the inadequate state of physical, telecommunications and administrative-institutional infrastructure necessary for international trade;
- the high level of tariffs on intermediate goods imported into the region, which penalises would-be exporters by raising production costs (of less relevance perhaps to agriculture than to industrial production).

This report has drawn attention to a fourth factor. Gender biases limit African women’s rights in land and thus their incentive in and capability for devoting resources to agricultural production for export. It may not be coincidental that the one area of strong performance by African agricultural exporters is in non-traditional products, where women are heavily involved but mainly in the supply of their labour for wage payment (rather than unpaid, as on smallholdings). In traditional agricultural production, gender relations constrain women’s participation and this may have inhibited supply response to international prices and has certainly minimised the human developmental welfare benefits from trade.

Investments in national capacity building for trade, for example under a renewed Lomé agreement, must include measures to address gender biases against women in agriculture. For instance, producer contract payments could be made to women farmers and family members, not just to male farmers, and actions could be taken on a broad front to improve women's individual property rights in land. Good practice needs to be defined for women own-account farmers in NTAEs, in terms of fair access to credit, technology and production inputs. The apparent success of NTAEs in involving women producers in Uganda needs to be scrutinised for lessons in this respect.

NTAEs generate significant revenues. Strengthening of women workers’ rights can be seen as a way of ensuring that the exporting countries retain a fairer share of the total income, or value chain, generated from production to final sale. Continued promotion of this sector’s export performance will also allow for a more equitable internal distribution of the total benefits from trade on gender lines, redressing the bias against women elsewhere in agriculture.

The agriculture large farm sector should not be exempted from pressure to observe labour standards, although some forms of social protection may need to be modified for highly seasonal production. In particular, health hazards may be potentially severe in the NTAEs, especially floriculture, judging from the situation in Latin America, and may need special attention in codes of conduct and labour standards agreements. Company codes of conduct might in fact prove relatively easy to apply in this case. Non-traditional agricultural production in Africa tends to be entirely for export, and the international companies and buyers involved in the short supply chains in perishable goods are sensitive to pressures from the ethical consumer/investment movement.
It not has been possible, to date, to track the consumption effects of trade expansion on livelihoods. For the purposes of poverty eradication, it will be necessary in specific contexts to identify particular social groups hit hard from both directions, e.g. by price rises on essential, non-substitutable goods at the same time as their particular productive activities are displaced, without alternative sources of income becoming available. But to the extent that trade facilitates growth and eases limitations of consumer choice and enables women to share in the gains from trade, this adds to households’ livelihood situation by directly and indirectly diversifying income earning capability between household members.

Finally, technical trade policy arguments relating to, *inter alia*, the sequencing of tariff reductions, and negotiating stances adopted on specific market access provisions, need to be informed by gender considerations. As this report has suggested, these cover both equity criteria, i.e. allowing women a fair share in access to the gains from trade, and social developmental criteria, i.e. recognition of the broad social welfare and human developmental gains that come from giving women enhanced primary claims on income.

Trade impact assessments must integrate estimates of the gender balance in income and employment gains - and losses - from prospective trade expansion, and analysis of the policy measures needed to secure longer-term benefits to women. This should be done in the country assessments carried out under the World Trade Organisation’s Trade Policy Review Mechanism, for the prospective implementation from 1998 of the special incentive regime of the EU GSP, and in any possible future trade-related technical co-operation strategy developed for DFID.

### 5.3 Research needs

The compilation of this report has highlighted many gaps in the literature on gender and trade. Given current concerns with coherence between aid and policy, with poverty eradication and with gender equality, some issues of immediate policy relevance are crying out for detailed empirical study.

There is an immediate need, given DFID’s poverty eradication objective, to understand the **consumption effects** from trade expansion and liberalisation and to analyse what policy measures are appropriate and effective in different circumstances. The issue is analytically separate from the **income effects** of trade, though in reality outcomes for individuals are the combined results of the two types of effect. The positive and negative influences of changes in trade policy and performance on the situation of the poor needs to be analysed either with respect to poor population groups within less poor countries’ economies, or for the entire population in the lowest income countries. Consideration of the price and consumption effects of trade might yield new criteria for targeted safety net or social support programmes, for example.

The consumption effect of trade reform on poor people’s livelihoods are mediated by gender relations at the level of markets and the household. Where women’s income
earning possibilities are constrained, and where poor households are dependent on purchases in globally-linked markets, but with limited substitution possibilities, women may be ‘caught’ between their household responsibilities and lack of independent access to cash. This, in turn, may have detrimental effects on overall household welfare.

The production and employment displacement effects of trade liberalisation in poor countries, although often asserted, have been little studied. The effect of changes in trade policy on business profitability needs to be disentangled from other influences such as technical progress, although this may be intensified by greater openness to trade. The displacement effect may be substantial, if labour mobility between sectors and occupations is restricted and if markets are not expanding. Given the existence of labour markets which are segmented by gender and other factors, women of particular demographic status (e.g. elderly women living alone), dependent on income from artisanal activity of some kind, for which markets are threatened by cheaper imports, may find their livelihoods severely undermined by a reduction in work opportunities and an inability find alternative employment. The issue is probably best approached empirically by study of country-level experiences encompassing the characteristics both of the composition of the productive sector prior to trade policy reform and of the labour market in terms of its ability to provide alternative work opportunities to particular sub-groups of the population.

Linked to this, there is in an important need to understand the characteristics of the informal sector in the context of trade reform. Integrated comparative assessments of the array of informal sector employment opportunities open to women and men respectively are few and far between, and none has been done in the context of changes in trade policy. Research is needed to investigate its scale of production and employment, both absolutely and relative to formal sector activity; its direct and indirect contribution to internationally traded production under different types of trade policy and performance; the ratio of formal to informal sector activity within production chains; and the nature of the contractual and supply links between formal and informal sector enterprises (where the concept of ‘enterprise’ includes domestic outwork). The subject could be studied at country level or for different industrial branches across countries. From the point of view of social policy, also valuable would be an evaluation of different forms of social protection for women workers (health schemes, collective bargaining, savings schemes etc) and forms of reproductive care provision that have been made in the informal sector, especially childcare.

The report highlights a striking contrast between the trade performances of Pakistan and Bangladesh. A comparative analysis of the two countries’ trade and labour market policies and their resource endowments could further illuminate the usefulness of Wood’s (1991) model of comparative advantage, and the need to understand the characteristics of the labour force that are conducive to building up manufacturing export capacity. In particular, it would improve understanding of the particular educational and other characteristics of female labour that make a female labour force attractive to employers, and the social and cultural conditions that allow women to offer their labour in wage employment. Such a study could also encompass
investigation of the displacement effects of trade policy and examination of the characteristics of the informal sector, as discussed above.

The rapid growth of non-traditional agricultural exports (NTAEs) from several countries in Africa, including the poorest countries, is remarkable, not only because of their greatly superior performance to traditional agricultural exports, but also from a gender perspective. As the report showed, in Uganda at least, women own account farmers are more involved in this kind of production than in other export production and there is anecdotal evidence that women are also heavily involved in wage employment in this sector. On both counts the expectation is that rural women derive more benefit from the expansion of NTAEs than from traditional agricultural exports. This hypothesis should be tested in the field. The analysis also suggests that export performance is improved with women’s equitable involvement in production, i.e. that promotion of NTAEs from African countries is a possible win-win situation, serving both economic efficiency and human development objectives. Research which supports this proposition could greatly add impetus to attempts to make policies generally more gender equitable throughout the agricultural sector with the aim of enhancing both export prospects and the developmental gains from traditional agricultural production in the region.

Finally, there is a clear need for an updating of the quantitative analysis of the relationship between changes in the export share of manufacturing output and the female intensity of the labour force in the manufacturing sector in developing countries. Wood’s 1991 study, drawn on heavily for this report, found a strong positive relationship, reflecting shifts in the composition of manufacturing production after economic reform and restructuring towards labour-intensive products, for which women are the preferred source of labour. This research strongly supports the widely accepted view that the gender impact of trade liberalisation is favourable in at least one important respect, namely that trade expansion gives women greater access to the labour market.

However, this finding was based on data only up to the mid-1980s; later data are now available which could form the basis of an extended analysis. One would expect the picture to be less simple now and careful interpretation should be carried out to ascertain whether the original findings are robust over a wider geographical sample and longer time period.
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### APPENDIX 1: List of relevant labour standards conventions adopted by session

<table>
<thead>
<tr>
<th>Convention No.</th>
<th>Convention</th>
<th>Date/Place</th>
<th>Total ratifications (countries) by 1/6/96</th>
</tr>
</thead>
<tbody>
<tr>
<td>29</td>
<td>Forced Labour Convention</td>
<td>1930, Geneva</td>
<td>139</td>
</tr>
<tr>
<td>87</td>
<td>Freedom of Association and Protection of the Right to Organise Convention</td>
<td>1948, San Francisco</td>
<td>115</td>
</tr>
<tr>
<td>98</td>
<td>Right to Organise and Collective Bargaining Convention</td>
<td>1949, Geneva</td>
<td>126</td>
</tr>
<tr>
<td>100</td>
<td>Equal Remuneration Convention</td>
<td>1951, Geneva</td>
<td>125</td>
</tr>
<tr>
<td>105</td>
<td>Abolition of Forced Labour Convention</td>
<td>1957, Geneva</td>
<td>117</td>
</tr>
<tr>
<td>111</td>
<td>Discrimination (Employment and Occupation) Convention</td>
<td>1958, Geneva</td>
<td>120</td>
</tr>
<tr>
<td>131</td>
<td>Minimum Wage Fixing Convention</td>
<td>1970, Geneva</td>
<td>125</td>
</tr>
<tr>
<td>138</td>
<td>Minimum Age Convention</td>
<td>1973, Geneva</td>
<td>49</td>
</tr>
</tbody>
</table>

**Source:** ILO, 1996b
APPENDIX 2: Select organisations working on social clause/labour standards issues

1. Policymaking bodies

Cleopatra Doumbia-Henry - Legal Advisor
International Labour Office (ILO)
4 route des Morillons
CH 1211 Geneve
Switzerland
Tel: 00 41 22 799 6503

World Trade Organisation (WTO)
Centre William Rappard
154 rue de Lausanne
CH-1211 Geneve 21
Switzerland
Tel: 00 41 22 739 5111
Fax: 00 41 22 731 4206

United Nations Conference on Trade and Development (UNCTAD)
Palais des Nations
1211 Geneva 10
Switzerland
Tel: 00 41 22 917 1234
Fax: 00 41 22 907 0057
2. Research Institutions

**International Institute for Labour Studies**
P O Box 6
CH-1211 Geneva 22
Switzerland
Tel: 00 41 22 799 61 28
Fax: 00 41 22 788 09 50

Anne Weston
**North South Institute**
Ottawa
Canada
Email: aweston@web.net

**The Centre for Women’s Development Studies (CWDS)**
B-34 Panchsheel Enclave
New Delhi
110 017
India

*Promotes, develops and disseminates knowledge about the evolution of women’s roles in society, and trends in social and economic organisation. Has published Women’s Work and Employment: Struggle for a Policy.*
3. NGOs, campaigns and trade unions

Jo Brew
WIDE
70 rue du Commerce
B-1040 Brussels
Belgium
Tel: 00 32 2 545 9070
Fax: 00 32 2 512 73 42
email: WIDE@gn.apc.org

Developing a strategy for lobbying the European Parliament on trade. This involves publishing a ‘gender map’ of EU trade policies. Specific action will be taken in relation to EU trade agreements with Asia and the WTO.

Woman to Woman (Mujer a Mujer)
606 Shaw Street
Toronto
Ontario
Canada
M6G 3LG
Tel: 00 1 416 532 8584
Email: perg@web.apc.org

Asia Monitor Research Centre
444 Nathan Road
8-B Kowloon
Hong Kong

AMRC is launching a new project on workers’ perspectives on the social clause in Asia, involving research, information exchange, workshops, and training. Workshops are being held in different regions.
Angela Hale  
**Women Working Worldwide**  
Centre for Employment Research  
Room 3  
St Augustines Building  
Lower Chatham Street  
Manchester  
M15 6BY  
Tel: 0161 247 1760  
Fax: 0161 247 6333  
Email: women-ww@mcr1.poptel.org.uk

*UK women’s group supporting workers through international networking and public education. Current focus on organising in the context of trade liberalisation. Has produced briefing paper on the impacts of trade liberalisation on women workers in Bangladesh, India, Korea, Mexico, Peru, South Africa, Thailand and the UK.*

Alice Tepper Marlin - Executive Director  
Deborah Leipziger - European Representative  
**Council on Economic Priorities**  
Windsor House  
83 Kingsway, 7th Floor  
London WC2B 6SD  
Tel: 0171 831 9420  
Fax: 0171 242 0503

Pamela Dar  
**International Coalition for Development Action (ICDA)**  
115 Rue Stevin - 1040 Brussels  
Belgium  
Tel: 00 32 2 230 04 30  
Fax: 00 32 2 230 52 37

*ICDA works with NGOs throughout Europe and is preparing policy guidelines on gender and trade.*
Tom Sibley - Executive Secretary
International Centre for Trade Union Rights (ICTUR)
177 Abbeville Road
London SW4 9RL
Tel: 0171 498 4700
Fax: 0171 498 0611

Defends and extends the rights of trade unions and workers worldwide. Has National Committees in 23 countries, and trains and works with women trade unionists. Publishes quarterly journal ‘International Union Rights’.

International Restructuring Education Network Europe (IRENE)
Anneke van Luijken
Stations-straat 39
5038 EC Tilburg
The Netherlands
Tel: 00 31 13 535 02 53
Fax: 00 31 13 535 02 53
Email: IRENE@ANTENNA.NL

Victoria Johnson
ACTIONAID
Hamlyn House
Macdonald Road
London N19 5PG
Tel: 0171 281 4101
Fax: 0171 263 7599

Rachel Marcus
Save the Children Fund (SCF)
Mary Datchelor House
17 Grove Lane
Camberwell
London SE5 8RP
Tel. 0171 703 5400
Fax: 0171 703
Through the Clothes Code Campaign, Oxfam is challenging the top five UK high-street clothes retailers to adopt a code of conduct that guarantees humane working conditions for the people who make the clothes. The main focus is on how garments are manufactured in Bangladesh for sale in the UK. Consumers can help to persuade Marks and Spencer, Next, Selfridges, Top Shop and C&A to ensure that the clothes they sell are made in humane working conditions by handing in coupons to the stores asking for the fair treatment of garment workers.

HOMENET’s focus in 1996 was the campaign for a Convention on Homework at the ILO, to fight homeworkers’ rights at the international level. In 1997, HOMENET will move to Asia where it hopes to extend its contacts to many different countries.
**Clean Clothes Campaign**  
van Ostadestraat 233b  
1073 TN Amsterdam  
The Netherlands  
Tel: 00 31 0 20 679 6325  
Fax: 00 31 0 20 673 0595  
Email: ccc@xs4all.nl

*CCC supports the struggles of women workers in garment-producing units (factories, sweatshops, home-based industry) for improved working conditions in the South and North by making the European public more aware of the situation.*

Maggie Burns  
**Catholic Institute for International Relations (CIIR)**  
Unit 3 Canonbury Yard  
190a New North Road  
London N1 7BJ  
Tel: 0171 354 0883

**Label Behind the Label (LBL)**  
CER  
St Augustines  
Lower Chatham St  
Manchester M15 6BY  
Tel: 0161 247 1760  
Fax: 0161 247 6333

*Network of UK organisations that aims to draw attention to the plight of garment workers around the world; to campaign for the improvement of working conditions; to encourage retailers to extend their responsibility for workers in all stages of production; and to promote fair trade.*
Maquila Solidarity Network (MSN)
606 Shaw St
Toronto, Ontario
Canada M6G 3LG
Tel: 00 1 416 532 8584
Email: perg@web.apc.org

New initiative to promote solidarity between Canadian labour and social-movement groups, and Mexican and Central American counterparts organising to raise standards and improve conditions in maquiladora zones. Supports innovative organising strategies that connect community and workplace issues, and address health and environmental problems and the specific problems of women in the maquiladora workforce.

National Labour Committee (NLC)
15 Union Square West
New York
NY 10003-3377

Organised the consumer boycott campaign that made the GAP group force its contractor in Latin America to allow organising in their factories, improve labour conditions, and pay better wages. The majority of workers in these factories are women.

Marilyn Carr
UNIFEM
777 UN Plaza
3rd Floor
New York
NY10010
USA

UNIFEM run a women and trade programme. Regional workshops were held in India, Zimbabwe and Brazil and are planned for Barbados, Mexico and Malaysia and UNIFEM also lobbied the December 1996 WTO Meeting in Singapore. Research and publications include an anthology of case studies and advocacy material on how women’s organisations can influence trade policy.
APPENDIX 3: Department For International Development
summary of BRIDGE Workshop on Trade and Gender - 10 October 1997

Summary

Although many of the issues surrounding trade and gender are not new, this was the first time that a group from government, the voluntary sector and academia came together to discuss them. The aim of the seminar was to start to bring these issues together in a comprehensive manner with a view to informing policy and action. It is was evident from the seminar that we are very much at the start of this process, but will need to keep up the momentum. The international agenda is developing quickly and it will be important to bring up the relevant issues surrounding trade and gender in the appropriate fora and push for action where appropriate.

The BRIDGE study is very useful in highlighting some of the key issues to consider and some possible policy approaches, and importantly it draws attention to some of the key gaps in knowledge and research. The analytical framework used is based on classical economic theory, yet also tries to weave in some of the broader social considerations. Although all did not agree with the balance of analytical approaches used by the report, the group did agree that this is the most practical approach to provide the types of arguments needed to influence key international economic policy makers.

The Group work was useful as it allowed the opportunity to focus on a few key areas in more depth and to start to identify key issues to examine and possible approaches for DFID to take. A summary of the ideas generated is given below. It was agreed that the group was not yet in a position to form firm conclusions and policy recommendations, but that another workshop should be held in the next few months to progress the work. Participants were also invited to feed in to DFID any comments they may have either on the report itself or the broader issues discussed.

Group work: Ideas and Conclusions

1. Policy Goals and Approaches

• Need more research to gain full profile of positive and negative impacts of trade liberalisation in different contexts.

• The dominant economic framework must be broadened to incorporate social and political analysis and gender should be an integral part of analysing and formulating trade policy.
• Possible entry points for DFID in ‘trade and gender’ issues are:

(i) Ethical trade analysis - codes of conduct, home-working, informal sector, wages
(ii) Human resource development - education, skills development
(iii) Analysis of informal sector - how does it contribute to the national economy? Do constraints on women’s time have any impact on overall economic growth as well as their own well-being?
(iv) Pro-poor approach - livelihoods, entitlement approaches
(v) Article 130v of Maastricht Treaty and EC regulation on Gender and Development

2. Trade Policy Issues

• Problem of information gaps. Need more research - particularly to identify those win/win scenarios where incorporating a gender analysis will also improve economic performance.

• Need to work to integrate gender dimension and include gender disaggregated data in, among others:

(i) LDC needs assessments (e.g. for WTO High Level Meeting)
(ii) WTO Trade Policy Review mechanisms
(iii) Future DFID trade-related technical co-operation strategy

• Need to ensure assessments of trade-related project and programme incorporate a broad consultation process and involve women’s NGOs.

• Need to be sensitive to country-specific differences (e.g. culture, social) and use appropriate approaches.

• Perhaps best scope for providing opportunities for women lies in the value-added agricultural sectors - hence need to address issue of tariff escalation in these sectors.

3. Labour Standards and Human Rights

• Need to find a way to give women a voice and reflect views in ILO structures (which consist of negotiations between employers, government, trade unions). In reality trade unions represent the most likely access route for women. Therefore need to ensure trade unions represent a broad range of groups and concerns - grassroots, women and the informal sector.
• Possible entry points for DFID to address gender issues are:

  (i) Contacts with UK Trade Unions and the ICTFU Women’s unit in Brussels
  (ii) Ethical Trade Initiative and voluntary codes of conduct
  (iii) Proposed ILO Home-working Convention
  (iv) Ground level work with women’s NGOs/co-operatives/worker’s unions

• Further work needed on GSP ‘positive incentive’ scheme and integrating the gender dimension

• Need to address labours standards and human rights issues in all sectors including informal, domestic and home-working.

Key Conclusions

• The way forward: Overall this needs to occur on a number of different levels:

  (i) International trade policies - DFID inputs to integrate/support gender dimension
  (ii) Trade and gender issues - need to demonstrate why gender analysis in trade work is useful and important and can have practical economic benefits (for different entry points see 1 and 3 above).
  (iii) Bilateral project support - gender-sensitive trade-related TC
  (iv) Funding further research and analytical work

• Possible areas for future research

  (i) Investigation into possible linkages between women’s time constraints and restrictions on export expansion i.e. Are gender constraints a reason for weak response to trade liberalisation?
  (ii) Further work on linking the macro and micro levels. How best can links be made between global policy making and regulatory frameworks and livelihood issues? What about the role of the informal sector? (this work should include participatory assessments).
  (iii) Assessment of the impact of trade liberalisation on consumption and how this affects women.
  (iv) Further research into effects of trade liberalisation on women’s wider roles in society, the household, health and nutrition.
  (v) Investigating potential longer-term displacement effects of trade liberalisation e.g. what are the effects as industries progress towards diversification and mechanisation?
  (vi) More country specific data gathering and analysis e.g. on labour market structures/composition for different export industries and sectors; opportunities for women in non-traditional agricultural exports sectors.
Next Steps

• **BRIDGE’s final report:** It would be useful if BRIDGE could include the following in the final report:

  (i) A chapter on methodology to justify their choice of analytical framework. The discussion of this during the presentation was useful and should be drawn on. It would be useful for the report to point out the reasons for this choice and its advantages and disadvantages.

  (ii) For each of the case studies, it would be useful to tie in the following:

    (a) more background on the package of reforms of which trade liberalisation was part; and

    (b) more information on women’s employment pre- and post-liberalisation. This is in order to make a fuller assessment of the specific impact of trade liberalisation relative to the wider changes occurring in each case (see Stephanie Barrientos’ note of 7 October).

  (iii) A summary of what wider and follow-on work would be useful e.g. on consumption issues.

• **DFID follow-up:** DFID staff will be meeting shortly to discuss what specific action should be taken as follow-up to the seminar. In particular, we wish to explore the following areas in more depth:

  (i) Possible research into those win/win scenarios where a gender focus also has positive economic impacts.

  (ii) Ways on integrating gender into the EU GSP ‘positive incentive’ scheme and possibilities of the WTO adopting such a scheme?

  (iii) Incorporating gender into work on the Ethical Trading Initiative and voluntary codes of conduct.


• **Future Seminar:** DFID would like to hold another seminar early next year. We will feedback the results of our own follow-up and liaise with participants to set a date. In the meantime, we would welcome any comments or ideas that participants wish to feed in.
APPENDIX 4: List of participants in DFID/BRIDGE Workshop on Trade and Gender, 10 October 1997

Department for International Development (DFID)

European Union Division (EUD)

Catriona Laing
Caroline Le Quesne
Lyndsay McClean

Institutions and Economics Division (IED)

Jane Donneker

Social Development Division (SDD)

Adam Burke
Annabel Grant
Sue Jones (facilitator)

Briefings on development and gender (BRIDGE)/Institute of Development Studies (IDS)

Marzia Fontana, Researcher
Susan Joekes, IDS Fellow
Rachel Masika, BRIDGE Information Officer

Other

Stephanie Barrientos, University of Hertfordshire
Ebba Dohlman, Development Co-operation Directorate, Organisation for Economic Co-operation and Development (OECD).

Penny Fowler, Catholic Institute for International Relations (CIIR)
Angela Hale, Women Working Worldwide (WWW)
Guy Hewitt, Gender and Youth Affairs Division (GYAD), Commonwealth Secretariat
Liz Orton, Christian Aid
Development in Practice

Publication details, including instructions for authors and subscription information:
http://www.tandfonline.com/loi/cdip20

Globalisation

Shalmali Guttal

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Available online: 18 Nov 2010

To cite this article: Shalmali Guttal (2007): Globalisation, Development in Practice, 17:4-5, 523-531
To link to this article: http://dx.doi.org/10.1080/09614520701469492

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Globalisation

Shalmali Guttal

The term ‘globalisation’ is widely used to describe a variety of economic, cultural, social, and political changes that have shaped the world over the past 50-odd years. Because it is a complex and multifaceted phenomenon, globalisation has been credited with a wide range of powers and effects. Its proponents claim that it is both ‘natural’ and an inevitable outcome of technological progress, and creates positive economic and political convergences. Critics argue that globalisation is hegemonic and antagonistic to local and national economies. This article argues that globalisation is a form of capitalist expansion that entails the integration of local and national economies into a global, unregulated market economy. Although economic in its structure, globalisation is equally a political phenomenon, shaped by negotiations and interactions between institutions of transnational capital, nation states, and international institutions. Its main driving forces are institutions of global capitalism – especially transnational corporations – but it also needs the firm hand of states to create enabling environments for it to take root. Globalisation is always accompanied by liberal democracy, which facilitates the establishment of a neo-liberal state and policies that permit globalisation to flourish. The article discusses the relationship between globalisation and development and points out that some of the most common assumptions promoted by its proponents are contradictory to the reality of globalisation; and that globalisation is resisted by more than half of the globe’s population because it is not capable of delivering on its promises of economic well being and progress for all.

KEY WORDS: Globalisation; Rights; Social Sector

Definitions and debates

The term ‘globalisation’ is widely used to describe a variety of economic, cultural, social, and political changes that have shaped the world over the past 50-odd years, from the much-celebrated revolution in information technology to the diminishing of national and geo-political boundaries in an ever-expanding, transnational movement of goods, services, and capital. The increasing homogenisation of consumer tastes, the consolidation and expansion of corporate power, sharp increases in wealth and poverty, the ‘McDonaldisation’ of food and culture, and the growing ubiquity of liberal democratic ideas are all, in one way or another, attributed to globalisation. It is certainly one of the most contested topics in the social sciences, and – possibly because it is a complex and multifaceted phenomenon – it has been accorded multiple definitions, and a wide range of powers and effects have been ascribed to it.
Debates about globalisation abound, not only about how to define it but also about its origins, central actors, driving forces, and transformative powers. Supporters and detractors alike agree that advancements in applied sciences, technology, and communications have played central roles in making globalisation possible. US and British banks deal with their customers through call centres in Asia; popular brands of clothing and sportswear design their products in the USA or Europe, manufacture them in developing countries, and sell them all over the world at comparable prices; the Internet allows commodities, futures, and currencies to be traded across the globe, taking advantage of time differences in different bourses and exchange markets; legal and medical establishments in the affluent North outsource much of their processing to selected developing countries such as India, to take advantage of a skilled and educated labour force that costs a fraction of what these establishments would pay in their home countries.

There is, however, far less agreement on the nature, powers, and origins of globalisation. Is globalisation civilising or destructive? Powerful or feeble? Politically neutral or ideology-driven? And when did it start? With Columbus as he set out to conquer new worlds for the Spanish Crown? Or when the East India Company laid the foundation of the British Empire in India? Or when the USA took over the reconstruction of war-ravaged Europe through the Marshall Plan? Many argue that globalisation is a ‘natural’ outcome of technological, scientific, and economic progress and is irreversible. Others claim that globalisation is driven by greed and the desire for accumulation and control of material wealth, for which capitalism provides a rational ideology and operational framework. Among those on the left, globalisation is viewed as an undeniably capitalist process that has its roots at least as far back as the industrial revolution in Europe and the rise of the British Empire, and has rapidly gained ground since the collapse of the Soviet Union and of socialism as a viable form of economic organisation.

Globalisation is both a result and a force of modernisation and capitalist expansion, entailing the integration of all economic activity (local, national, and regional) into a ‘global’ market place: that is, a market place that transcends geo-political borders and is not subject to regulation by nation states. The practical manifestations of this integration are the dismantling of national barriers to external trade and finance, deregulation of the economy, export-driven economic growth, removal of controls on the transnational mobility of finance capital, expansion of portfolio capital, privatisation, and the restructuring of local and national economies to facilitate free-market capitalism. This is not to say that the cultural and social dimensions of globalisation are unimportant, but that contemporary culture and society are increasingly shaped by neo-liberal economic measures that supposedly enhance ‘economic freedom’ and ‘consumer choice’. Most significant among these measures are the liberalisation of trade and finance, deregulation, and privatisation, which have been nailed down over the past three decades by the Washington Consensus, the unprecedented rise of corporate power, the formation of the World Trade Organisation (WTO), and burgeoning bilateral and regional free-trade and investment agreements.

The proponents of globalisation claim that it will create convergences of income, access to knowledge and technology, consumption power, living standards, and political ideals. By integrating local and national economies into a global economy that is unfettered by protectionism, economic growth will increase, wealth will be created, and more people in the world will be able to enjoy the advantages and fruits of modernisation, technological progress, and civilisation. Its critics, on the other hand, argue that globalisation is hegemonic, antagonistic to the poor and vulnerable, and is debilitating local and national economies, communities, and the environment.

Globalisation is also a deeply political phenomenon. It is shaped by complex negotiations and interactions between institutions of transnational capital (such as corporations), nation states, and international institutions charged with bringing coherence and order in an increasingly
interdependent world. The economy does not exist outside the actions and choices of individual and collective actors, be they private corporations, sovereign governments, United Nations (UN) agencies, the WTO, or international financial institutions (IFIs) such as the World Bank and the International Monetary Fund (IMF). Globalisation is enabled through the facility of neo-liberal policies. An integral companion to globalisation is liberal democracy, which cloaks neo-liberal policy prescriptions in the language of individualised rights, liberties, and choice. Neo-liberal, so-called ‘democratic’ states are both convenient and necessary for capitalism to expand its frontiers and reach.

Origins and actors

The roots of globalisation can certainly be traced back to the colonisation of Asia, Africa, and the Americas by the dominant economic powers of Europe. However, the expansion of capitalism as a globalising force has not been uniform in successive eras since then. Impelled by the search for new markets and new sources of wealth, and fanned by the industrial revolution, colonialism resulted in the establishment of international commodity markets and mercantilist trade. Although economic protectionism deepened following the First World War and the Great Depression in the early twentieth century, the end of the Second World War provided an impetus for a new bout of capitalist expansion, which, however, was tempered by the establishment of the Soviet bloc and socialism as an alternative form of capital accumulation and distribution.

Since the Second World War, much of the world has indeed become more inter-linked through innovations and advances in applied sciences, travel and transportation, communications, and information technology. But globalisation as we know and experience it today is not simply an inevitable outcome of scientific advancement and technological progress, and there is little that is ‘natural’ or even autonomous about it. Rather, it is the result of specifically conceived, planned, and targeted neo-liberal policy and structural measures that sought to bring all aspects of social, economic, and political life under the rubric of market capitalism. This era of globalisation took hold in the early 1980s with the coming to power of the Reagan administration in the USA and the Thatcher government in the UK, the eruption of the global debt crisis, the fleshing out of neo-liberalism as an economic framework (which eventually came to be known as the Washington Consensus), and the IFIs’ imposition of structural adjustment programmes (SAPs) on developing countries. The fall of the Berlin Wall, the collapse of the Soviet Union, and the end of the Cold War hastened the acceptance by nations of capitalism as the only viable economic order that could create wealth. New nation states that emerged from territories previously under the Soviet umbrella were quick to embrace the economic, institutional, and political support extended by the well-established capitalist powers of North America and Western Europe, especially the USA.

An extremely important development during the later part of the twentieth century was the unprecedented increase in the economic capacities, power, and reach of private corporations, many of which were already operating transnationally. Not only were corporations economically equipped to take advantage of advances in science and technology, but many of these same advances were financed, promoted, and marketed by corporations. The Thatcher and Reagan era signalled an end to state-enforced regulations to curb corporate power. The widespread adoption of neo-liberalism in many of the world’s nations led to sharp increases in state support for the private sector and allowed companies to concentrate resources through mergers and acquisitions. Soon, corporations were often bigger sources of capital than the state and its financial institutions. By the mid 1990s, 51 of the world’s top 100 economic entities were transnational companies (TNCs), including General Motors, Wal-Mart, Exxon Mobil, Toyota Motor, Royal Dutch Shell, and IBM (for current information, see www.corporations.org).
Today, national and transnational corporations are the main drivers of neo-liberal, economic globalisation. They are the principal beneficiaries of international trade, finance, and investment agreements, and the most powerful advocates of liberalisation, deregulation, and privatisation in every area of commerce and production. While maintaining control over manufacturing, distribution, and service-supply chains, they have lowered their operational costs by outsourcing selected production and services processes to firms in countries where they can get maximum returns. Not only does this result in appreciable increases in their profit margins, but it also allows corporations to shift their sites of production and services processing to wherever they can operate at the lowest costs and with the fewest hindrances from national regulations. Corporations are not in fact advocates of genuine free markets with multiple market actors; rather, their interests lie in securing monopolistic control of markets. On the one hand, TNCs are nationally based corporations that mobilise their country’s economic and political power, authority, and diplomacy to operate transnationally and expand their profits. At the same time, TNCs give global endeavours national roots. For example, Nestlé, Proctor & Gamble, Walls, Monsanto, HSBC, and Citibank have bought up local companies, tied local/national employment to the success of their products and services, and completely dominated local/national consumer markets in a large number of countries.

But corporations do not drive globalisation entirely by themselves. Governments are crucial actors in securing domestic and external markets for their pet corporations through subsidies, preferential bidding and contract awards, export credits, development aid, trade and investment agreements, and military aggression. The World Bank and the IMF, the WTO and specialised UN agencies provide the economic and financial architecture for globalisation, while international groupings such as the Organisation of Economic Co-operation and Development (OECD) and the World Economic Forum serve as forums to determine the rules of capitalist global governance. Most of the world’s largest TNCs have their home bases in France, Germany, the UK, and Japan, with the largest concentration in the USA. This, coupled with the widespread use of the US dollar as an international currency, has allowed the USA to maintain its dominance over the global economy as well as over the institutions of global governance. The globalisation arena, however, is hardly static: capitalist expansion creates conditions for new actors to enter the fray, challenge existing actors, and compete for economic and strategic dominance.

Possibly the greatest current challenge to US domination of the global economy is from China, which two decades ago decided to use capitalism as an engine of growth. China is using globalisation to establish itself as a modern economic superpower as possibly no other country has done before. It has several attributes upon which globalisation thrives: a rapidly growing economy with the capacity to absorb raw materials, and capital- and technology-intensive goods; an inexhaustible supply of cheap labour for industrial production; and a growing internal market of newly prosperous consumers. China has built up an impressive manufacturing, production, and services base for labour-intensive, skilled, and hi-tech industries by forcing TNCs investing in the country to locate their entire production processes there, rather than outsourcing selected processes. Since 2003, China has become the main destination of Asian exports and served as the principal stimulus of growth in the world economy over the past decade. And finally, China has started to build strategic partnerships with countries rich in natural resources in Asia and Africa, through the provision of foreign aid, preferential loans, and cancellation of interest-free loans owed to China.

**Development and globalisation**

The development industry has arguably been the most effective portal for globalisation, and some of the most powerful actors in the globalisation arena are members of the mainstream...
development establishment. These include the IFIs, UN specialised agencies, academics, research institutions, think tanks, civil-society organisations (CSOs), and private consultants and consulting firms, all of whom devise the applications by which economic globalisation is operationalised. Central here are the World Bank, IMF, and regional development banks, who control much of the financing for development, and are instrumental in entrenching globalisation as the only development model available to developing countries.

From its inception, development was conceptualised as a modernising endeavour through which people in the South could consume, think, and act like their counterparts in the North (see Gilbert Rist’s contribution to this issue). The euphoria of new technology, knowledge, and science created the myth that the ‘economic backwardness’ and ‘underdevelopment’ of newly decolonised nations could somehow be resolved through techno-fixes, regardless of the deep structural inequalities that colonialism had created both among and within nations. Cold War struggles to establish spheres of influence provided incentives for massive aid transfers from wealthy Northern countries to poor Southern nations, and all aid sought greater market openings in aid-recipient countries for Northern products, capital, and services. The explosion of the debt crisis in the 1980s provided opportunities for the North to seal its claims to Southern markets through the SAPs designed by the IFIs.

SAPs were packages of ‘economic reforms’ aimed at establishing market economies and hastening economic growth in indebted countries, regardless of costs and consequences. They entailed drastically reducing government social spending in areas such as health and education; liberalising imports; removing national restrictions and controls on foreign investment and capital mobility; devaluing the national currency to make exports more competitive and thus generate revenues to service the external debt; privatising state enterprises, utilities, and functions; and removing protections for workers and local producers that were viewed as restrictive to private investment and capital mobility. SAPs sought to ‘remove the government from the economy’, thus creating spaces for the expansion of private, transnational capital through corporate activity. The ideology underpinning SAPs was the same as that which impelled globalisation: that markets unfettered by national regulation are the most efficient allocators of resources; and, by tying themselves to borderless world markets, poor countries can achieve rapid economic growth, which in turn will generate the revenues needed for national development.

Diverse economic, social, legal, and administrative systems are hindrances to the free play of markets and economic integration that characterise globalisation. SAPs killed this diversity. By the early 1990s, state roles had been transformed in almost all developing countries that operated under IFI loan regimes. Subsidies, welfare, and economic redistribution policies were all but dismantled in a bid to ‘streamline’ government spending; government enterprises and public assets were privatised in order to achieve greater efficiency; and protectionist measures (such as tariffs, quotas, custom duties, and wage regulations) were drastically reduced in order to make local producers, industries, and workers more ‘efficient’ by exposing them to foreign competition. The economies of developing countries become ever more closely tied to international markets controlled by corporate powers from the traditional North. And, as states shed their functions of upholding social and economic justice and equity, the provision of physical, social, and financial infrastructure and services started to be farmed out to a variety of civil society and market actors. SAPs laid the foundations of neo-liberal economies ruled by neo-liberal states in developing countries.

SAPs did not, however, deliver the promised economic growth, export revenues, and freedom from debt and poverty. Instead, they led to economic stagnation and increased unemployment, income poverty, economic vulnerability, and environmental destruction. They increased the economic vulnerability of national economies by exposing them to externally triggered
economic and financial shocks, and making them dependent on export markets over which they
had no control. Borrowing countries became more indebted than before and fell into debt traps
whereby they used new loans to repay existing debts. Numerous studies of SAPs reveal that they
both created policy-induced poverty and entrenched pre-existing structures of social, economic,
and political inequality. (For a sample of critiques, see Bello 2006a, 2006b; Brooks 2006;
Roberts 2005; Singh 2005.)

The dangers of neo-liberal economics and globalisation were resurrected in July 1997, when
a financial crisis exploded in Indonesia, South Korea, and Thailand and rapidly spread across
the region, forcing the collapse of many of the economies of East Asia. The crisis was triggered
by currency speculation and sudden massive capital flight, but its foundations had been laid
several years earlier, when countries bowed to pressures from the IMF to free speculative
capital from the constraints of national regulation. Thanks to the IMF’s policy ‘advice’, the
economies of Indonesia, South Korea, and Thailand had become virtual casinos; capital
flowed in and out with few restrictions, but also with little substance in the real economy to
back it up. The financial collapse was soon transformed into a full-blown economic and struc-
tural crisis of enormous magnitude by IFI ‘rescue’ packages, which were essentially SAPs with
a few social programmes thrown in. In less than a year, tens of millions of people were plunged
into sudden, abject poverty.

Although IMF, World Bank, and Washington Consensus pundits tried to blame the crisis on
Asian ‘crony capitalism’, the eruption of similar crises in Turkey, Russia, and Argentina clearly
showed that not only were Bank–Fund economic reform packages to blame, but also that their
so-called rescue packages were intended to save foreign banks, investors, and corporations, and
not the crisis-hit countries. By contrast, strict capital controls in Malaysia and China during the
crisis protected their economies from unravelling.

In the face of growing international criticism following the Asian crisis, and increasing evi-
dence of the destructive impacts of SAPs, the Bank and Fund changed their tack somewhat.
SAPs started to be called ‘poverty-reduction strategies’, included some social programmes,
and put greater emphasis on establishing globalisation-friendly national institutions through a
new set of policy reforms called ‘good governance’ (see Mkandawire’s contribution to this
issue). The core of the IFI development model, however, has remained unchanged, and the
assumed inevitability of globalisation appears to have prevented even progressive members
of the development establishment from imagining alternative forms of and paths towards devel-
opment. And, despite mounting evidence to the contrary, developing-country governments con-
tinue to maintain what appears to be an almost religious faith in the eventual power of markets
to correct imbalances, inequities, and imperfections.

An interesting example here is the micro-credit industry. Possibly because the dominant
development model is centred on capital accumulation, the poverty that it creates is also gen-
erally attributed to lack of capital, which must then be addressed by creating access to it. For
income-poor families, this access is created through loans from micro-credit projects and insti-
tutions. Most micro-credit schemes are aimed at women organised in self-help groups (SHGs),
run by CSOs and private consultants, and heavily promoted by aid agencies and the IFIs. While
some micro-credit schemes may well have helped borrowers to invest in effective income-
generating activities, many have created debt traps whereby SHG members borrow from
other sources to repay their loans, unfortunately mirroring at the micro level the macro-level
financial condition afflicting many indebted governments. Today, micro-credit has become a
global debt-creating industry worth billions of dollars. It is favoured by aid agencies and aid-
recipient governments alike and relieves the latter of the far less favoured responsibility of con-
trolling markets and redistributing wealth, assets, rights to land, and access to resources which
could generate longer-term solutions to poverty.
The experience of the past few decades shows that countries that maintained financial controls and regulated the market to build up infrastructure and agricultural capacity and protect employment (such as China, India, Malaysia, Taiwan, Thailand, and South Korea) did better economically than those that followed the World Bank–IMF development model. However, most countries, rich or poor, have embraced globalisation as the preferred model of development. An important reason for this is political: the top leadership in most countries today consists of people from elite classes (with some exceptions in Latin America) and technocrats who are not committed to seeking credible alternatives to globalisation.

Contradictions and paradoxes

Globalisation is not an inclusive or progressive form of internationalism. Rather, it is the successful expansion on a world scale of particular localisms of social, economic, and political organisation, which are neo-liberal and capitalist in character. The mix of material and ideological elements that make this expansion possible makes globalisation a hegemonic process. Nor does globalisation create or encourage economic freedom, opportunities, and choice at all levels; rather it is more akin to a monoculture of ideas, politics, and economic models.

Globalisation is also contradictory in its effects. Its assumed ‘integrative nature’ is belied by severe and growing inequalities both within and among nations. While capital and goods may be free to move across boundaries, labour is not. Much of the economic growth attributed to globalisation has been jobless, and has benefited those who are already socially and economically equipped to take advantage of the opportunities offered by economic and financial liberalisation. Recurrent fluctuations in currency and commodity markets and the ability of TNCs to move production sites at whim have wiped out small producers and workers in developing countries. But large national and transnational businesses have benefited from such volatility by acquiring new assets at rock-bottom prices in developing countries. Corporations want protectionism for themselves and laissez-faire for their competitors.

Globalisation has integrated rich, affluent, and educated classes, but has fractured working classes and marginalised the poor, who do not have the skills and economic clout to profit from open markets. While trade and financial liberalisation and privatisation have devastated the livelihoods of farmers, fishers, workers, and indigenous peoples in the South, the North too is facing globalisation-induced troubles. The subcontracting and outsourcing of industrial production and services processing to developing countries has created unemployment in the home countries of some of the world’s largest TNCs such as the USA, the UK, and France. Contrary to the rosy predictions of its proponents, globalisation has not created a flat, harmonious world with economic prosperity for all. Instead, it has bred imbalances and contradictions that capitalists themselves are hard put to explain.

Paradoxically, the same forces that promote global capitalism also promote democracy, human rights, and government intervention. This is paradoxical, because global capitalism cannot survive in an ethical climate that promotes genuine democracy and fundamental human rights, nor does it favour independent-minded states. Corporations are geared towards profit making and expanding the bottom line for their shareholders, who generally do not include workers, family farmers and fishers, indigenous communities, the urban poor, or even lower-middle-class families. But in order to keep expanding their profits, corporations need the sanction and structural support of nationally and internationally accepted legal, judicial, and political entities that have the moral authority to exercise force through policy and other means. In other words, corporations need a neo-liberal state and multilateral forums and institutions in order to advance their interests. They need the state to act for them: to clear the ground for their entry into domestic arenas; to establish economic, financial, legal,
and judicial frameworks that facilitate their operations; and, most important, to provide rational and ethical cover for their operations. This cover is easily conjured by equating globalisation with development, democratic decision making, consumer choice, and the individualised rights of a consuming public.

The role of the governments and state power in the current era of globalisation is a much-debated issue. Many on both the left and the right argue that the state is relatively meaningless in the face of global capital. But state power needs to be examined both within and outside the confines of national arenas. Political structures within nation states are expressions of the economic arrangements and power alignments of interest groups within nations. States that are closely allied to global capital are indeed powerful and they secure for their corporations the most advantageous terms in international and bilateral trade and investment treaties. The withdrawal of the state from economic interventions in most developing countries has been achieved through economic and military aggression by capital-rich countries. At the same time, many developing-country governments have tended to be extremely authoritarian in national arenas and used military force against their own citizens in order to comply with the demands of global capital. State power in relation to globalisation is both contradictory and responsive to the emergence of new forces and trends. India, Brazil, South Africa, and China (the so-called BICS) are now forces to reckon with in the WTO. Under the patronage of China, Cambodia – which has been in the grip of post-war reconstruction and SAPs for almost two decades – is now able to thumb its nose at IFIs and wealthy donor countries.

Resistance

As corporate-led globalisation sweeps the world, it transforms those that it touches and, in so doing, it creates spaces and avenues for its dismantling and the possibility of its imminent arrest. Globalisation has not delivered (and cannot deliver) on its promises. Private corporations, national elites, and those able to access higher education have reaped benefits, to be sure. But for hundreds of millions across the world, the actual effects of neo-liberal policies have been inequality, poverty, hunger, increased susceptibility to disease and sickness, and economic and political marginalisation. Peasants, small-scale farmers and fishers, small and medium entrepreneurs, workers, pastoralists, and indigenous communities have faced deep and shattering livelihood crises as a result of free trade and investment, and the depredations of speculative capital. Public goods and services that once were and should still be within equal reach of all those living within a common territory are now being offered as private goods and services accessible only to solvent consumers. Non-state and supra-state actors (such as private corporations and multilateral organisations) often perform the political functions of states, but without being under effective, sovereign control.

For every system of domination, there is a hacker. And progressive civil-society actors are devising increasingly creative and powerful ways of hacking into the neo-liberal regime, exposing its flaws and weakening its institutions. The hegemony of corporate-led globalisation is being challenged and resisted by a growing, worldwide movement whose base is made up of a wide diversity of people, ideas, cultures, languages, ages, professions, and competencies. These include progressive people’s movements, networks, CSOs, independent academics and intellectuals, writers, artists, film makers, small businesses, and even governments, all of whom are using modern information technology to mount well organised, well informed, and sustained challenges to economic globalisation, corporate power, and the key institutions of neo-liberal ideology. The same technology that has exacerbated the financial insecurity of nations has also been used by people’s movements and activists to jam the gears of globalisation.
In Latin America, Bolivia has nationalised its energy resources, Argentina has unilaterally restructured the debt owed to Northern bond-holders, and Venezuela has launched the Bolivarian Alternative for the Americas (its Spanish acronym, ALBA, meaning ‘dawn’) as an alternative plan for regional integration. Larger developing countries are refusing to borrow from the IMF, and those that are under IMF regimes are keen to clear their payments ahead of schedule. The crisis of the trade talks in the WTO, the growing crises of competency and legitimacy of the IMF and World Bank, the intensifying resistance to US occupation in Iraq and elsewhere, and the moves at multiple levels – local, national, and regional – to design, test, and share alternative paths to social, economic, and ecological well-being, are all examples of successes of the counter-hegemonic challenge to globalisation.

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Globalization, social exclusion and gender

Marilyn CARR* and Martha CHEN**

This article looks at patterns of social exclusion and inclusion from the perspective of the working poor, especially women, in developing countries. It aims to identify different processes of social exclusion and inclusion – rather than assess their causes or measure their impact – in the context of specific processes of global economic integration that are driven by trade liberalization. More specifically, the focus will be on the reorganization of production into global production systems, notably global value chains and export processing zones (EPZs); and the reorganization of domestic production in response to trade liberalization. These related processes will be compared and contrasted, with examples from a few key sectors – garments, non-timber forest products, food processing, horticulture and construction – in a few select countries in Asia (India, the Philippines, Sri Lanka and Thailand), Latin America (Chile, Mexico and Peru) and Africa (Kenya, South Africa, Uganda and Zimbabwe).

In the European context, most analyses of social exclusion and employment focus on long-term unemployment or barriers to employment, i.e. exclusion from employment opportunities. But in developing countries, where the majority of the workforce has never had secure long-term employment, the concept of unemployment is somewhat problematic. Accordingly, the focus of this investigation will be not on unemployment per se but on the nature of employment opportunities associated with globalization, notably the terms of inclusion (of paid workers) and the barriers to inclusion (of the self-employed) in global production systems; and the forms of exclusion in domestic production systems associated with increased imports and other dimensions of trade liberalization.

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The article is divided into three main sections. By way of background, the first defines the concepts used and reviews some of the current issues relating to social exclusion and inclusion. The second section discusses examples of three broad processes of social exclusion and inclusion associated with globalization. The third section of the article examines the implications of the examples cited, first for the analysis of social exclusion in the context of developing countries and, second, for the formulation of policies to address social exclusion associated with global economic integration.

Outline of concepts and issues

Global production systems: The export link

The world economy has changed in very significant ways during the past several decades. One dimension of these changes is the reorganization of production into global production systems, of which the best-known components are global value chains and EPZs. Although these components interact in complex ways, we consider each of them to be a different “system” in the sense that what drives and governs it is identifiable and distinctive. Indeed, most EPZs are established and governed by local governments in the South, whereas most global value chains are driven and governed by lead buyer or producer firms in the North. It is important to note, however, that the analytical distinction between global value chains and EPZs becomes blurred in real life because EPZ enterprises supply to global value chains and global value chains subcontract to EPZs.

Both systems are credited with creating new jobs. But employment in global value chains is often precarious because lead companies are likely to shift the location of production from one country to another depending on competitive advantages, including the incentive packages offered by different countries. Similarly, EPZs in several countries have recently shifted to more capital-intensive production processes that require either fewer workers or more skilled workers.

It is important to note that self-employed/own-account workers operating outside EPZs are also involved in global production systems to varying degrees. Some are absorbed into these against their will and on terms unfavourable to themselves. Others actively seek out links with higher-value export markets – inevitably through some sort of production chain – but they are not always successful in achieving this objective because of barriers to entry. Also, investment by large corporations in export-oriented production/processing activities using local resources and raw materials may deplete the supply or raise the price of these natural resources, forcing previously self-employed persons – e.g. small
farmers or fisherfolk – to become dependent wage workers without independence or security.

Furthermore, in both types of system, there are marked shifts in focus (a) from employer-employee relationships to firm-government relationships (in the case of EPZs) or to inter-firm relationships (in the case of value chains); and (b) from concerns of production (and workers) to concerns of distribution (and consumers). These shifts are accompanied by specific processes of exclusion and inclusion. For instance, in their efforts to attract foreign direct investment (FDI), governments will often exempt EPZs from taxation and regulations that would otherwise obtain within their countries, thereby encouraging employment relationships that are not covered by labour legislation or social protection. In a global value chain, the lead firm tends to negotiate directly only with the first-tier of sub-contracting firms, thereby retaining power and control within the chain and excluding those down the chain from direct negotiations and associated benefits.

To understand patterns of exclusion and inclusion under each system, each system's various dimensions need to be understood, including: input-output structure and associated economic relationships; geographical location/s and spatial organization; governance structure and power relationships (i.e. who is "driving" the value chain or EPZ); and regulatory influences, both national and international (Gereffi, 1999).

**Competition within domestic production systems:**
**The import link**

Other notable dimensions of recent economic change include trade liberalization and the associated movement of goods, both within and between countries. While this often leads to efficiency gains, it can also produce greater volatility in product and labour markets that impinges directly on unskilled workers and on the self-employed (Jhabvala and Kanbur, 2002). Despite its benefits, the troubling features of liberalization for unskilled workers include not only loss of employment but also a decline in wages, bargaining power and/or work security. In turn, each of these features reflects aspects of social exclusion: in this case, exclusion not only from work opportunities but also from wage and non-wage benefits of employment. Also, each of these features is associated with one or more types of change induced by imported goods and trade liberalization more generally, namely, changes in demand, technology, competition and/or institutional arrangements. Most notably, cheap imports of food and other consumer goods often lead to the destruction of markets for those goods produced domestically by own-account workers and small/micro-enterprises.
Social exclusion/inclusion

As originally conceptualized in Europe, social exclusion refers to the exclusion of citizens from the "social contract" and, more specifically, from standard secure employment. Recently, this concept has been extended to developing countries and broadened to refer to the processes by which certain groups are excluded from or marginalized by social, economic and political development. This extension has led, necessarily, to a fundamental rethinking of the concept because the context of most developing countries does not match that of most European countries. In recent years, most countries in Europe have experienced erosion of full employment and of the welfare state. Nevertheless, the majority of their workers still have standard wage employment and the majority of their citizens are relatively well-off. Most developing countries, by contrast, have never experienced full employment or developed a full-fledged welfare state. As a result, the majority of their workers are either self-employed or in non-standard wage employment; and the majority of their citizens are relatively less well-off.

Informal employment

The new concept of "informal employment" proposed by the ILO to the International Labour Conference in 2002 defines informal employment as employment without secure contracts, worker benefits, or social protection (ILO 2002a and 2002b). It comprises two basic components: self-employment in informal enterprises; and paid employment in informal jobs. The old concept of the "informal sector" – defined in terms of the characteristics of the enterprise (small, unregistered) – included the self-employed in informal enterprises and paid employees in informal enterprises. But it did not include casual labourers with no fixed employer, domestic workers who worked for households, homeworkers and other industrial outworkers who worked under sub-contracts for either formal or informal firms, or undeclared workers for either formal or informal firms. Under the new concept, paid employment in informal jobs includes all of these categories as well as the employees of informal enterprises.

The basic idea is that both types of informal employment – self-employment and paid employment – are associated with the lack of secure contracts, worker benefits and social protection, as well as with low average earnings. Of course, there are differences between the two sub-groups. In general, the self-employed face problems of exclusion from capital and product markets, while paid workers face unfavourable terms of inclusion in labour markets. But both typically lack bargaining power in the markets within which they operate; and both are typically excluded from social protection. Most of the self-employed, especially
own-account workers, as well as informal paid workers cannot afford to pay for their own social protection; few informal paid workers are likely to have employment-based protection; and few informal workers or producers are likely to receive much by way of protection from the State.

By defining informality in terms of employment status or employment relationships, the new concept of informal employment thus represents a major conceptual shift. To begin with, it shifts some of the responsibility for informality from the informal workforce to formal structures (public and private). The old thinking associated with the concept of the informal sector assumed that informal-sector workers were avoiding formality, namely registration and taxation. The thinking associated with the new concept of the informal economy assumes that these workers would like the benefits of formality – namely, secure work, worker benefits, social protection, and voice – but that formal enterprises or the formal regulatory system serves to “exclude” them from these benefits. Under the new conceptualization, informal employment is seen as resulting from a process of exclusion from the non-wage benefits of employment.

Gender dimensions

Ascribed identities – notably ethnicity and gender – are often a source of exclusion or inclusion at work. This is manifested, for instance, in the segmentation of labour markets along the lines of gender, ethnicity, or some mix of the two. Consider, for example, the complex interplay of gender, caste and religion in determining who does what work in an Indian city. In Ahmedabad City, for example, as elsewhere in India, women are over-represented in the informal economy: over 80 per cent of female workers are engaged in the informal economy, as against 65 per cent of male workers. There are also gender differences within the informal economy in terms of employment status and place of work. Among the women who work in the informal economy, an insignificant percentage are employers, and surprisingly few are independent own-account operators; most are casual workers, homeworkers or unpaid family workers.\(^1\) Indeed, the proportion of women who are homeworkers is almost ten times that of men who are homeworkers, and more than twice that of women who are independent own-account workers.

In many communities, traditional barriers still prevent women from going out of their homes to work. In Ahmedabad, and elsewhere in India, this is particularly true of Muslim women, but it is also true of Hindu women in many of the higher castes. For some women, having primary or sole responsibility for household duties, including child care,

\(^1\) In other contexts, there are “dependent traders” as well who depend on wholesalers for their stock of goods or who sell on a commission. In Ahmedabad, many street vendors depend on wholesale traders for supply of goods on credit but are not otherwise dependent.
also prevents them from working outside their homes or areas of residence. This means that there are marked gender differences in people’s places of work: in Ahmedabad nearly 70 per cent of women, compared to less than 10 per cent of men, work in their own or their employer’s home; less than 8 per cent of women, compared to over 27 per cent of men, work on the streets or at construction sites; and less than 22 per cent of women, compared to nearly 60 per cent of men, work in factories or offices. There are also marked differences between groups of women in regard to the location of work. Most Muslim women and upper-caste Hindu women work from their homes, if they work at all. Compared to upper-caste Hindu women, a higher percentage of middle-caste women and a far higher percentage of lower-caste women are in the paid labour force and work outside the home.

A great deal has been written, in India and elsewhere, about why women work from home. Two schools of thought focus on supply-side factors. One argues that women prefer or opt to work at home because of the location and flexibility of work hours, which allow women to combine or “juggle” paid work, domestic chores and care work. The other argues that women are conditioned by prevailing gender norms to assume this triple workload and/or to restrict their mobility. This view implies that women do not “opt” but are forced to work at home. A third school of thought focuses on the demand for labour and argues that prevailing gender norms translate into gendered patterns of employment opportunities. Our findings suggest that all of these factors contribute to the concentration of women in home-based activities and to labour-market segmentation by sex within the formal and informal economies alike.

However, while globalization often affects male and female workers differently, “female workers” and “male workers” are not homogeneous groups; and globalization affects different groups of female and male workers differently. Indeed, the impact of economic globalization on workers generally – including associated patterns of social exclusion/inclusion – depends on the type of work they are involved in (e.g. wage work or own-account production) as well as their age, literacy/education, and ethnicity. Also, where they live and work is very significant as there are large differences in national and local policies.

The following sections attempt an analysis, with examples, of how the following articulate with each other: socially-defined relationships and identities (gender, ethnicity, race, religion); work-related identities; emergence of global production systems and shifts in domestic production systems associated with globalization; and forms and patterns of social exclusion/inclusion. But since patterns of work-related social exclusion vary not only by gender and type of work, but also by economic sector, by system of production, and between regions, a deliberate choice had to be made as to how best to communicate these com-
plex patterns given the limits of time and space – hence the decision to focus on the complex interplay of social exclusion and inclusion from the perspective of informal workers and producers who are linked, either through exports or imports, with the global economy.

Globalization, social exclusion and work

This section seeks to illuminate how some of the more significant changes which are taking place in global production systems are impacting on the social exclusion/inclusion of those producers/workers who are the traditional labour force of – or new entrants to – the informal economy, with special attention to female producers and workers. In so doing, it takes examples from a range of countries in Asia, Africa and Latin America and includes both self-employed/own-account workers and paid workers in the informal economy. Three different types of change are explored:

(a) cases where export-led growth and development have resulted in the increased inclusion of workers in the global economy but on questionable/undesirable terms and with uncertain sustainability;

(b) cases where barriers to entry have prevented self-employed/own-account workers from taking advantage of new economic opportunities arising from trade and investment liberalization; and

(c) cases where trade and investment liberalization have resulted in the destruction of domestic enterprises or paid jobs through: flooding of the market with cheap imports/services, competing on unequal terms for local natural resources; and changing technology and skill requirements.

Terms of inclusion in global production systems

Export-led manufacturing

One of the best known features of globalization is the massive creation of jobs in export-led manufacturing in developing countries – particularly in south east/east Asia and Latin America. Starting in the 1960s, this was encouraged through the creation of EPZs which offered incentives to foreign corporations in the form of tax holidays, cheap labour and a “union-free” environment. EPZs raised many problems, including their isolation from surrounding communities and the consequent alienation of workers (the majority of whom had migrated from other locations). But they nevertheless did create a significant number of jobs – especially for young women. For some of these women, employment in EPZs represents a welcome alternative to less favourable forms of work elsewhere or a means of escape from an oppressive
home environment. Most recent figures suggest that by 1995, some 27 million jobs had been created in these zones – of which 70 to 80 per cent were held by women – mainly in labour-intensive industries such as garments, footwear and electronics.

More recently, however, multinational corporations have turned away from FDI in developing countries and moved towards coordination of global production chains where they concentrate on retail and distribution, while outsourcing production to domestic companies in those countries. While some production still takes place within EPZs, global production chains now spread more widely across economies and incorporate a whole range of subcontracting arrangements which extend to home-based workers operating through various contracting arrangements and firms involved in the chains. These so-called buyer-driven commodity chains still concentrate on labour-intensive products and continue to employ a predominantly female workforce. Confined to these female dominated sub-sectors, however, women remain segregated and concentrated at the margins of the production process and at the lower end of the commodity chain. Typically, their labour accounts for less than 10 per cent of the total sale price of what they produce; they have no say in their working conditions; and they lack the means of redressing the balance of power and returns.

While these trends have undoubtedly led to the creation of new employment opportunities for women in the countries concerned, enabling them to become integrated into the global economy, there are several issues which need to be taken into consideration when evaluating the impact of such employment in terms of social exclusion/inclusion. In particular, the quality of this employment needs to be questioned. Typically, wages are very low, working conditions are very bad, contracts are rarely written, and benefits such as maternity leave, sick leave, annual leave or health insurance are unlikely to be provided. Indeed, firms that prefer to employ young women in factory jobs – often because they are seen as docile and unlikely to take union action or agitate for improved wages and working conditions – normally terminate employment once a worker gets married or becomes pregnant. The position of homeworkers in global commodity chains is even more precarious as they are more isolated than factory workers and have a more tenuous link with their employer. Inevitably, homeworkers are paid less than those doing the same work in factory conditions, and many of those now in homework used to work on better terms in factories which laid them off in order to save costs. Thus, two patterns are observable in export-led manufacturing.

First, young women who have not worked before are now included in the labour force on terms which are not optimal but possibly better than alternatives elsewhere in the domestic economy (Kabeer,
2000). In addition, the wage gap between women and men in export-oriented factories is smaller than in domestic production. For example, unskilled women workers in export-oriented garment factories in Bangladesh are paid almost the same (90 per cent) as unskilled men, as opposed to only 57 per cent of what men earn outside these factories (Joekes, 1999). However, discrimination persists in that very few women hold supervisory or skilled positions (where wages are higher than for unskilled work). Furthermore, gender wage gaps and occupational segregation have remained substantial in many countries. Indeed, recent research shows that the Asian economies with the widest wage gaps are those that have grown most rapidly (Unni, 2002).

Second, many women who were formerly employed in factory production (with or without contracts and benefits) have now been excluded and do much the same work from their own homes on terms which are much worse than before. Without exception, home-based workers are paid less than informal factory workers and receive no benefits from their employers. In any case, the latter often hide their links to such workers in a complex network of contractors and sub-contractors, thereby distancing themselves from any responsibilities.

Against this background, several factors are now impacting on the situation of women working in export-led industries.

**Market overcrowding**

One such factor is that markets for labour-intensive products are becoming flooded and highly competitive. In the circumstances, one of two corporate strategies seems to be adopted, neither of which is helpful in improving the terms of inclusion of female workers in the global economy. One strategy is for multinationals to try to maintain or increase their market share in existing industries by undercutting competitors – usually by cutting labour costs in a race to the bottom. This process is facilitated both by the increased ability of firms to substitute casual workers and homeworkers for permanent labour within countries (flexibilization of labour) and by the ease with which capital can move across borders in search of cheaper labour. For example, when workers in footwear factories in Indonesia managed to raise their daily wage rate by about US$1 through union action, NIKE simply switched its sourcing to Vietnam to avoid the cost increase. Similarly, European buyers of ready-made garments have been switching from suppliers in Thailand to others in China and Vietnam where labour costs are 30 per cent lower. For factory workers and homeworkers in the Thai garment industry, this has led to a decrease in pay and loss of work (Lund and Nicholson, 2004). Thus, the very factors which led to women’s “inclusion” in the global economy in the first place – unskilled work, low wages, low productivity – now have them trapped in downwardly mobile positions.
These female workers are marginalized (or excluded) not by being unemployed but by being engaged in types of work and working conditions that condemn them to low-wage, low-productivity occupations which involve increasing pressure and drudgery as companies resort to “sweating” their labour force. This corporate strategy is also detrimental to the very companies that adopt it as they become stuck in the trap of over-reliance on cheap labour, natural resource exploitation and generic commodity production which can contribute to long-term impoverishment even as their current business grows. Real wealth creation depends on companies developing the alliances, strategic thinking and innovation that are necessary to make the leap from easily imitated but unsustainable sources of competitive advantage to more sophisticated and sustainable sources of competitive advantage (Forstater, MacDonald and Raynard, 2002).

Regional trading agreements are adding to the movement of capital around the globe and the consequent loss of work and earning potential in locations that lose out. For example, following NAFTA, 150 factories were closed and 123,000 jobs lost in the apparel industry in the Caribbean as production moved to Mexico to take advantage of the duty-free regime governing imports to the United States market. Pressure to meet “just-in-time” delivery schedules is another factor contributing to significant relocation of garment-sector production away from Asia to the peripheries of Europe and North America. For example, The Limited, a manufacturer of Victoria’s Secret underwear, recently opened a plant in Mexico: despite the fact that wages are three times higher in Mexico than in Sri Lanka, it was nonetheless more economical to produce in Mexico because of savings in time, transport costs and duties. In fact, there has been a steady reduction in apparel imports from Asia to the United States, from 83 per cent of the total in 1980 to 41 per cent in 1996. Not only is it cheaper and quicker to operate on the doorstep of the target market, but it also allows textile manufacturers in the United States to supply the bulk of the fabric, something they cannot do with Asian suppliers (ILO, 1998).

The other strategy that multinationals can adopt to address the problem of competition in export markets for labour-intensive products is to diversify into different types of products which yield higher profits in less crowded markets. In countries where this is happening, the proportion of women employed in EPZs is falling as more men are recruited into the new industries which are technologically more sophisticated and which demand higher skill levels (which men are given greater opportunities to acquire). In Malaysia, for example, the proportion of female workers in EPZs fell from 75 per cent in 1980 to 54 per cent in 1990 (Joekes, 1999); in Mexico, the proportion of women in maquiladoras fell from 77 per cent in 1982 to 60 per cent in 1990 (Ghosh, 1995), and from 45 per cent in 1991 to 35 per cent in 1993 in the
export sector as a whole (Ghiara, 1999). Thus, while skills were not needed to gain employment in the early stages of export-led industrialization, they are now becoming increasingly important in adapting to rapidly changing markets. As a result, unskilled female workers are being excluded from the latest and more technology-intensive phase of globalization in which there is a switch from working “harder” to working “smarter”.

**Heightened insecurity**

Another factor affecting female workers in export-led industries as a result of their inclusion in the global economy is increased volatility and vulnerability. This was especially evident in the Asian financial crisis of the late 1990s which led to the closure of hundreds of export-linked factories financed by FDI and, primarily, portfolio investment. In 1997, there was a net outflow of private funds of US$20 billion from east and south-east Asia, as against net inflows of US$70 billion in 1995 and US$80 billion in 1996 (Joekes, 1999). Unemployment jumped from 5.3 million in 1996 to 18 million in 1998. The majority of those displaced were women, some of whom may well have found alternative homework in subcontracting chains. However, many homeworkers also lost their source of income as factories closed down. In the Philippines, for example, more than 200 garment factories closed in the first year of the crisis with the result that the homeworkers who used to supply them had to turn to self-employment – usually in street vending or even garbage recycling for very low profits because they lacked access to the skills, technology and credit needed to establish more profitable enterprises (Carr, 1998).

Restructuring in response to crises – and the need to increase international competitiveness – has had similar effects in other parts of the world. In South Africa, for example, the restructuring process in labour-intensive industries such as the garment industry is leading to the retrenchment of hundreds of female workers, an as yet unknown number of whom may find alternative work as homeworkers in the clothing industry. In addition, restructuring is shifting women who are already in the informal economy into lower and less secure segments of informal work: for instance, self-employed garment makers who lose their market niche often have no alternative but to work under sub-contracts as garment outworkers; and self-employed workers of various kinds who lose their

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2 The hierarchy of employment statuses within the informal economy includes: employers who hire others, own-account operators who run family businesses or single-person activities (some of which are survival activities); wage workers of various kinds (from employees of informal enterprises, casual day labourers, domestic workers, and contract workers); and industrial outworkers. Within most sectors in most countries, average earnings or wages decline as one goes down this hierarchy. And, in general, women are over-represented in the lowest-return segment of this hierarchy (industrial homework) and under-represented in the highest-return segment of this hierarchy (employer).
market niche may be forced to take up waste picking or garbage recycling to earn a livelihood (Chen, Jhabvala and Lund, 2002).

Evidence suggests that following a recession, women are less likely than men to regain work at the same level and/or the same terms as before. In Mexico, for example, large numbers of women were laid off from all sectors during the 1995 crisis. In recovery, they typically regained employment in small establishments in the informal economy, whilst men took over the formal employment previously held by women. Fifty two per cent of the women in the textile and garment industry now work in enterprises of less than 5 people, in jobs with no social benefits or security (Cardero, Barron and Gomez Luna, 2000).

Thus, in the case of export-oriented manufacturing, women – who were the early winners in the globalization process – are now beginning to lose out. They are losing hold in factory production, both in terms of losing jobs and in terms of losing work-related benefits, and they are becoming increasingly reliant on home work, which pays less, and/or on the most marginal of own-account activities in the informal economy, such as vending.

Non-traditional agricultural exports

While Africa has largely been excluded from export-led industrialization – mainly because it is more abundant in land than in unskilled labour – it has become incorporated in global value chains of a different type, namely, those involving non-traditional agricultural exports such as fresh fruits, vegetables and cut flowers aimed mainly at the European markets. Horticultural exports from Africa have doubled since 1980, and in 1996 they exceeded the region’s exports of coffee, cotton or any other single commodity except cocoa (Lund, 2003). Again, women are those who are most involved in and affected by these chains, accounting as they do for up to 90 per cent of the workforce of this fast-growing sector (Division for the Advancement of Women, 1999). In many ways, the structure of these global value chains replicates that of the labour-intensive manufacturing chains in Asia and Central America, with large corporations dominating the commodity chain and women working on large-scale “factory farms” at very low wages, in poor working conditions and without benefits of any sort. In fact, the terms of inclusion of women in these chains are arguably worse than those of industrial workers for two reasons.

First, work is seasonal with the result that it is more difficult to earn a living wage. Research in South Africa shows that while there are some permanent workers involved in the chains, these tend to be men (74 per cent), while women form the bulk of temporary or casual labour (69 per cent) without contracts or benefits. Flexibility results in part from seasonality, but it also reflects labour practices adopted by employers in order to reduce their contractual commitment to workers.
And as women comprise the majority of the flexible workforce, they are relatively more "excluded" than male workers. There is also a trend towards use of contract labour, whereby a contractor employs labour that is then provided to producers on a third-party basis. Under this system, the labour contractor is responsible for the employment conditions and pay of the workers, removing this responsibility from the producers themselves. This reflects further "flexibilization" of employment and, consequently, increased vulnerability and insecurity of workers. It also represents a challenge to the extension of social protection and other benefits in the sector, as the employer (i.e. the contractor) is more difficult to trace and monitor than would be the case if the workers were employed directly by the producer.3

Second, the health risks involved in horticultural production are typically higher than in labour-intensive manufacturing industries. The risks include: (a) allergies, eye soreness, skin problems and higher rates of malformation among new-born babies owing to the use of toxic chemicals by temporary workers without adequate training or protective clothing; (b) stomach problems and bladder infections due to lack of safe drinking water and toilet facilities; and (c) muscular pain and discomfort, lumbago and rheumatism because of the physical demands of work and long hours, often in damp and cold conditions (Lund and Nicholson, 2004). Consumer pressure in the North is forcing supermarkets to buy from producers that take measures to reduce health risks and adverse environmental impact, but this, in part, is leading to a more vertically integrated commodity chain in which supermarkets are increasingly involved in every stage of the production process with direct consequences for the inclusion/exclusion of actors and the division of functions within the chain (Dolan and Tewari, 2001; Barndt, 1999).

Latin America also has experienced considerable growth in its non-traditional agricultural exports. Between 1985 and 1992, the production of fruit, vegetables and flowers, grew at annual rates of 17.2 per cent in Central America and 48 per cent in South America (excluding Brazil). Employment patterns are similar to those observed in Africa. For example, in Chile, where fruit exports expanded from 340,000 tons in 1982 to 1.2 million tons in 1994, only 5 per cent of the permanent workforce – but 52 per cent of temporary workers – are women. This sector's rapid growth, combined with the pressure exerted by supermarkets in the North to ensure that they can guarantee the standards

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3 Similar practices have been observed in the bidi industry in India as employers/traders try to avoid labour legislation. This has resulted in employers/traders switching from: (a) the direct system of giving raw materials to home-based workers who return finished bids directly; to (b) the subcontract system where a contractor supplies materials and receives finished bids; and (c) the sample-purchase system where traders or sub-contractors "sell" raw materials to bidi workers and "buy" finished bids from them. In the latter case, employers/traders become exempt from many regulations by claiming that the bidi workers are not employees (Chen and Snodgrass, 2001).
demanded by their customers, have resulted in the displacement of many peasant farmers from their land. Displaced smallholders now make up some of the 300,000-strong temporary workforce involved in Chile’s non-traditional agricultural export business (Barrientos et al., 1999).

Non-traditional agricultural exports from Asia are also beginning to take hold; and worldwide, the value of trade in these products now exceeds that of trade in cereals. This business is thus an important and growing part of the global economy, with many implications for the social exclusion/inclusion of informal workers and producers in the South – and even for women in informal employment in the North. According to studies which trace the export of fruits from Chile to the United States (Barrientos et al., 1999) and of tomatoes from Mexico to Canada (Barndt, 1999), women who work in North American supermarkets are also subject to part-time work at short notice, have low pay and lack employment-related benefits.

Export of services

Among the distinguishing features of today’s globalization is the fact that countries have become increasingly connected through trade in digitized information. Indeed, the digitization of information has made it possible, and generally cost-effective, to transfer information processing work, both in manufacturing and in services, to offices and work units that are remote from main premises, including abroad. In some developing countries, women have become the major recipients of this globally redistributed work (Mitter, 2003).

Again, this type of global system replicates the employment patterns found in export-led manufacturing: large numbers of young women are recruited into the emerging institutions of the digital economy – e.g. call centres – which provide new opportunities for inclusion but on terms which discourage long-term, permanent contracts and unionization. Although this sector’s skill requirements are higher than those of manufacturing and non-traditional agriculture, women still tend to be clustered in the low-skilled end of the hierarchy with scant prospects for career progression. Thus, they are more likely to be employed in data entry and customer care centres than in the software sector. Data entry has so far been a promising source of employment for women, though technological changes could lead to redundancies if they lack the necessary training and skills to adapt. In addition, data entry is also becoming a more “footloose” business. For example, there are indications of data-entry work moving from India (with relatively

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4 For example, all of the workers in “digiports” in Jamaica are women; and in India, the majority of data entry jobs for airlines, banking and insurance companies are filled by women.
high wages of US$1,250 per annum) to countries in Africa, such as Ghana (with relatively low wages of US$480 per annum). As with other types of labour-intensive work in which women predominate, there are also concerns about long-term health risks which have led to data-entry firms being described as “electronic sweatshops” (Mitter, 2003).

A more recent development in the digitized service sector has been that of customer care services, which provide white-collar work for women and men with modest education. Such services are typically provided on behalf of foreign companies – e.g. British Airways or American Express – by unmarried women between 20 and 25 years of age, who account for 40 to 70 per cent of the workforce. Pay levels in this type of work are higher than in most export industries but the work is hard and often monotonous. Workers need to pretend that they are from, and based in, Europe or North America and to speak with the appropriate accent; stress levels are high – both as a result of the highly competitive environment in which incentives are offered for top performers and because employees have to deal civilly with customers who often tend to be abusive and even hysterical. As a result, the “burn out” rate in this type of work is very high. However, most women see this as an interlude between school and marriage and are unconcerned about length of employment, contracts, benefits and career progression (Mitter, 2003).

**Barriers to inclusion in global production systems**

In economic terms, globalization has its winners and losers – the outcome depends on who you are, where you are and how you make your living. As discussed above, women in developing countries have to some extent been able to benefit from inclusion as paid workers in the global economy, although the quality of their employment may be questionable, and the benefits for individual women are often short-lived. Also, as globalization evolves, the prospects of female workers generally look precarious because their lack of skills – relative to male workers’ skill levels – restricts their ability to adapt to changing labour market conditions and to move into more technologically advanced types of employment.

Many of the women drawn into paid work in export-oriented industries and global value chains previously earned their living as own-account workers. And if they lose their work for the export sector, they often have little alternative but to return to self-employment which – with the exception of crafts – has so far tended to be linked to the local or domestic market. However, globalization is now opening up new opportunities for the self-employed to be directly involved in exporting what they produce – provided they have the means to avail themselves of these opportunities.
Unfortunately, there are a great many barriers which constrain own-account workers from linking up with global markets and, in general, women face more constraints than do men. These barriers mostly relate to exclusion from factor markets (e.g. lack of access to land, credit, training, technology, infrastructure, information on markets and prices). Other barriers include lack of organizational capacity to set up cooperatives or associations; lack of voice and representation; and – especially in the case of women – lack of mobility (cultural restrictions) and time (domestic responsibilities). Lack of a supportive policy and regulatory environment for micro-enterprises can also preclude access to export markets. All of these barriers to entry apply to the agricultural, manufacturing and service sectors (including ICT-related business such telekiosk businesses) and constrain those wishing: (a) to increase productivity/quality to meet higher standards in export markets; (b) to diversify into new products in order to enter export markets; and (c) to set up an export business for the first time.

Two trends are observable in respect of self-employment in the informal economy. First, many of the self-employed are being absorbed into global production systems – often without their consent/knowledge and/or against their will – and on terms which are not entirely favourable to themselves. For example, this is happening to many forest workers who earn their living from gathering and selling non-timber forest products (NTFPs) such as medicinal plants, mushrooms, nuts and spices. By definition, these workers live in remote areas and can only access markets – even domestic ones – through a chain of intermediaries. As the demand for such products is growing in global markets (there are now 150 NTFPs of major significance in international trade), there is increasing interest on the part of foreign companies in commercializing these commodities. For example, there is a growing and profitable market for processed shea-butter in Europe, North America and Japan for use in cosmetics and, more recently, in chocolate manufacture. Growing demand is pushing up the final price for shea-butter in Northern markets, but the women who collect shea nuts in west Africa are totally unaware of this trend and continue to sell their harvest to the usual brokers/intermediaries who then feed the nuts into the ever more profitable global value chain (as well as continuing to supply domestic and regional markets). Thus, the shea nut collectors are now integrated in global value chains but without any knowledge of this, and without any means of exploiting more profitable markets to their own advantage (Carr and Chen, 2002).

Second, some of the self-employed have been able to link with global markets on their own terms through a range of strategies – e.g. by joining associations and cooperatives – often with the assistance of local and international NGOs, government departments, and local social
entrepreneurs. For example, home-based embroidery workers who are members of the Self Employed Women’s Association (SEWA) in India sell their products in North America and Europe through producer and marketing cooperatives, supported by their own Trade Facilitation Centre which undertakes all the necessary international marketing activities on their behalf (Commonwealth Secretariat, 2002). In many developing countries, associations and cooperatives of smallholders have also opened up sustainable channels to sell commodities in the North (e.g. coffee cooperatives in Colombia). Also, social entrepreneurs have established export businesses with smallholders or artisans as partners, such as “Fruits of the Nile” in Uganda, which enables over 100 female farmers to export dried fruits to the United Kingdom: while retaining their independence, the women earn twice the amount they would make from sales of fresh fruit in the domestic market (ACGD/WIEGO, 2002).

Enabling groups of own-account workers to organize in ways which assist them to overcome barriers to their inclusion in the global economy is obviously an important strategy here. In contrast to the case of the shea nut gatherers or that of the paid workers mentioned above, this approach leaves producers in control of decisions concerning how, where and when they undertake their work. However, the measures taken by some groups of self-employed workers to overcome exclusion can result in the exclusion of other vulnerable groups. For example, in Cameroon, where various voluntary associations have been formed to set up informal social security systems and/or financial alternatives to official banks, one ethnic group – the Bamileke – has succeeded in using informal credit associations (“tontines”) to advance its business interests and ultimately monopolize lucrative trading activities to the exclusion of other vulnerable groups (Rodgers, Gore et Figueiredo, 1995).

New forms of exclusion from domestic production systems

Finally, there are many cases in which globalization is resulting in the destruction of earning opportunities for informal workers and/or the substitution of less favourable forms of work and employment. In particular, this can happen because of the entry of foreign companies using more advanced technologies, because of an influx of cheap imports, or because foreign companies take over local supplies of raw materials.

Imported technologies

The construction industry in India offers a good example of how foreign companies are destroying local jobs. Under the existing WTO regime, the essential requirement of global tendering has facilitated the
entry into India of many large international companies, some of which are increasingly visible in infrastructural development projects undertaken with government funding or under bilateral/multilateral assistance arrangements. The increased mechanization this entailed is causing a significant displacement of labour from many construction operations – particularly those in which women have traditionally been employed, such as digging and brick carrying. The Indian Government’s response has been to assist Indian companies in competing by upgrading their technological capabilities – a move which will lead to still further labour displacement through mechanization. On balance, women are likely to lose more jobs than men, and jobs created in operating new technologies are almost certain to go to men rather than women. In the absence of training for women in construction skills such as masonry – for which there is a growing demand – the net result of a more open economy will be a massive loss of work opportunities (Jhabvala and Kanbur, 2002).

There are similar changes in employment patterns in other sectors in India and elsewhere in South Asia. Thus, when herbicide spraying replaces weeding by hand (a female occupation), the spraying is most likely to be performed by men. Mechanized rice mills are operated mainly by men, while the women who traditionally used manual methods for husking paddy lose their livelihood. In the textile sector in India, handloom weavers are rapidly being replaced by powerloom weavers, and powerloom weavers with lesser quality machines are being replaced by those with better quality machines; in the food processing sector, multinationals with huge investments and state-of-the-art technology are replacing small units which were labour-intensive and employed thousands of female workers (National Labour Commission, 2001). In the coir industry in Sri Lanka, export promotion policies have led to a shift in the supply of coconut husks to mechanized units owned by men with access to credit and away from manual units operated by women with little access to credit (Bajaj, 2001).

**Competition from imports**

The production of cooking oils provides a good example of how economic liberalization can lead to the closure of local enterprises and loss of informal jobs through competition from imports. This is evidenced in most African countries, where small-scale oil-processing plants have closed owing to competition from imports of cooking oil from south-east Asia (ACGD/WIEGO, 2002). Similarly, in India, an estimated 3 million jobs have been lost as a result of the closure of small oil mills producing mustard seed oil, following the influx of cheap soya-based cooking oil from the Americas (Shiva, 2000).

Other cases of destruction of informal enterprises and jobs and/or lowering of prices for domestic commodities include the reduction in
Mexico’s maize cultivation following NAFTA, which is estimated to have resulted in the loss of almost 1 million livelihoods (Madeley, 2000); and the fall in prices paid to India’s female gum collectors as a result of large-scale imports of gum from Sudan. In the latter case, the problem is compounded by the fact that gum collectors are required by law to sell their produce to the Forestry Department instead of selling it to private traders who pay much higher prices (Jhabvala and Kanbur, 2002).

A further illustration of competition-induced job loss is that which is occurring in local retail businesses with the arrival of foreign supermarkets. For example, one of the effects of NAFTA has been the rapid proliferation of discount stores such as K-Mart and Wal-Mart in Mexico with resulting pressures on local business (Beneria and Lind, 1995). In southern and eastern Africa also, supermarkets have already proliferated beyond the middle-class sections of big cities into smaller towns and poorer areas where they have an impact not only on local retailers, but also on small-scale food producers who have to make investments and adopt new practices if they are to avoid exclusion from their traditional markets (Weatherspoon and Reardon, 2003).

Control of raw materials/natural resources

In many countries, governments have actively encouraged foreign investment in the processing of local raw materials/natural resources for export in order to earn foreign exchange. This has mostly been done without consideration for its impact on the domestic economy and on the thousands of informal enterprises, smallholders and workers that stand to be affected.

For example, under pressure to cultivate cash crops for export, many Indian states have allowed private corporations to acquire hundreds of acres of land: Maharashtra has exempted horticultural projects from its “land-ceiling” legislation; Madhya Pradesh is offering land to private industry on long-term leases; Andhra Pradesh and Tamil Nadu have allowed private corporations to acquire over 300 acres of land to farm shrimp for export. A large share of the agricultural production from these lands will go towards supplying the burgeoning food-processing industry, in which many multinationals are involved (Shiva, 2000). But while the export of commodities such as flowers, fruits and shrimp will undoubtedly earn foreign exchange, thousands of jobs will be destroyed, and many smallholders will be forced to sell their land and become casual day labourers, losing their independence and status in the process. According to one estimate, shrimp farming in India destroys 15 jobs for each job it creates (Shiva, 2000).

Elsewhere, as in Thailand for example, declining farm incomes have forced smallholders to become contract workers for multinationals producing “baby corn” and other export crops. Initially, the companies
brought in seeds and fertilizers and bought back produce at guaranteed prices, and farmers could survive on two crops a year. Over time, however, yields started to decline and it became necessary to grow up to six crops a year with consequent damage to the soil, and with farmers no longer able to afford the increased expenditure on seeds and fertilizers. At this point, multinationals typically move on to another country where more farmers are encouraged to start producing for the export markets with the same destructive consequences (Shiva, 2000; Thai Development Newsletter, 1998).

Similarly, in Africa, several governments have encouraged foreign investment in fish processing for export markets. For example, the liberalization of trade and investment policies in the three countries surrounding Lake Victoria has led to the establishment of some 50 modern, capital-intensive fish-processing factories which export fish to Europe and Japan. As a result, thousands of women have lost their jobs in the smoking and sale of fish in local markets, and there is little or no fish left for local consumption, with disastrous consequences in terms of child malnutrition (Jansen, Abila and Öwino, 1999). A similar situation obtains in Senegal where European fishing fleets and processing factories have turned previously self-employed female fishworkers into dependent day labourers who often must wait up to two or three days at factory gates to obtain work.

In all of the above cases, informal workers and producers – although they may still have some means of livelihood – become newly excluded from preferred types of work/employment as a result of increased globalization.

Synthesis and policy implications

This final section is divided into two parts. The first draws some general conclusions from the foregoing discussion on the articulation between globalization, social exclusion and work in the developing world. The second considers what could be done at the local, national and international policy-making levels to promote social inclusion within the context of increased economic globalization, including the gender issues involved. Also presented are a few examples of what is being done to promote social inclusion on more favourable terms.

General conclusions regarding social exclusion in the realm of work

Until the 1970s, most countries in Europe and North America enjoyed an era of full (or near-full) employment and a strong welfare state. In more recent years, however, many have experienced an evolution toward greater labour market flexibility and a crisis of the welfare state.
The rise in unemployment and in precarious employment – seen as two dimensions of social exclusion – is blamed in part on trade liberalization.

Most developing countries, by contrast, have never enjoyed full employment or a welfare state. Historically, social exclusion in these countries has taken the form primarily of long-term employment in the informal economy, be it self-employment or paid employment. More recently, there has been an increase in the proportion of precarious paid jobs that can variously be attributed to trade liberalization, other economic reforms, and the strategies of formal businesses.

Since the concept of unemployment does not “fit” this reality, the focus of this article has been as much on the terms of inclusion as on the forms of exclusion in the realm of work. Besides, globalization is also widely credited with creating employment in developing countries. So the real questions become: what type of jobs? on what terms? This is why the nature of the debate around social exclusion/inclusion in developing countries is somewhat different from the debate in developed countries: focusing more on the terms of employment, not unemployment; precarious forms of self-employment, not just paid work; and exclusion from factor markets, not just labour markets.

Hierarchy of exclusionary processes

As shown by examples cited in the preceding section, social exclusion and inclusion cannot be understood as a straightforward dichotomy because there are many processes of exclusion and inclusion, which often operate simultaneously. Nor are these various processes simply points along a continuum, with pure exclusion at one end and pure inclusion at the other. Rather, the various processes of social exclusion/inclusion are perhaps best conceptualized as a hierarchy that functions as a whole, affecting individual workers or producers in different ways. This hierarchy of social exclusion is structured by dominant institutions and players, both national and supra-national, which variously govern the overarching policy environment, the specific economic system (EPZ, value chain, sub-sector) within which the workforce operates, and the underlying social structures that determine who owns what and who does what.

To understand how the hierarchy of social exclusion/inclusion works in the realm of work, three questions need to be answered, namely: exclusion from or inclusion in what? how? and by whom? Answers to these questions are suggested in box 1.

The dominant players listed in the right-hand column in box 1 determine who is excluded/included from economic resources (left-hand column) through their influence over mainstream institutions and social norms as well as market transactions and policies/legislation (middle column). In other words, the structures, institutions and rules in the middle column are socially-determined by the dominant players
Box 1. Three questions on social exclusion in developing countries

<table>
<thead>
<tr>
<th>From what?</th>
<th>How?</th>
<th>By whom?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>Market transactions</td>
<td>Dominant players:</td>
</tr>
<tr>
<td>Housing</td>
<td>Policies/laws</td>
<td>State</td>
</tr>
<tr>
<td>Other productive assets</td>
<td>Social norms</td>
<td>private sector</td>
</tr>
<tr>
<td>Credit/savings</td>
<td>&quot;Rules of the game&quot;</td>
<td>civil society</td>
</tr>
<tr>
<td>Secure jobs/productive work</td>
<td></td>
<td>community</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td>household</td>
</tr>
<tr>
<td>Worker rights/benefits</td>
<td></td>
<td>Dominant institutions</td>
</tr>
</tbody>
</table>

in the right column. The control they exercise as well as the norms or rules they determine may be formal or informal or some mix of the two.

From the perspective of gender, what this conceptualization suggests is that dominant players at the community and household levels determine the social norms that govern gender roles and relationships. Furthermore, these gender norms are reflected in not only the intra-household allocation of economic resources but also in market segmentation and policy biases.

In summary, this line of analysis suggests that:

- Processes of exclusion/inclusion relating to desired goods operate through markets and policies/laws which are, in turn, governed by powerful agents and mainstream institutions;
- Markets and policies/laws are "socially embedded", i.e. designed or governed by powerful agents through various institutions – both formal/informal and local/national/international;
- Exclusion/inclusion are caused not only by the workings of state agents/institutions but also by the workings of other institutions/agents (private sector, civil society, family/community);
- Exclusion/inclusion are caused by the workings of state, market, civil society, family/community agents/institutions not only at the local and national levels but also at the international level;
- Processes of exclusion/inclusion operate not just in labour markets or in relation to social security, as originally conceived in Europe, but also in other factor markets and under other social, economic, and political policies/laws/regulations.

Processes of exclusion/inclusion within specific production systems

To understand how exclusionary processes operate within particular production systems, a more precise set of questions needs to be addressed, namely:
Input-output structure and associated economic relationships: who is doing what for whom? under what type of contractual arrangement?

Geographical location/s and spatial organization: where is production/distribution located? how is it structured or organized?

Governance structure and power relationships of the system: who is “driving” specific chains or EPZs?

Regulatory influences: how are these systems regulated? by whom? at the local, national, and international levels?

This article has explored three different patterns of work-related social exclusion/inclusion associated with global economic integration. The first pattern comprises those cases where export-led growth and development have resulted in the increased inclusion of workers in the global economy but on questionable/undesirable terms and with uncertain sustainability. In terms of input-output structures, most global production systems – both value chains and EPZs – have core workers (hired directly) and peripheral workers (hired indirectly through subcontracting arrangements). In many global value chains, core functions are retained in one or more core locations while peripheral functions are sub-contracted to multiple peripheral locations, thus further reinforcing the core-periphery distinction between workers. In many EPZs, even core workers are hired under insecure contracts with few non-wage benefits.

In terms of geographic location and spatial organization, most EPZs have historically been specially designated enclaves. In recent years, some countries have expanded their geographical boundaries to include entire cities (e.g. China) or the entire country (e.g. Mauritius and Sri Lanka). But whatever their geographical boundaries, EPZs are typically confined to one country, whereas the locus of production in global value chains is often dispersed across several countries. This territorial distinction reflects the difference between dominant players: EPZs are set up by government while value chains are driven by (multinational) companies. In both systems, however, lead firms may choose to relocate or reorganize production depending on the comparative advantages of different locations, fluctuations in demand, or other economic considerations.

In terms of internal governance and external regulation, EPZs and global value chains are quite different – again because of the difference between dominant players and their interests. In most global value chains, the productive workforce is removed from the locus of control and power, the distance being typically greater in buyer-driven chains than in producer-driven chains. As mentioned earlier, however, the distinction between EPZs and global value chains is not clear-cut in real life because most EPZ enterprises operate within one or more global value chains and many global value chains include firms that operate...
out of EPZs. But except for zones that are set up to supply a single foreign firm, EPZs have a different governance and incentive structure from that of global value chains.

The second pattern of exclusion/inclusion comprises cases where barriers to entry have prevented the self-employed from taking advantage of new economic opportunities arising from trade and investment liberalization. In such cases, traditionally self-employed entrepreneurs/own-account workers are unable to enter, and compete in or with, the export-oriented input-output processes outlined above. They are further disadvantaged when the lead firms in particular export sectors relocate or reorganize production. Even if they do manage to secure a foot-hold as a supplier or contractor in an export chain, they are very likely to be excluded from the internal governance processes of the chain. Furthermore, external regulation of the chain is more likely to focus on foreign investors within the chain than on domestic producers for the chain, thereby excluding domestic firms (especially very small ones) from various incentives and exemptions offered to foreign firms.

The third pattern of exclusion/inclusion comprises cases where trade and investment liberalization – especially under the “rules of the game” set by multi-national corporations and international financial institutions – have resulted in the destruction of domestic enterprises or paid jobs. In such cases, shifts in particular sub-sectors of the domestic economy, driven by increased imports and/or foreign investment, are leading to exclusion from paid jobs (due to changes in skill and technology requirements) and/or exclusion from self-employment (due to changes in technology, competition for raw materials, or competition in product markets). These processes are associated with shifts in the location of production (e.g. foreign firms entering local raw-material and labour markets) and in the location of distribution (foreign products flooding local product markets). Such shifts are often accompanied by a breakdown in traditional forms of internal governance, both informal and formal, as foreign firms begin to compete in domestic sectors. The new forms of internal governance and external regulation that emerge are often biased towards the foreign firms or, at least, large firms. For example, the costs of joining the new board that governs India’s newly-liberalized construction industry are so high that few domestic firms, other than the very largest, are able to join (Jhabvala and Kanbur, 2002).

A suggested framework for policy

As the foregoing analysis suggests, the social outcomes of global economic integration can hardly be called “natural” outcomes of market forces. Rather, they are “political” outcomes determined by choices – in terms of policies, technologies, and market transactions – made by dominant players and institutions. This gives reason for optimism: it is
indeed possible to change policies – provided the workings of the dominant institutions and processes are fully understood. Also, understanding how social exclusion/inclusion works in context should make it possible to promote greater or more favourable inclusion. On these assumptions, the following policy recommendations are suggested to address each of the three patterns of social exclusion/inclusion detailed above.

Pattern-specific policy objectives

Pattern 1: For paid workers in global production systems, the key policy objectives should be to extend labour standards and social protection measures to cover all workers, in both formal and informal employment. This should be done by promoting a context-specific package of collective agreements, national labour legislation and international standards, including ILO conventions and voluntary codes of conduct. The aim of promoting international labour standards, and related norms and regulatory frameworks, would be to improve and reinforce – but not replace – national labour legislation. And in order to ensure that both international standards and local legislation are translated into practice, collective bargaining arrangements for all workers, formal and informal, should be promoted as well.

Pattern 2: For self-employed entrepreneurs/workers trying to compete in global markets, the key policy objective should be to offer financial services, business development services and incentive packages to promote access to and competitiveness in global markets/production systems. These services should ideally be provided through some form of collaboration between the private sector, non-governmental organizations and government, with the latter ensuring supervision and providing subsidies and other incentives.

Pattern 3: For self-employed entrepreneurs/workers trying to compete with foreign companies for raw materials, the key policy instruments would be supportive trade and price policies that take into account the activities and needs of micro-enterprises and own-account operations. For paid workers trying to compete in domestic labour markets, the key policy objectives should be to upgrade skills and provide placement services. Again, these services should be provided through appropriate, context-specific collaboration between the private sector, non-governmental organizations and government, under the latter’s supervision and with its support.

In addition to pursuit of these pattern-specific policy objectives, the promotion of social inclusion in the realm of work calls for reform to be undertaken in two broad areas. The first centres on the reduction of four types of biases in the policy, regulatory and institutional environment.
Correcting for systemic biases

**Biases against labour (that privilege capital)**

In the context of globalization, the most notable of these biases are those that allow companies to relocate their production operations quickly and easily across national borders without obligations to labour and without consideration for the fact that their former employees/workers lose their jobs/work orders in the process. Though not yet widely implemented, various measures have been proposed to increase corporate responsibility in such cases. These include non-legal or legal measures to induce companies to provide severance notice and pay and/or to encourage host governments to impose a tax on companies that withdraw their investments, in order to cover severance pay due.

**Biases against the informal workforce (that privilege the formal workforce)**

These biases are embedded in labour law, labour force statistics, and in the international labour movement. The conclusions of the general discussions held by the International Labour Conference (ILC) in 2002 and 2003 provide guidelines, and a mandate, for reducing these biases against the informal workforce. In particular, the employment-based definition of the informal economy (and the accompanying statistical framework) endorsed in the conclusions of the ILC’s 2002 general discussion on the informal economy needs to be officially adopted by the International Conference of Labour Statisticians (ICLS). Also, building on the conclusions of the ILC’s 2003 general discussion on the scope of the employment relationship, action should be taken to encourage national and international legal initiatives designed, first, to prevent companies from disguising their employment relationships and second, to clarify and broaden the scope of labour law.

**Biases against micro- and own-account businesses (that privilege larger businesses)**

Most notably, these biases occur in trade promotion and business development policies. For example, a recent study commissioned by the city council of Durban, in South Africa, highlights the existing bias towards big business in the incentive packages, trade promotion, and business development services offered by the city (Budlender, 2000). The alternative approach, which the Durban city council is now trying to promote, consists in explicitly and systematically targeting incentive packages, trade promotion, and business development services at micro-businesses, especially those run by women and/or by persons from ethnic minority groups. Another way of reducing these types of biases is to support alternative trading organizations, especially those, like Oxfam’s Fair Trade, that seek to ensure that their suppliers comply with ethical trading
principles (Wilshaw, 2002). Likewise, support should also be given to pilot efforts to develop mainstream trading links for groups of female informal producers, such as those being promoted by SEWA in collaboration with various partners, including the Government of India, the World Bank and the global network WIEGO (Women in Informal Employment Globalizing and Organizing).

**Biases against women (that privilege men)**

Such biases, reflected not only in gender relations and labour market segmentation, compound each of the other types of biases. Accordingly, female workers should be consulted and, better still, invited to join/participate in trade union organizing, collective bargaining, negotiations relating to local labour legislation, and the formulation of international standards, including ILO Conventions and codes of conduct, to ensure that their needs are reflected and addressed.

Many women’s organizations, some of them set up by women coming out of the formal trade union movement, have been founded with a focus on the promotion and defense of female workers. Many of these are membership-based organizations of female workers, and many seek to reflect women’s gender-specific interests or concerns in the formulation of national labour legislation and international or national labour standards. For example, SEWA was represented on the recent National Commission on Labour that India set up to draft umbrella legislation for the informal or unorganized workforce. Similarly, the Movimiento de Mujeres Trabajadoras y Desempleadas María Elena Cuadra (MEC), a national autonomous women’s organization in Nicaragua, drafted a national Ethical Code that was endorsed by a decree of the Ministry of Labour and subsequently signed by employers in the Free Trade Zone in Managua (Prieto, Hadjipateras and Turner, 2002). MEC has also been active in the Central American Network of Women in Solidarity with Maquila Workers, which seeks to ensure that female workers are not marginalized in the formulation of – and debates about – codes of conduct (ibid.).

**More voice for low-income workers**

The second broad area of reform is the reform of institutions that coordinate or govern market transactions and global integration by increasing the voice of low-income workers and producers in these institutions. This applies not only to the market institutions, both formal and informal, that govern and regulate global value chains, EPZs and domestic economic sub-sectors, but also to the inter-governmental institutions that design international labour standards and trade policies (primarily the ILO and WTO). Other relevant institutions would also include those – companies, business associations and multi-stakeholder
alliances – that develop voluntary codes of conduct. With a few notable exceptions as cited above, the so-called “interests” of informal workers have so far been “represented” in these institutions by governments, formal trade unions, or non-governmental organizations, not by the representatives of membership-based organizations of informal workers and producers. Within the debate on codes of conduct, for instance, there is growing recognition that the perspective of workers from the global South, especially that of female workers, has not been widely reflected in the formulation, implementation, monitoring or verification of the codes (Jenkins, Pearson and Seyfang, 2002).

Finally, the accountability of the mainstream institutions responsible for making policies and regulations depends on the promotion and strengthening of membership-based organizations of informal workers and producers. Unless informal workers and producers are effectively organized and gain representation and voice in mainstream institutions, they will continue to be excluded by global economic integration and/or included on unfavourable terms.

It has been assumed, until recently, that workers in the informal economy were, by definition, unorganized. Yet, recent evidence suggests that the informal workforce has been and is being organized not only by formal trade unions but also by alternative trade unions and pro-labour NGOs. However, few genuine membership-based organizations of informal workers have so far been recognized as such by national trade union centres or the international trade union movement. This point is well illustrated by the experience of SEWA, in India. The Association was founded by a trade union lawyer and organizer in 1972, as a trade union of female workers in the informal economy. But it took SEWA over two years to get registered as a trade union, over ten years to be recognized by some of the international trade secretariats, over 20 years to be invited to join the National Labour Congress of India, and 30 years to be invited to be an official member of India’s worker delegation to the International Labour Conference. While trying to gain official recognition within the international labour movement, SEWA has served as an inspiration for three other international movements: the women’s movement, the micro-finance movement, and a growing movement of informal workers and producers.

Since the early 1990s, the international alliance called HomeNet – through its regional and national branches which comprise both membership-based organizations and labour-related and/or women’s NGOs – has been working to strengthen membership-based organizations of industrial homeworkers and other home-based workers and to promote their “visibility and voice”. In the mid-1990s, HomeNet and its member organizations played a major role in the campaign that led to the adoption of the ILO’s Home Work Convention, 1996 (No. 177). More recently, HomeNet has been working with the Ethical
Trade Initiative in the United Kingdom and the Clean Clothes Campaign to see whether (and how) the scope and content of codes of conduct, especially in the garment sector, can be expanded to cover and protect industrial homeworkers and other home-based workers (Brill, 2002). Similarly, the recently-established international alliance of street vendors called StreetNet – which includes membership-based organizations of street vendors as well as national associations of street vendor organizations – seeks to strengthen membership-based organizations of street vendors and to help them negotiate with the institutions that regulate street vending (e.g. the police, municipal governments and market associations) and to increase their “voice” or representation in relevant policy-making institutions.

**Concluding remarks**

In sum, there is no single “magic bullet” – or even a short list of “magic bullets” – that might adequately address the complex mix of factors of exclusion from the work/employment opportunities generated by global integration or inclusion on less than favourable terms. For the self-employed, a variety of promotional measures are needed to increase their competitiveness in the global economy, ranging from trade policies to business development services. For paid workers, a mix of protective measures is needed to decrease their disadvantages and vulnerabilities in the global labour market, including labour standards, labour legislation, collective agreements and workforce development. In addition to these specific measures, two broad areas of reform are necessary: policy and regulatory reforms to correct systemic biases against labour in general, and against informal labour and female workers in particular; and institutional reforms to strengthen organizations of informal workers/producers and to promote their representation in relevant policy-formulation and rule-setting institutions. There is a clear role here for international organizations, and global governance more broadly, in creating the global norms and frameworks that are needed to ensure these measures and reforms are implemented at the national and local levels. Most critically, international organizations and global networks or alliances must take the lead in promoting global economic democracy by promoting the representation of membership-based organizations of informal workers, especially women, in their deliberations.

**Social exclusion and poverty**

The perspective taken in this article shows social exclusion and inclusion to be analytical concepts relating to causal mechanisms or processes, not to outputs or conditions. In other words, unfavourable patterns of social exclusion/inclusion are a cause of low income and...
other manifestations of poverty, not a parallel measure or characterization of deprivation or disadvantage. Indeed, it is our premise that exclusion from – and, more so, unfavourable terms of inclusion in – various aspects of work and employment are important drivers of poverty and inequality. At the same time, we recognize that there are feedback loops such that resulting patterns of poverty/inequality can reinforce the processes of exclusion/inclusion. It is hoped that the examples and the analysis that we have provided here might stimulate and inform future research on the links between globalization, poverty, social exclusion, and work.

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