



Gender equality in global value chains and the role of Aid for Trade in promoting **gender equality and women's employment in developing countries**

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For the reader

Commerce and trade-related policies have different impacts on men and women, as well as on different groups of people among them. Simultaneously, limitations in gender roles affect trade competitiveness. Recent research shows that gender inequality affects the formation of competitive advantages and that reducing gender-based discrimination can improve productivity. Influential global actors are convinced that gender equality is important also for the economy: *World Development Report 2012 - Gender Equality and Development* by the World Bank points out that gender equality not only has an intrinsic value in itself, but that it also makes economic sense. Equality increases productivity, improves development outcomes for future generations, and makes institutions more representative of the society.

The concept of *gender* refers to roles and relationships, personal characteristics, attitudes, behaviour, values and relative influence that are concretised in different ways in society for women and men. While biological sex is determined by genetics and anatomy, gender is a learned identity which changes over time and space and between different cultures.

The concept of *gender equality* in the workplace has gained content, among others, through the ILO Discrimination (Employment and Occupation) Convention, 1958 (No. 111). The Convention identifies a comprehensive list of factors which constitute prohibited grounds for discrimination in the workplace. Race, colour, sex, religion, political opinion, ethnic origin or social status cannot lead to any distinction, exclusion or preference which would eliminate or impair equality of opportunity or treatment in employment or occupation, incl. vocational training. State Parties to the Convention undertake to develop a comprehensive national gender policy and to promote gender equality in the world of work. The ILO Equal Remuneration Convention, 1951 (No. 100) compels State Parties to ensure that the principle of “equal pay for work of equal value” is respected in the remuneration of male and female employees.

To promote gender equality, it is important that the different needs of women and men are taken into account in the world of work. In addition, it is necessary to work towards improved equality of opportunity for both women and men to strive for their spiritual and material development despite differences between the genders. All over the world, the pressures created by family responsibilities pile up on working women. The ILO Workers with Family Responsibilities Convention, 1981 (No. 156) stipulates that family obligations per se do not constitute a basis for terminating employment. State Parties to the Convention undertake to introduce and comply with national policies that enable labour market participation and equal opportunities for career progression irrespective of family responsibilities. In addition, State Parties shall, where possible, take into account the needs of workers with family responsibilities with regard to working conditions and social security, as well as in community planning and provision of services (e.g. childcare and services for families). Finally, the ILO Maternity Protection Convention, 2000 (No. 183) requires that State Parties prohibit by law the termination of employment due to pregnancy or motherhood, and that they ensure the right to maternity leave and necessary occupational safety and health arrangements during pregnancy and maternity. This report pays particular attention to the above-mentioned aspects in assessing the realization of gender equality in global value chains.

Despite the clearly positive impact of gender equality on the society and the economy, women

globally are still in a more disadvantaged position in the labour market than men. Women are more likely to work as unpaid labour in family enterprises or in the informal economy. Female farmers often have less access to land and finance, and they usually grow less profitable crops. Women entrepreneurs also tend to run smaller businesses in less profitable sectors than their male counterparts. As a result, women earn less than men, and this is also reflected in power relationships in the household. Earlier research has shown that globalization may help women to improve their societal status relative to men, promoted through factors such as free trade and accessibility of information technology. However, these improvements do not happen automatically. The opportunities generated by globalization may not materialize if measures are not put in place to support vulnerable groups to take advantage of the possibilities.¹ Apart from national governments, the international community also has a role to play in this regard.

This report is based on a literature review and it aims to highlight gender equality issues linked with integration into global value chains. Furthermore, based on existing research and case studies, good practices are reviewed, and different trade policy and Aid for Trade instruments are analysed with the objective of promoting gender equality and women's employment in developing countries. The report focuses on the three main categories of trade: trade in manufactured goods, in agricultural products, and in services. Within these broad categories, the sectoral analysis concentrates on textiles (including a reference case study on electronics), fruit and vegetables as well as tourism industry. The sectors are chosen with an emphasis on export-oriented industries where women constitute a relatively high share of the labour force.

Responsible trade policy takes into account sustainable and equitable social development in trading partner countries and supports it in particular in trade talks with developing or least-developed countries. The aim of this report is to support the integration of gender equality issues within trade policy and specifically within the implementation of Aid for Trade initiatives by making concrete proposals to support programme and project design.

Thematically, the report deals with four main issues:

1. Gender segregation in global value chains, focusing on developing countries;
2. Gender-based constraints in global value chains;
3. Positive and negative effects of economic value addition and trade liberalization on gender equality; and
4. Good practices, policies and trade-related support instruments that promote gender equality.

¹ World Bank, 2012.

Abbreviations

AfT	Aid for Trade
ACP	African, Caribbean and Pacific
AGOA	African Growth and Opportunity Act
ATC	Agreement on Textiles and Clothing
BFC	Better Factories Cambodia project (ILO & IFC)
EBA	Everything but Arms
EPZ	Export Processing Zone
ETLA	Elinkeinoelämän tutkimuslaitos (the Research Institute of the Finnish Economy)
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
Finatex	Finnish Textiles and Clothing Industry Association
GATT	General Agreement on Tariffs and Trade
GATS	General Agreement on Trade in Services
GlobalG.A.P.	Global standard on Good Agricultural Practice
HACCP	Hazard analysis and critical control points
HIV	Human Immunodeficiency Virus
ICT	Information and Communication Technology
IFC	International Finance Corporation
ILO	International Labour Organization
ITA	Information and Technology Agreement
ITC	International Trade Center
KATO	Kenya Association of Tour Operators
LDC	Least Developed Country
LECAWU	Lesotho Clothing and Allied Workers Union
LTEA	Lesotho Textile Exporters Association
Mercosur	El Mercado Común del Sur
MFA	Multifiber Agreement
MFN	Most Favoured Nation
NAMA	Non-Agricultural Market Access
ODI	Overseas Development Institute
OECD	Organisation for Economic Co-operation and Development
SACU	Southern African Customs Union
SADC	Southern African Development Community
SPS	Sanitary and Phytosanitary Measures
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
UNWTO	United Nations World Tourism Organization
USAID	United States Agency for International Development
US-FDA	United States Food and Drug Administration
WHO	World Health Organization
WTO	World Trade Organization

Summary

Integration into global value chains and value-added strategies affect women and men differently.

In the last 30-50 years, the world economy has gradually evolved into a network of global value chains where multi-national companies' production processes are distributed around the world. These value chains are estimated to cover up to 80 per cent of world trade. Value chains link businesses, workers and consumers all over the world, and can often provide developing country firms and workers the avenue to integrate into the global economy. It is clear in light of research evidence that global value chains, international trade and value-added strategies affect men and women differently. In addition, a number of sub-groups among them may be affected by globalization in various, diverging ways.

In general, women's employment has increased and poverty declined in tandem with the increase in international trade...

Women's share of the global labour force has increased more or less in tandem with the increase in international trade. Women's share of the global labour force is estimated to around 41-43 per cent compared to 38 per cent about 30 years ago.² The export industries that have sprung up in the developing countries as a result of production decentralization by the industrial states have created jobs for women; and the work force in export processing zones, for instance, is often largely female.

Women have gained significant benefits from international trade. Working as part of global value chains provides developing country women at times with better wages and working conditions than purely within the domestic industry. For many women, these jobs represent their first employment in the formal economy, their own income and subsequently, independence. These improvements have also led to changes within the household power relationships. However, these are only the first step towards a more profound equality. Despite their jobs, women are still primarily responsible for domestic duties, and they are usually also the first family member to put aside their careers because of family obligations. It would appear that open trade is positively correlated with better economic rights for women as well as the lower incidence of forced labour. Yet, despite these positive developments, the export industry still does not treat men and women equally.

...but feminization affects primarily manual work and jobs in global value chains are strongly gender-segregated, mainly as a result of social norms and traditional beliefs.

Gender segregation cuts across global value chains. Typically, women and men work in different sectors and occupations, and have different opportunities to take advantage of production factors and basic services. Their role in the household, community and the overall economy also differs. Causes of this gender segregation are often found in social norms rather than in the ability or economic potential of the individual. Consequently, feminization of the export industry primarily affects manual work, while males tend to dominate expert and managerial positions.

There are various reasons behind gender segregation, but it seems to be anchored in social norms and traditional beliefs which then become integrated into practices, policies, laws and institutions.

² UNCTADStat.

Women, especially in developing countries, are often awarded a lower standing than men, particularly in relation to work, earner role and decision-making. Women are primarily considered as secondary earners – even in cases where the situation is quite the opposite – and housework is seen as their primary responsibility. Thus, even after starting to work, women still assume full responsibility for the household and as a result, are left with little or no time for recreation and rest.

Uneven distribution of household responsibilities restricts women's time and subsequently their ability to work and invest in the development of their own careers. The gender gap in education has limited women's ability to benefit from new work opportunities, although women are gradually bridging the gap in basic education. However, on-the-job-training is still more frequently directed towards men than women, because of social norms and the perceived limitations of women's command of their own time. Furthermore, women in many developing countries have weaker rights to own land. They face difficulties in accessing other factors of production in developing countries, and this sets obstacles to women's ability to benefit from trade openness through entrepreneurship. It is particularly worrying to note that conventional gender roles are so deeply-rooted that over time they may even weaken positive forces of globalization. Indeed, traditional segregation patterns can quickly develop in new industries and jobs, although it would seem at first that they had disappeared.

Female workers with relatively low educational attainment are particularly vulnerable in situations where competitive advantage is sought through low salaries and flexible working conditions. Women trapped at the crossroads between traditional gender roles (limited autonomy, time and access to factors of production) and the forces of globalization may be especially vulnerable. They are at risk of falling deeper into the gender role gap than those men and women who have been able to take advantage of trade openness, technological change and the widespread availability of information.

Globalization has brought about significant practical benefits for women, while strategic equality objectives are rarely realized through increased trade alone...

Strategic gender equality objectives are more difficult to achieve than practical benefits. Thus while women have acquired important benefits from international trade, the achievements have happened within the existing gendered structures, without questioning or breaking them. Social norms still support the conviction that men are better in functions requiring strength and technology, while women are more suitable for profiles that require accuracy and finesse as well as jobs that involve care responsibilities. Institutions, policies and practices are formed around these gendered perceptions, and continue to maintain them. Also certain interest groups may accept or tolerate gender segregation, focusing mainly on ensuring practical benefits instead of questioning, for instance, the strong segregation of work functions. Multinational companies may unconsciously support these gendered structures at the national level, unless gender equality objectives are included in human resource policies or other enterprise policies and programmes. At the same time, such company initiatives in developing countries may face resistance at the local level, making the promotion of gender equality objectives a delicate task.

Nevertheless, globalization has also given rise to high-tech expert positions which have been largely occupied by women in certain conditions. These women are competitive in high-skilled labour markets and in jobs often dominated by men, as in some parts of the ICT sector in the Philippines recently. There female high-tech experts are in demand, as they often have a more versatile education than men (technical skills combined with commercial training) and can bring a woman's perspective in responding to the needs of feminized clientele. In this respect,

globalization, international trade and global value chains have generated not only practical benefits, but also more far-reaching impacts with regard to gender equality in developing countries. The critical factors for success in this case seem to be education that is able to respond to the demands of global value chains as well as welfare advances that have enabled more women to become consumers with independent decision-making power. The role of social policies is therefore highlighted in globalization success stories.

...and men can also become victims of discrimination, particularly in sectors where women are the preferred choice of employers.

Gender equality means equality of both sexes. In most contexts in today's world, women find themselves in a subordinate status to men and are frequently discriminated against in the work place. However, also men face discrimination based on perceptions. For instance, men can be considered a tough counterpart as a worker, and sometimes as more inclined to rise against poor working conditions. It is essential that improvements in women's status do not result to discrimination against men, but to true equality between the sexes in the work place and more broadly in the society.

Key actors in the global economy can improve gender equality by changing some of their policies and practices...

Global lead firms in partnership with first-tier suppliers in developing countries exercise significant power in value chains, and are thus able to influence working conditions in the lower levels of the chains. National policies, practices and institutions in developing countries also have an important impact on what kinds of equality gains can be reaped through participation in global trade. Different interest groups have the potential to influence these national policies, practices and institutions, thereby creating a strong lever to work towards improved gender equality.

...and trade policy, in particular Aid for Trade, has a role to play in this context.

Trade policy seeks to promote transparent world trade without unnecessary obstacles. Trade policies influence trade relations and thereby the potential for industrial activities. As such, trade policies may also influence labour markets, women's employment and development of gender equality. By acknowledging the importance of market access for sectors and products which have significant potential to contribute to gender equality, it is possible to utilize trade policy tools to facilitate trade and to prioritize the elimination of obstacles in these areas. More importantly, however, improving trading conditions overall also brings benefits to women in an environment where other supporting policies are in place.

As for trade policy, it is essential to identify the barriers that developing countries face with respect to market access both in industrial states and in other developing countries. Improving conditions for international trade overall could be considered a general objective. At the same time, possibilities could be assessed to promote, as a priority, market access for products with particular relevance for women's employment in developing countries. In exports directed to industrial states, such as the EU, efforts should be made to remove technical and other obstacles that restrict the trade of such products – as should also be done for imported products in general. Further, benefits of general trade liberalization could be assessed in relation to various preferential arrangements (such as the Everything but Arms (EBA) arrangement in the case of the EU). To maximize the gains, trade policy advocacy could be linked to concrete Aid for Trade projects that aim to improve the operational

conditions of particular sectors in the developing world. Such activities could also be complemented by supporting business partnerships between the industrial and developing states.

Aid for Trade (AfT) could help to overcome some of the pitfalls that the process will inevitably bring. AfT support could therefore be directed in particular to the most vulnerable workers and entrepreneurs with a view to assist them in adapting to some of the impacts of trade liberalization and in improving their trade capacity. Furthermore, AfT support could be allocated to reforming national policies in developing countries in order to move towards policies that support gender equality and trade in an optimal manner. In this vein, national policies, practices and institutions in developing countries could be assessed from a gender equality perspective with the aim of adopting appropriate reform initiatives as part of a country's national development strategy. AfT support could also be channelled to support industry associations, trade unions, NGOs and women's organizations in their efforts to promote gender equality in the world of work, and to complement the gender equality work of global enterprises and developing country suppliers. International organizations and NGOs - where applicable – could constitute partners to national governments in the implementation of Aid for Trade strategies on these issues.



1.0 THE IMPACTS OF INTERNATIONAL TRADE ON GENDER EQUALITY AND THE EMPLOYMENT OF WOMEN IN DEVELOPING COUNTRIES

1.1 Introduction

Structural transformation in the global economy over the last three-four decades has led to significant changes in how companies organize their global production, and how international trade operates. The majority of states participating in international trade has gradually moved away from import protection to trade liberalization, and international business strategies have become focused on core competencies and outsourcing of operations. Changes in technology, communication and transportation have accelerated this pattern in a number of sectors. Before moving to an analysis of global value chains from a gender perspective, this chapter first outlines the context in terms of how the world economy is organized (Section 1.2). Next, a general review of how gender issues become relevant in value chains is presented (Section 1.3).

1.2 The global economy of value chains

The economy is increasingly built on networks of global value chains where production processes of multi-national companies are distributed around the world. According to UNCTAD, global value chains coordinated by transnational corporations (TNCs) account for about 80 per cent of the global trade.³ Value chains link businesses, workers and consumers around the world, and provide opportunities for developing country firms and workers to integrate into the global economy. Countries worldwide are looking for ways to become a part of these value chains through improvements in value-addition, and through that, increased, more sustainable profits.

³ UNCTAD, 2013.

For a long time, the starting point in trade policy doctrine was the assumption that trade policy was gender neutral. However, various types of research have proven that trade policy – as is the case with any other policy – affects women and men differently. It is important to note, however, that the ultimate impacts of trade-related policies in a particular country depend on the role of its national policies and social norms. Research also suggests that integration into global value chains and value-added strategies impact women and men differently, a fact that is also highlighted in the overall analysis and case studies of this report. Much like the economy as a whole, these value chains are characterized by gender segregation: women and men typically work in different sectors and in different occupations; they have different possibilities to benefit from the factors of production and basic services, and their role in the household, community and in the overall economy is different. The causes of this gender segregation are often rooted in social norms, not in the capability or economic potential of the individual.

Research on global value chains categorizes value chain governance structures as producer-driven on one hand, and as consumer-driven on the other.⁴ Producer-driven chains tend to dominate capital- and technology-intensive production, such as automotive, electronics and machine industries. In these sectors, large, often multinational companies coordinate production networks, and power is vested with the parent company holding the production technology. Consumer-driven chains differ from producer-driven ones in the sense that they are built on decentralized production networks coordinated by lead companies and are situated all over the world. Lead firms, responsible for functions that produce high value-added such as design and branding, often outsource all or most of their production to suppliers. These types of value chains can be found in the labour-intensive industries that produce consumer goods such as clothing and apparel, footwear, toys and consumer electronics, as well as in fruit, vegetable and plant production.

In a number of sectors in the developing countries, including, for instance, the automotive, electronics and apparel industries, large first-tier suppliers coordinate complex global supply chains. Occupying important positions in the fields of logistics, finance, design and product development, these producers have partially taken over the position of the traditional lead companies. Lead firms sell their goods and services in the domestic, regional and global markets, and have emerged in developing countries as well. On the one hand, significance of the developing and emerging countries in the global economy has increased while on the other hand, important differences exist between and within developing countries in how companies and governments are able to take advantage of the potential to create value-added.⁵

In the last 50 years, information and communication technology (ICT) has significantly changed the economic environment. The demand for highly-skilled labour has increased, as have the profits from intellectual input, while the demand for manual labour and corresponding incomes have declined. This development has generally opened more doors for female labour, as ICT-related work does not fall into the category of physically demanding and usually male-dominated manual work.⁶

The new world economy – relying largely on global value chains – challenges the traditional trade policy which is focused on promoting national trade interests based on the concept of export of a final product. The same observation applies to traditional industrial policies which emphasized the development of production capacity to generate finished goods and services. Global value chains, however, require more targeted policies. Competitiveness within the global economy of

4 WTO, 2013.

5 Staritz & Reis, 2013.

6 World Bank, 2012, box 6.3.

value chains is not necessarily improved by developing integrated industries, but by moving towards activities that provide higher value-added. For developing countries in particular, remaining in low value-added activities in the global value chains constitutes a greater risk than getting stuck in the production of low value-added final products.⁷

When reviewing trade policy in light of the diverging structure of the global economy, it is important to analyse a country's position with regard to the global value chains of the specific industry as well as the country's future objectives. Protectionist trade policy is likely to be harmful when imports play an important role in producing export products and services. For instance, when semi-finished products manufactured abroad are needed for a country's export industry, it is important that these can be accessed easily and cost-effectively. Technical barriers to trade may also have a negative impact on export competitiveness. Furthermore, traditional trade policy assumes that manufacturing value-added benefits the domestic economy. This, however, is not necessarily the case in global value chains where the extent of the captured value-added depends on the power structures of the value chains. In today's global value chains, lead firms usually capture most of the value-added, which is why states aim for partnerships with these companies. Improving value-added often necessitates increases in productivity and skills, or the introduction of new technologies. Value-added strategies in developing countries are also expected to improve livelihoods and help achieve better social and environmental outcomes over the long term.⁸

1.3 Gendered global value chains

Women and men in value chains

Effective participation in global value chains entails the ability to meet strict requirements for product quality and production time, flexibility of production processes and compliance with private standards covering, for example, process-related factors or social and environmental issues. Businesses and governments strive to be a part of these value chains by enhancing their competitiveness and improving their value addition capacity. Value-added is not just an economic issue, even though this aspect is the usual focus of the general debate. There are other aspects, such as social value addition when working conditions are improved and new jobs with higher value-added and better remuneration are created. But economic value addition does not automatically lead to social value addition; specific governance instruments need to be employed for this to happen. Economic value addition may have different effects on different companies, producer groups and workers, depending, for instance, on their income, skills level, gender or degree of organization of the economic activity (formal/informal economy).⁹ Responsible trade policy entails awareness of these issues. Social value addition can also be promoted through development policy, and in some instances, through trade policy.

Over the past three decades, the development of global value chains in the labour-intensive sectors – manufacturing, certain service industries and modern agriculture – has created more and more export-oriented employment opportunities for women. General trade liberalization and the spread of ICT have contributed to this development. Women, moving away from traditional agriculture, have gained employment opportunities in the export industry and sectors that rely on the use of ICT, such as manufacturing and the services sector. These changes have taken place in every corner

7 UNCTAD, 2013.

8 *Ibid.*

9 Staritz & Reis, 2013, pp. 1-10.

of the world, but the number of jobs in manufacturing and services sectors has grown faster in the developing countries than in the industrial states. World Bank analysis suggests that women's employment levels between 1995 and 2005 are correlated with the increase in international trade.¹⁰ Yet, this does not lead to the conclusion that increased international trade and trade liberalization have directly increased the employment of women, as the trend is affected by several other factors. However, it seems to be the case that the growth in international trade has contributed positively to the growth in women's employment.

Women make up an important proportion of the workforce (ranging from more than 50 per cent up to 90 per cent) in the export processing zones (EPZs) established in various developing countries. Export-oriented industrialization in the past 30 years can be characterized as a gendered process, if one takes into account the significant proportion of women in the EPZ workforce, as well as the importance of these special economic zones for developing country exports. Globalization researchers have argued that freer trade, increased international competition and flexibilization of labour regulation have led to the feminization of the global labour force – in other words, a process whereby women have replaced male workers.¹¹ The OECD also confirms that the internationalization of enterprises is strongly correlated with a higher proportion of women in the workforce: enterprises engaged in both exports and imports usually tend to employ more women.¹²

Research offers various explanations for the feminization of developing countries' export industries. Several of these are based on the stereotype characterization of women workers. Women are considered to be dexterous, kind and submissive; in other words easier to manipulate, flexible, hard-working and without (collective) bargaining power, which makes them suitable for jobs in labour-intensive industries operating under significant global competition. Retaining a low-waged workforce with non-existent career advancement opportunities has been possible only in the case of women. In some cases, the low-wage labour of women has formed an important basis for export competitiveness, such as during the soaring growth period from 1975 to 1995 in some East Asian countries.

Developing country producers face considerable challenges in global value chains. They must produce high-quality products at low prices and within tight deadlines in order to keep lead companies from switching to other producers. At the same time, significant flexibility is required to respond to cyclical peaks in demand. Research indicates that companies operating at the weakest points of value chain hierarchy are likely to use female labour as a buffer against price fluctuations and rapidly changing demand.¹³ It appears, therefore, that there is a link between asymmetrical power relationships in global value chains (lead companies versus suppliers at various levels) and the use of female labour in labour-intensive industries.

This, however, is not the whole story of the reasons for utilizing female labour in global value chains. A case study in the Philippine ICT industry indicates that women are recruited to high value-added functions because of their comprehensive skills as well as the effort to include "a woman's perspective" so as to create applications that appeal to female customers.¹⁴ Thus, in this case it would not be appropriate to consider the "feminization" of the export industry as a negative outcome, or that feminization is synonymous with degrading working conditions and wages. Instead, it should be seen as a positive development leading towards increased gender equality within global value

10 World Bank, 2012.

11 Farole & Akinci (eds.), 2011, pp. 247-249.

12 Stone & Shepherd, 2013, p. 23.

13 Farole & Akinci (eds.), 2011, p. 254.

14 Ng & Swasti Mitter (eds.), 2005, pp. 93-106.

chains. This report also discusses an example from the fruit and vegetable industry, which shows that when demand for labour exceeds supply, remuneration can move towards more equal levels between women and men. In addition, the rising educational achievements and work experience of women are likely to increase their work possibilities and promote their status vis-à-vis employers.

It should be noted that feminization mainly concerns manual work. In fact, as technology evolves and companies move to higher value-added tasks, women no longer are hired as readily to the new functions. Instead, as manual jobs decrease, the workforce once more becomes male-dominated.¹⁵ This phenomenon is discussed in more detail later. Vast research on the subject concludes that women are concentrated in fewer sectors than men who are better represented in the different fields, occupations and tasks. This phenomenon is connected with three principal factors, namely:

- i. Gender differences in the use of time:
Non-salaried tasks – child care, care for the elderly or the sick as well as household work – pile up on women, depriving them of the time to take advantage of economic incentives.
- ii. Gender differences in the availability of factors of production:
In many countries, women lack equal opportunity to acquire the factors of production such as land, credit, networks and education, or to have equal access to available infrastructure and services.
- iii. Gender differences that result from the distorting and discriminatory structures of markets and institutions.
Institutions and market structures are often built on deep-rooted conceptions of society. These, particularly in the developing countries, favour male labour force participation because females are primarily perceived as secondary earners or care-givers.

Thus, when the economy is analysed from a gender-equality perspective, it is necessary to take into account both market-oriented production functions and tasks related to the household, and how responsibility for these tasks is distributed in society.

Inequality is not economically viable

Gender inequality affects trade relations as it guides resource allocation and formation of comparative advantages.¹⁶ As stated above, inequality may even form the basis of export competitiveness, as strict division of tasks may keep women's wages artificially low. Gender inequality has a negative impact on skills development and innovation both at the national and company levels, limiting opportunities to take advantage of the benefits generated through participation in global value chains.¹⁷ For instance, it has been demonstrated that equalizing access among men and women to fertilizer and other agricultural production factors increased maize production by 11-16 per cent in Malawi and by 17 per cent in Ghana.¹⁸

Several recent studies indicate that in the world of open trade today, gender inequality has become expensive for an increasing number of countries because gender inequality reduces international competitiveness. Industries using primarily female labour have better growth perspectives in

15 See electronics sector example in Box 2.1.

16 Fontana, 2009.

17 Staritz & Reis, 2013.

18 World Bank, 2012, p. 237.

those countries where women are more equal to men. Similarly, countries where significant industries primarily employ women have become more equal. As the population ages, especially in industrialized countries and emerging economies, female labour force may prove to be the “saviour” of the national economy. Countries that reduce gender inequality particularly through secondary and tertiary education and labour force participation have an advantage over countries that procrastinate reforms towards improved gender equality.¹⁹

Globalization and value chains – promoters or distracters of gender equality in developing countries?

The so-called second wave of globalization is characterized by the shift of textile and electronics manufacturing from the developed to the developing countries.²⁰ The majority of these jobs were manual and labour-intensive, and the countries that were able to offer an abundant supply of low-skilled labour fared well competitively. This geographical shift of production increased women’s employment in the manufacturing industries particularly in Asia and Central America. For example, in the Republic of Korea women’s share of employment in the manufacturing industry increased from 6 per cent in 1970 to 30 per cent in the 1980s; but dipped to 14 per cent by 2007,²¹ possibly because of the changing nature of the work and the recent decrease in demand for workers performing manual tasks.

Structural transformation has been taking place over the last 15 years, as ICT became more widely adopted. This led to a shift in employment from manufacturing towards the service-oriented industries also in the developing countries. The tailwind of globalization also generated change for women: as technology advanced, low-educated women in light manufacturing industries were often replaced by men. Malaysia demonstrates this trend: in the early years of the second wave of globalization, women accounted for 80 per cent of the manufacturing workforce. By 1987 this figure had dropped to 67 per cent and has declined steadily since.²² The example from the Republic of Korea cited above illustrates the same phenomenon, and a similar trend is also observed in Latin America, particularly in the electronics industry, where many low-skilled women lost their jobs in connection with automation. Later, this report reviews a case study from the Philippines that depicts a similar phenomenon.

Looking at women’s overall employment between 1980 and 2013, there is a significant increase in absolute numbers both globally and in the developing countries. However, an analysis of the developing countries shows that women made up 36.5 per cent of the total labour force in 1980. This share increased to 38.3 per cent by 2000, continued to rise until 2005, and then declined in 2013 to 38.2 per cent,²³ indicating that female employment as a share of total employment has remained relatively stable in developing countries during the period 2000-2013.

The introduction of ICT created new service-sector jobs particularly for women in banking and insurance, for example, as well as in publishing and printing industries. These new jobs required skills different to those needed in light manufacturing, which is why globalization’s third wave has largely benefited women with higher education and better skills. Women’s employment share in

19 World Bank, 2012, p. 4-5.

20 Globalization itself can be considered as a phenomenon that has evolved for at least the last 150 years, and is in many ways a trend that stretches significantly farther back in time. This report however, refers to the second wave of globalization (from the post-World War II period to the 1980s), and to the third wave (from 1980s onwards). More on globalisation on the World Bank website: <http://www.worldbank.org/depweb/english/beyond/global/chapter12.html>

21 World Bank, 2012.

22 *Ibid.*, pp. 257-258.

23 UNCTAD STAT.

data processing was initially the highest in Barbados, Jamaica and the Philippines. Later, ICT jobs were created in applications and software industry and call centres, and the clusters moved to Malaysia and India.²⁴ The export industry overall continued to be feminized further.

In recent decades, the nature of agriculture has advanced from traditional to modern agricultural production, and these changes have affected women's employment in two principal ways. Traditional agricultural exports created jobs particularly for men, because women generally do not grow commercial crops – a trend that has been influenced by women's weaker landownership rights, limited access to factors of production and conflicts about whether their production is aimed for exports or personal use.²⁵ At the same time, men are starting to favour crops traditionally grown by women as and when these become commercially profitable, crowding out the women from these varieties.²⁶ Modern, export-oriented and high value-added agricultural production – including the fruit and vegetable industry – has developed into an interesting sector from the perspective of female employment. But the impact of modern agriculture on the employment of women and gender equality varies according to country and product, as exemplified by some country case studies. For instance, women's newly-found jobs in the fruit and vegetable industry in Chile and South Africa were temporary and seasonal, while the jobs in flower production in Colombia and Kenya were often permanent.²⁷

Increased female employment has undoubtedly brought improvements to the status of women in developing countries, reflecting their growing economic independence. Increased international trade has improved the opportunities for formal employment for women, enhancing their self-esteem and assertiveness, and improving their status in the household. Employment outside the household has made it possible for women to move at least partially away from family control and, in some cases, from domestic violence. Women have gained financial independence, the opportunity to expand their personal decision-making power and simply to increasingly make their own decisions regarding their lives.²⁸ In many cases, increased international trade thus seems to have made a positive contribution to an environment conducive for the development of gender equality.

Nevertheless, a mere increase in the number of jobs for women in itself does not imply actual increased gender equality in global value chains. What matters is how gender equality is realized in recruitment processes, career development, pay, working conditions, possibilities to combine one's work and family life etc., and how flexible the society and its social norms are in accepting women as men's equals at work and in the community. Social norms still continue to restrict the ability of women to control their own income. In addition, for women, household duties, which social norms consider to be their primary responsibility, come on top of remunerated work. Thus if women wish to work, they are often forced to limit their free time and rest. Furthermore, gender segregation of work has resulted in women at times being trapped in low-wage and low-productivity tasks in export-oriented production, and suffering from poor working conditions and few opportunities for career advancement.²⁹

Despite the foregoing, studies have also found that working conditions in the export industry in certain countries are better or at the same level with purely domestic companies.³⁰ Multinationals and

24 World Bank, 2012.

25 ODI, 2009.

26 Fontana, 2009, p. 30.

27 World Bank, 2012.

28 *Ibid.*

29 Farole and Akinci (eds.), 2011, pp. 247-249.

30 World Bank, 2012.

export companies may pay higher wages than local companies. Labour legislation can be enforced more effectively with regard to the employees of multinational enterprises (MNEs); and these and their suppliers are also monitored closely by various stakeholders. The international community, consumer associations, NGOs and even individual consumers scrutinize the activities of these companies and exert pressure for better treatment of their workers. As a result, wages in the export industries may be higher and the gender pay gap smaller than in other sectors.³¹ This may also generate the need to improve gender equality in industries that produce for the domestic markets. Recent evidence, however, argues that working conditions in each country or area are established in a similar manner, and there is no difference in working conditions between companies of foreign and domestic origin.³²

In China women workers generally enjoy higher wages in the new export-oriented industries than in the traditional state-controlled ones; in Bangladesh and Morocco, in turn, pay discrimination has been found to be smaller in the export industry than in other industries. In Cambodia, El Salvador and Indonesia wages and working conditions in the export-oriented and female-dominated textile and clothing industry are similar or better than the average in these economies. Further, it appears that greater trade openness is positively correlated with women's better economic rights, as well as lesser incidence of forced labour.³³ Yet, despite these positive developments, it should be noted that however 'good' the export industry may be, it still does not treat men and women as equals.

There is also evidence that trade openness has not reduced the gender wage gap, or that its positive effects have been temporary. According to the World Bank, a more open economy increased the gender wage gap in the Republic of Korea, while wage differences between EPZs and domestic industries in Mexico and Honduras converge.³⁴ Low wages and poor working conditions may also be part of a broader cost-minimizing strategy.³⁵ Particularly vulnerable are (often) informal workers who carry out tasks for local companies through subcontracting arrangements. The proportion of women in the informal economy is high, thus these contractual arrangements may be especially harmful to them. The World Bank cites case studies from India, Pakistan, the Philippines, Sri Lanka and Thailand where subcontractor-workers have weak work security, poor or non-existent benefits as well as impediments to organizing themselves into unions. Women are particularly vulnerable when they have to accept similar conditions because the work on offer may be better compatible with family responsibilities and social norms.³⁶

As discussed earlier, women are not a homogenous group, despite the fact that biological sex compartmentalizes people, and gender identity is central for socio-economic identity. Nevertheless, gender identity influences social outcomes together with other socio-economic variables, such as age, social status, income bracket, education and skills level, nationality and ethnic background. Consequently, the difficulties in society are common to all women, but the impact they have on women varies among the different socio-economic groups. Thus, the winners of the third wave of globalization (1980 ->) seem to be the educated women – particularly those with specific technical and managerial skills – while the second wave (1950 -> 1980) brought opportunities for unskilled labour.

The flip side is the fact that women's household responsibilities rarely decrease when they take up jobs

31 World Bank, 2008.

32 See for instance the *Labour Conditions and the Working Poor in China and India* research project by SOAS (UK), JNU (India), Hong Kong PolyU and Peking University (China), starting 2011.

33 Farole and Akinci (eds.), 2011, pp. 247-249.

34 World Bank, 2012, p. 259.

35 *Ibid.*

36 Farole and Akinci (eds.), 2011, pp. 247-249.

outside the home. Women subsequently take care of both their wage employment and household duties, unless they have the possibility to hire domestic help. Another negative connotation relates to situations where women might be employed on the basis of their subordinate status in society – such as to low-wage jobs with little possibilities for advancement. This has led some researchers to question the stability and growth of women’s employment in the long term.³⁷ At the same time, it should be noted that the feminization of the labour force has already gradually progressed for decades, accelerating from the 1970s onwards. In industrialized countries, female employment is comparatively high, thus the level of social development may also have affected the reasons for their employment. However, there are signs that the labour force, particularly in the developing countries, is becoming male-dominated again.³⁸ This occurs in connection with the increases in industrial value addition when new technologies are adopted; declines in the gender wage gap, or during economic conjunctures (periods of recession). It can also be a statistical hiccup: production may have been outsourced to the informal economy and carried out at home – areas dominated by female labour, but escaping statistics.³⁹

What causes the differences?

Fast pace and change-orientation characterize globalization, and these require efficient adaptability of economic actors. The above analysis shows that although gender may represent a disadvantage for women, some have been able to benefit from globalization, while others are left behind. Gender and development research argues that women trapped in the crossroads of traditional gender roles⁴⁰ and the forces of globalization, face a greater risk of falling further into the gender gap than the individuals who have been able to take advantage of free trade, technological change and broader availability of information.⁴¹

Various studies have examined the obstacles imposed by traditional gender roles. *The gender gap in education* has limited women’s ability to benefit from new employment opportunities for years. Women’s generally low educational achievements have contributed to their lack of sufficient skills and technical knowledge to support entrepreneurial activities, for example, within agriculture or other fields. Relatively high-skill jobs requiring the ability to use ICT, master different technical fields as well as languages are often inaccessible for uneducated women. The same specifications apply to men, but so far men and boys in developing countries seem to have benefited from education to a greater degree than women and girls. ICT skills are a particularly important factor for coping and succeeding in the context of globalization, as ICT is one of the key drivers of technological development, and employment in this area is expected to continue to grow. However, women frequently do not participate in internal training in companies to the same extent as men, even though this could help them advance to higher value-added tasks. It would appear that the fundamental reason for female discrimination in the labour market is related to *social and cultural factors* which restrict their ability to, for example, obtain work-related training, and hence new employment opportunities.⁴² Internationalization and increasing educational levels and work experience of women, however, constitute compelling arguments for adding pressure to minimize the social norms that negatively affect women.

The *gender-related differences in family and household responsibilities* that are rooted in traditional beliefs and social norms, may prevent women from taking up new employment opportunities

37 See for instance Fontana, 2009.

38 *Ibid.*

39 Farole & Akinci (eds.), 2011, pp. 266-268.

40 Limited independence, time and access to production factors, etc.

41 World Bank, 2012; Staritz & Reis, 2013.

42 Farole & Akinci (eds.), 2011, p. 252.

unless another family member (female) can assume these domestic duties. It is particularly difficult for women to assume employment within large farms or the formal economy in general, as rigid schedules and long working hours are the norm. Several studies find that a determining factor in women's employment and ability to take advantage of the possibilities offered by international trade is the presence of other women (in most cases in the family) who could take over the household responsibilities. This finding is based on research carried out in the cut flower business in Ecuador, EPZs in Guatemala and modern agricultural activities in Kenya.⁴³ Working women nevertheless continue to assume at least a part of the household duties that are considered to be their main area of responsibility. This often minimizes women's time for rest and leisure. Regrettably, national policies are commonly based on these traditional beliefs.

Those who handle the domestic tasks in lieu of the working mother are usually the grandmothers or older daughters, but little research has been carried out on their working conditions. Domestic help can sometimes be provided by the more distant relatives or professional domestic workers ("maids") for whom working conditions in the developing countries can be very poor. Most of the domestic workers with tasks related to childcare and household duties are women, while gardeners and guards – also often categorized as domestic workers – are mostly men. According to the ILO, domestic workers are often subject to human rights violations; they may work extremely long hours, be poorly paid, and in many cases lack social security coverage. In addition, sexual abuse is not uncommon in these employment relationships, and there is relatively high risk of child labour and human trafficking.⁴⁴ In 2011, the ILO adopted a new Convention on domestic workers' rights, with the aim to promote basic protection for this group.⁴⁵ As long as childcare provision in dedicated facilities is not yet fully developed, domestic workers will continue to be employed to help take care of children of families where both parents work.

The generally weaker landownership rights of women in the developing countries and obstacles to accessing factors of production also hinder them from benefiting fully from trade openness. For example, in Senegal, out of 59 farmers cultivating beans for exports, only one is a woman. In Meru, Kenya, more than 90 per cent of export contracts are awarded to the men of the households.⁴⁶ Once again, social norms and traditional beliefs are at the root of these constraints. Social norms also affect women's access to the new technology considered to be vital in terms of being able to benefit from more open trade. In many developing countries, men often decide such family matters as the use of a radio, cell phone or TV. At work, men may restrict women's chances of learning to use a computer or a ploughing machine. If women do manage to gain the right to participate in a technology program, they may be sidestepped by men if the program proves to be beneficial.⁴⁷ Access to ICT can also be hampered by geographical factors. Certain societies restrict women's freedom of movement, especially to areas that are not considered "safe" which could extend, for example, to Internet café sites. Also, women in some societies cannot frequent the same places as men.⁴⁸

It is particularly worrisome to note that traditional gender roles can be so rigid and persistent that they seem to be able to gradually erode the positive forces of globalization. Traditional job segregation patterns can, in fact, also develop in the new industries and jobs, even after their initial disappearance. Gender segregation – affecting women negatively – seems to increase in export

43 World Bank, 2012.

44 <http://www.ilo.org/global/topics/domestic-workers/lang--en/index.htm> [accessed 18 May 2013].

45 ILO Domestic Workers Convention, 2011 (No. 189).

46 World Bank, 2012.

47 *Ibid.*, p. 83.

48 Farole and Akinci (eds.), 2011, p. 253.

companies when they improve their value-added and train their staff to meet the new challenges.⁴⁹ Furthermore, in an attempt to maintain existing “male jobs”, male-dominated trade unions have been known to try to exclude women from the formal economy.⁵⁰

In conclusion, international trade has increased employment opportunities in the export-oriented sectors and global value chains for developing country women, although female participation remains concentrated in certain sectors and occupations. Demand for low-cost and flexible labour in the export industry has often led to low wages and poor working conditions in “women’s jobs”. Despite this adverse effect, working conditions in international trade-oriented sectors may be better than in alternative jobs or jobs previously available to women. For many, these have provided the first and only opportunity to obtain a formal sector job and to earn an income. Women’s economic independence, in turn, is reflected in the home where respect for women and their decision-making ability increases as economic independence improves over time. It becomes clear that increased trade per se is not sufficient to eliminate gender inequality – indeed, gender equality has not been fully achieved even in industrialized countries. This puts the onus on policies that support the development of gender equality in parallel with economic advancement.

49 World Bank, 2012.

50 Farole and Akinci (eds.), 2011, p. 253.



2.0 GLOBAL VALUE CHAINS AND GENDER EQUALITY IN THE TEXTILES AND CLOTHING INDUSTRY

2.1 Introduction

The textiles and clothing industry has been – and still is – an important employer of women in both industrialized and developing countries. The sector’s production models have changed in the face of globalization and opportunity offered by it for countries to specialize in different parts of the value chains. This transformation has meant significant changes in the lives of workers and entrepreneurs worldwide, particularly women. This chapter first discusses the structure of global value chains in the sector, including the transformation of the recent few decades (Section 2.2). It then analyses the particular gender equality issues in the industry and presents two case studies from Lesotho and Cambodia (Section 2.3). The chapter concludes with key proposals to improve gender equality in the sector (Section 2.4).

2.2 Structure of global value chains in the textiles and clothing industry

The textiles and clothing industry – as well as the electronics industry discussed in box 2.1 below – are categorized from a trade policy point of view as industrial or non-agricultural products. WTO members seek to reduce customs duties gradually and improve transparency in international trade through the Non-Agricultural Market Access (NAMA) negotiations where member states commit to “bind” their customs tariffs to a particular level. Tariff cuts are sought through negotiated tariff reduction formula which, when adopted, would be used worldwide to calculate new commitments of WTO member countries. In addition, more extensive tariff reductions are pursued through sectoral agreements in specific sectors, and trade liberalization is being negotiated through a “request-offer” procedure (particularly in services). Developing countries enjoy special and differential treatment

with regard to trade liberalization, which means that their tariff cuts may be smaller or limited only to the binding of customs tariffs and that their implementation periods may be longer. In addition, there are efforts within the NAMA negotiations not only to identify, classify and analyse technical barriers to trade but also to remove them. There are also sectoral and bilateral negotiations aimed at removing technical barriers to trade.⁵¹

At the international level, the textiles and clothing industry has been subject to specific regulations, and structural change in this area has been considerable in the past few decades. The Agreement on Textiles and Clothing (ATC) under the WTO and its restrictions expired in 2005, and the textiles and clothing industry is now subject to general WTO rules. Prior to the ATC becoming effective in 1995, a large part of developing country textiles and clothing exports to industrialized countries were under quotas and governed outside the general rules of the GATT (Multi-Fibre Arrangement (MFA), 1974-1994). These restrictions were set by the developed countries in order to protect their domestic industry against cheaper imports. Several developing countries – and least developed countries (LDCs) in particular – benefited from this framework, as it enabled them to export their products duty free to industrialized country markets and protect the development of their nascent industries particularly vis-à-vis powerful Chinese exports.⁵²

Clothing industry supply chains are consumer-driven, and are characterized by an asymmetry of power relations between global buyers and their suppliers. Buyers (the brand owners) decide on the products to be produced, where they are produced, by whom, and at what price. Typically, these lead companies outsource their production to contract manufacturers in the developing countries around the world that can offer competitive production costs. Lead companies are retailers and brand owners, and their head offices are usually located in the leading markets of Europe, Japan and the USA. These companies usually handle activities with the greatest value addition in the global value chains, such as product design, brand development and marketing. Similar to other global economic sectors, the clothing industry coordinates the work of its subcontractors through international private standards. Lead companies monitor the productivity, efficiency of delivery, quality and price of their subcontractors on a regular basis. Supply chains in the textiles sector are parallel to, but not as widely dispersed as those of the clothing industry. This is due to the fact that textiles production requires significant investment in machinery, as well as the fact that the sector is less labour-intensive than the clothing industry; thus there is less outsourcing.⁵³

As global lead companies started to decentralize production from the 1970s onwards, this became the niche of the developing countries. The sector's labour force is female-dominated, which is why changes therein are assumed to have affected the position of women world over. Globalization and diversification of production in the clothing industry in Asia have developed in "waves". In the first wave, Republic of Korea, Singapore, Hong Kong and Taiwan increased their production considerably from 1970s onwards, but started thereafter to decentralize to nearby areas. Consequently, between 1985 and 1990, as a result of the second wave, apparel industries in the Philippines, Indonesia, Thailand and Malaysia grew significantly. Production was further decentralized to Bangladesh, Pakistan, Sri Lanka, Laos, Nepal and Vietnam through the third wave. On the African continent, in turn, Morocco, Mauritius, Tunisia and Madagascar developed into important clothing producers between 1970–1996, particularly for the industrialized countries. At the same time, clothing production was increasingly shifting from Western Europe to Eastern European countries, while preferential treatment of exports from Mexico to Canada helped to strengthen the industry in

51 See more in www.wto.org

52 Gereffi, Fernandez-Stark & Psilos, 2011, pp. 79-80.

53 *Ibid.*

Mexico.⁵⁴ The significance of the structural change is seen in the following figures: between 1970–1990 the number of textiles and clothing sector workers increased by 597 per cent in Malaysia, 416 per cent in Bangladesh, 385 per cent in Sri Lanka, 334 per cent in Indonesia and 271 per cent in the Philippines. In China alone, the number of textiles and clothing industry workers increased by two million between 1980 and 1995.⁵⁵

Although restructuring in the textiles and clothing industry has continued for decades, the elimination of trade restrictions finally transferred exports – and thus jobs – from Central America and Africa more strongly towards Asia, especially China. Exports from the Dominican Republic, El Salvador, Honduras and Mexico to the US fell significantly once the textiles and clothing trade was liberalized. China and India increased their share of the EU and US imports, while small economies (such as Fiji, Maldives, Mongolia and Nepal) lost their market share almost completely. With the expiry of the ATC agreement, Mauritius lost the export competitiveness of its textiles and clothing industry, and thereby a large portion of its overall exports and jobs.⁵⁶ Thanks, however, to its fully integrated textiles and clothing sector and high value-added production, the country was able to rise relatively quickly with the acquisition of production agreements from the EU, thus increasing the unit value of its exports despite the drop in its export market share.⁵⁷

Decentralization of the clothing industry shows a strong regional pattern, although both the US and the EU import significant amounts from Asia. Clothing imports to the US come from Mexico, Central America and the Caribbean, while those for the EU markets are largely from North Africa, Japan and China. A number of Eastern European countries which earlier were the destinations for outsourcing of EU-15 companies have since become EU Member States. Traditionally, subcontractors in these two country groups have differed in the sense that imports from Asia consist mostly of end-products fully developed in Asia, while Mexico, Central America, the Caribbean and North Africa mainly finalize the textiles imports from the US and the EU into clothes, and thus do not reach full value added.⁵⁸

The number of countries with significant clothing exports has increased considerably over the years. In 1980, countries with value of clothing exports totalling more than one billion US dollars were Hong Kong (China), Taiwan (China), Republic of Korea, China and the USA. By 1990, Indonesia, Malaysia, Pakistan, the Philippines, Thailand, Turkey and Tunisia had joined this group. Up until 2003, also Bangladesh, Mexico, Sri Lanka and several Central and Eastern European countries were in the same category. China, however, has gradually solidified its position as a major beneficiary of the global structural change in the textiles and clothing industry. The country set up regional, export-oriented textiles and clothing clusters, encompassing thousands of businesses and employing millions of workers. Production chains cover all operations of the industry, and logistics are mainly handled through Hong Kong and Shanghai. Although China started with low-priced products, its exports have increased in value in recent years and are now directed at different consumer groups, from cut-priced to very high quality textiles and apparel products.⁵⁹

At present, Asia's share accounts for 59.8 per cent of the world's textile exports, followed by Europe (28.1 per cent) and North America (6 per cent). Compared to the year 2011, Asia has gained ground by 2.1 percentage points and Europe's share has dropped by 2.3 percentage points. Respectively,

54 UNCTAD, 2005.

55 ILO, 1996.

56 Berik, 2011, p. 182.

57 Pickles, 2012, p. 9.

58 UNCTAD, 2005.

59 <http://www.texmedin.eu/> [3 May 2013].

Asia's share of the global clothing exports is currently 59.4 per cent, up from 56.9 per cent in 2011; and Europe's share is 29.7 per cent, down from 32.5 per cent in 2011.⁶⁰

In addition to job creation in the developing countries (particularly in Asia) and the loss of textiles and clothing sector jobs in Europe and North America, developments during the 1970-1995 period also led the sector to partially move from the formal to the informal economy in several countries.⁶¹ Informality is usually associated with lower wages and inferior working conditions. Despite this, research carried out in 1996 concluded that globalization seemed to have led to net benefits in global employment and the informal economy had promoted an increase in employment in the developing countries.⁶²

Box 2.1 Global value chains and gender equality in the electronics industry



Electronics, together with textiles and apparel, are categorized as industrial goods. Both industries have been associated with feminization in tandem with globalization. In the electronics industry, production processes do not need various parts of the chain to be located closely. This makes the industry easily adaptable to the global value chains production model. In fact, its global chains have been built on modules where several companies participate in the production of one product. The global industry requires speedy adaptability and flexibility, as it is technically relatively easy to replace subcontractors.⁶³

Increased international trade and global value chains have provided an abundance of job opportunities for women within the industry. Formal jobs in a “clean” and “modern” industry,⁶⁴ the possibility to earn money and have control over one's income perhaps for the first time, as well as increased independence and better possibilities to change jobs have brought various practical benefits particularly for women. This has helped women attain greater respect within the family,

and to better negotiate the division of various household responsibilities.

The nature of global competition, including the need for quick adaptability, high quality and low prices, may affect women and men differently. Micro-level case studies of the electronics sector in the Philippines that focused on lead companies originating in Europe, North America and Japan,⁶⁵ demonstrated that industries may favour female employees instead of men, as they are considered to possess finesse and meticulousness, be submissive, adaptable and with little ambition for career advancement. On the other hand, and particularly with increased mechanization of production processes, male workers may be preferred because of the stereotypic preconception of their “durability”, including the ability to work long hours without complaints or the pressures to go home to household duties. Indeed, it is argued that technological change and corresponding company reforms create opportunities also for women. But whether or not these are used depends on the HR policies of the companies (often based on home-country traditions), product category and the level of workers' organization.

Job functions in the electronics industry are usually strongly gender segregated. Women carry out the monotonous, low-wage production line tasks that require precision, while engineers, technicians and management positions are taken up by men. Case studies from the Philippine electronics sector demonstrate that international trade, globalization and technological change have created a new function

60 WTO, 2014 and 2011.

61 ILO, 1996.

62 *Ibid.*

63 Sturgeon & Kawami, 2010.

64 McKay, 2006.

65 See McKay, 2006.

between the production line tasks and technicians' duties, which could become a stepping stone for women's career advancement. But based on stereotypic perceptions and social norms, employers usually recruit male workers for these jobs. It seems, therefore, that the practical benefits women have gained through job opportunities in the global chains of electronics industry, have been realized within the existing gendered structures, not through challenging or dismantling them.⁶⁶

However, more strategic gender equality gains have been achieved in higher-skilled ICT tasks, demonstrated through another case study carried out in the Philippines.⁶⁷ Women have been recruited to these tasks based on their skills (women often have more many-sided educational profiles that could combine, for example, technical know-how with business management) as well as the attempt to introduce a woman's perspective to software development and trade.

Some strategic gender equality gains in lower-skilled jobs have also been achieved through worker unions. McKay (2006) documented these developments in a European-origin company in the Philippines. Unfortunately, however, bargaining often focuses on securing practical benefits – such as wages or sickness benefits – and does not challenge unfounded gender-segregation of functions. In fact, unions – or industry federations, respectively – may function on similar gendered premises, and therefore do not take action to resolve these problems. Thus, increased awareness and capacity-building of these representative organizations would be necessary for these to recognize and work against gender segregation. Similarly, added awareness within companies – possibly promoted through industry federations – could help to overcome the stereotypic perceptions about women's qualifications in technological skills or suitability for technical jobs. Education policies, in turn, would be the key in increasingly introducing women into technical professions which could steer them towards high-skilled tasks.

2.3 Gender equality in textiles and clothing sector value chains

The textiles and clothing industry is traditionally a female-dominated sector with respect to production, service and administrative duties. In EU countries, women's share on average is about 81 per cent in apparel manufacturing employment, and 51 per cent of textile manufacturing jobs.⁶⁸ The sector is also female-dominated in the developing countries, and according to overall estimates, about three-quarters of the clothing industry workers are women.⁶⁹ The male/female representation of the work force varies by country, product and tasks, which is why each of these units should be analysed separately.

The textiles and clothing industry in this chapter's case study country, Lesotho, is to a large extent female-dominated, with women's share estimated to vary between 70–98 per cent. The other case study country, Cambodia, has an equally female-dominated textiles and clothing sector, with an 83 per cent female representation. Research indicates that the larger the share of clothing, textiles and electronics exports in the total exports of a country, the greater the employment effect of trade on women.⁷⁰ Textiles and clothing products accounted for about 87 per cent of Lesotho's exports in 2008–2010,⁷¹ and 55 per cent of Cambodia's exports in 2011.⁷²

In the developing countries, women's wages and working conditions in the textiles and clothing industry are in general still low. However, the effect of these wages on household income and poverty reduction has been significant.⁷³ Job functions in the sector are often segregated: women are employed mainly in production tasks, and only rarely advance beyond line supervision to

66 See McKay, 2006.

67 Ng & Mitter (eds), 2005, pp. 93-106.

68 Eurostat, Employment by sex, age and detailed economic activity, quarter 1 of 2013.

69 Christian; Evers & Barrientos, 2013.

70 Fontana, 2009, p. 4.

71 UNCTAD, 2012, pp. 19-20.

72 OECD, 2013a, p. 2.

73 Pickles, 2012, p. 12.

management positions which are mostly held by men.⁷⁴ The textiles and clothing sectors in the developing countries have offered “first-timers” the opportunity to work in the formal sector where working conditions are generally better than in the informal economy. For example, in Madagascar in 1999, 75 per cent of the employees in the industry were women. Nearly 85 per cent of the women who found new jobs in the textile sector had never before received formal wages; the corresponding figure for men was 15 per cent.⁷⁵ Taking into account the status associated with a formal sector job in the developing countries, importance of the textiles and clothing sector may extend beyond the mere provision of income in terms of improving women’s position in the society.

At the same time, the textiles and clothing industry is a sector where in recent decades women in the OECD countries have increasingly lost jobs, whereas women in the developing countries have obtained new employment opportunities. Service sector jobs, to some extent, have replaced the manufacturing jobs lost in OECD countries.⁷⁶ It is also argued that increased value addition can generate positive welfare outcomes even with less job creation when this higher value addition is taxed and the accrued income used to create new jobs (in the social services sector, for example).⁷⁷ Increased value addition is observed in Finland, for instance, where the personnel working in Finatex member companies declined by 5,000 in a decade (1996–2006) but the value of production grew slightly in the same period.⁷⁸

Textiles and clothing sector’s value chains have traditionally been formed around the outsourcing of assembly functions only. This has provided developing country producers with only the benefits of low salaries, as they remain dependent on the – often short-term and uncertain – supplier relations with industrial-country driven chains.⁷⁹ Nevertheless, the value chain structure has also produced inherent pressure towards improving working conditions and creating wider social value-added. Large lead companies are increasingly aware and sensitive of their brand, and they have changed their value chains by concentrating purchases and working with strategic partners. As a result, economic and social value addition has been achieved in the developing countries. In fact, developing countries have increasingly improved their position within the sector’s value chains, and production has even become dependent on them. The textiles and clothing industry is an excellent example of a sector where growth and development benefits are highly dependent on trade policy choices, as will be demonstrated by the two case studies.

Lesotho: increased job opportunities enabled through preferential trade arrangements, but with persistence of gender segregation at the enterprise-level⁸⁰

Significant changes have occurred in Lesotho’s production structure and trade in the past three decades: a rapid increase in production capacity, particularly in the foreign-owned clothing industry, and the growing importance of the clothing sector in the country’s export structure. Trade policy instruments have strongly contributed to this development. In particular, the non-reciprocal duty and quota free access to the US market gained through AGOA played a key role in strengthening Lesotho’s clothing exports, tripling, in fact, its exports to the US between 2001–2004, immediately after AGOA became effective.⁸¹ Of particular importance for the industry has been the relaxation of

74 Christian; Evers & Barrientos, 2013.

75 Korinek, 2005, p. 9.

76 Berik, 2011, p. 182-3.

77 See for example the reasoning of professor Ha-Joon Chang (Cambridge) in relation to manufacturing sector development.

78 Tilastotietoja tekstiili- ja vaatetusteollisuudesta, 2012.

79 Pickles, 2012, pp. 28-35.

80 The case study is based on UNCTAD, 2012.

81 Musselli & Zarrilli, 2012.

the rules of origin, which enabled the use of components originating in third countries. At the same time, SACU is instrumental in facilitating exports to other Southern African countries, particularly South Africa. However, UNCTAD estimates that if the AGOA preferences are removed in 2015, as foreseen, the future of Lesotho's clothing industry is very uncertain. From a trade policy perspective, Lesotho now faces the risk of expiry of preferences, preference erosion (due to overall trade liberalization) and preference dilution (due to the possible opening of duty and quota free access for new LDCs (in Asia)).⁸²

The significant increase in the clothing industry in the early 2000s created opportunities for strengthening the societal status of women and improving welfare through the creation of new jobs. A year before the AGOA became effective (1999), the clothing industry employed 9,877 people, but by 2004 – during the preferential trade arrangement – the number of employees grew up to 47,998. Women benefited the most from this development: the proportion of women among Lesotho's textiles and clothing sector employees is estimated between 70–98 per cent.⁸³ Formal employment in the textiles and clothing industry also brought other development benefits apart from providing a source of income. For example, women in Lesotho have been able to take advantage of workplace health programmes that provide free HIV care and treatment (up to 40 per cent of the textiles and clothing sector workers in Lesotho are HIV-positive and many more are affected by HIV).

But the strong new export sector also created a new kind of dependency and vulnerability. Employment in the textiles and clothing sector is directly linked to the level of exports. Exports declined significantly for the first time in 2004–2005, which coincides with the ending of the ATC agreement. This had an immediate impact on employment: about 10,000 employees lost their jobs. Over the 2008–2009 period employment fell again, this time due to the recession in the US, and the decline in demand. Nevertheless, the country's reduced production and the decline in jobs resulting from the general textiles trade liberalization were largely compensated through the partial relocation to Lesotho of apparel production from South Africa in an effort to avoid increased labour costs.⁸⁴ In recent years, Lesotho's textiles and clothing industry has had 35,000 to 43,000 employees. As of November 2011, the export-oriented textiles and clothing industry employed about 33,000 workers and the locally-oriented industry about 6,000, raising the sector's total employment to about 39,000.⁸⁵ Thus, despite fluctuations in exports, the sector continues to be a more significant employer than prior to the AGOA.

In addition to increased job opportunities, analysing developments from a gender perspective entails an assessment of job quality which includes, among others, wages, work security, working conditions, possibilities for advancement and training, as well as how gender differences are taken into account in the work place.

Lesotho's flexible labour laws allow for quick dismissals, and workers can be hired again when exports pick up. Social security within the labour market is minimal. Severance pay is conditional on the duration of employment, and provides only immediate (short-term) relief. However, the employment relationship is usually permanent and full-time; temporary workers are the minority. Salary levels overall in the sector are low; and minimum wage was the lowest of all sectors at the time of the case study research. The low wage level in this female-dominated sector has an important impact on the overall gender wage gap in the country. It is noteworthy, however, that

82 UNCTAD, 2012, p. 31.

83 Estimates of LTEA and LECAWU, respectively.

84 Pickles, 2012, p.84 and p. 44.

85 African Economic Outlook (2013), in turn, estimates the sector's employment at 45,000 in 2012.

experience and special skills increase salaries over and above the minimum levels.⁸⁶

There is a tendency to hire women to tasks with low levels of complexity, thus limiting skills development. Although women are also present in higher administrative tasks, such as in HRD, supervision of production and other managerial positions, the majority of females remains in labour-intensive tasks that have low educational requirements and wages. This segregation is based, in particular, on preconceptions concerning gender roles as well as social norms, and not on the actual abilities of women and men. This hinders the promotion of gender equality and leads to missed opportunities for improvement in competitiveness. In addition, the assignment of tasks is influenced by ethnic background: better paid managerial functions are mainly occupied by expatriates.

The strict separation of tasks in different parts of the production line has limited the development of worker skills and thus opportunities for advancement. Employees are taught to perform a specific task, and there are few possibilities to develop other skills, particularly beyond a basic level. For instance, only few workers are able to put together a garment in its totality. This is considered to significantly limit possibilities for starting businesses, for example, or finding better jobs or work in other sectors when textiles and clothing exports and job opportunities weaken.⁸⁷ Some limitations may be created by the trading rules. For instance, it is not possible to use surplus materials from the export industry for domestic market production, because textiles are brought into the country duty-free on the condition that they be used for exported goods. This limits the possibilities of micro and small enterprises that target their production to domestic markets. This has special relevance for women, as many micro and small entrepreneurs are female.⁸⁸ It appears that Lesotho could benefit from a general reduction in import duties on these raw materials, if the domestic industry is using and adding value to them.

Textiles and clothing workers in Lesotho often consider working conditions in the sector as tough because of three main factors: (1) physically challenging, yet monotonous “production line” work; (2) cultural differences and “harsh” leadership style; and (3) low salaries. However, practices that breach fundamental rights at work (child labour, forced labour, etc.) do not seem to be widespread in the sector. Culturally related conflicts between the mainly Asian management and supervision staff on one hand and the local production line workers on the other were previously more frequent, but the situation has reportedly improved recently. Pressure from buyers and demands by the large brands regarding working conditions have influenced this change in attitudes. Improvements in working conditions have been reported since the implementation and monitoring of Codes of Conduct for suppliers, a process that has been led by global buyers.⁸⁹

A related issue concerns tax income, which is largely not collected from the export-oriented industries that benefit from exemptions for exports outside SADC. It is argued that women are more severely affected by the loss of this income in the government coffers, as it is partially directed to health and social expenditures. This said, it is important to examine the design of redistribution policies, because taxation as such does not guarantee that tax income is used to support society’s most vulnerable members, or to promote gender equality. Nevertheless, it needs to be noted that the country’s tax incentives may have been successful in attracting investment that otherwise would not have been available for creating employment.⁹⁰ While the situation calls for a careful balancing of FDI promotion and societal objectives, the issue merits separate research which is not undertaken in this paper.

86 UNCTAD, 2012, p. 32.

87 Musselli & Zarrilli, p. 14.

88 UNCTAD, 2012.

89 Farole and Akinci (eds.), 2011, p. 255.

90 See more on this in Azémar & Desbordes, 2010.

Cambodia – competitive advantage through compliance with labour standards

Integration of the Cambodian garment industry into global value chains exhibits both similar and very different characteristics to the Lesotho case. Cambodia also benefited from trade preferences and flourished under the Multi-fibre Agreement and its successor, the ATC. Furthermore, women make up a large majority of the clothing industry workers also in Cambodia (83 per cent, compared to approximately 50 per cent share of the total labour force). Contrary to general assumptions, garment sector workers in Cambodia are relatively well-educated: while the average educational level in 2009 was 6 years, for clothing sector workers, it was on average 6.5 years. Men were better educated than women (7.3 versus 6.4 years), which corresponds to the general gender education gap in the country.⁹¹

Full liberalization of the textiles and clothing sector trade in 2005 led to a dramatic restructuring of the global garment production. However, despite earlier pessimistic speculation, Cambodia, managed this change well. In 2005, its clothing exports were valued at \$2.7 billion, increasing to \$4.0 billion in 2008, which corresponds to an annual growth rate of approximately 14 per cent. Furthermore, employment continued to grow after the expiry of the ATC: in 2004, there were about 270,000 clothing sector workers, rising to about 353,000 by 2007. Figures for 2008 show a decline to slightly below 325,000, but this was still in great contrast with 1995 when the corresponding figure was 19,000.⁹²

Although employment in the clothing industry increased after trade liberalization, wages fell immediately after the end of the ATC. Wages improved in subsequent years, but never reached the levels that had prevailed during the ATC. Despite this, wages in apparel manufacturing were above the average of the whole economy. In 1999 wage levels rose significantly, coinciding with the implementation of trade deals with the EU and the USA. Importantly from a gender equality perspective, the overall gender wage gap in the country decreased: in 1996, women's wages were 26.6 per cent lower than those of men, but the difference was 11.5 per cent in 2009. The decline in the wage gap is significant, even if it did not achieve equality of pay.⁹³ The gender pay gap in the clothing sector has been bridged even better, despite the much wider starting discrepancy. In 1996, women earned almost 40 per cent less than men, but by 2007 the pay gap was 17 per cent.⁹⁴ According to the ILO, clothing industry jobs in Cambodia provide a particularly attractive opportunity for escaping poverty, especially when compared to the low-wage agricultural sector. A Cambodian household with one clothing industry worker earns on average 36.3 per cent more than similar households where no-one works in the apparel industry.⁹⁵

The World Bank has assessed the working conditions in the Cambodian garment industry based on two variables: employee's age (to estimate the extent of child labour) as well as the hours worked per week (to identify over-time work and possible forced labour). While this was not a comprehensive assessment of working conditions, the research found that the index on working conditions had deteriorated somewhat after trade liberalization as compared to other industries. Interestingly, women's working conditions seemed to have improved versus those of men and other industries, but as the differences were not significant, the study concluded that trade liberalization had affected the working conditions of women and men to somewhat similar degree.⁹⁶

91 Savchenko & Lopez Acevedo, 2012, p. 9.

92 *Ibid.*, pp. 3-4.

93 *Ibid.*, pp. 10-16.

94 Better Work Research Brief no. 2.

95 *Ibid.*

96 Savchenko & Lopez Acevedo, 2012, pp. 10-16.

The success story of the Cambodian textiles and clothing industry has often been linked to the ILO's Better Factories Cambodia (BFC) programme and to the country's reputation as an ethical supplier that was originally created through the BFC.⁹⁷ Started in 1999, compliance with the International Labour Standards was directly linked through this project to Cambodia's clothing export quotas to the USA. Although the direct incentive to norms compliance for exports ended in 2004 when the US preferential quotas were terminated, the Government of Cambodia encouraged the clothing industry to continue implementing the programme to attract new foreign investors.⁹⁸

BFC has brought about significant improvements in the working conditions of the Cambodian textile sector companies. According to data collected over the period 2001-2010, compliance improved significantly, as demonstrated by control visits (improvements from the first visit to the fourth ranged from 52 per cent to 95 per cent, with a bulk of companies in the compliance range of 75–95 per cent).⁹⁹ Various factors contributed to this development: external factors included public "naming and shaming" of companies, as well as the preferential quotas of the early years, while improvements in efficiency and productivity achieved through a better motivated work force provided internal incentives to compliance. Research has also indicated that suppliers of brand-sensitive lead companies were better at labour standards compliance.

Between 2001 and 2006, the BFC publicized the compliance levels of companies, and this increased adherence to labour standards (the probability of non-compliance decreased by 4.7 per cent). When the requirement for disclosure of information was cancelled, the pace of businesses to improve compliance slowed down, but still continued to progress.¹⁰⁰ As working conditions improved, all of its components improved at the same time (freedom of association and collective bargaining, wage levels and payment of wages, contracts and recruitment, occupational safety and health, over-time work, compensation for work accidents, holidays). Thus better compliance in one area was not achieved at the expense of other working conditions. Once improvements in working conditions have been made, companies seldom regress even in the face of economic difficulties. Retrogression is very rare with respect to core labour standards¹⁰¹ and wages.¹⁰²

BFC also monitors compliance with the core labour standards relevant for gender equality, in particular "discrimination". In April 2013, 18 per cent of the factories surveyed were found to be engaged in discrimination, and this share had remained stable from October 2011. According to the monitoring report, both women and men face gender-based discrimination. Discrimination typically involves pregnant women (dismissal/non-renewal of contract) or men who may not be employed due to the perception that they are likely to incite workers to strike. There are also reports of different employment contracts being offered to men and women, with men typically receiving shorter-term contracts.¹⁰³

97 See e.g. Pickles, 2012, p. 44; Savchenko & Lopez Acevedo, 2012.

98 Savchenko & Lopez Acevedo, 2012, p. 15.

99 Better Work Research Brief no. 2.

100 Better Work Research Brief no. 1.

101 Core labour standards include the ILO's fundamental conventions, see: www.ilo.org – labour standards.

102 Better Work Research Brief no. 2.

103 ILO, 2013, pp.8 and 17.

2.4 Key proposals arising from the analysis

Growth and development benefits of the textiles and clothing industry are largely linked to trade policy choices. Global changes in the female-dominated sector impact in particular women. The sector's global value chains are built on specialization of countries with high wage levels to know how –related functions, while manufacturing has moved to lower-wage countries. Expansion of the textile and apparel trade has provided employment particularly to women in those developing economies to which production relocated.

While trade liberalization has generated important job opportunities, the quality of jobs is still lagging behind. Both men and women face work place discrimination, albeit on different grounds. Furthermore, job functions are very segregated, leaving women often in low-skilled and low-wage tasks and making it difficult to transfer knowledge to other sectors. The difficulty of finding new job opportunities in other industries in the face of weakening textile and clothing export prospects combined with low job security and almost non-existent social protection cause sector considerable hardship. Based on the general analysis of the sector and the case studies, specific proposals can be suggested to explore possibilities to improve gender equality:

- General trade policy that aims to remove obstacles to trade, reduce tariff barriers and promote transparency can support the recent trend of the private sector where lead companies concentrate purchases with strategic partners. Cross-border business relationships with these strategic partners are long-term and enable a more significant value-addition for the supplier company located in a developing country. Long-term subcontracting relationships also allow companies to provide longer-term employment contracts, which would mean increased job security to both women and men. However, discrimination persists irrespective of objective possibilities to offer long-term contracts (e.g. discrimination due to maternity or perceived union activity), and complementary non-discrimination policies are therefore needed.
- Initiatives supporting the creation of linkages to the local economy could help to improve women's employment and gender equality. In several developing countries, Business Linkages programmes have successfully linked small producers and service providers as suppliers for multinational companies.¹⁰⁴ To better integrate women into such projects, it is important to design training programmes in a manner that takes into account women's responsibilities apart from work, such as household duties. Ideally, the programmes could also be designed so as to encourage men to assume household responsibilities.
- In cases where domestic production in developing countries could benefit from imported components, it might be appropriate to ensure that these components have unhindered access; for example, the level of import duties could be assessed from this perspective. As developing countries aim to improve the operating environment of their industries, support for trade policy reforms could assist these countries to decide on policies that promote competitiveness. Linking the import of duty-free components to the manufacture of export-oriented goods may strip the small business owners of incentives, as these mainly target the domestic market. As entrepreneurs, women often lead micro or small enterprises.
- To improve the portability of workers' skills, incentives could be designed for businesses

104 For instance UNCTAD, ITC and ILO work on business linkages in developing economies.

to provide more holistic training for their employees, covering a wide variety of skills. As mentioned earlier, such training activities need to take into account the restricted schedules of women. Such incentives, however, can only work when companies have a realistic possibility to continue operations in the long run.

- Sector-based projects could help countries to identify themselves as ethical producers and through such a brand attract global buyers and investors, as in the case of Cambodia. Linking such programmes to trade preferences could be the catalyst – for example, sectors important for the employment of women in the developing countries could be supported through compliance programmes to meet the norms required by preferential arrangements. In the longer term, capacity-building programmes can help companies embrace the internal benefits deriving from good human resource management practices. At the same time, it is important to strengthen the public labour inspectorates so as to enable them to fulfil their enforcement functions effectively.



3.0 GLOBAL VALUE CHAINS AND GENDER EQUALITY IN THE FRUIT AND VEGETABLE INDUSTRY

3.1 Introduction

Fruit and vegetable trade has increased significantly in value in the past few decades. The sector is interesting from a gender equality perspective, as it has – in contrast to many others – offered jobs for women particularly in higher value-added parts of the chains. Nevertheless, job functions are highly gender-segregated, and women usually take care of the many “invisible” jobs in the sector, such as that of a contributing family worker. This chapter first discusses the structure of global value chains in the sector (Section 3.2). It then analyses the particular gender equality issues in the industry and presents a case study from Honduras (Section 3.3). The chapter concludes with key proposals to improve gender equality in the sector (Section 3.4).

3.2 Structure of global value chains in the fruit and vegetable industry

The first multilateral treaty focusing on the liberalization of trade in agricultural products was born out of the Uruguay round of negotiations, and trade talks in the area now continue in the framework of the WTO Doha Development Round. These negotiations focus on the gradual reduction of export subsidies and domestic support as well as on market access. In addition, special and differential treatment of developing countries (as in other negotiation areas) and non-trade concerns, such as food security, environment, structural adjustment, rural development and poverty reduction are on the agenda.¹⁰⁵ This report uses the fruit and vegetable sector as an example of the agricultural industry. This sector is particularly interesting due to its productivity and employment impacts. Fruit and vegetable production is significantly more labour-intensive than for example crop production, and provides several possibilities for value addition, such as processing and packaging.¹⁰⁶

¹⁰⁵ www.wto.org – agriculture.

¹⁰⁶ Staritz & Reis (eds.), 2013, pp. 13-14.

Trade in fruit and vegetable products has grown tremendously in the last thirty years. In fact, global exports and imports in the sector were valued at \$147 billion at the beginning of the millennium, and reached \$468 billion by 2013.¹⁰⁷ Developing countries have been able to acquire an increasing share of this trade as a result of the rapid growth in demand. Swift changes in the sector have led to modifications in production systems in both developed and developing countries. In the past, individual farmers decided on the vegetables and fruits to be grown as well as their production methods and product quality. Retailers, in turn, bought the harvest directly from the farm or from wholesalers.

Today, the fruit and vegetable industry is mainly built on long-term trade relations, and on tight linkages between different-sized production entities on one hand and exporters on the other. Exporter companies are composed of a few multi-national fruit and vegetable firms operating in a number of developing countries, as well as a large number of medium-sized local enterprises in the developing countries. Exporters may produce a part of their products themselves or their production can be fully outsourced to independent producers. Relations with producer communities are usually based on seasonal contracts that serve to pass production factors to the producers and agree on guaranteed purchases. On the demand side, large super markets lead the most central fruit and vegetable markets. These companies strive for improved competition and continuity through global value chains and have substantial influence on the processes that guide production, harvesting, transport, processing and storage of fruit and vegetable products.¹⁰⁸

Lead companies govern their global chains through numerous private standards. Small producers in the developing countries often complain about the difficulties of meeting these standards without technical assistance. Although some standards are applied mainly by large trading companies, producers are also affected by the low level of harmonization of standards or follow-through implementation mechanisms. Governments regulate fruit and vegetable imports through sanitary and phytosanitary regulation. Import duties and quotas still affect market access, although a large part of the developing-country trade to the industrial states is covered by preferential arrangements. Often processed fruit and vegetable products are outside a preferential regime or the reduction in duties has not matched that of other products. This tends to restrict the diversification of agricultural production in the developing countries.¹⁰⁹

Fruit and vegetable sector value chains involve several stages: factors of production (inputs), production, packaging and storage, processing, and distribution and marketing. Also transport and logistics form an important part of the value chain. Production is geared either towards fresh goods for consumption or towards processing. Large export companies or producer-exporters are generally in charge of packaging and storage, where functions involve a variety of tasks from the separation of products according to end-market and end-use to washing, peeling and chopping, etc., as appropriate. The processing stage, on the other hand, covers tasks such as drying, freezing, or manufacturing of juice and other products. Ultimately, through distribution and marketing, the products are brought to the consumer and sold in markets, small retailers, wholesalers or restaurants. Value addition in this sector happens mostly through functional upgrading or through product or process upgrading.¹¹⁰

107 UNCTADStat.

108 Gereffi, Fernandez-Stark & Psilos, 2011, pp. 19-21.

109 *Ibid.*

110 Staritz & Reis (eds.), 2013, pp. 11-16. Functional upgrading means moving to higher parts of the value chain, producing higher value addition. Product upgrading means a shift in the types of products produced, while process upgrading means making a companies' functions more efficient through reorganization or improved technology.

3.3 Gender equality in the fruit and vegetable sector value chains

The fruit and vegetable production sector is interesting from a gender perspective because the impacts of value addition are seemingly more equitable – or, in fact, more favourable to women – than in other value chains. Indeed, although women play a central role in labour-intensive manufacturing export sectors, the gender profile becomes male-dominated when companies move to products whose production requires skills, capital or technology (see e.g. box 2.1 on electronics sector). The outcome in the fruit and vegetable sector, however, is different. Upgrading in the industry creates jobs in areas where there is a concentration of female labour (e.g. preparing fruit and vegetables for consumption or packaging).¹¹¹ This demonstrates that differences between men and women in employment, remuneration and equality in connection with value addition processes vary by sector, value chain and other factors, making it impossible to draw general conclusions about the impacts of value addition on gender equality or women’s employment in the developing countries. Even within the fruit and vegetable industry, the impact of value addition on gender equality varies depending on the part of the value chain or production process as well as the type of employment (employee/entrepreneur/contributing family worker).

While value addition seems to create job opportunities in the sector particularly for women, jobs are heavily gender segregated and women are preferred in the higher parts of the value chain based on preconceptions regarding female abilities. Men usually dominate jobs where physical strength is needed, while women are recruited to – and also self-select – tasks that require finesse, dexterity and attention to detail. Also the choice of crops is gendered. Although heavily concentrated in the packaging segment, women are found in each part of the value chain: female participation in production is around 30-40 per cent,¹¹² in packing and storage around 70-80 per cent and in processing around 50 per cent.¹¹³

With regard to job quality, women in all the main worker categories face discrimination in some form, and in the weakest position are contributing family workers who generally are women. Looking at salaried workforce, women have in general lower salary levels and less favourable working conditions than men, although in some instances the gender wage gap might be easing, particularly with the adoption of productivity-based wages. Women also tend to be considered as “flexible workforce”: they are not expected to continue their careers but rather assumed to drop out because of family duties. Due to this view of women as a temporary work force, they are frequently hired as such, and thus have fewer possibilities for training. Women also tend to confront sexual harassment more often, work longer hours and suffer from worse working conditions than their male counterparts.¹¹⁴ Contributing family workers, on the other hand, do not have a recognized status, or control over their incomes from the family business. Thus, they are particularly vulnerable to the social perceptions that place them in a subordinate position in society as compared to men. Women as entrepreneurs, in turn, have fewer possibilities to own land or obtain business financing and training. In addition, they often have more restricted linkages to networks, information and markets.¹¹⁵

111 Staritz & Reis (eds.), 2013.

112 This percentage only includes women entrepreneurs, not wages labour in production functions.

113 Staritz & Reis, 2013, pp. 22.

114 Barrientos, 2001.

115 Staritz & Reis, 2013, pp. 18-22.

Honduras has been able to embody several production models in its fruit and vegetable sector. Between the years 1960–1992, land distribution policies limited the formation of large plantations. Despite this, large banana producers were able to influence policies and created some large production entities. New production models based on chains of small producers gained ground in the 1990s, building on the small farms established as a result of land distribution policies. This created opportunities for women in production and packaging tasks, and as entrepreneurs. The fruit and vegetable industry is divided in three main subsectors: 1) bananas and pineapples (led by two large multinationals); 2) melons and watermelons (led by a group of local companies); and 3) vegetable production (includes various production models). Exports are oriented towards the US, El Salvador, Europe and Canada.

Relations between women and men in Honduras are based on traditional social norms which allocate women the responsibility for home and care work while men are the providers of the family. Women therefore are expected to do all the housework, and the fact that a woman is employed outside the home has not changed the situation much. According to the Honduras National Statistics Office, in 2010 women used on average 3.35 hours per day for household work, while the corresponding figure for men was 37 minutes. Agriculture is considered the domain of men – boys help fathers on the fields while girls work at home assisting mothers. The division of labour in family companies is similar: men take care of production and make decisions as to which crops are grown and how the incomes are used. Women are responsible for various support functions, and for helping with the harvesting.

Cultural or social norms in this sector have nevertheless had a two-sided effect. These norms, on the one hand, have kept women in tasks with low value addition; on the other, they have helped women to find employment in the “new” tasks created by modern agriculture. Young women (20–25) have been recruited in the sector’s value chains (particularly in packaging functions) based on the traditional conception of women’s forte in food preparation, which makes them more suitable for selecting, washing and packaging fruits and vegetables. Women have also taken up these jobs – as well as jobs in small production units – to compensate male emigration, particularly to the US.

Gender segregation is visible in the sector’s job functions. Women take care of nursery work, transplanting and quality control, as well as washing, selecting and packing the produce. These tasks require finesse, meticulousness and particular attention and care. Men are employed in tasks related to the use of machinery, such as transport and logistics. “Male work” is considered to require physical strength, while “female work” necessitates care and attention to detail. Therefore the gender divide in harvesting, for example, is dependent on the product: bananas are collected by men, while women harvest peppers, for instance. Men dominate managerial jobs, but women are also represented in supervisory and middle management tasks, particularly with respect to female-dominated functions.

Gender dimensions in employment are dependent on the type of jobs that women and men are engaged in, as is seen in the general overview. Looking at salaried workforce, an interesting development from the gender perspective is related to the competition for labour. Agricultural jobs are not highly valued in society, which is why export firms need to make an effort to attract and retain

116 The case study on Honduras is based on Staritz & Reis, 2013. Only the use of other sources or author’s own comments has been separately indicated in the text.

workforce. This competition has reduced discrimination based on sex. Remuneration is founded on productivity-based wages – based on the number of packaged products, for example – and is thus more gender-neutral. However, in tasks where there is more available workforce, men continue to be better paid than women.

With respect to job quality, including job security, the situation is less promising. While labour laws in Honduras favour permanent contracts, with short timelines allowed for using temporary work, most of the workers in the sector are temporary despite the fact that the demand for labour continues all around the year. Compliance with social protection legislation is weak due, among others, to the lack of enforcement measures. In order to retain an adequate workforce in the face of stiff competition for labour, employers have awarded social protection benefits, including health care and maternity protection, to all workers irrespective of their contract status. Health care provision for workers and their children has reduced women's absenteeism from work. Child care provision is required by law in companies with a female-dominated workforce. This type of a requirement could potentially become an obstacle for hiring women in cases of abundant labour supply. However, in Honduras at the time of the study, companies bypassed the regulation, but indicated their willingness to comply in the near future with a view to attracting and retaining workforce. This is particularly important in Honduras, where there is no public provision for child care, which is effectively a major difficulty for mothers to enter the labour market.

Sexual harassment in the sector is a typical problem, but one not discussed much. This can lead to absenteeism and feed the perception of women being a temporary workforce. Realization of these types of problems could help companies create a more equal working environment, which subsequently can improve productivity, as an example indicates. A large firm in the fruit and vegetable production sector in Kenya established women's committees focused on promoting gender equality and the status of female workers. The company trained its managers to be alert to sexual harassment and discrimination, and the principle of equality was widely embraced within the organization. As a result, the share of female managers increased from 10 to 25 per cent and women started to be recruited to functions typically reserved for men, such as guards, chauffeurs and mechanics.¹¹⁷

The possibilities of obtaining an education in Honduras are relatively good for women, although not equal to those of men at higher levels. In the cities, more girls are enrolled in basic education than boys, but in the country-side, secondary education participation is low both for boys and girls. In 2007, the share of women in vocational training focusing on agriculture was 33 per cent, and in 2010 female representation at university-level agronomy studies was 25-35 per cent. Informality is largely present in the agricultural sector the world over, and the certification of skills could therefore help provide agricultural workers with formal recognition of their capacities. For women, this type of certification could provide the opportunity to demonstrate their qualifications; jobs as well as advancement could be increasingly based on the real skills of workers instead of traditional social norms. Again, an example from another country is helpful here: in Chile, a certification system for informally obtained skills has been in operation since 1998. The system created a framework for the recognition of skills irrespective of how these were acquired, and to date over 40,000 workers have been certified. In the fruit and vegetable sector, the system has created skills profiles for different functions in the value chains, and over 9,000 sector workers in Chile have been certified through this channel.¹¹⁸

117 See Staritz & Reis, 2013, p. 38.

118 See Fernandez-Stark, Bamber & Gereffi, 2011, p. 52.

Improving working conditions is at times a politically sensitive question. For instance, the significant increase in minimum wages in 2009 and other improvements in worker protection were believed to have an adverse effect on the fruit and vegetable industry. This was the reason for the sector's reluctance to comply with the new requirements and the Government's unwillingness to monitor their implementation. However, employer awareness of the difficulties affecting women in particular is increasing, especially among foreign-owned enterprises and those exporting to the EU. In this respect, the focus is on the global lead firms based in the industrial states, as these carry substantial decision-making weight within the sector's value chains, and could introduce internal requirements for improved gender equality.¹¹⁹ By no means can their role replace that of national policy-makers and labour inspectorates monitoring compliance with labour legislation, but could still provide support in changing overall attitudes and exercise pressure towards improved conditions industry- and economy-wide.

Working as contributing family worker in a family enterprise puts both women and men in a particularly vulnerable situation. However, as most of these workers are women, the problem is highly gendered. In Honduras, although land is often owned by the family, women generally have no voice with regard to the activities of the enterprise or the income it generates. Women's role in maintaining these family enterprises is significant, and the "low-cost" small holder production thus hides expenses that are not counted. Although women usually assist in growing and harvesting the produce within these family enterprises, they are also mainly responsible for production for own-use or domestic markets.

Job creation in the larger firms within the sector could help contributing family worker women gain independence, provided that the husbands consider it as beneficial to have the wives working outside the household. These women could be supported to take up entrepreneurial activities, but social norms can make this very difficult. However, if these women continue in their role as a contributing family worker, it will be difficult to reach them because their work and family lives are so intertwined. Some NGOs have adopted an approach to treat small holders as a family unit, whereby production details are negotiated with all adult family members, and not merely the men.¹²⁰ Such an approach could improve the status of women, although they might easily take a secondary position in such negotiations. Also different awareness-raising campaigns could improve the status of women in family enterprises. For example, the media could draw attention to the role of women and men within small holder production as well as highlight negotiation methods with buyers that would involve all adult family members, irrespective of sex.

Entrepreneurs in the fruit and vegetable sector in Honduras, particularly in the case of export-oriented production, are mainly males. Integrating into the value chains of the industry and adding value is difficult for all new entrants. Female entrepreneurs, however, face added obstacles because of strong social norms that discourage women from practicing agriculture or functioning as an entrepreneur. However, as emigration and sickness have reduced the number of men working in the production sector, women producers have lately gained some ground and become part of global value chains.

As in many countries, land ownership policies and traditions are not favourable for women. Land reform in the 1960s distributed land mainly to men; at that time, women were allocated only 3 per cent of available land. Today, women own about 28 per cent. Landownership is difficult for both

119 Staritz & Reis, 2013.

120 *Ibid.*, p. 39.

female and male producers, which is why many small producers rent the land. This makes the question of obtaining credit central, but even here women are disadvantaged. According to FAO, 95 per cent of small producer loans approved in 2008 were for men. Although discrimination against women was probably not the intention of the banks, some loan conditions effectively exclude women as debtors, such as, for instance, collateral requirements involving landownership. Global buyers and export companies have at times taken up the role of banks and private projects have helped women, bringing the share of women obtaining funding to 25 per cent. Global buyers can also provide other support to their suppliers, such as business development training.

Training opportunities for women entrepreneurs in the agricultural sector have improved particularly since development cooperation programmes from the turn of the century onwards started to include gender strategies to promote the participation of the less-represented sex. To order to maximize female participation, training programmes are planned to take into account the restrictions imposed by the household responsibilities of women. Forming producer networks, cooperation mechanisms and associations is difficult, often forcing exporters to negotiate with individual producers. However, as women are more amenable to such cooperation methods, they have been able to gain niche markets through such collaboration (for example women producers exporting coffee to European markets).¹²¹

Lead companies can play a role in promoting female entrepreneurship through improved access to land, finance, training, business development services and technical support. For instance, over the past 15 years, a vegetable exporting firm in Honduras has increased its share of female producers from nil to 30 per cent. Satisfaction has been high. Product quality is as good as or better than that of male producers, and women are more diligent at paying back loans. Women's organizations have a particular role in promoting female entrepreneurship: they can create contacts and networks, as well as provide women with information and support for taking advantage of various technical cooperation programmes.

National policies can improve conditions for market access. Honduras was able to increase its crop growing period by diversifying its export markets, thus offering year-round employment opportunities. Product and market diversification can be a successful strategy for improving competitiveness, and this can encourage the participation of both small and large producers in value chains, as well as improve job opportunities for workers.

3.4 Key proposals arising from the analysis

Global value chains in the fruit and vegetable sector have generated many new job opportunities for women particularly in the higher value added functions. Employment, however, continues to be based on social norms and stereotypes that limit the advancement of real gender equality. Women continue to remain in a less favourable position than men. Difficulties faced by women depend on the type of employment that can range from salaried work to the position of contributing family worker or entrepreneur. Most vulnerable are the women who are employed as contributing family workers, as they have neither recognized status, nor control over incomes.

Gender equality and women's status in fruit and vegetable sector jobs can best be promoted through

¹²¹ Staritz & Reis, 2013, pp. 12-42.

policy choices at the national level. Promoting gender equality improves overall competitiveness, as gender bias touches about half of the population, impeding them from reaching their full potential. This affects the whole economy. Within the fruit and vegetable sector, it is important to change the preconception of men's predominant role as farmers, as well as alter the social norms that discourage women and men from taking up certain occupations or activities. Also trade policy, and particularly Aid for Trade, can play a role in this. Some of the actions that could improve gender equality in the sector include the following:

- Policies aiming at diversifying production and export markets can help to move towards year-round production and more stable jobs. Economic policies in this regard must be accompanied with employment policies and regulations that support quality job creation. Regulation and its effective enforcement can help to provide incentives to move workers from temporary to more stable jobs. Different support functions, such as child care provision, help women to participate in the labour market on a more permanent basis and remove potential grounds to discriminate against women.
- Trade policy could help to remove obstacles to trade as a priority on products where production is dominated by women. For instance, reducing import duties on high value added fruit and vegetable products (where still applicable) could help to create more value addition in the developing countries and increase employment opportunities for women. This said, it is important to employ gender equality policies at the same time to change recruitment and other HR practices that are based on social norms, and to move towards skills-based approaches.
- In efforts to improve the status of contributing family workers, it is essential to treat the family production unit as an entity where all participating adults are included in negotiations over contract terms with buyers. The main actors in this are the export companies, but public entities and international organizations can strengthen their role through information campaigns and technical support in dealing with small producers.
- Labour inspections are a function of the public sector, but there are several gaps in their operations particularly in the developing countries. Governments should be supported in their efforts to improve labour inspectorates, but global firms also need to ensure compliance in their value chains in the short and medium term, for example, through different certification programmes. At a minimum, standards applied through these mechanisms should comply with ILO Conventions that establish minimum working conditions, as well as national labour laws. Multinational companies can also adopt, as part of their normative basis, international guidelines, such as the ILO Tripartite declaration of principles concerning multinational enterprises and social policy.
- It is important to promote equal access to training and education for men and women. The possibility to have different skills learned through work experience certified by an official body would enable workers to prove their abilities, and thus move towards more skills-based recruitment and advancement. Educational instruction on non-discrimination and women's inclusion in workers' committees can help to reduce different forms of discrimination at work, including sexual harassment.
- Initiatives that help women to fulfil their household duties would facilitate their entry into

the labour market. In the longer term it is important to promote a more equal distribution of household duties and increased sharing of child-care responsibilities between the spouses, but such a profound transformation needs considerable long-term effort before attitudes change. In the short term, the burden falling particularly on women can be alleviated through better child-care provision and improved basic infrastructure (water, transport, electricity, etc.). Such reforms could be realized through public-private partnerships so as to avoid practices that might exclude women if they were to be seen as “more difficult” employees. In the same vein, such reforms should be launched to support *families*, and not just women.

- Women’s entrepreneurship can be promoted by removing key obstacles that face women in entrepreneurial activities. In the fruit and vegetable sector, access to land and finance as well as market access surface as the topmost needs. Women producers can thus be supported through improvements to access to land and credit, as well as training, business information and technical support. In this regard, banks, international organizations and other development partners as well as exporting companies or global lead firms are central actors together with the developing country governments and industry organizations.
- Women’s linkages to local and international networks should be promoted to improve their status as entrepreneurs. Export associations have been able to reach different niche markets, and women’s organizations can help to create contacts and promote access to business development services. Global buyers can also play a role in promoting the status of women by, for example, increasing the participation of female producers in their value chains.



4.0 GLOBAL VALUE CHAINS AND GENDER EQUALITY IN THE TOURISM INDUSTRY

4.1 Introduction

Tourism industry has been praised for providing jobs for women and contributing to poverty reduction. While this is true, jobs in the sector continue to be segregated by gender, and women lag behind men in terms of career advancement. Preconceptions may keep women away from central job functions in this industry, and policies promoting tourism as well as marketing choices broadly determine whether men or women benefit from value addition. This chapter first discusses the structure of global value chains in the sector (Section 4.2). It then analyses the particular gender equality issues in the industry and presents a case study from Kenya (Section 4.3). The chapter concludes with key proposals to improve gender equality in the sector (Section 4.4).

4.2 Structure of global value chains in the tourism industry

WTO's General Agreement on Trade in Services (GATS) covers services in international trade which have been grouped into four categories or modes: Mode 1: Cross-border trade (services offered by one WTO Member country to another); Mode 2: Consumption abroad (consumers or companies from one Member country using services in another Member country); Mode 3: Commercial presence (foreign firms establishing daughter companies or subsidiaries to offer services in another country) and Mode 4: Presence of natural persons (service suppliers in one Member country operating through the presence of natural persons providing services in another Member country). Basic services produced by the state are not covered by GATS.¹²²

This chapter discusses tourism as a service sector, which according to the WTO classification, is mainly grouped within the area of Mode 2. Tourism covers various different sectors depending

122 www.wto.org – Trade Topics, Services Trade [6/5/2013].

on the interpretation of the concept, but the consensus is that tourism represents inter-connected industries that have come together to fulfil the needs of tourists. Tourism, particularly in the developing countries, is often described as a low-skilled sector, but the industry has created both high and low skilled jobs because of the different segments of its value chains.

Tourism has significantly increased in the past 60 years. In 1950, 25 million tourist arrivals were registered at the global level. By 1980, this figure had risen to 278 million. Subsequently, the tourist influx reached 528 million in 1995 and 1,035 million in 2012.¹²³ Today, 40 per cent of some LDC's gross national product is composed of income generated by tourism. Different gender equality issues arise within the sector, influenced both by the gendered economies of the target countries of tourism as well as the business strategies of the global industry.

The value chains of the global tourism sector have been built around the needs and interests of tourists travelling abroad. A typical value chain includes at a minimum (i) global distributors (travel agencies, tour operators), (ii) international transport; (iii) national distribution and transport, (iv) accommodation, and (v) tour organisers in the destination countries. In addition, the food and beverages industry, restaurants, handicrafts and support services (food stores, security, banking, internet services, etc.) can be added.¹²⁴ Value addition in tourism develops through functional value addition (a company diversifies its services or capacity); product value addition (a company starts producing products of higher value-added); process value addition (a company conducts its operations better or more effectively); or value chain value addition (a company integrates into global value chains or integrates into a value chain of another sector).¹²⁵

Companies operating in different sections of the value chain can specialize in a certain segment, or cover the functions of several segments. Lead companies, with their logistical capacity and direct access to international markets, can influence the entire chain, as well as coordinate and integrate different parts of it. Examples of such lead companies can be found among tour operators, large hotels or hotel chains, cruise liners and international carriers. Lead companies create linkages to tourist destinations across borders, for instance, on the basis of cooperation and outsourcing strategies. The division of economic and social benefits in the destination countries is largely based on these "global-local" connections: they determine the extent of backward linkages to the local economy as well as how much of the generated profit remains in the economy.¹²⁶

Power structures in tourism value chains are centrally based on the ability to access and attract international clients, as well as being able to group together services and offer these as a package to customers. International lead companies are influential in developing country destinations because of their wide customer base and ability to attract new international customers, thanks to their established brand and experience. These companies link together services and sell tourist packages whose parts they either produce themselves or outsource. In many cases, these companies cover nearly all functions of the value chains by relying on their supplier strategies and vertical integration. Many lead companies operate from the developed economies, but lead companies with significant influence have also been formed in the developing country destinations. Similar to other sectors' value chains, as in the fruit and vegetable sector, lead companies in tourism have specific standards to guide their value chains.¹²⁷

123 UNWTO, 2013, p. 2.

124 OECD, UNWTO & WTO, 2013, p. 25.

125 Staritz & Reis (eds.), 2013, pp. 45-47.

126 *Ibid.*

127 OECD, UNWTO & WTO, 2013 and UNWTO, 2013.

4.3 Gender equality in the tourism sector value chains

Tourism offers an increasing number of jobs in the developing countries, reflecting the intensified growth of the sector in these economies. The World Tourism Organization (UNWTO) in collaboration with UN Women has listed several aspects that are more favourable from an equality perspective in tourism than in other industries:

- In tourism, the salary levels of women appear to be closer to those of men than in other sectors;
- Women are more likely to be employers in the hotel and restaurant business than in other industries;
- The share of women working in leading positions seems to be slightly more than in other sectors;
- Women more often have the possibility to work from home as self-employed entrepreneurs than in other sectors.¹²⁸

Despite these positive elements, there are hidden pockets of vulnerability, such as economically dependent self-employment, where a person mainly works for one outsourcing company without actually being in its employment. Furthermore, women still lag significantly behind men in this sector. They are concentrated in low-skill jobs and are less likely to achieve a leading position. Women are also more frequently found in situations of being a contributing family worker.¹²⁹

Although women in general are well represented in the formal tourism industry, they are concentrated in support activities, and do not rise to management functions in similar proportions as men. This also affects their salary levels.¹³⁰ The traditional perceptions on gender roles delineate female participation in the industry's global value chains and its different job functions. They also define how women are treated as tourism industry workers and how they are represented, for instance, in marketing tourist attractions. These factors give rise to segregation and impose obstacles particularly to the career advancement of women. As in other sectors, the impact of different gender-based expectations varies among different socioeconomic groups. For instance, the extent to which negative gender-based stereotypes affect individual women or men depends on their ethnic background, nationality, age, etc.¹³¹ The age of a woman has an impact on the types of jobs available for her: young (reproductive) and elderly women are expected to be primarily responsible for the household, and this limits them to the less formal or temporary jobs.¹³²

Women appear to be concentrated in accommodation and tour segments of the tourism value chains, yet the variations between countries are significant. For instance, only 3 per cent of the hotel and restaurant employees in Egypt were women, while in Mali the corresponding figure was nearly 82 per cent.¹³³ In the Bahamas and Jamaica, women are mainly represented in assistant and cleaning functions, while the management of hotels and restaurants, use of machines and gardening are "male jobs". In Singapore only two out of 77 women in the hotel sector advanced to the position of chief executive. Discrimination at the work place, gender-based perceptions, long

128 UNWTO, 2010.

129 UNWTO, 2010, pp. 9 and 42-43.

130 *Ibid.*, p. 24.

131 See for instance on the impact of "tribal" status in Zambia: <http://www.tolerance.org/supplement/one-zambia-one-nation> [20 April 2013].

132 UNWTO, 2010.

133 The data concerns the period 2000-2008. UNWTO, 2010, p. 24.

working hours and difficulties in combining work and family life have been identified as impediments to the advancement of women in Singapore's tourism sector. In Egypt, women rarely advance to higher management positions within luxury hotels, although attainment of leading position in a small hotel is more likely. As in many other sectors, women in tourism earn less than men. Carriers tend to hire men to higher positions, but as the gendered choice of an educational path determines one's career options, this could be because there are more men seeking training as a pilot.¹³⁴ Furthermore, because of strong gendered perceptions, tour guide jobs in many countries are reserved for men.¹³⁵ Women frequently face some of the severest negative phenomena of the industry. They are particularly vulnerable to exploitation, such as low salaries, dangerous working conditions, sexual harassment, discrimination, prostitution, human trafficking and forced labour.¹³⁶

It may not be the intention of enterprises to discriminate against women, but it is important to note that gender inequality can also be upheld unintentionally. Policy choices that seem natural to companies may be based on gendered perceptions that can hinder the advancement and equal treatment of women in the work place. Global lead companies as well as local enterprises in the developing countries participate in creating these gendered value chains. Global lead companies may uphold gendered practices through their **pricing policy**, for instance. They negotiate contracts with the local, developing country suppliers, and the contract value of the services is dependent on the negotiation capacity and position of the locals in this power relationship. Local suppliers may find themselves in a weaker position, and will need to be flexible with regard to price. This diminishes their wage-paying capacity, and local suppliers may resort to hiring temporary employees with lower salaries. Particularly young women take up these jobs because of gendered perceptions, limited experience, household responsibilities or, at times, low educational attainments.

Private standards applied by global lead firms affect both employees and entrepreneurs in the developing countries. Compliance with these standards increasingly requires adequate education and training, and in many developing countries educational attainments of women – particularly beyond secondary level – are still below those of men. **Gendered job descriptions** determine which jobs are taken up by men and which are occupied by women. Tour guide positions in national parks and in the “bush” are male-dominated due to the masculine image of the job. **Marketing strategies** focused on certain types of tourism affect men and women differently: some types of tourism offer more possibilities for women, others for men, and certain forms of tourism render women particularly vulnerable to exploitation.

Local suppliers in the developing countries generally adhere to traditional HR policies that tend to discriminate against women. Social norms deeply embedded in local cultures have a significant influence on the type of employment women may take up, and how ownership is regulated for female entrepreneurs. Thus social norms appear to be the single most important underlying factor that explains the generally weaker status of women in the labour markets and in society. **Supplier choices** made by national tour operators directly affect the possibilities of both women and men to succeed and advance as employees or entrepreneurs in the tourism industry. Such choices may at times be based on discriminatory factors such as ethnic background or family or other relations. Men in leading positions generally prefer to set up contracts with other men, and gendered value chains keep reproducing themselves. Household responsibilities or the perception of such duties limit the travel possibilities of women, and this directly affects one of the key conditions in the tourism industry, namely **international market access**. To be successful, developing country tour

134 UNWTO, 2010.

135 Staritz & Reis, 2013.

136 UNWTO, 2010, pp. 4-8.

operators need to travel to meet their global counterparts and to participate in international fairs. In addition to inhibitive family responsibilities, women also have fewer opportunities to obtain funding for their projects, and travelling abroad is one of the most expensive investments in the tourism industry.

Institutional practices and policies (for instance, marketing, tourism or industrial policies), shape gender equality in different ways. Tourism as well as education are promoted through policies, and unless specific gender equality objectives are embedded in such overall policies, this has considerable input on whether employment is targeted mainly for men or mainly for women. As in other sectors, land and financial policies, as well as educational, family and employment policies affect the labour market status of both women and men, but in the developing countries these policies often work against the female workforce. Different industry associations and trade unions may either promote improved gender equality or uphold gendered structures, depending on the policies they adopt. Traditionally industry federations and trade unions have predominantly been led by men, and gender policies may have little resonance in their objectives. On the other hand, organizations focused on improving gender equality can work to eradicate some of the negative practices and improve equality in work places.

Value addition in the tourism industry may increase the number of women in the sector, but due to gendered HR policies they are usually employed in support functions, limiting their possibilities for advancement. Individuals of certain ethnic origin may have a higher status in society, providing these women with better chances to benefit from the new jobs resulting from value addition. In such cases, gender-based discrimination is replaced with discrimination based on other grounds. Also age and family status define employment possibilities of women: young, single women with no dependents face fewer impediments to their career advancement. However, their gender also affects them, as women are assumed to drop out of working life early. In some cases, however, cultural traditions could be the niche to improve female economic empowerment; women's traditional roles can become a part of the package in cultural tourism.¹³⁷

Gender dimensions of the tourism industry value chains in Kenya: women challenging traditional preconceptions¹³⁸

Kenya is one of the eldest and best established international tourist destinations in Africa. Tourism plays a significant role in the country's economy: in 2010, 11 per cent of Kenya's GDP was generated through tourism and related activities. Lead companies in the home countries of tourists have an important impact on the value chains integrated by Kenya. Attracting visitors mainly from Europe (France, Germany, the UK, Italy) and the USA, Kenya offers different tourist attractions to these main target markets. Packages covering beach vacations, safaris and cross-regional tours, for instance, are sold through travel agencies, tour operators, or independent entrepreneurs.

The gender equality context in Kenya is challenging. The society strongly embraces the role of men as heads of households and income earners. Formal tourism industry is male-dominated both in dependent employment and entrepreneurship. Although women are found in all subsectors of the industry, they are significantly fewer in number, and most key functions are occupied by men. The

137 Staritz & Reis, 2013, p. 53.

138 The case study is based on Staritz & Reis, 2013.

case example looks at tour operators in Nairobi, with a focus on women and men as entrepreneurs but it also examines job opportunities within the sector. The case study concentrates on the central success factors and the main influencing elements of the industry, and analyses how women and men relate to these key conditions.

Compliance with standards set by global lead companies is an essential success factor for national tour operators. Kenyan tour operators are dependent on global tour operators, as 50-95 per cent of their reservations are obtained through that channel. Standards stipulate strict requirements covering, for instance, insurances as well as the quality of accommodations, guides and other services. Normally, these rules are adequately met by the large national tour operators, companies owned mostly by men. Out of 31 firms only two are owned by women. These standards could provide an entry point for the lead firms to improve gender equality by encouraging the compliance of also the smaller operators. Guidelines to support women's participation in the industry could be added to the existing standards. These in particular should include efforts to combine work and family life, improve training possibilities for women as well as take into account women's needs in accommodations linked to work. For instance, having workers trained for a wider variety of functions in the hotel business has helped to devise work shifts that take family responsibilities into account.¹³⁹

Access to international markets is another central success factor. In this context, women face specific gender-based barriers, as restrictions in obtaining finance or reproductive duties limit their possibilities to travel. In addition, women have difficulties to live up to the safari operator image, a perception that is highly gendered. **Marketing strategies** can thus also hinder women from becoming tour guides and operators: safaris are marketed through images that romanticize the male guide, thus women's role in the sector continues to be limited. National tour operators make important decisions on the **choice of suppliers and employees**, thereby controlling the market access of supplier firms and the participation of women in the value chains. Tour operators may also promote certain types of tourism, and this has particular consequences for the local economy. For instance, community tourism has been identified as a sector that has positive impacts on female employment. Initiatives that train women entrepreneurs in cultural handicraft skills and link them directly to customers have proven useful in supporting women's empowerment in certain developing country contexts.¹⁴⁰

Traditional social norms and gendered job descriptions impede women's employment in national tour operators, and segregate men and women to different functions. Although young women are often employed as ticket vendors or in different client service functions, men are the majority. In some firms there are women in management and higher supportive positions, but the smaller, often family-based enterprises are clearly owned and managed by men, and women carry out different assisting tasks. One of the most central jobs in this segment is the guide-chauffeur, and women are hardly ever in this position because of the gendered perceptions of the job. Camping site personnel are also male-dominated, due to the fact that the job entails absences from home and staying at remote lodges. Furthermore, the lack of separate facilities for each sex means that women are unable to work in these conditions. **Lack of education** is an obstacle to employment for both sexes, but it is particularly restrictive for the employability of women. Women often work in informal jobs, making traditional jewellery or performing in cultural exhibitions, and the income earned by these women is usually shared with the men.

139 See the example of Ibis hotel chain in Staritz & Reis, 2013, p. 68.

140 See the example of Starwood Hotels and the Mayan World Foundation initiative in Mexico in Staritz & Reis, 2013, p. 67.

Institutional practices and national policies have a significant impact on gender equality in the tour operator segment. National programmes that aim to promote tourism may have goals which affect the regulation of the industry (e.g. licensing requirements) as well as the selection of tourism activities and attractions to be supported through public means. Such choices may determine which industries flourish, creating subsequently different outcomes for the men and women involved in tourism. **Land policy and access to finance and education** affect both entrepreneurs and workers in the segment and the industry in general. Customary law does not allow women to obtain ownership of land, which in turn reduces their ability to provide collateral for obtaining finance. Access to education and training is limited by high costs, and there is no guarantee of a job even after graduation.

Industry associations and trade unions are central actors in the economy, as they have a collective potential to influence policies. The Kenya Association of Tour Operators regulates the activities of its members in the country. It has considerable weight as the “voice” of the tour operator subsector and assists companies in their efforts to gain market access. In terms of gender equality, KATO could play an important role in elevating gender perspectives in the male-dominated subsector. Women are poorly represented in trade unions, a reality that translates into securing the interests of men as a priority.

National policies and programmes promoting tourism need to integrate gender equality objectives in order to address existing inequalities. They could support certain tourism-related activities and regions, based on a careful assessment of gender conditions. Clear linkages to the local economy could be created at this stage to broaden local value addition. Involving local communities in designing such policies is important, and in this context women’s participation needs to be encouraged. Various tiers of state and local administration need to collaborate in formulating tourism policies as the sector has numerous linkages and can influence diverging areas of activity. National tourism policy, together with assessments of the industry’s future labour demand, should also form the basis for developing education and training programmes. These need to adopt specific objectives to encourage the enrolment of women. Industry associations and trade unions – being inherently male-dominated – need to be sensitized to the benefits of gender equality so that they could take up the role to overturn persisting inequalities and to endorse working conditions and enterprise policies that take into account gender perspectives.

4.4 Key proposals arising from the analysis

Tourism has grown exponentially in the recent few decades, and trade liberalization of the sector has progressed steadily. Developing countries have made more liberalization commitments in this sector than any other industry.¹⁴¹ Tourism is considered to have progressed well with respect to gender equality, as here women have been able to advance relatively better than in other sectors. It is also a many-faceted sector offering job opportunities for different skills levels, and its impact on poverty reduction in the developing countries has been important. Nevertheless, increased tourism alone has not eliminated gender equality problems which, similar to other industries, still affect this sector.

Obstacles to gender equality are often embedded in customs and social norms, and are difficult

141 OECD, UNWTO & WTO, 2013, p. 15.

to erase. Government and company policies as well as the practices of interest organizations may maintain and support these gendered structures. Global lead firms price products and services, set standards, approve job descriptions and decide which products are sold and how they are marketed. Local tour operators acting as first-tier suppliers create job functions and tasks, and choose their own suppliers based on their practices and preferences. National policies ranging from land policies to finance, education, employment and family policies affect gender equality along the chains. It is therefore necessary to acknowledge gender problems in the different segments and job functions of the chain and act decisively at each level to remove them:

- Global lead firms and local first-tier suppliers can play a significant role in improving gender equality. Lead firms can promote practices that emphasize function-related requirements, skills and capabilities as the basis for job descriptions, division of labour, hiring, training possibilities, etc. and actively pursue diversity in the work place. Lead firms can also take up initiatives to promote market access for small local suppliers. This can happen, for instance, through the provision of specific skills training (such as traditional handicraft production) and opening the option for small entrepreneurs to sell their products through the facilities of local first-tier suppliers (such as a shop selling local handicrafts in a hotel lobby or direct purchases to the interior décor of a hotel). Different international organizations are active in developing business linkages programmes so as to build the capacity of local institutions to offer such services to enterprises (see also section 2.3).
- Company initiatives could also strive to eliminate sexual harassment through worker committees and awareness-raising. Initiatives could also be extended to improve the balance of work and family life by enabling employees to work in shifts by taking up multi-tasking (such as reception, waiter/waitress services or other functions) to free time for family responsibilities. Also different standardization and certification programmes could help enterprises to set up and monitor standards that support gender equality and other objectives promoting rights at work (see for instance the example of Better Factories Cambodia in section 2.2).
- National tourism policies and related programmes in the developing countries shape the way value chains within the sector are constructed. Governments, when taking the lead in formulating these policies, should involve widely diverse fields of administration as well as civil society (industry associations, trade unions, women's organizations and other NGOs) in the design process. In selecting the tourism modes and areas to be promoted, particular care should be given to the gender equality perspective. Different niches (such as ethical or community tourism) have developed within the sector, and these place particular emphasis on gender equality. Appropriate linkages to the local economy should be secured at this planning stage, and the access of women entrepreneurs to such linkages promoted. Trade policy objectives of developing countries should support their national tourism strategies, and Aid for Trade initiatives could assist countries to work towards this goal.
- Education and training are instrumental in terms of succeeding in tourism. Policies should therefore encourage female participation in training programmes that reflect the national tourism policy and a labour-needs assessment of the industry. Affirmative action towards the less-represented sex in particular job functions could be taken to support diversification. Government policies could also provide incentives to support enterprise-level initiatives against sexual harassment and other discrimination. In terms of finance, central banks

could be encouraged to set a guidance standard on loan policies that would enable women to access funding.

- Industry associations and trade unions should be mobilized to include gender equality objectives on their agenda. Industry associations have the ability to mobilize their members to adopt gender equality initiatives, particularly when these could generate greater value addition and/or new markets. Trade unions could highlight the perspective of women workers. As representative organizations of both employers and employees alike are male-dominated, they tend to promote the interests of their existing members, i.e. men. It is therefore important to sensitize these entities to the importance of promoting gender equality in view of its positive effects on the economy overall, as well as in terms of attracting new female members. To create macro level impacts, these organizations can adopt gender policies and programmes that they can encourage their membership to adopt. Industry associations, trade unions and women's organizations are well placed to work towards improved gender equality in terms of education policies, access to land and finance, as well as enterprise and social policies, to name a few.



5.0 AID FOR TRADE AND OTHER POLICIES AS INSTRUMENTS FOR PROMOTING GENDER EQUALITY AND WOMEN'S EMPLOYMENT

5.1 Introduction

Despite the positive aspects of globalization on gender equality and women's employment, as well as the potential of global value chains for job creation, globalization alone cannot eliminate gender inequality. The examples in this report have shown that practical benefits (jobs, income, certain work-related benefits) are easier to achieve than strategic gender objectives (such as less gender-segregated job markets, HR policies and practices based on skills and capacities without gender bias, etc.). Indeed, action by the states, different organizations, the international community and private actors in global value chains – in particular the lead companies – is needed to close the gender gap. This would help countries to take greater advantage of globalization, as well as foster social development and equality. Trade policy needs the support of different social and entrepreneurial measures to help achieve social value addition for the benefit of wider population groups.

This chapter looks at the types of *Aid for Trade* (AfT) that could help achieve social value addition (Sub-section 5.2.1). It then analyses government policies in the sphere of trade policy and AfT that can be put in place to support gender equality and women's employment (Sub-section 5.2.2). Further, the role of private actors, namely corporations and industry associations, trade unions and women's organizations in promoting gender equality objectives is discussed (Sub-section 5.2.3). Finally, proposals are presented on concrete actions that governments committed to AfT can consider adopting to better integrate gender into their trade-related policies (Section 5.3).

5.2 Policies to promote gender equality in value chains

5.2.1 Promoting social value addition in value chains

Development cooperation under the title *Aid for Trade* (AfT) essentially means helping developing

countries benefit from trade liberalization by supporting their trading capacity and infrastructure.¹⁴² WTO and OECD propose different categories of AfT: (i) technical assistance that includes support to develop trade policies and negotiations; (ii) trade-related infrastructure to improve roads, ports, communications, etc.; (iii) building productive capacity that entails a broad range of items covering social policy interventions such as education, health and environment; and finally (iv) adjustment assistance to help countries adjust to the costs related to trade liberalization.¹⁴³ Almost 99 per cent of AfT expenditures cover measures related to trade infrastructure and building productive capacity. Most infrastructure support is directed to transport, including ports, railways and roads, and in some cases energy and communications. AfT earmarked for building productive capacity is diverse, covering training programmes, building physical capacities and promoting cooperatives, for instance. AfT can be channelled through both bilateral and multilateral channels, and be directed to governments, NGOs or private actors.¹⁴⁴

The focus of this report has been on the gender structure of global value chains, how global trade affects gender equality and how equality can be promoted in global value chains. As was discussed in the case studies, women and men work in value chains as formal sector employees, as entrepreneurs, in the informal economy or as contributing family workers. Should the promotion of gender equality and women's employment in the developing countries be adopted as one of AfT's objectives, a careful analysis is needed of its allocation targets. It is a question of which different types of AfT benefit the various parts of the value chains.

The examples in the preceding chapters demonstrate that power and the greatest value addition are concentrated at the higher end of the global value chains, and suppliers at the lower levels of the chains may operate in difficult circumstances that may not even be known to the global lead companies: for example, when tasks are outsourced to individuals working informally at home. Indeed, an analysis of how gains are captured in global value chains indicates that when AfT is targeted at the higher end of the value chains, the support does not reach workers or small entrepreneur suppliers located down the line. As power is concentrated at the top, benefits accrued from value addition also move "upwards", reducing the possibility of social value addition at the tail end of the chain. Infrastructure and production capacity improvements are necessary for the competitiveness, operations and development of certain sectors. However, support that generates benefits mainly at higher ends of the chains is not likely to extend value addition advantages to workers, small producers and local communities, unless it is specifically geared to do so.¹⁴⁵ What is needed is a combination of measures that ensures the basic functionality of the chains (through infrastructure, for instance), but also targets support to improving working conditions down the line.

Two examples illustrate the problems involved: these include improvement of port infrastructure, and construction of a road strategically vital for export promotion.¹⁴⁶ This type of support may constitute a basic condition of economic activity, and is therefore valuable. But as better port facilities reduce transport expenses at the border, this leads to savings at the connecting point between the lead firm and the first-tier supplier. Although a modernized port can make the whole chain more efficient, the benefits arising from this form of support do not necessarily automatically trickle down to the lower parts of the chain, but are instead shared between the lead firm, first-tier supplier and possibly logistics companies.

142 www.wto.org – Aid for Trade factsheet [3 March 2013].

143 OECD sees adjustment assistance as forming part of building productive capacity. OECD, 2006, p. 12.

144 Mayer & Milberg, 2013, p. 8.

145 *Ibid.*

146 The examples are provided by Mayer & Milberg, 2013, p. 8-11.

Construction of a road to facilitate exports, in turn, would lower costs for the first-tier suppliers or the export companies purchasing products from an easily accessible source. As in the previous case, value addition would be produced all along the relevant chains, but the advantages would be reaped mainly by those with the most power vis-à-vis the lead firm. Even small suppliers/producers may benefit from these savings, depending on their relative negotiation strength with the lead firm. But it is unlikely that workers and other actors down the chain will capture equal gains from the value addition. Having said this, infrastructure investments per se can help to reach these lower parts of the chains and create value addition if the support also helps to develop broader economic clusters or producer-exporter companies with important backward linkages.

Support directed to workers and small supplier firms at lower ends of the value chains could be a part of AfT. Worker productivity could be improved with training and by adopting new technologies, which would help to promote efficiency along the entire chain as well. Such support measures could be used to promote gender equality and women's employment, but it is important that training programmes are designed so as to nurture the participation of women despite their household obligations and without hindrance from gendered perceptions. Specific attention should be paid to include women when new technologies are taken on-board. The capacities of workers and small producers could also be strengthened to improve the balance vis-à-vis the higher parts of the chains: this may involve support to representative organizations and negotiation abilities, for instance. This type of support may not necessarily lead to economic value addition in the whole chain, but could have an impact on the allocation of benefits at different levels.

Preliminary research indicates that AfT is likely to increase trade.¹⁴⁷ However, it is not clear how efficient it has been in producing value addition gains for workers and small producers. A combination of support targeted at lower parts of the value chains and the more traditional cooperation for developing trade infrastructure, for instance, could become the road to more sustainable development results without forgetting to put in place enabling basic conditions. Support aimed at improving gender equality in value chains must take into account social norms, the major premise of gender inequalities. In this regard, it is important to work towards a cultural change, but as a long time-span of such interventions is inevitable, practical steps can be taken at the same time to alleviate the gender-based burdens that affect women in particular. In this respect, action should be taken on phenomena that have been produced by the fact that women are systematically in a disadvantaged position vis-à-vis men. This includes, for instance, gender education gap, gender segregation of family duties, women's weaker landownership rights and lesser ability to access factors of production, etc. That said, each intervention requires careful analysis of the industry, value chains and occupations in question so that *gender* equality can be promoted by helping the *disadvantaged sex* (female or male) in each particular situation and by combating discrimination – be it against women or men.

5.2.2 The role of government policies

One of the main objectives of this report was to analyse good practices, policies and trade-related support instruments that could enhance gender equality. This section focuses on government-led policies and discusses how they can be deployed to support the objective of improving gender equality in global value chains.

Trade policy in support of gender equality

When the intention is to use trade policy to support gender equality, the sectors and products affected

¹⁴⁷ Mayer & Milberg, 2013.

by these measures should be analysed from a gender perspective. A wealth of information exists on the effects of international trade and global value chains on gender equality. This information could be incorporated as part of the trade policy design. For instance, the case study of fruit and vegetable sector showed that women have been largely employed in the higher value added tasks in processing and packaging. Removing obstacles to trade of these processed fruit and vegetable products in the target markets could thus help both the employment of women in the producing countries as well as their overall integration into the world trade. At the same time, it is important to recognize that women's employment to these functions is still based on stereotypes, which would necessitate the introduction of other policies to support local diversification of human resources.

Apart from the example of the fruit and vegetable sector, sectoral analysis demonstrated an overall tendency to recruit women to low value added tasks. In working towards the elimination of trade barriers, it is important to identify the products essential for female employment and entrepreneurship, with a particular focus on those that could enable women to be upgraded to higher value added tasks. It is also necessary to investigate what the primary trade impediments are for these products (tariffs, technical barriers to trade, disadvantageous rules of origin, anti-dumping duties, customs procedures, etc.) and work towards removing them.

When assessing the role of trade policy in promoting gender equality and female employment, it is important to acknowledge the overall finding that increased international trade has also created more job opportunities for women. Although this has brought about suitable conditions for improving gender equality, it has not been enough to eliminate inequality. Gender inequality is often dealt efficiently through national policies and private actors that can influence working conditions in a specific enterprise context. Incentives for improving gender equality – and workers' rights overall – can be set up through preferential trade arrangements, for instance. The two examples from the textile sector revealed diverging outcomes: in one case the sector was more or less dependent on trade preferences, and faced the risk of failing if the preferences were phased out; in the second case, trade preferences linked to meeting labour standards were the stimulus to more sustainable business operations after their expiry. But active policy measures that extend beyond trade policy are needed to realize gender equality on the ground. Thus eliminating obstacles to trade and improving transparency through trade policy, and combining these efforts with other measures could provide more holistic grounds for action.

Various organizations have developed different tools to assess the gender equality impacts of trade. For instance, the Canadian International Development Agency has a tool for analysing the impacts of trade policy on gender equality in the developing countries.¹⁴⁸ It examines the different aspects of trade policy that can potentially have diverging effects on men and women, thus recommending an analysis of the impacts of such measures in actual cases. It also proposes AfT support to improve situations, as and when needed from a gender perspective. On the basis of current information on the effects of trade liberalization on gender equality, it is possible to compile a check list to help trade negotiators and those designing AfT projects to estimate these impacts. The EU carries out impact assessments of the development effects of trade policy and of pending trade agreements in particular.¹⁴⁹ One component of this assessment concerns the impacts on gender equality. Based on its exclusive competence in trade policy, the European Commission takes gender aspects consistently into account in its trade negotiations, and EU member countries can bring up gender equality concerns related to a particular negotiation process through EU channels.

148 CIDA, 2003.

149 EC, 2006.

Trade policy can help to create linkages to the local economy in certain industries. For instance in the case example of Lesotho, a tax incentive was linked to the import of textiles for export-oriented production but surplus materials could not be used for local production. The case study implied that there was demand in the country for importing textiles for local production, particularly on the part of small entrepreneurs who often are women. This suggests the need to consider a broader approach to import duty reductions. AfT support could be used to assist developing countries in designing optimal trade policies that are based on the demands of domestic industries and consumers while at the same time taking into account gender concerns and the need to promote women's employment. For instance, reductions in import duties could be directed to products that domestic industries could refine further for export or for domestic markets in sectors where women's employment is significant or where their involvement is being promoted. Value addition is another important consideration in this regard: for example, the import of machinery that leads to value addition in specific sectors could be facilitated, particularly when other measures can be put in place to assure equal distribution of benefits deriving from such value addition.

The elimination of trade barriers in export-destination markets could be included as a specific component in actual projects that strive to improve the conditions of certain sectors in the developing countries. In addition, trade facilitation objectives linked to such projects have wider development results,¹⁵⁰ as well as the potential to benefit women who often run small enterprises. Depending on the sector, specific support to trading capacity may be needed, such as assistance in meeting the sanitary and phytosanitary requirements of the fruit and vegetable sector. Trade initiatives could also include a partnership element which could link together businesses in the countries of origin and destination. Joint business initiatives that lead to value addition and gender equality results in the developing country partner could be supported through a grant or similar. In South-South partnerships such value addition could be expected at both ends of the chain. Employment creation, particularly in services, could be enhanced by facilitating the imports of end products. When necessary, adjustment support could be linked to initiatives that aim to promote trade.

Policies to strengthen trading capacity and promote gender equality

Developing the capacity of human resources

The importance of education and training has been highlighted in several of the case studies and the general analysis. As global trade, technological development and the rapid spread and availability of information enable companies to move to higher value added functions, it is essential to understand the importance of education in updating worker capacity in order to respond to the demands of global competition. This must be addressed through government policies as well as through enterprise-level action (more on the role of enterprises later). To promote the development of gender equality in the long term, women need to be encouraged to participate in disciplines and skills training that currently are male-dominated and vice versa. This could be reinforced at an early stage by creating a linkage to the labour market through internships or similar arrangements during the educational phase. This could support the employability of women to functions that traditionally are not considered to be "women's jobs".

The needs of businesses should be better reflected in the design of secondary and tertiary education

¹⁵⁰ For instance, reduced HIV infection rates as a result of a trade facilitation project (see for instance the Chirundu One Stop Border Post programme).

curricula. Educational objectives should also support different development plans at national and sectoral levels. Relatively fewer needs to re-educate new employees as they enter the labour market could help improve the position of women who traditionally have fewer training opportunities within enterprises. Governments could also set up incentives to create internal training programmes within enterprises for managerial level positions, with the stipulation on female participation.¹⁵¹ Incentives could also be created for developing more holistic and many-sided skills among the workforce. Women and men generally possess important skills and expertise that are not recognized in degrees. Certification programmes that recognize such skills could provide support for individuals to upgrade their employment status. This facilitates worker mobility, reduces expenses related with recruitment and motivates the workers. The opportunity to validate one's actual skills could help to support the objective of moving towards skills- and capacity-based recruitment and career advancement practices.

Achieving gender equality in the labour market through employment policy

In the design of a broader employment policy as well as active labour market policies and programmes, the diverging needs of women and men (including those of various subgroups) and gender balance should be recognized. In the practical organization of training as part of active labour market policies, the specific gender-based obstacles to women's use of time should be accounted for. This can be done, for instance, by organizing training sessions at non-peak times in terms of household responsibilities, and/or by providing an option for childcare during training. Institutions striving to reduce segregation and gender-based discrimination should address the various needs of women, men and the different subgroups in the labour market. The labour inspectorate has a specific role in the labour market in terms of monitoring the enforcement of gender equality in workplaces. Effective linkages between active (labour market) and passive (social protection) policies are particularly important for women who frequently face insecure and short-term employment relations and thus need social protection, for instance in the case of maternity.

Authorities have tried to eliminate vertical gender segmentation in export processing zones (EPZ) by setting guidelines for female representation with regard to their management and supervision staff. Governments could also offer incentives by awarding, for instance, enterprises exemplary in the promotion of gender equality. Companies could be acknowledged for integrating women into technical functions, high-skilled jobs or in general to the traditionally male tasks. This could stimulate change in social norms and attract the interest of global buyers to these producer firms. For instance, due to a project aimed at reducing segmentation in the Lesotho textile and clothing sector, the share of Basotho workers in supervisory functions was increased.¹⁵² Industry federations and confederations could also lead the implementation of such initiatives.

Building a conducive business environment for improved equality

Initiatives aimed at improving the business environment facilitate entrepreneurial activity for all concerned. In addition, measures that are targeted to women in particular could be considered, with a view to improving their employment and thereby more equal working conditions. Promoting gender equality through business environment changes would require careful gender analysis of the sectors and policies involved. As noted in the case studies, gender-focused reforms in landownership regulations, finance policies and business development services would have a positive effect on gender equality. National policy choices on the sectors and types of activities to be promoted have a significant impact as to which groups will reap most of the benefits, as was observed in the tourism

151 Farole and Akinci (eds.), 2011, p. 272.

152 *Ibid.*, pp. 271-272.

sector example. Certification systems aimed at improving sustainable development, including gender equality, could be included in the development plans of different sectors.

Several examples highlighted the need to integrate the local economy into value chains. Developing country women are frequently small entrepreneurs or other community level actors – and increasingly also producers, as was seen in the fruit and vegetable sector in Honduras. Creating economic and social value addition at the local level and establishing sustainable enterprises need efficient backward linkages from value chains to the local economy. Different business linkage initiatives have been useful in this regard, and it is important from a gender perspective to make sure that women are a part of these programmes. The fruit and vegetable sector example highlighted the importance of product and market diversification as part of a successful strategy to improve competitiveness, and to enable different-sized actors to participate in the value chains.

Promoting women's employment through family policies

National policies and regulation can have a role in helping women combine family life and work, thereby being able to balance their career development with their private lives. Although women increasingly enter the labour market, this has not resulted in a fair sharing of responsibilities within families. Men's role in traditional "core" families is still strongly seen as that of a breadwinner while women are the caretakers of the household and family, despite the fact that reality might be very much different. This means that women are often responsible for both productive functions in the labour market and household duties, although they may have help with home chores from other women.

When women's employment is promoted through social policies, attention needs to be given to how social protection, for instance maternity protection, is organized. In essence, the provision of maternity and other childcare assistance is intended to support families, not just women. Thus the related costs should not burden only women employees, as this could discourage the hiring of female workers. Governments could improve social protection for all employees (and not just permanent staff), including maternity and paternity protection, with a view to promoting equal participation by both sexes. Day care provision for children could be a significant bonus to the employment of women – in fact, a necessity for many working women. If the public sector is unable to provide childcare on its own, companies could be offered incentives to arrange these services to complement state-supported facilities. In one of the case study countries, companies were mandated by law to organize childcare for their employees. Governments considering similar childcare legislation should extend it to all employees, not just mothers, in order to avoid female employees being seen as the source of additional costs for the enterprise. Enterprises could also be sensitized to the fact that child care provision helps to attract and retain competent employees. This could be a considerable advantage particularly in situations where demand for labour exceeds supply, leaving a role for the state to secure the provision of child care in different economic conjunctures.

In the developing countries when women enter the labour market, other females in the home (eldest daughter, grandmother, etc.) assume responsibility for the household or domestic workers are engaged to take care of the chores. Governments could improve the status and minimum security of domestic workers through legislation in line with a recent ILO Convention on their rights.¹⁵³ However, enforcement of such regulation is often weak, as it is difficult and resource-intensive to carry out inspections in households. While these state functions need to be

153 ILO Domestic Workers Convention, 2011 (No. 189).

strengthened, domestic worker unions, which have already been established in some developing countries, could also be supported to bring up specific problems related to the working conditions of domestic workers. Also households as the employers of domestic workers may need guidance in how to manage their employees, and employers' organizations and public employment services could take up the function of representation and counselling, respectively.

AfT could be used to review key national policies from a gender perspective and deploy them to support gender equality objectives. For instance, a review of education, employment, family and private sector development policies with regard to their potential to enhance gender equality could help to identify the areas that can be addressed through AfT. Here, AfT initiatives need to engage with key international and national actors in the specific policy areas. For instance, AfT initiatives, through private sector support, can help to diversify products and markets in female-dominated sectors and provide different business development services and training possibilities particularly for women.

5.2.3 The role of private actors' initiatives

Associations as supporters of gender equality in the labour market

The examples cited earlier illustrated the role of different associations – particularly women's organizations, business organizations and trade unions – in fostering gender equality and female employment. These organizations can have either a positive or negative impact on gender equality: they may reflect traditional perceptions that work against the strengthening of women's status in economic life and in society overall; or they may be the pioneers of gender equality. Associations can also be sensitized to become spokespersons for gender equality in the labour market.

The example of the electronics sector demonstrated some of the positive effects of union activities on the status of women in the workplace. EPZ literature considers the lifting of restrictions on the freedom of association and collective bargaining as an important measure to reinforce women's status in these special economic areas. However, unions at times have not been receptive to the principle of gender equality as part of their agendas. While unions and industry associations may work to improve women's position in the work life, on occasion they are restricted to advocating practical benefits for their members. Only rarely do these representative organizations question more strategic issues, such as the gender segregation of occupations.

Women's organizations have an essential role in helping women entrepreneurs establish contacts and access business development services. For instance, the example of the fruit and vegetable sector highlighted the importance of producer networks and cooperation in key business areas. If such cooperation were possible, export companies could negotiate the conditions of purchase agreements with the larger producer blocks. Producer communities would have the ability to access expert services, as necessary, which together with their collective negotiating power could help them to agree on better terms. This could enable these producer communities to adopt the promotion of gender equality and women's employment as a specific objective. Women producers are often more open to such cooperation than men, and have been able to create niche markets, such as female producer communities exporting coffee to Europe.

Non-governmental organizations (NGOs) have also worked for the inclusion of the most vulnerable women workers, namely those engaged as contributing family workers. The approach of negotiating with small producers as a family unit with all adult members present in the discussions can help to

bring contributing family workers closer to the business sphere and enable them to improve their status.

Enterprises can promote gender equality at the micro level. To create macro level impacts, employers' organizations and other business associations are in an excellent position to promote gender equality initiatives among their members. Employers' organizations could, for instance, devise gender equality strategies with the needed sectoral modifications. These could then be implemented at the enterprise level with support and monitoring from the representative organizations. Employers' organizations could train their member companies in implementing these strategies as well as measures for workers' rights in general, highlighting the competitiveness and productivity gains generated through gender equality. This would also provide an opportunity for business organizations and associations to broaden their scope of services, thereby attracting new members.

Representative organizations of industries and trade unions can influence policies and business practices, and they should therefore be sensitized to the benefits of women's entrepreneurship and employment. This is necessary particularly with the aim of motivating often male-dominated organizations to advocate for the particular needs of women and men, as well as gender equality. The role of these organizations as policy influencers should be supported, and their efforts to strive towards greater financial independence promoted.

A central problem both for business organizations and trade unions is the fact that they often focus on formal sector actors which account for only 10-20 per cent of economic activity in many developing countries. Frequently, informal sector actors have no representation, a disadvantage especially for women who are widely represented in the informal economy. Organizations are increasingly taking steps to reach informal economy actors: for instance, unions for domestic workers have been established. But these expansion efforts have not been systematic due to the lack of capacity in the representative organizations. In some instances micro-entrepreneur women have started to organize themselves in order to negotiate better deals with their clientele, as in the case of the producer-exporters in the fruit and vegetable sector.

AfT allocated for the improvement of productive capacities or trade-related adjustment could also target the work of civil society when this could help to realize gender equality and women's employment in the developing countries. Key organizations in this regard are employers' organizations, organizations promoting women's entrepreneurship, small-producer networks and trade unions. In assessing the organizations to be supported, it is central to evaluate the willingness and capacity of these entities to promote an effective gender equality agenda. Another possibility is to work towards sensitizing these organizations to adopt gender equality objectives in their work programme with the support of international organizations, for instance.

Businesses as the instrument for improving gender equality

The asymmetric nature of global value chains and the concentration of power at the higher end were evident in each case study and in the overall analysis. This asymmetry places the global lead firms – as well as the first-tier suppliers in the developing countries – in a position to influence their value chains and reach their lower levels. This power could be harnessed to improve social value addition and gender equality at the lower end of the chains. Lead firms could, for instance, require their suppliers to adhere to the principle of equal pay and working conditions. To improve the position of small-producer women, lead firms could modify producer requirements so as to enable women to meet them better. Lead firms could also offer tailor-made financial and training support to both

women and men, and help their suppliers reduce gender segregation of jobs. It is important that lead firms give adequate support to the different actors in their value chains in meeting standards, as overly strict conditions could have a counter-productive effect and actually end up reducing possibilities for women entrepreneurs and workers.

Financial institutions could facilitate female entrepreneurship by providing financing alternatives that enable women to take up loans and promote the acceptability of women as business actors. They could also support women's employment indirectly by providing loans to female-dominated sectors and by including some central gender equality objectives as part of loan facilities. Global lead firms and export companies have partially taken up the role of banks by extending credit to their producers as part of overall purchasing agreements.

Sexual harassment and other discrimination negatively affect the workplace atmosphere and increase turnover and absenteeism. Training and inclusion of women into worker committees at the firm level may help reduce factors that have a direct negative impact on the competitiveness of companies. Reducing these adverse factors is likely to increase women's job stability and help them develop their careers in a balanced manner. This could command greater respect for women in the workplace.

Lead firms could also promote gender equality through initiatives that aim to increase the sustainability of enterprises and, in the process, boost recognition of their brands as well. They could strictly follow the principle of allocating tasks based on abilities, and not according to stereotype. Lead firms could also initiate projects to promote the market access of small local producers. Business linkage models can be realized in broadly different sectors: for instance, connecting women producers to the value chains of the fruit and vegetable sector or linking local women entrepreneurs to the textiles and clothing industry value chains could improve the local economy and the status of women. Different certification programmes used by companies should incorporate gender equality objectives as well as support to developing country suppliers for adhering to standards.

Initiatives advocating for better possibilities to combine work and family life are beneficial not only for the workers (and particularly women workers) but also for the employers. Providing workers with more comprehensive skills could help enterprises to become more productive at the micro level, but it also enables women to advance to other job functions and sectors if the employment situation changes. Improving living conditions linked to the employment relationship has a particularly strong impact on women as they carry the primary responsibility for the household. Such issues should be taken into account in enterprise certification programmes.

International organizations work in collaboration with multinational enterprises to improve the development effects of their activities. For example, the ILO's globally targeted activities promote the implementation and monitoring of the Tripartite Declaration of Principles covering multinational enterprises and social policy. This programme includes, for instance, a HelpDesk service where firms and employees can request for assistance when facing challenges in implementing international labour standards. Other entities promoting corporate social responsibility include the UN Global Compact, the OECD, the UN High Commissioner for Human Rights, and the International Standardization Organization (ISO), to name a few. Different guidance documents have been developed for companies, such as the UN Guiding Principles on Business and Human Rights.

AfT could be used to support key international organizations and/or local industry associations

to work with enterprises with a view to promoting CSR activities, including gender equality. AfT could also fund multilateral actors' work with financial institutions for the purpose of enabling access to finance on a more equal basis. ILO & AMSCO cooperation in Zambia, funded by the African Development Bank, provides an example of small- and medium-sized enterprises being linked to banks through an intervention that included training of trainers to educate companies on basic business administration processes and financial principles. Based on this, the companies developed business strategies that the banks used to evaluate financial provision capacity.¹⁵⁴ Similar programmes, incorporating specific gender objectives, could be set up to reinforce equality impacts on the ground.

5.3 Integrating gender equality objectives into Aid for Trade initiatives: proposals in brief

In the world economy organized largely on global value chains, government policies have moved mainly from import protection to trade liberalization, and the business strategies of multinational enterprises have focused on core competences and outsourcing of other functions. This report has demonstrated that the development of global value chains during the past three decades in the labour-intensive areas of manufacturing, certain services and modern agriculture has created more and more export-oriented job opportunities, particularly for women. Trade openness and the spread of information and communications technologies have influenced this development.

International trade and global value chains have had positive impacts on the employment of women, and moulded the foundation for greater progress in gender equality. However, international trade alone – particularly in the mainstream industries – has not been able to eliminate gender inequality which is largely based on traditions and social norms that uphold women's disadvantaged status compared to men. In the most vulnerable situation are the women who have been trapped in the crossroads of traditional gender roles and globalization. They run the risk of falling deeper in the gap created by gender roles than those men and women who have been able to take advantage of trade openness, technological change and availability of information.

It therefore seems appropriate to conclude that globalization of trade has helped women to achieve important practical benefits through participation in value chains. While this is a step for the better, it has not always helped women to attain the so-called strategic gender equality objectives, such as shaking off the gender segregation of occupations. There are also examples of the use – or the abuse – of female work force to suppress labour costs and worker demands.

It is, however, possible to strengthen the positive gender equality effects of globalization and offset the more negative side-effects through specific gender equality initiatives. As demonstrated in the sectoral case studies of this report, each situation is different and a careful gender analysis of existing key conditions is needed before a gender equality initiative can be launched in a specific country and sectoral context. Aid for Trade – together with trade policy, as appropriate – can be the tool to promote gender equality and women's employment.

In this context the following approaches discussed in this report could be considered:

¹⁵⁴ Amsco, 2010.

Government policies

- **Analysing industries from a gender equality perspective and removing obstacles to trade as a priority for key sectors and products.** Through their trade policy and AfT, governments could encourage developing country partners to analyse their key industrial sectors from a gender equality perspective. This should then be followed by an analysis of which products and sectors should be targeted as a priority to advance the development of gender equality and women's employment. Thereafter an examination of target markets would indicate which trade barriers constitute the greatest hindrance to these key sectors and products, and steps should then be taken to remove the identified obstacles as a priority. In the review process, whenever possible, assessments already conducted by different international organizations and bodies, such as the European Commission, should be utilized and proposed initiatives linked to concrete AfT projects.

Going further, the limitations to economic and social value addition experienced in the countries of origin should be investigated. This analysis should cover at least an assessment of productive capacities, linkages to the local economy as well as an investigation of possible obstacles to exports. This could be carried out through a trade-barrier survey in the countries of origin and destination, taking advantage of information available from companies, international organizations, business organizations, NGOs and embassies. The results should be analysed from a gender equality point of view to determine where priority action is needed for removing the obstacles. Appropriate measures could then be taken either through trade negotiations, bilateral talks or through Aid for Trade support. Such an approach could work towards the overall elimination of trade barriers, with a special focus on products and services that have the potential to improve gender equality and women's employment.

- **Linking trade-related social requirements to projects that support compliance with standards.** Preferential trade arrangements linked to social objectives can provide a stimulus to independent development in countries and industries where compliance with labour standards labels these as ethical producers and attracts more global buyers. Certification programmes dedicated to the achievement of labour and environmental standards through expert advice, training and evaluation could help countries to meet GSP+ and other preferential arrangements requirements, for instance. Development cooperation to fund such initiatives could thus be a part of the trade arrangements themselves. Similar initiatives could be set up in cooperation with global lead firms and first-tier suppliers in the developing countries through development cooperation projects.
- **Developing a gender equality checklist to support trade and development policy decision-making.** A checklist focusing on gender equality objectives could be developed to support decision-making on trade and development policies as well as project design. Such a checklist could cover key questions related to global trade and the development of gender equality, and could help decision-makers to pick from available policy options the one that provides the best gender equality results.
- **Providing support to trade policy reforms that encompass gender objectives.** Aid for Trade could be used to support developing countries in formulating their trade policies to take into account gender equality objectives and promote women's employment. As part of the

support, AfT could thus help countries to conduct a gender analysis of their main economic sectors, which would then provide one of the building blocks for a wider trade policy reform.

- **Analysing complementary social policy areas from a gender and women's employment promotion perspective.** Trade policy needs to be complemented with a wider set of social policies in order to create the necessary social value addition in global value chains. Aid for Trade support could be directed to an analysis of central policy areas from a new perspective. This analysis would aim to assess how, for instance, policies for education, employment, social and family, competition and private sector development could serve better in promoting gender equality in the labour market, and women's employment and integration into global value chains. In this work AfT actors should broker strategic partnerships with international organizations mandated to work in specific policy areas and support developing countries in policy formulation. Such support would come under the category of trade-related adjustment.
- **Analysing gender implications of private sector support institutions.** Private sector development policies are crucial in supporting the productive capacity of the country of origin. AfT could therefore be used to explore the gender dimensions of private sector support institutions and take appropriate action to address identified gender gaps through specific initiatives. Such support institutions could be business development services providers, for instance, or business incubators. These initiatives, adapted to different sectors and occupations as appropriate, should take into account factors that inhibit the economic activities of women in society, such as household responsibilities, limitations to obtaining factors of production and lack of training and technological development. Regular project evaluations assessing the results of these support institutions with respect to gender equality would help to continuously improve their work.
- **Supporting infrastructure development that enables parents – and particularly women – to work.** AfT could also support infrastructure development which could facilitate particularly women's employment. This could include day-care facilities as well as tools targeted at women, which would ensure their quick and handy access to information and communications. This could be especially helpful to women entrepreneurs who necessarily may not be able to travel to find contacts and maintain client relations.

Industry associations', trade unions' and women's organizations' policies and practices

- **Supporting the civil society in promoting gender equality objectives.** The importance of the work of civil society was demonstrated through the different examples cited here. Key civil society actors in the economy are the organizations representing the employers and workers. In addition, different NGOs support small producers and vulnerable employees such as contributing family workers and domestic workers. Women's organizations are crucial in promoting the cause of women as entrepreneurs and employees. Of the international organizations, the ILO works with the employers' and workers' organizations to improve their capacities for better tripartite cooperation. Several other international organizations, including UNCTAD, UN Women, ITC, etc., work with civil society to realize development and equality outcomes in the economy.

AfT earmarked for the improvement of productive capacities could be targeted to support

the work of civil society organizations, when considered to benefit the promotion of equality objectives and women's employment in the developing countries. Choosing the appropriate sectors, organizations and other actors for this type of support implies a careful analysis of the proposed project settings from a gender perspective.

- **Choosing appropriate support channels and using complementary combinations.** AfT support to promote the work of civil society organizations could be directed through at least two channels: (i) via international organizations to build the capacity of local organizations and (ii) directly to organizations at the grass roots level to realize gender equality objectives in enterprises at the micro level. One initiative can also embody both approaches, and be implemented in cooperation with an international organization, for instance. This, at the macro level, could produce outcomes for changing attitudes towards increased gender equality, as well as micro-level results at the enterprise level. AfT could also support general awareness-raising campaigns that would include upgrading in the media of the profile of women as economic actors. These could be carried out through NGOs or different representative organizations, or in cooperation with such NGOs and international organizations.

Enterprises as key actors in global value chains

- **Promoting awareness of the importance of enterprises' own initiatives in improving gender equality.** Companies themselves are best placed to improve gender equality in their organizations. In particular, the power of lead firms and first-tier suppliers extends to the lower ends of value chains. Awareness of the importance of gender equality at the company level can effectively promote equality in concrete issues. Enterprises can take diversity and gender balance in all job functions as their goal, and implement initiatives to realize these. Elimination of discrimination and sexual harassment in the work place would not only improve equality, but also productivity of the enterprise. Support to efforts to combine work and family life would foster women's labour market participation. In the longer term, this could lead to a better balanced division of labour within the household.
- **Channelling AfT support to companies through international and national organizations dedicated to improving economic agents' development outcomes.** AfT support could be channelled to enterprise gender equality initiatives through different macro-level agents. International organizations – such as the ILO, UN Global Compact, UN High Commissioner for Human Rights, ITC, UNCTAD, OECD, and the International Standardization Organization (ISO) – work to improve the development outcomes of enterprises in cooperation with the said enterprises and industry associations.
- **Supporting both private and public entities to achieve full adherence to labour standards, including gender equality.** Certification programmes aimed at better implementation of labour standards can improve gender equality and help companies to make their brand more attractive vis-à-vis global buyers. When promoting different certification initiatives, attention should be paid to helping small producers meet standards and thus achieve market access and better gender equality. Alongside supporting certification initiatives, it is important for the AfT actors to provide support to the strengthening of public labour inspectorates in the developing countries.

- Aid for Trade and other policies as instruments for promoting gender equality and women's employment

- **Promoting access to finance and business development services without gender-based barriers.** AfT could also be used to influence the financial sector through projects carried out in collaboration with international organizations, for instance. In particular, linking small companies and women entrepreneurs to credit options would enhance women's status in business. Banks could also be supported to modify their loan conditions to correspond to the needs of women. Training in business administration is usually one element of these interventions, and both public and private bodies providing business development services should be linked to support initiatives targeting women. Furthermore, international organizations and development partners have set up funds from which women and young entrepreneurs can obtain loans, and AfT could help to establish similar alternative finance options.

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General Agreement on Tariffs and Trade, GATT

WTO Agreement on Agriculture

WTO Agreement on Subsidies and Countervailing Measures

