

CASE STORY ON GENDER DIMENSION OF AID FOR TRADE

**AID FOR TRADE: BUILDING CAPACITIES FOR LINKING WOMEN
WITH EXPORT MARKETS**

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EXECUTIVE SUMMARY

This paper highlights the approaches adopted and the results achieved in 10 enterprises which link poor rural women with export markets in ways which proved that increased export earnings and profits are possible at the same time as distributing economic and non-economic gains to women producers and workers. It draws on 10 case studies commissioned by the Commonwealth Secretariat with support from Dfid. It covers traditional primary commodity-based exports, exports based on natural products, and manufactured exports; and includes small women's groups, community-owned enterprises, commercial firms owned by social entrepreneurs, and large-scale private companies. It shows how support for innovative organizing and marketing strategies can result in increased benefits at the country, enterprise and producer/worker levels, as well as conservation of the natural environment.

ISSUES ADDRESSED

Much of the literature on gender and trade has focused on the negative impact of trade policies on women producers and workers and on women as consumers, homemakers and care-givers. However, trade liberalization in general, as well as specific changes in trade policy, also offer new economic opportunities for women if they are enabled to take advantage of these. Thus, while it is important to assess the likely impact of changes in trade policies from a gender perspective and to advocate for more gender-sensitive trade policies, it is also necessary to give attention to national economic and social policies and legislation which aim at overcoming the constraints women face in benefiting from increased economic globalization.

The constraints which are faced by women include lesser access than men to land, credit, improved technologies, skills and business training, and market and price information. These are at once caused and compounded by women's reduced mobility and greater time poverty as a result of socio-cultural factors and family responsibilities. And recent research shows that the constraints faced by women wishing to reach export markets are twice as severe as those faced by women supplying domestic markets¹. This is because: quality standards are so much more stringent; there are stricter conditions in terms of time and quantities of supply; and the logistics of exporting are very complex.

There is a wide range of policy and programme initiatives implemented by government, NGOs, international agencies and the private sector with the aim of assisting women to adjust to and take advantage of global economic changes. This paper reviews the lessons learned from 10 such initiatives with a view to assisting in planning more effectively in linking women with export markets. The individual case studies were commissioned as part of the Commonwealth Secretariat's programme on Gender and Trade with support from Dfid and are published in full in **Trading Stories**.²

The initiatives come from a range of Commonwealth countries: Cameroon, Fiji, Ghana, India, Jamaica, Mozambique, Swaziland and Uganda. Three of them relate to **traditional primary commodity exports**: cocoa in Ghana, coffee in Jamaica, and cashews in Mozambique and India. In all of these, special efforts have been made to link with export markets in ways which give emphasis to the livelihoods of poor farmers and rural communities, and especially women, and have introduced innovative ideas in the process. In Ghana, cocoa farmers are linked with the FairTrade market in the UK and USA and are shareholders in their own chocolate companies in these countries. In Jamaica, ways are being found for small women farmers to overcome constraints in exporting organic coffee to niche markets and to organize in ways which allows them to also get FairTrade Certification. And in Mozambique and India, alternatives to large-scale cashew nut processing factories are being promoted which offer decentralized, rural-based employment opportunities.

¹ Tandon N., *Micro and Small Enterprise and ICT: A Gender Analysis*, Unpublished paper prepared for World Bank, 2003

² Carr Marilyn and Mariama Williams (eds) *Trading Stories: Experiences with Gender and Trade*, London Commonwealth Secretariat, 2010.

Four of the initiatives relate to **natural product-based exports** which are aimed at niche markets: beauty products based on marula oil in Swaziland; natural body-products based on virgin coconut oil in Fiji; dry flowers in India; and honey and other bee-products in Uganda. In all cases, although based on traditional resources which have been used by local communities for generations, they involve new and/or more sophisticated types of products. In Swaziland, a local community organization has linked with an international NGO to process marula nut oil supplied by thousands of women to a factory of which they are shareholders, and which exports high quality beauty products to commercial buyers and FairTrade organizations. In Fiji, a woman entrepreneur and her family run a successful natural body-product export business which provides incomes for rural communities who supply the central factory with raw materials and semi-processed and processed goods in a way which keeps alive local skills and traditions. In India, a local entrepreneur runs a dry flower export business which sources raw materials from a complex network of rural women and men farmers and provides work for 2000 poor women in a central processing factory. And in Uganda, women's cooperatives, community-owned businesses, and private companies are all helping women to increase quality and quantity of the production of bee-products to replace imported goods and then increase exports.

Three of the initiatives relate to **manufactured exports**: shoes in India, embroidered goods in India, and ready-made garments in Cameroon. In the Indian examples, innovative strategies have been found to provide high quality goods in ways which get around the need for women to be exploited in large-scale export factories or as home workers earning less than \$1 per day. In the case of shoes, hundreds of women and men artisans have been helped to form their own Collaborative and to undertake their own international marketing. In the case of embroidered goods, thousands of women who are members of India's largest women's trades union have been helped to reach export markets through a complex network including a Trade Facilitation Centre which they own. In both cases, the goods being exported are based on women's traditional skills for which there is a limited domestic market. In the Cameroon example, the women involved in exporting ready-made garments show how ICTs can be used to break into export markets.

Together these examples represent a very wide range of experience and strategies which allow for important lessons learned. They include many types of organizing structures ranging from small women's groups to community-owned businesses and commercial businesses owned and operated by social entrepreneurs to large-scale private companies. They target all types of markets: Fairtrade; organic and niche, and mainstream retail and chain stores. And, to a greater or lesser extent, they all have received some type of assistance or support from government, non-governmental organizations, and donor/ international agencies.

OBJECTIVES

The individual cases studies aim to show how and to what extent it is possible to combine the establishment and running of a profitable and expanding export business in ways which also take into consideration the livelihoods, skills and traditions of poor and mainly rural women; and which also have a concern for the environment.

RESULTS

Benefits are derived at the country level, at the level of the enterprise owner(s), and at the level of the workers/contracted farmers. At all three levels there have been direct economic, indirect economic, and/or non-economic benefits.

Country Level

All of the initiatives have contributed in terms of output, employment and export earnings. In most cases, they also have tended to be environmentally-neutral and in some, have directly contributed to environmental and/or cultural conservation.

Enterprise Level

Most of the export businesses have resulted in significant profits/dividends for their owners. In those cases in which women producers have full membership and involvement in the enterprise the owners and rural women producers are one and the same and take a share in dividends. Some also have indirect economic benefits such as premiums from FairTrade sales and/or augmented earnings through organic certification. In these cases, women also experience significant non-economic benefits in terms of confidence building, self-reliance and economic independence – as well as increased stature within the community.

Producer/Worker Level

In those cases where the enterprise is privately owned by individuals, the extent to which rural women and men benefit depends on the aims and orientation of the owners and the extent to which they put the welfare of rural poor producers and workers as a priority. In general, the greater the connection between the owner(s) of the company and the rural community, the greater the economic and non-economic benefits are derived from the enterprise. In general, rural women are more likely to benefit at all levels from export enterprises if they are owners of the enterprise or linked to it through a very short supply chain. And they are more likely to benefit, especially in non-economic terms if they are independent producers rather than workers.

Structural Change

While the case studies show abundant evidence of benefits for rural women in terms of increased incomes and assets and greater bargaining power within the home, the community and the marketplace, there is also evidence of structural changes which promise long-term benefits. These include: development of institutions which enable women to move down the value chain from production into retailing where profits are higher; promoting changes in regulations which inhibit women's ability to export; illustrating the need for changes in support systems such as quality control which are needed to reach export markets; and changing socio-cultural constraints to women's participation in non-traditional activities.

Replicability and sustainability

There is every indication that replication is already underway in a number of the initiatives, and also that they are sustainable in the long-term – both economically and environmentally, even given all the changes taking place in global markets and in the global environment.

In the case of economic sustainability, there is the important question of maintaining competitiveness. Most enterprises adopted various measures to keep their hold on the market. These include upgrading technology, diversifying into new products, and establishing better infrastructure for use by rural producers. Many of the enterprises use various methods including the Internet and International Trade Fairs to keep abreast of market developments. It appears that nothing succeeds like success – and most of the enterprises in the case studies have experienced significant growth over the years.

In the case of environmental sustainability, this has particular relevance for enterprises based on natural product/non-timber forest products which can have a very positive environmental affect by increasing the value of the produce-bearing trees economically and preventing them from being cleared for agricultural production. But even shoe and garments enterprises can become more environmentally friendly through their use of organic cotton, natural dyes and manual equipment.

FACTORS IN SUCCESS – and problems encountered

Policy and Regulatory Environment

Trade policy sometimes can present barriers to exports from developing countries in ways which impact on women's livelihoods. However, in most of the initiatives reviewed above, regulations such as meeting strict quality standards in export markets, as well as the logistical problems involved in exporting, have been more significant than trade policy per se. And, trade policy (including regulations) is only one of a set of economic policies and programmes that governments have put in place to promote development and equal distribution of gains. Others of importance include support in terms of guaranteeing loans or providing low interest loans to the private sector, and agricultural assistance programmes promoting women's involvement in agricultural enterprises.

Organization and Production Systems

The most valuable lessons can be drawn from the vast number of organizing structures and production systems which have been put in place in pursuit of the common aim of expanding export earnings (and profits) at the same time as maintaining the livelihoods (and independence) of rural women producers.

Some of the larger, individual owned enterprises have illustrated various ways of solving the problem of distributing greater benefits to rural poor producers/farmers. At the other extreme, small associations have shown that it is possible for rural women producers to overcome obstacles in reaching export markets. However, they also indicate that the prospects of supplying large amounts of exports from small groups are severely limited unless they are federated in some way. Community-owned businesses are both more socially-oriented than the privately-owned businesses and also larger than the small producers/marketing groups. These have had remarkable success in exporting high quality products either from central processing centres or from hundreds of small decentralized units which have surprised critics with rejection rates as low as two percent.

Marketing Strategies

Several different marketing strategies have been adopted by these enterprises. One is Fairtrade. Although the market for FairTrade goods is relatively small, it is becoming more popular and is influencing consumers in the North to think in terms of more fairly traded goods (which focus on returns to producers without necessarily having FairTrade certification), but some small women farmers have difficulty in meeting the qualification of belonging to an organized group or cooperative. Another popular strategy has been to target the market for organic products/goods or other niche markets for natural-product based goods. A problem with supplying the organic market is that it is very complicated and expensive to gain organic certification. However, the benefits to producers are well worth it in terms of increased prices. Finally, there are the mainstream markets which enterprises are trying to reach either through specific Export Promotion Strategies being implemented by governments or on their own through their own contacts and initiatives. Problems here include lack of gender sensitivity in some centralized marketing strategies.

In all of the above, a brand name has been very important in maintaining international buyers.

Indicators of Success

Success of Aid for Trade initiatives need to go far beyond measuring women's increased incomes from participation in export enterprises. Indicators also need to include whether women have been enabled to increase their bargaining power in the home, community and marketplace; and whether long-term structural changes at the policy/regulation, community, market place and household level have occurred as a result of the initiatives. In addition, there needs to be evidence that profits and export earnings are increasing and enterprises are growing at the same time as rural women produces/farmers/workers are benefiting from increased incomes, assets, independence and status. In particular, it is important to monitor that women have control over the production and marketing process rather than being exploited by stronger actors further down the global value chains.

CONCLUSION

This brief overview of enterprises which link rural women with export markets shows that it is possible to have a 'win-win' situation in which the country, the enterprise and the producers/workers all benefit through export earnings and profits expanding at the same time as rural women's livelihoods are improved and the environment is conserved. Increased bargaining power experienced by women and structural changes at the policy, legislative, institutional, community and market levels promise sustained benefits. This is only possible, however, if the political will is there and the entrepreneurial spirit and rural skills exist to make it happen.