Lessons Learned

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The purpose of this concluding chapter is to undertake a review of benefits resulting from implementation of the six initiatives described in this book and of the strategies used to achieve them.

The chapter is divided into three sections. These are:

- **Benefits** – which looks at the positive impact of trade liberalization on low-income women producers and workers, and also at some of the problems being encountered;
- **Implementation** – which looks at the policy environment, and examines and compares some of the strategies used by different agencies to assist low-income women producers and workers;
- **Replicability and sustainability** – which looks towards the future and makes some suggestions to Commonwealth governments and other stakeholders based on good ideas arising from the review of the case studies.

1 Benefits

All the initiatives described in the case studies have created a significant number of earning opportunities for women and for men. The numbers of women involved vary from a few hundred in Samoa and Mozambique to over a hundred thousand in South Africa and India, and well over a million in Bangladesh. The proportion of those involved in the initiatives who are women also varies from 30 per cent in Ghana to over 90 per cent in Bangladesh. There is quite a significant difference between those initiatives which deal with independent producers and those which deal with wage workers. The latter reach much greater numbers of women and also tend to involve a higher percentage of women.

There have been direct economic benefits resulting from profits, fair trade bonus payments and wages. In the case of Ghana, a figure for profits from sale of the commercially traded cocoa is not available, but US$1 million was paid into the Kuapa Kokoo Trust Fund from fair trade bonuses between 1993 and 2000. In Samoa, the total profits from the oil processing businesses are unknown, but it has been estimated that families receive four times as much income from selling virgin oil as from copra and that the weekly earnings from one business are between US$240 and US$400 – compared with an average annual per capita income of US$1,420. A lot more could be earned if processors worked for a full working week.

In Mozambique, many women have access to cashew nut trees and earn income from selling traditionally processed cashews in the local market. They also sell to traders for export, but although prices have gone up, it seems to be the traders who have retained most of the increased profits. Women also have jobs in the new processing factories where they can earn from 100,000–300,000 meticais (US$5–15). Higher wages of up to 700,000 meticais (US$35) are earned only by men. This compares with the average rural agricultural wage of 560,000 meticais (US$28). Despite the low wages, these jobs are highly sought after and prized. In the case of South African fruit farms, contract workers' earnings range from $38.60 to $115.79 per month, compared to a wage of $57 per month needed to put an average household above the poverty line.

In Bangladesh, although wages in the ready-made garment sector are among the lowest in the world (US$0.15 per hour as compared with US$0.35 in India and US$0.45 in Sri Lanka), they are nevertheless very welcome to the thousands of women who otherwise would have no earnings at all. And in India, the average wage for women in call centres is US$200–400 per month, which is quite high in a country where the average daily wage is less than US$1 per day.[1]

In addition to these direct economic benefits, a number of indirect economic benefits and non-economic benefits have also arisen from the initiatives. These include community development projects, raising of women's self-esteem and status, raised morale and sense of independence, newly acquired skills and building of civil society organizations. Thus, in Ghana, women cocoa farmers have been involved in building their own cooperative and are visible in all positions, including society presidents and board members of totally owned companies and experience a significant degree of representation. They have also been able to welcome foreign visitors and to travel overseas to talk about their work, which increases their self-esteem and knowledge. In addition, they are the main beneficiaries of the bonus payments received from that portion of their cocoa which is fair traded; this is invested in women's enterprises and community development projects such as hand-dug wells, corn mills and schools which meet some of women's priority needs. Free health care has also been provided to 100,000 people. Of course, further improvements could be made. For example, the objective of having two women members on every farmers' committee has still to be met, and there is some way to go in raising the number of women members.

In Samoa, as the new oil processing enterprises have been introduced through a Women's NGO (WIBDI), women's status has increased as they are seen as being the ones who have brought these new opportunities to their villages. Women manage all but three of the cooperatives, and although the male head of household controls the distribution of money, some women have been able to set up a savings account through WIBDI which gives them a source of cash they can spend without consulting their husbands. In addition, women have received both technical and business training. But the marketing and production of value-added products have been problematic.

In South Africa, changes in national legislation have led to women in permanent jobs being issued with contracts in their own right (as opposed to being employed on the basis of their spouse's employment). Packing is becoming a more important activity because of the demands of UK supermarkets and this is predominantly done by women who are well paid; some farms are breaking down the division of labour between women and men by introducing multi-skilled teams of which both are a part. However, the new legislation has led to the shedding of some on-farm women workers as a cost-saving measure, with the result that they are now forced to accept more precarious off-farm work with lower pay and fewer benefits.

In Bangladesh, women in export-oriented garment industries earn more and have better working conditions than those working in domestic industries, although they still work long hours in very harsh conditions. Many have migrated from rural areas and send remittances back to their families which raises their status. Finally, in India, many relatively well-paid jobs have been created for young women in call centres who would otherwise have been unemployed. They too report that this has raised their status and self-esteem.

In addition to the benefits outlined above, socio-cultural factors – both positive and negative – have had a role to play in the way in which the initiatives have been developed and implemented. In Samoa, the cultural environment has specifically required that both women and men be included in the oil processing enterprises and that cooperatives be formed on the basis of extended family groups rather than the community in general. Production in the enterprises is limited, however, because people tend to work only when they need money rather than on a regular basis. In South Africa, the paternalist relationships which existed between growers and women workers before apartheid have now been reinvented in the contract sector, with women being highly dependent on their contractor to provide transport, access to credit and assistance with financial and personal difficulties. In Bangladesh, cultural norms, as well as employer discrimination and trade union practices, help to explain women's exclusion from the wider labour market and therefore their willingness to work in garment factories for very low wages. And in India, despite changes in labour legislation which allow women to work night shifts, parental pressure acts as a constraint on their employment, and anti-social hours make it difficult for women to continue to work in call centres once they marry.

2 Implementation Strategies

A major objective of this book is to present policy-makers and other stakeholders with good examples of successful strategies for assisting independent producers to link with global markets and for creating jobs for women in export industries. It is therefore useful to say something about the strategies used in the six initiatives described.

Favourable policy environment

By and large, the initiatives have arisen in response to some major international and/or national policy change related to exports. Thus, in Ghana and Mozambique the initiatives arose in response to liberalization in the 1990s that was part of structural adjustment programmes which resulted in the disbanding of government marketing mechanisms and/or factories. In South Africa also, the government marketing mechanism was disbanded as a result of liberalization in the 1990s. As a result, individual fruit growers were exposed to the direct forces of global competition and international quality standards, including standards on employment for fruit workers. In Samoa, it was the combination of a series of cyclones, combined with a long run of low international prices for copra and coconut oil, which led to the collapse of the coconut sector and prompted WIBDI to find an alternative niche market for specialized organic products. In Bangladesh, the massive growth in the garment export industry was largely a response to the imposition of quotas and the search by Korea and other countries for quota-free locations where they could set up garment assembly plants. Finally, in India, the creation of thousands of jobs for women in the export of services can be traced to rapid technological change at the global level which is speeding up the relocation of service sector jobs from high-wage to low-wage countries.

While trade liberalization policies have resulted in initiatives which have delivered both economic and other benefits for significant numbers of women, some trade policies can present barriers once these initiatives have been established. As was seen in the chapter on the trade policy context, protection of dairy and sugar products in EU markets has been a factor in Ghanaian cocoa producers moving directly into the production of chocolate in Europe. While Bangladesh has so far benefited from exploiting protection against other countries, it will suffer badly from the end of the quota system when the Multifibre Arrangement is phased out in 2005. Trade policy can also be used to try to support local industry and employment – as with the raising of export taxes on cashew nuts in Mozambique to try to support the growth of local processing industries.

However, trade policy is only one of a set of economic policies and programmes that governments have put in place to promote development and the case studies show that many policies have been very supportive of the initiatives. For example, in both Ghana and Mozambique the government has offered support in terms of guaranteeing loans or providing low interest loans to the private sector. Ghana has a strong market support system as the government only partially liberalized the Cocoa Board, which still provides export marketing and quality control services. However, Mozambique has a very weak marketing infrastructure which impedes the marketing of cashew kernels. In Samoa, the government has strong policies favouring the diversification of commercial agriculture, the revitalization of susbsistence agriculture and the active role of women in development; more recently, it has become interested in and commissioned research on organic agriculture. In South Africa, the national legislation introduced after the end of apartheid is more progressive than international codes of conduct imposed by UK supermarkets, and the government is pursuing a path of increased labour regulation at a time when most countries are deregulating in response to the pressures of global competition. In Bangladesh, following the imposition of quotas, the government undertook a series of economic reforms to open up its economy, including direct export incentives; it is now in the process of developing a new labour code which has been informed to a certain extent by the experiences of women workers in the RMG sector. And in India, the government has changed labour laws to remove restrictions on women working on night shifts so that they can work in call centres more easily.

Without support such as this, many of the initiatives would not have achieved as much as they have. Again, however, there is still room for improvement. For example, although both South Africa and Bangladesh have (or will have) new labour legislation, both case studies point to the fact that there are insufficient labour inspectors to enforce legislation effectively. Thus, positive policies by themselves are not sufficient; there also needs to be a means of implementing them.

Production systems: global value chains

The case studies have placed considerable emphasis on global value chains and the use of these chains in analyzing how the gains from globalization can be further spread to marginal producers and workers in terms of altering the balance of power, access and returns. A global value chain is the network that links the design, production and marketing processes that result in a commodity or product. Such chains link individual workers and enterprises, often operating under both formal and informal arrangements, spread across several countries and linked to one another within the global economy.

Global value chain analysis was developed primarily within the manufacturing sector where there are two types of chains: producer-driven and buyer-driven. Producer-driven chains are those in which large, usually transnational, manufacturers play the central role in coordinating production networks, including backward and forward linkages. This is characteristic of capital- and technology-intensive industries such as automobiles. Buyer-driven chains refer to those industries in which large retailers, branded marketers and branded manufacturers play a pivotal role in setting up decentralized production networks in a variety of exporting countries, typically located in the South. This pattern of trade-led industrialization has become common in labour-intensive consumer goods industries such as garment manufacture (Gerrefi, 1999). Global value chain analysis is now being extended to horticulture and traditional primary commodities through the introduction, for example, of trader-driven chains (Gibbon, 2001). It can therefore be applied to most of the case studies in the book and has been used to map out where low-income women fit into the chain and how they can increase their power and returns within it.

In Ghana, Kuapa Kokoo buys cocoa from its large network of 45,000 farmers and sells it through the Ghana Cocoa Export Board to the International Cocoa Organization in London. The ICCO then sells the cocoa to the three or four giant agribusinesses which process raw materials for the equally large chocolate manufacturers. Just three firms in the US and the UK control 75 per cent of the chocolate market. As the Export Board still exists, and since it handles such large quantities of cocoa (including that from Kuapa Kokoo), it is able to negotiate a good price on the London market. In addition, Kuapa Kokoo, as well as being a buying company, has now been assisted (with funds from DfID) to set up its own chocolate company in the UK as a joint venture. Thus its members have effectively moved along the value chain from being producers to being buyers and retailers as well.

In Samoa, all the produce for the export market is sold through one channel – the Pacific Coconut Oil Company which was established by

WIBDI and has recently been sold to a private buyer in New Zealand with Samoan family connections. This is a very small chain, but as we have seen still lends itself to useful mapping.

In Mozambique, most cashew nuts are shipped to India for processing. Eight or ten traders control exports and have a large network of small traders who buy the nuts for them from the smallholders. Prices are set by international markets through Indian processors, but even with price increases the traders retain most of the profits. In this case, a buyer-driven chain (which goes from the Indian processors to the Northern retailers) is combined with a trader-driven chain[2] which links smallholders with exporters. The two factories described in the case study which were recently established to process cashew nuts in Mozambique each sell directly to single buyers – one in the US and the other in Rotterdam. The latter was found with the help of SNV in the Netherlands. In this second factory, efforts are being made to shorten the marketing chain at the provincial level, including through the introduction of satellite processing units. This should help provide greater returns to smallholder producers and processing workers, but there are still constraints posed by extremely powerful Northern actors in the chain.

In South Africa, 34 per cent of fruit exports go to the UK where supermarkets are the main buyers representing over 89 per cent of the retail market (with the big four representing 50 per cent). Supermarkets formally operate through the open market but in reality have tightly integrated global value chains through which they source fruit and demand stringent quality and production conditions. As we have seen, it is the strong relationship with UK supermarkets which has led to the implementation of international codes of conduct for workers. As with national legislation, however, the codes are not well monitored.

Ready-made garments for export represent the ultimate in buyer-driven global value chains. Large retailers in the North outsource production to manufacturers in the South, where wage rates are much lower. There are basically three tiers of firms producing garments in Bangladesh. First, there are the firms in export processing zones which have direct links with international buyers, and have modern equipment and better working conditions. Second, there are large and medium-sized firms outside the EPZs which also have direct links with the buyers and maintain reasonable labour standards because of these links. And third, there are a large number of very small firms in the informal economy with which large firms place subcontracts. About three-quarters of the large firms subcontract in this way. Competition is fierce and this keeps production and labour costs low – especially because Bangladesh produces mainly low-value basic and casual wear products where it has to compete largely on the basis of its ability to produce reasonable quality goods at ever-decreasing prices. Finally, in India, export of information services is controlled by a few multinationals; this industry is joining garment manufacture in the 'race to the bottom' in which companies move their business from one country to another in search of the lowest wages.

A major use of global value chain analysis is to highlight inequalities in the chains and also to identify where positive interventions to decrease inequalities can be made and by whom. Typically, local producers and workers in supply chains account for less than 10 per cent of total costs. Thus, as is seen in the Bangladesh case study, wage costs amount to $0.16 for making a shirt that retails in the US for $13. Consumers in the North and producers and workers themselves need to have access to this type of information. Tracing appropriate points of intervention is also important. In garment manufacturing, it may be impossible for owners of small workshops to pay their workers higher wages because they have minimal profit margins themselves as a result of pressures from further up the chain. However, it would be quite feasible for Northern retailers to add a tiny amount to the sales price of garments with little hardship to consumers and great benefit to workers (McCormick and Schmitz, 2002). This type of analysis is beginning to be used by those involved in fair or ethical trade initiatives who are interested in fairer prices for local producers or in better working conditions for wage workers.

These different models of production, with their different ownership and marketing arrangements, help us to better understand the role of low-income women involved in producing for the global market. There is a need to produce more case studies which cover different arrangements, countries and sectors.

Market access: fair trade and ethical trade

Several different marketing strategies are illustrated by the case studies. An important one is fair trade. This is the model used in Ghana. Samoa is also about to be registered. In Ghana 3 per cent of Kuapa Kokoo's cocoa production is fair traded, which may not seem significant but which the farmers themselves find enormously beneficial because of the $150 per tonne fair trade 'bonus'. While there is no one definition or business model of fair trade, a fair trade approach usually includes the following key practices: (a) direct purchase from producers; (b) transparent and long-term trading partnerships; (c) cooperation, not competition; (d) agreed minimum prices, usually set above market minimums; (e) focus on development and technical assistance via the payment to suppliers of an agreed social premium; and (f) provision of market information to producers (Barratt Brown, 1993). As these practices show, fair trade is about more than buyers paying a higher price for a good than it would otherwise pay on the open market or ensuring that minimum standards of work conditions are complied with. The essence of fair trade is about empowering producers by making them partners in the supply chain. It is this approach that enables fair trade to offer consumers, businesses and citizens a practical way to improve the situation of producers in the South.

Although the market for fair trade goods in the North is relatively small, it is growing very rapidly with sales in the US and Europe growing by 30 per cent in 2003 to $400 million (*Guardian*, 28 February 2004).

In the case of Samoa, market contacts in Australia and New Zealand were made with the assistance of the Internet, this being the only initiative which seems to have used new information and communications technologies as a marketing tool. Organic virgin coconut oil was carefully chosen as being a product for which Samoa could find a market, as it lends itself to small batch production and therefore gives no advantage to larger coconut oil producers like those in the Philippines. WIBDI set up its own marketing outlet for the oil but used a buying agent. However, marketing was not proceeding as well as expected and so WIBDI sold the company to a private entrepreneur in New Zealand. There is currently no local market for the oil in Samoa itself as people prefer imported oils based on other products. However, WIBDI is mounting information campaigns to try to bring about a change in consumer tastes. Organic certification has been achieved and subsequently sales expanded; fair trade certification is also being negotiated.

In Mozambique, the social entrepreneur on whose factory the case study is mainly based found his market with the help of SNV, the Netherlands based-NGO which also assisted Kuapa Kokoo. All his cashews now go to one buyer in Rotterdam. Otherwise, marketing could have been very difficult because of the weak marketing infrastructure in the country. All Mozambique's cashew nuts are organic and given the booming market for organic products in Western Europe this could be a new opportunity. However, again the marketing infrastructure is too weak to develop the necessary links.

While these three case studies follow a fair trade approach, the South African case study is an example of ethical trade. Fair trade and ethical trade are both about improving the lives of people who supply products into international markets. As outlined above, fair trade works with producer businesses and enables access to new markets and buyers under terms that are mutually acceptable. Ethical trade, on the other hand, is mainly driven by the concerns of brand image in the destination market. It concentrates on ensuring that employees in established supplier companies are working in conditions that match or exceed a minimum standard so that companies which sell the products are reassured that supplier employees are not being exploited

(Redfern and Snedker, 2002). Marketing in South Africa is done through developing linkages with UK supermarkets which belong to the Ethical Trade Initiative and which tightly govern the production chain, including implementation of ETI's code of conduct in respect of the workers employed by their suppliers. In addition to implementation of codes of conduct, supermarkets demand very high quality products and will agree on prices only after a consignment has been delivered so that its quality can be checked. This means that there is considerable risk for the producer. Many buyers are prepared to be part of a supermarket chain, however, because prices are higher than in the free market and are also more stable.

There is a large and growing literature on ethical trade and codes of conduct. Some agree that in the era of globalization and trade liberalization, voluntary codes have the advantage of extending the application of labour standards across national boundaries and governmental jurisdictions, and along international corporate supply chains, but are sceptical about their usefulness, particularly if there is no provision for independent verification. They agree, however, that codes can reinforce the regulatory role of the state, as is happening in South Africa (Jeffcot and Yanz, 2000). Others query why so many codes leave out the principles of freedom of association and collective bargaining which are fundamental to trade union development and functioning (Diller, 1999).[3]

Technology and competitiveness

The case studies bring up some interesting ways in which technology has been either used or ignored in relation to competitiveness. The first of these also relates to choice of technology and employment. It is frequently assumed that increased output and export earnings are only possible with the use of capital-intensive technology and large-scale production. However, two of the case studies show that this is not necessarily so and that it is possible to compete in export markets with the use of more labour-intensive technologies and smaller-scale production. Thus, in Samoa, the use of small-scale oil expelling technology enables rural people to run village level enterprises and still compete in export markets. This is because with current technology virgin coconut oil can only be produced in small quantities, so that Samoa can compete with larger countries in the region which cannot at the moment benefit from economies of scale. In 2001, Samoa did in fact produce more organic virgin coconut oil than the Philippines.[4] Similarly, in Mozambique, one of the two cashew nut processing factories is using semi-mechanical labour-intensive technology imported from India with good results in export markets as this causes less breakages and produces more of the whole nuts than the larger-scale technology.

Secondly, in the fiercely competitive world of garment manufacturing, Bangladesh has followed the policy of competing through paying very low wages. The case study points out that the alternative would be to diversify into higher value products, but rather than this meaning higher wages for women, it could mean that they would be replaced by men who have the necessary skills to operate the more advanced technology involved. Indeed, this has already happened in the knitwear sector of the industry. Thus, while technology can sometimes be the source of income, it can also be the cause of women being displaced if they are not given the skills training required to use it.

Thirdly, the case study from India is a perfect example the 'third technological revolution' which involves the convergence of computer and communications technologies, culminating in networking technologies which have made it possible to digitize a large amount of information that can be transported, processed and retrieved to and from a distant location at little cost. As the authors point out, the relocation of service sector jobs mirrors the experiences of the effective fragmentation of production processes in the 1980s and 1990s which was based on the introduction of computer technology and facilitated the outsourcing of manufacturing jobs from high-wage to low-wage countries. As with manufacturing jobs, however, there are benefits and costs for women. Jobs are being created in India now, but continued technological development could easily make existing skills redundant (for example through a move to voice recognition services); jobs are also at risk as companies move to competing countries with lower wages.

Organization

As we have seen, the case studies cover a range of organizational strategies and the issues raised by the studies describing independent producers differ considerably from those involving wage workers. The former include a large cooperative in Ghana which buys cocoa from its members, has a very complex membership structure and provides a number of services for its members. In Samoa there are small producer-based cooperatives which are family based and which are provided with a range of services by a women's NGO. The Mozambique case study introduces us to very small 'satellite' cashew processing units which supply a local small-scale processing factory. Although the first of these units are being tested out with entrepreneurs in charge, eventually it is envisaged that they will be community/cooperatively owned and operated.

Over the years, cooperatives have had a mixed history, but generally they have fallen out of favour. According to the ILO, this is because 'in many countries, state-controlled 'cooperatives' failed to mobilize members ... and the cooperative vision of enlarging the economic power of individual members through membership-driven entrepreneurship was devalued and discredited'. It goes on to say:

> Cooperatives are a very significant part of the global economy. Ranging from small-scale to multi-million dollar businesses across the globe, they are estimated to employ more than 100 million women and men and have more than 800 million individual members. Because cooperatives are owned by those who use their services, their decisions balance the need for profitability with the wider interests of the community. They also foster economic fairness by ensuring equal access to markets and services for their members, with membership being free and open. ILO, 2003

This would very much seem to fit in with our cooperative models, although in the case of Ghana the involvement of fair trade organizations has probably strengthened Kuapa's business approach.

With wage workers, the issues relate much more to organizing to bargain for better wages and working conditions. In none of the three cases are women workers members of unions and there appears to be no other form of organization through which women can make their voice heard. Indeed, in EPZs in Bangladesh, organizing has been generally forbidden in most factories, while in South Africa women's increasing off-farm status makes it difficult for unions to recruit them as members. In any case, only 2 to 8 per cent of the agricultural workforce are unionized, and many rural unions are male-dominated and do not respond to women's needs. Even women and men working in the more formal call centres in India are not unionized or formally organized, and women in particular seem to be unconcerned about this as they stay for such a short time in employment.

Action is possible here both at the national and international level. Both South Africa and Bangladesh have, or are introducing, new national labour legislation but have a major problem with implementation as there are so few labour inspectors. Trade unions should also have a role to play here. Although our case studies paint a bleak picture of trade unions, it should be noted that globally the union movement is changing. According to a recent DfID report:

> In part, this is reflected in the development of new forms of labour organization such as the Self Employed Women's Association in India. But there are also many examples of traditional unions re-thinking their approach to previously unprotected sectors of the workforce. For example, in South Africa, unions played the lead role in a campaign to extend the provisions of the basic Conditions of Employment Act and the Unemployment Insurance Fund to domestic workers – a vulnerable and predominantly female section of the workforce DfID, 2004

Such interventions should be encouraged.[5] Similarly, those concerned with fair trade and ethical trade in the North, as well as consumers associations, can put pressure on growers and companies.

Institutions

Finally, many types of agencies have been involved in supporting market access and fair prices for local producers, and fair wages and benefits for local wage workers. In addition to the government ministries and departments involved in economic, trade and labour policies, these include United Nations agencies such as UNDP, UNIFEM, FAO and UNV; bilateral agencies such as DfID and NZAID; international NGOs such as SNV, Tehnoserve and Oxfam; fair trade and ethical trade organizations such as Twin Trading and the Ethical Trade Initiative; academic and research institutions such as the Australian National University; national and regional NGOs such as WIBDI and ECOWOMAN; government agencies such as the Ghana Cocoa Export Board and the Mozambique Institute for the Promotion of Cashews; and various parts of the private sector including small businesses in Mozambique, fruit growers in South Africa, supermarkets in the UK and the many multinational corporations and national firms involved in the garment and services export industries in Bangladesh and India. Unions have been mentioned very little and then only in the Mozambique, South Africa and Bangladesh studies.

As was seen in the policy section of this chapter, governments have played a major role in all six cases studies, through the implementation of trade or other economic policies, institutional support to production and/or export marketing, assistance with finance for setting up cooperatives or private companies or changes to labour legislation.

As for other agencies, there is a clear split between the independent producer initiatives and the ones involving wage workers. In the former, international NGOs and fair trade organizations have been to the fore, with some private sector involvement. Much of the success of these initiatives can be credited to the strong business orientation of the agencies involved and, with the exception of Mozambique, their strong gender orientation. In this type of initiative there are often no business-oriented agencies involved at all or there is tension between the fair trade agencies and the NGOs; but this does not seem to have happened in these cases.

In the initiatives involving wage workers, the orientation has been almost totally private sector with some limited involvement of unions and ethical trade organizations. Although large numbers of women are involved in all these cases, there has been little or no attempt to ensure that women receive the same treatment or wages as men. The exception to this is India, where there seems to be no difference in wages between men and women working in call centres. Conditions in export industries do seem to be better than elsewhere because of the links with international buyers who exert pressure on their suppliers to observe at least some minimum standards.

3 Replicability and Sustainability

So what of the future? We have looked at six case studies with interesting organizational models and features. But can they be replicated or scaled up, and are they and the markets they are linked with sustainable? Finally, what are the recommendations for the future in terms of support from decision makers and other stakeholders?

Replicability

There is every indication that replication is already underway in a number of the initiatives. In Ghana, Kuapa Kokoo is helping to set up a sister cooperative called Sompa so that even more farmers can benefit from their own marketing system. It is in touch with other West African cocoa producing countries in an attempt to share its experience and offer assistance, and in the North it is seeking new markets through its chocolate company in the UK. According to a recent DfID publication, things look encouraging in terms of getting blanket penetration of fair trade products across mainstream distributors. For example, the Co-op Group in the UK, which is supplied by the Day Chocolate Company, converted its entire own-brand block chocolate range to fair trade in November 2002 with very promising results. Despite having to make a small retail price increase on the new range, sales of the Co-op's own brand chocolate were up by 25 per cent (*Developments*, 2004). This obviously augurs well not only for Kuapa Kokoo members (who play their own role in trying to increase the share of fair trade), but also for many local producers throughout the developing world. However, there are still doubts as to whether fair trade can ever be effectively mainstreamed. According a recent ILO report:

> While greater penetration into mainstream markets is arguably the only way forward ... it must be recognized that mainstream businesses demand a different approach to the ATO niche. In most companies, buyers will not tolerate late delivery and poor communication or changes in an arrangement, Therefore, there is a risk that the gain of a broader distribution of benefits resulting through the supply of greater volumes will be countered by a lessening of the quality of those benefits. Redfern and Snedker, 2002

In Samoa, the technology on which the village oil production enterprises are based came from Fiji and there is every indication that it could now be transferred to other countries in the Pacific. In Mozambique, the 'satellite' model is being set up specifically with replication in mind.

Few developing countries have the breadth of labour regulation and protection that now exists in South Africa; in fact, pressures of global competition and economic liberalization are encouraging many countries to relax labour market regulations rather than tighten them. However, many women workers in countries such as Kenya and Zambia are also concentrated in insecure forms of employment and are lower down the employment hierarchy than men; they face the same problems as South African women and could potentially benefit from the South African experience. Finally, the replicability of garment factories and call centres is well proven as they are already proliferating, but questions obviously exist about the type of 'immiserizing' growth involved in such industries which is driving wages down as companies move around the globe in search of lower wages.

Sustainability

Replicability is one thing, but are these initiatives sustainable in the long-term, given all the changes taking place in global markets? The previous chapter covered some of these issues, but it is worth repeating the major question here: are the income opportunities created sustainable?

In all cases, there is the important question of maintaining competitiveness. As was argued in the previous chapter, given the slow growth of demand for traditional commodities and accompanying depressed prices, it is often recommended that producers move into value-added products based on these commodities or into new markets such as horticultural exports and labour-intensive garment and service export industries. All the initiatives discussed have done this in some form or another, but they still face competition from other countries. This is a real threat for Samoa, which is surrounded by other coconut growing countries that could easily take over its niche market for organic virgin coconut oil and associated products. Mozambique faces competition in the export of cashew nut kernels from new entrants to the market such as Vietnam, which is now the world's second biggest producer of cashew nuts after India and, unlike Mozambique, has massive government spending on research and development. As the authors of this case study conclude, it could well be in Mozambique's interest to look at local and regional markets such as neighbouring South Africa. South Africa itself faces competition in fruit exports from Chile and New Zealand, with China beginning to enter the market as a major fruit exporter. Bangladesh will face enormous competition in ready-made garments from a range of countries once the Multifibre Arrangement comes to an end in 2005. And India already faces competition from English-speaking countries in Africa, where there is a cheaper labour force anxious for jobs in data entry and call centres.[6]

As we saw earlier, technological development and transfer can in some cases increase competitiveness, and there is undoubtedly a need for more R&D which is aimed at assisting small producers and employers to upgrade or diversify and seek other ways to deal with rapidly changing global markets. But the main need is for appropriate trade policies. As was seen in the previous chapter, a number of recent changes in trade policy have been supportive of developing country exports. For example, if discrimination against companies which outsource activities is found contrary to US commitments under the WTO, then this could protect India from such policies. However, in a situation of increased global competitiveness, it is difficult to achieve a situation where all the countries win all the time. As the ILO puts it: 'The rising tide of trade has not been sufficient to lift all boats'. The phasing out of the MFA, which will help India and East Asian countries but hurt Bangladesh, is a perfect example of this. As the Bangladesh case study says, there will definitely be redundancies in Bangladesh. Now is the time to start planning – either by finding alternative markets in Asia or by diversifying and upgrading, but at the same time training women in new skills – so that hardship is kept to a minimum when the time comes.

Suggestions for the future

What then can we say about the future? Obviously, there is a need to examine policies and programmes which can continue to support and increase the involvement of women in global markets and export industries. There is also a need to protect access to markets, while at the same time trying to protect and improve labour standards. There are, of course, already a large number of actors involved in issues of gender, trade and employment, but not all of them have a focus on, or indeed an understanding of, the existing and potential contributions of local women producers and workers to export earnings. Nor has the impact of national economic policies and programmes on the distribution of benefits from trade been sufficiently discussed. Since many of the women we are talking about are among the poorest sectors of the population, the impact of trade liberalization on poverty reduction will be severely constrained if polices and programmes of the type described in the case studies are not more widely developed and implemented.

Ideas for Policies and Programmes

The case studies in this book offer many good ideas for policies and programmes which can be implemented by governments and other stakeholders. In summary, these include:

General

- Trade policy is an important development tool, but it should be viewed as only one of a set of economic policies required to create employment and reduce poverty.
- Trade policy should be reviewed to ensure that it does not contradict other economic policies which aim specifically to support employment creation and poverty reduction.
- Trade and other economic policies should be reviewed from a gender and pro-poor perspective to ensure that low-income women producers and workers are able to contribute to, and benefit from, export initiatives.

Independent Producers

- Independent producers need strong market support in the face of volatile global markets and fluctuating prices. The example of Ghana is a good one. By keeping some of the more important and less bureaucratic functions under government control after liberalization, exporting was made much easier for Kuapa Kokoo. In contrast, small producers in Samoa and Mozambique suffer from lack of a strong marketing structure and lose opportunities as a consequence.
- Fair trade has worked well in Ghana (and many other countries) and should be pursued more widely. The combination of a strong business emphasis and a sound development and gender approach seems to work very effectively. The Kuapa approach itself should be transferred to and supported in other countries. In addition, measures to mainstream fair trade should be promoted.
- Support is needed to increase access by independent producers and their associations to ICTs which can be used (as in Samoa) to find market contacts and information on market prices. Women need to have equal access with men to ICTs.
- The Mozambique experience suggests that for some commodities in some countries, local and regional markets should be given more emphasis than international markets. It also suggests that production of commodities will not be responsive to price increases alone, but that it also requires technical assistance which reaches women as well as men.

Ideas for Policies and Programmes (continued)

- Independent women and men producers need to have land or property rights which can be used as collateral to obtain loans to start cooperatives or enterprises.
- There is a need for increased R&D which is geared specifically to ensuring that technological solutions are available to small producers and businesses which need to diversify because of increased market competition. Special attention should be given to the needs of women producers.

Wage Workers

- New labour codes should replace outdated ones and follow the Bangladesh example in being informed by the experiences of low-income women workers. In addition, as in the South African experience, labour legislation needs to extend beyond permanent workers with contracts (who tend to be men); more labour inspectors are needed to ensure that such legislation is enforced.
- The South African experience shows that national labour legislation, if it is effectively implemented, is more efficient than codes of conduct, which are purely voluntary and not well monitored. However, codes of conduct can be useful in supporting national legislation.
- The Bangladesh experience tells us that upgrading technology in order to compete globally can cause the displacement of women in labour-intensive industries and that women should be given more training opportunities so that they can participate fully in situations where industries need to be upgraded and/or diversify to maintain competitiveness.
- Programmes to make people aware of their legal rights are essential for low-income women wage workers so that they learn about their rights and can organize to demand them in an effective way; new labour movements and sympathetic trade unions should be encouraged to reach out to them.

Notes

1 Of course, benefits cannot be measured only by income. For example, global markets provide an opportunity for specialization in the production of goods, which is pro-poor, especially in labour abundant countries. But specialization also brings risks and uncertainty and, some believe, could threaten food security. The opening up of markets has also led to increasing price fluctuations which the rural poor find difficult to deal with unless they are collectively organized to negotiate in markets (PRUS Notes No. 2, June 2001).
2 The Ghana example is different in that Kuapa Kokoo controls its own collection chain and still goes through the Government Export Board which maintains quality and negotiates on its behalf.
3 These were found in only 15 per cent of a survey of 215 codes.
4 Personal correspondence with WIBDI.
5 It should be noted, however, that while some studies show that the higher labour standards which result from union action have no relationship with sectoral trade patterns or export performance, other studies find that they can diminish the comparative advantage of developing countries in labour-intensive goods such as garments (DfID, 2004).
6 Although we are dealing here with export initiatives, it should be remembered that in many of these countries there are also many producers and enterprises which are being negatively affected by import competition with the result that they also need assistance to upgrade or diversify in the face of lost markets.

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