Mainstreaming gender in trade policy: case studies

Note by the UNCTAD secretariat

**Executive summary**

This note complements document TD/B/C.1/EM.2/2. It tackles the linkages between trade and gender, by presenting seven specific case studies. While international trade offers excellent opportunities for women’s empowerment and well-being – mainly through the creation of a large number of new jobs – it also has a negative impact on some categories of women, by disrupting sectors where women operate. The case studies in this note show that if women remain in the pool of unskilled and temporary workers, enjoying limited workers’ rights and having little direct contact with domestic and international markets, it is unlikely that they will be able to reap the benefits of trade liberalization. Deregulation and increased competition in sectors closely linked to social welfare have had varying effects on access to essential services, on poverty alleviation and on women. Overall, the effects of trade liberalization and export growth on poverty, social inequality, and gender equality in particular, remain mixed, with some groups gaining and other losing, depending on the effects that the trade policies have on the sectors in which women are employed the most.
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I. Introduction

1. This note complements document TD/B/C.1/EM.2/2, which provided analysis of the relationship between trade policy and gender, discussed effective ways of mainstreaming gender into trade policy, and provided policy recommendations. The aim of this document is to illustrate the linkages between trade and gender, using a series of specific studies.

2. Seven case studies are presented. Two of them – on the energy sector and the health sector – provide evidence of how trade liberalization may change the characteristics of a sector and reshape it, with discrete implications for women. One study illustrates the specific implications for women that arise from regional trade integration. The remaining four case studies focus on the agricultural and textile sectors, and show how women’s participation in the workforce has increased, decreased or changed as a result of trade liberalization.

II. Women and the new energy context

3. Ease of access to modern forms of energy is linked to economic development. Energy sources and availability differ between the North and the South, between rich and poor, and between men and women. The World Health Organization (WHO) estimates that about three billion people still rely on solid fuels (e.g. dung, wood, agricultural residues and charcoal) for their basic energy needs. In 2003, 74 per cent of total energy requirements within the least developed countries were met by traditional sources (charcoal and firewood), as compared with 23 per cent in other developing countries and 4 per cent in the countries of the Organization for Economic Cooperation and Development (OECD) (UNCTAD, 2006). Lack of efficient and readily available sources of energy has a disproportionate effect on women for at least two reasons. Firstly, women play a key role in managing the energy needs of the household; when energy resources are poorly managed or increasingly scarce, women must invest a greater portion of their time each day in fulfilling the energy needs of their household (Dutta, 2003). Secondly, the use of solid fuels for cooking and heating causes high levels of indoor air pollution, which, in turn, leads to 1.6 million premature deaths each year, mostly among women and children.

4. Another issue related to energy access is the role that energy plays in women’s small-scale income-earning activities in the informal sector. Women’s micro-enterprises are often heat-intensive (food processing) and/or light-intensive (home-based cottage industries in which work is carried out in the evenings). As a result, lack of adequate energy supplies for these activities and rising energy prices affect women’s ability to operate these micro-enterprises profitably and safely (Dutta, 2003).

5. Electricity is generally considered a public service, and therefore it is often provided at a subsidized rate. Unfortunately, the subsidized prices are often accompanied by an unreliable electricity supply. This is particularly damaging for energy-intensive small-scale enterprises that do not have access to their own or to alternative forms of energy. Most of these enterprises involve women. Increasing the competitiveness of the energy sector is not a straightforward solution, as deregulation can have varying effects on access to energy, on the alleviation of poverty and on the well-being of women. The problem is complex, as free energy markets alone cannot be expected to meet the needs of the most vulnerable groups of the population. The presence in the market of private actors delivering public services – whether they be domestic or foreign – should be qualified by specific
requirements, dealing with – for instance – maximum prices for consumers and the
provision of electricity to remote rural areas, even if it is unprofitable.

6. Within the ongoing World Trade Organization negotiations, an active debate
has been taking place on the liberalization of the energy services sector.
Considering that one of the main problems that developing countries wish to tackle
by liberalizing their energy markets is the inadequacy of the electricity supply, it
may be worth considering the inclusion of a clear reference within the liberalization
commitments to the provision of public services. Indeed, due to the close link
between energy, economic growth and social welfare, negotiations on energy
services have a relevance that goes far beyond solely the trade aspect.

7. Climate change has emerged as a new and increasingly important element in
energy policy. The impact of events related to climate change is often different on
men than it is on women, affecting the latter more harshly than the former. For
example, female farmers are more reliant on rain-fed agriculture, and according to
the International Union for Conservation of Nature and the Women’s Environment
and Development Organization, women and children are 14 times more likely to die
during natural disasters than men are. In general, women adapt worse to climate
change than men, due to their more limited mobility, their more limited access to
information and their stronger ties to the household and to childbearing
responsibilities. Therefore, existing inequalities between men and women may be
exacerbated by events related to climate change. With this in mind, gender
considerations should be included in climate change policy formulations, since this
would increase the efficiency of the response (Briefings on Development and
Gender (BRIDGE), 2008).

8. From a trade perspective, the utilization of trade-related measures to tackle
climate change can imply both risks and opportunities for women. Trade
liberalization can enhance the availability of less carbon-intensive goods and
technologies that women may wish to use in the household or for their work
activities. On the other hand, trade policy instruments may also be used to impede
market access for products that do not meet certain requirements, which include
energy efficiency standards, sustainability certification, and requirements dealing
with carbon emissions during the life cycle of the product. Women, who are less
able to access the finance, technology and information needed to adapt to
requirements related to climate change, may then face additional hurdles and be
further marginalized.

9. Women, and especially poor women, are likely to benefit most from having
access to a range of cleaner technologies in the area of household energy, including
for home-based cottage industry, agriculture, food processing and forest
management. Clean Development Mechanism projects under the Kyoto Protocol –
which promote investments in the reduction of greenhouse gas emissions – could
be designed in a gender-sensitive way with a dual purpose: to protect the climate and to
enhance the role of women by improving women’s access to technologies that
would otherwise be out of their reach financially (Skutsch, 2002).1

10. An example of a Clean Development Mechanism project designed to improve
cooking equipment is the Bagepalli Clean Development Mechanism biogas project
in India. This project entails setting up 5,500 biogas plants for individual
households in the Kolar district in India. Each household will use the dung of its
cows to feed the biogas plant, which will produce gas for cooking. The project will,

1 The need to link Clean Development Mechanism projects to increased access to renewable technologies for women was recommended,
inter alia, in the Declaration on Climate Change and Gender Equality by the Women’s Environment and Development Organization, the
therefore, replace the inefficient wood-fired mud stoves, which have used up to 2.5 kilograms of wood per person per day. As the Kolar district is semi-arid and has scarce wood resources, the project protects the remainder of the wood resources from deforestation. It prevents the greenhouse gas emissions associated with burning wood and kerosene, and improves health by reducing kitchen smoke. The reductions in greenhouse gas emissions generate the finances for the project, as the Certified Emission Reductions can be sold on the emissions trading market. This is expected to earn the women as much as they receive from one acre of dry-land groundnut cultivation in a year. ²

III. The health sector and the movement of nurses abroad

11. Occupations in the health care sectors, in particular nursing, are among those associated with gendered roles. According to the International Council of Nurses, 95 per cent of nurses around the world are women.

12. The movement of nurses abroad – as migrants or as temporary service suppliers under the General Agreement on Trade in Services, Mode 4 – is not a new phenomenon. However, in the last few years, the outflow of nurses appears to have grown significantly (Buchan, Kingma and Lorenzo, 2005). The international movement of nurses – mainly from developing countries to developed countries, but also from low-income developing countries to middle-income developing countries – has two main gender-related implications. On the one hand, it has the potential to undermine the health system in some developing countries, especially the poorest countries, thereby further diminishing women’s access to health care. On the other hand, it offers migrating nurses the ability to earn a higher income in the host country, which translates into higher productivity and high remittances.

13. The root cause of the currently relatively high level of nurse migration is a “pull” factor, namely nursing shortages in developed countries, combined with “push” factors in the countries of origin, such as low pay, poor career prospects and career instability, unsafe working environments, low levels of efficiency in health-care systems and poorly designed social security programmes. A nurse in Uganda typically earns $38 per month, a nurse in the Philippines typically earns $380, but in the United States, the average monthly wage for nurses is about $3,000 (International Labour Organization, 2006).

14. In some developing countries, the outflow of nurses is compensated by an inflow of foreign nurses. For example, Jamaica exports nurses to the United Kingdom, but recruits nurses from several English-speaking countries in Africa. However, the poorest countries find themselves penalized the most, as they are unable to obtain replacements (UNCTAD, 1998). Indeed, most developing countries struggle to produce and retain a sufficiently qualified health-care workforce.

15. Shortage of health personnel has discrete implications for women, especially in developing countries. The Millennium Development Goals set ambitious targets for women’s health, including reductions in maternal and child mortality, and combating the spread of HIV/AIDS. In general, women have less access to health care than men, because of lower levels of education and income, inferior mobility, household responsibilities, and tradition-related factors that in some countries, for example, only allow women to be treated by other women, or prefer women to be treated by other women. The limited access of women to health care has particularly serious implications in the fields of reproductive and sexual health, childbirth, and health care for young children. For example, a study of 152 maternal deaths in

² For more details on this project, see: http://www.cleanenergyawards.com/fileadmin/redaktion/factsheets/factsheet_webversion_8.pdf
Dakar, Senegal, showed that the following major risk factors were associated with health system failures: breakdown of medical equipment, late referral, lack of antenatal care, and most importantly, non-availability of health personnel at the time of admission. Indeed, the absence of a skilled attendant at the time of childbirth is the most serious risk factor for maternal death, and yet the percentage of births attended by a trained person can be as low as 5 per cent in some developing countries (Kasonde, 1999). Moreover, battered and assaulted women are in special need of health care, as are women living in rural areas. This means that when there is a shortage of health personnel, particularly of nurses, women are especially affected.

16. The United Kingdom has been at the forefront of policies to reduce the impact of brain drain from the health sector in poorer countries. Initiatives in the United Kingdom include prohibiting its National Health Service trusts from recruiting from South Africa and the countries of the Caribbean, and guidelines issued by its Department of Health on international recruitment for nurses, with a list of countries, including many in sub-Saharan Africa, from which recruitment is prohibited (UNCTAD, 2007).

17. Development assistance is another and perhaps a more effective channel through which developed countries can help tackle the worst forms of health-sector brain drain. The case of the assistance provided to Malawi by the United Kingdom’s Department for International Development (DFID) is instructive. Malawi has expanded its training of health professionals, but has major problems in keeping staff in the country. The DFID has developed a special programme of assistance for Malawi, to increase training for both doctors and nurses, and to increase pay and job opportunities. Moreover, the DFID reports that the programme has met with some initial success, with 450 new health workers enrolled, some 570 new staff members recruited to the Ministry of Health, the recruitment of international volunteers and the establishment of new laboratories (UNCTAD, 2007).

IV. Jamaican trade integration and its impact on women

18. The overall benefits that countries derive from trade agreements are often in contradiction with the effects that trade agreements cause on the most vulnerable segments of their populations. In most cases, this situation has gender implications, as women are generally among the most disadvantaged groups. An example of women not being able to benefit from regional integration is provided by the Jamaican economy, within the context of the Caribbean Community (CARICOM) and the Caribbean Single Market and Economy (CSME) (Thompson, 2006). Confronted with the rapid advances of globalization, the priority of CARICOM nations is to gain greater access to external markets and to expand trade and investment, while establishing a regional free-trade area – an economic development model adopted by many other countries of the Americas during the last twenty years (Coche, Kotschwar and Salazar-Xirinachs, 2006).

19. Jamaica’s integration into CARICOM and CSME has unfavourably affected the welfare of poor women in several aspects of their social and economic life (Webster, 2006). One of the reasons why women have generally not benefited from trade integration is the type of employment opportunities offered by the new trade agreements. The free movement of people within the CSME members is promoted, but it is in fact restricted to certain categories of skilled workers, and it therefore excludes the unskilled small-scale traders who make up approximately 40 per cent of the region’s economic activity, and discriminates against women, who are predominantly owners of small businesses. For Jamaican women entrepreneurs heading small-scale businesses, this restrictive measure deprives them of the
benefits of intraregional trade, and hinders their empowerment, despite being an economic group that played an essential role in the Jamaican economy during the 1980s and 1990s.

20. Another reason why women have not fully benefited from regional integration is the Free Movement Act, which allows non-discriminatory access for business people to capital and physical infrastructure across the CSME members. It caters solely for business development, but not for the workers themselves.

21. A possibly more relevant issue that has affected women unfavourably is that the implementation of trade agreements has removed protection mainly from sectors with a high proportion of female workers. The consequent downturn in these sectors has exposed women to redundancy, unemployment or underemployment. In addition, the extension of trade preferences, under the Caribbean Trade Partnership, to Central American countries that have lower labour costs and more competitive exchange rates has caused industries to relocate out of Jamaica, thereby depressing the labour-intensive Jamaican manufacturing sector (12.6 per cent of gross domestic product (GDP) in 2006, down from 15.5 per cent in 1996).\(^3\) This downturn also affected the flourishing textiles sector, where there is a heavy concentration of female workers. Free trade arrangements have endangered the services sector in Jamaica too, where the proportion of women is noticeably higher than that of men. (In 1990, 72 per cent of women worked in the services sector, compared to only 34 per cent of men).

22. Employment downturns have also affected free trade zones, which provided employment for many women. An example is Digiport, an export-processing zone dedicated to service industries, which offered women well-paid clerical jobs in the data entry industry. When the North American Free Trade Agreement came into effect in 1993/94, it had the effect of encouraging multinationals to shift their operations from Jamaican free zones to those of other countries, mainly Mexico (Webster, 2006). Women who lost their jobs then moved to the informal sector, and consequently, consumption for female-headed households plummeted by as much as 14 per cent, in sharp contrast with male-headed households, whose consumption dropped by a mere 1.7 per cent (White, 2005). The agricultural sector was hurt too, and poverty worsened among women producers of poultry and dairy products, who had to face increased competition from international producers (Wedderburn, 2006).

23. In summary, Jamaican women, especially those who are unskilled, have failed to benefit from the gains brought about by CARICOM trade liberalization and its pursuit of greater regional integration. One way of helping these women to achieve a better life for themselves and their families would perhaps be for their Government to give further attention to an important objective of the Beijing Platform for Action, namely “seek[ing] to ensure that national policies related to international and regional trade agreements do not have an adverse impact on women’s new and traditional economic activities” (Beijing Platform for Action, 1995, para. 165(k)).\(^4\)

V. Export growth and female employment in the apparel sector in Madagascar

24. For most developing countries, increases in exports have often been linked to rapid economic growth and development. However, the effects of export growth on

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\(^3\) Economist Intelligence Unit (2008).

poverty, on social inequality, and on gender equality in particular, have been mixed. The extent to which women have benefited from export-led economic growth has been studied by Nicita and Razzaz (2003), while the effect on poverty has been analysed by Nicita (2008). These studies examine the effects that export growth in the textile and apparel sector have had on social welfare and the gender wage gap in Madagascar.

25. Madagascar experienced very fast growth in the apparel sector between 1997 and 2003, with a growth of about 150,000 jobs and an increase in exports from $200 million to almost $500 million. The industry entered a brief downturn following the phasing out of the Multi-Fibre Agreement, however exports started growing again in 2006, reaching about $600 million in 2007. The expansion of the garment industry has had important repercussions for women, as more than 80 per cent of the new jobs have been filled by female workers. The creation of jobs in the textile and apparel industry in Madagascar has been able to provide a viable means for a significant number of individuals and households to increase their income. Moreover, for a large majority of female workers, being able to earn monetary income for the first time has represented a good opportunity to improve their standard of living and social standing. In the case of Madagascar, 85 per cent of the women who found new employment in the textile sector had never directly received any monetary income, compared with just 15 per cent of the men.

26. Possibly the most important issue regarding women’s employment in developing countries is that it is often temporary. That is to say, women get hired, fired, and relocated from one job to another much more frequently than men. Besides causing financial instability, this makes the development of specific skills more difficult. The result is that women generally remain as low-wage earners in the pool of unskilled workers.

27. A particular problem with female employment in export sectors is that it is often largely relegated to low-paid positions. Women employed in Madagascar’s garment industry are found to have a somewhat lower but generally comparable level of education than men. Nonetheless, the large majority of women are relegated to unskilled jobs where they earn low wages, while high-wage skilled positions are largely occupied by men. This is relevant to the gender wage gap, as the increases in wages have been limited to skilled workers only, while unskilled wages have been kept low by the existence of a vast pool of unemployed or underemployed individuals. Temporary jobs are another problem. Export industries often work on commission, therefore they often rely on workers that they can hire on a temporary basis. Temporary jobs tend to be filled almost exclusively by women, offer lower wages, and lack most of the benefits of more permanent positions.

28. From a gender perspective, female workers have benefited from the creation of employment, but overall, they have enjoyed lesser gains, relative to men, as their employment is often on a temporary basis, and their wages have been stagnant. This has resulted in an increase in the gender wage gap between men and women from 20 per cent to about 30 per cent.

VI. Kenyan women and flower horticulture

29. In Kenya, horticulture is the fastest-growing sector of the economy. This performance is mainly attributed to the export of cut flowers, the vast majority of which go to European markets. Exports rose from $100 million in 2002 to more than $300 million in 2007. 75 per cent of the workers in the cut flower industry are female, and over 65 per cent of the total employment is on a temporary, seasonal, or

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5 This case study draws heavily on Smith S et al. (2004). See also: http://www.thecommonwealth.org
casual basis. This has created broad opportunities for employment of women; however, the benefits to women have been greatly diminished by the lax application of labour laws. Particularly damaging for women is their continued status as temporary workers. Legally, Kenyan employers are required to promote casual or temporary workers to permanent status after eight months, but they are often found returning year after year on renewed temporary contracts.

30. Moreover, Kenyan flower horticulture is governed by a set of rules or by codes of conduct covering employment conditions. Despite positive steps taken by producers to follow the codes of conduct, largely in the wake of the ethical trade advocacy promulgated by non-governmental organizations and movements such as the Ethical Trade Initiative, problems persist for female flower workers, because of a lack of comprehensive social chapters within the codes to address the gendered nature of employment inequalities in the industry, and a lack of proper implementation of the relevant codes that do exist.

31. While producers have found codes to be useful management tools, and there has been some improvement in a number of areas, including health and safety, major concerns over worker conditions – particularly for women – still persist. For example, very few workers are aware that codes of conduct pertain to workers’ rights, and only 31 per cent of non-permanent workers have a signed, written contract. Despite many codes of conduct cautioning against the use of “rolling contracts”, many employers continue to use them as a means of avoiding the additional costs associated with permanent employment.

32. In 2002, local civil society organizations spearheaded a campaign in response to continued poor working conditions on Kenyan flower farms. This resulted in a series of articles in the Kenyan press, which was an encouraging way forward. These activities generated concern about the reputation of the industry in overseas markets, and they were responsible for bringing together a range of stakeholders to engage in dialogue on labour practices. A steering committee was formed – the Horticultural Ethical Business Initiative – to guide social accountability in the horticultural sector, which was composed of members from the Government, non-governmental organizations and trade associations/employers.

33. The Kenyan experience illustrates how potential gains from trade can have little impact on women’s empowerment when workers’ rights are poorly protected. It also shows how advocacy by non-governmental organizations and international cooperation on codes of conduct can help to transform what has so far been a largely gender-neutral approach into one that incorporates the gendered needs of employees in Kenyan horticulture.

VII. Burkina Faso’s women who work in the shea sector, and their benefit from trade

34. Shea butter has long been a useful ingredient for foods and soap in Burkina Faso, but its qualities also make it a valuable export that is used in manufacturing chocolate and cosmetics. Shea is termed as “women’s gold” by villagers in Burkina Faso. Shea-related activities are dominated by women, and include collecting the nuts of the shea tree and processing them, by crushing and grinding, to yield shea

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6 The main codes of conduct operating in the Kenyan context are the northern sectoral code of the Milieu Project Sieretelt and the southern sectoral codes of the Kenyan Flower Council. Also on the increase is the use of the German-based Flower Label Programme, drawn from the International Code of Conduct for Cut Flowers that was developed by non-governmental organizations and trade unions in Europe.

7 This case study draws heavily on Harsch (2001) and Schoenborn (2007). See also: www.thecommonwealth.org
butter. Approximately 400,000 women are engaged in shea-related activities in Burkina Faso.

35. Exports of shea butter and unprocessed shea kernels brought in more than $25 million in 2007, making it the country’s third most important export, after cotton and livestock.

36. The harvesting and processing of shea is an activity carried out primarily by rural women. Producing a single kilo of butter involves more than 22 different steps and takes six hours of hard labour by the women involved in processing the nuts. Men are usually only involved in transport and marketing.

37. Unprocessed shea nuts have been exported to Europe for decades, primarily for the manufacture of chocolate in Switzerland and the United Kingdom. During the 1970s and the first half of the 1980s, Burkina Faso’s earnings from shea exports came in second, after cotton. But the world price for shea nuts plunged in 1986–87 and the quality of Burkina Faso’s output declined too, leading to a reduction in Burkina Faso’s share of the world market. By 1990, Burkina Faso was exporting only 22,000 tons, just a tiny fraction of the shea nuts grown each year.

38. Production of shea in Burkina Faso went through some dramatic downturns following the Government’s adoption of structural adjustment policies in the early 1990s, which further disrupted the harvesting of the nuts and the marketing of shea products. Liberalization of agricultural marketing, through elimination of the price stabilization board, brought considerable instability to domestic trade, and left the sector, as a whole, in a poorly organized state.

39. In 1994, the Government announced a series of commitments to help the poor and to ensure environmental sustainability. One of the commitments specifically highlighted the potential for promoting women’s economic empowerment through development of the shea sector for exports. However, Burkina Faso’s women were in an especially weak position to take advantage of any new economic opportunities. An estimated 88 per cent of rural women are illiterate, and have limited technical skills to improve the quality of their butter or to acquire information about market trends. Even when they do have the skills or knowledge, few women have access to formal credit to purchase shea butter presses or to better promote their products.

40. The Government sought help from non-governmental organizations, civil society and other donors, requesting them to come forward and help the rural women engaged in the shea sector. In response to the Government’s appeals for assistance, a number of external non-governmental organizations and bilateral donors began to support various projects. One of the first initiatives was the Projet national karité (the national shea project), which was launched in 1995 with financial and technical assistance from the Centre d’étude et de coopération internationale (CECI), a Canadian non-governmental organization. By the end of 1999, funding of about 1 billion CFA francs ($1.4 million) had been provided by Taiwan. In 1997, the West Africa regional office of the United Nations Development Fund for Women (UNIFEM) – which is based in Dakar, Senegal – sent a mission to Burkina Faso at the Government’s request. It found that despite the Projet national karité and other shea projects, women still did not have secure access to improved means of production. It was then that UNIFEM became directly involved, specifically in order to help women’s groups bolster their ability to produce shea butter and to link them up with potential export markets. UNIFEM researchers confirmed that for women producers, the greatest potential income lies in the production and marketing of shea butter, rather than the raw nuts.
41. UNIFEM also acted as a facilitator in striking important deals directly with cosmetics companies, thereby ensuring that a greater share of the revenue goes to the producers, rather than to middlemen. In addition, some cosmetics companies frequently provide the women with training in quality control and pay for the shea butter in advance, giving them greater economic security during the production phase.

42. This regular and dependable source of income for women engaged in the production of shea butter has generated a certain sense of self-respect among the workers. It has also helped the women producers earn the respect of their family and the right to speak out in the community. Linking women producers to the global shea butter markets is a powerful way of building and strengthening women’s economic security. Their economic position is enhanced, not only through the additional income they earn, but also through the technical skills and organizational capacities they acquire.

43. All assistance to the women flows through their own local associations. As of November 2000, there were estimated to be more than 1,300 women shea producers’ organizations, covering about half of the country’s provinces. In some areas, a very sizeable number of women belong to such groups. Through these producers’ groups, women are able to pool their resources to purchase simple presses, greatly reducing the amount of time and labour required to crush the shea nuts. They receive technical training to meet the quality standards required by foreign buyers, and are able to make marketing contacts at trade fairs, which are held periodically.

44. Apart from the improvement in their economic positions, women in the shea sector receive assistance to improve their skills, and they also attend literacy classes. Along with practical instruction, various shea training projects also seek to educate the general public about environmental sustainability. The shea tree is a protected species. It is even illegal to pick unripe nuts. (Mature nuts fall to the ground.) But the scarcity of other cheap sources of energy often leads to abusive cutting of the trees for firewood, while farmers sometimes burn them to clear land for farming.

45. Although much attention and funding have been flowing into the shea sector, productivity in the sector is still very low. Production techniques have hardly changed over the centuries and highly labour-intensive methods are used. Even after the intervention of the various non-governmental organizations and donor agencies, many women in the sector still work outside cooperatives and do not benefit. These women mainly sell their products through retailing, which is very slow and unprofitable.

46. Furthermore, women become less visible as one moves up the value-addition chain. Big-volume trade of the butter for export is dominated by men. The women are often limited to their local markets, due to the inadequacy of the resources at their disposal. In addition, even though the financial requirements of both men and women in the shea butter industry are modest and there have been positive interventions from United Nations agencies and other donors, many women are disadvantaged when it comes to obtaining the required funds to improve upon their activities.

VIII. Women and the rice industry in the Philippines

47. In the Philippines, paddy production is an important means of generating economic activity in rural areas. It accounted for 17 per cent of the country’s

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8 This case study draws heavily on Spieldoch (2007) and Reyes-Cantos and Bernabe (2006). See also: www.thecommonwealth.org
agricultural output in the period 2001–2005, and it directly employs at least 4 million rice farmers. Of the 6 million women engaged in agriculture, 37.36 per cent – or more than one third – are engaged in rice farming.

48. Despite the fact that rice occupies the top position in terms of the Philippines’ production of commodities, the country still has to import rice every year from overseas. As a member country of the World Trade Organization, the Philippines has undertaken commitments to open the local market to foreign goods and services, through the reduction or elimination of tariffs and trade barriers. Until a few years ago, the rice industry in the Philippines was protected, but in the recent past, the country has been facing tremendous pressure with regard to the liberalization of the rice industry.

49. The Philippines maintains a quantitative restriction on the importation of rice. The quantitative restriction on rice is the only import restriction measure under the Magna Carta of Small Farmers (Republic Act number 7607 of 1992) that was not converted into tariffs after the Magna Carta of Small Farmers faced amendment by the Agricultural Tariffication Act (Republic Act number 8178 of 1996). The country was able to secure an exemption from liberalization for the rice industry under annex 5 of the World Trade Organization’s Agreement on Agriculture. This exemption allowed the country to maintain import restrictions on the commodity even as it tariffed all other agricultural products, in keeping with its commitment to liberalization under the General Agreement on Tariffs and Trade.

50. During the past years, there have been pressures to liberalize the rice industry. The expiry of the exemption from tariffication under annex 5 by 2004 raised questions about whether or not the Philippines should continue to maintain quantitative restrictions on the importation of rice. In addition, international financing institutions such as the Asian Development Bank – through its Grains Sector Development Programme – have made the release of loans conditional on rice tariffication.

51. Moreover, regional trade agreements such as the Association of Southeast Asian Nations (ASEAN) Free Trade Area have contributed to the liberalization of rice markets in the region. Although rice is generally treated as a highly sensitive product by members of ASEAN, the trade agreements nevertheless provided for some opening up of the country’s domestic rice market to other rice-exporting countries in the region. Under the ASEAN Free Trade Area–Common Effective Preferential Tariff (AFTA–CEPT), the Philippines eventually removed rice import restrictions and adopted a 50 per cent tariff on imports from ASEAN members in 2003. This runs counter to the Philippines’ official position in the World Trade Organization, where the extension of the quantitative restriction on rice was renegotiated.

52. Farmers’ groups have raised issues in connection with the volume and timing of imports. In particular, they assert that the Government is inclined to import more than the forecasted shortage. They also cite many cases of the Government’s imports coinciding with the harvest season. Both these situations have the effect of dampening prices for domestically produced rice, resulting in lower incomes for the small-scale rice farmers, both men and women, in the rice value chain.

53. The rise in imports from other East Asian countries has disproportionately affected women, as women constitute an integral part of the rice industry in the Philippines. They are engaged in every aspect of the industry, from paddy cultivation, to harvesting, threshing and milling, right up to the marketing of rice.

54. The main lesson from the Philippine rice experience is that policies dealing with the agricultural sectors, including those prescribed by international and
regional trade agreements, and whether they are designed to favour the overall economy or just corporate interests, can have far-reaching implications for women’s productive roles and incomes. It is, therefore, by using a policy mechanism that mainstreams gender issues into trade strategies that the well-being of women can be improved.

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