

Expert Meeting on

TRADE AS A TOOL FOR THE ECONOMIC EMPOWERMENT OF
WOMEN

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Gender and Global Value Chains

By

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The views expressed are those of the author and do not necessarily reflect
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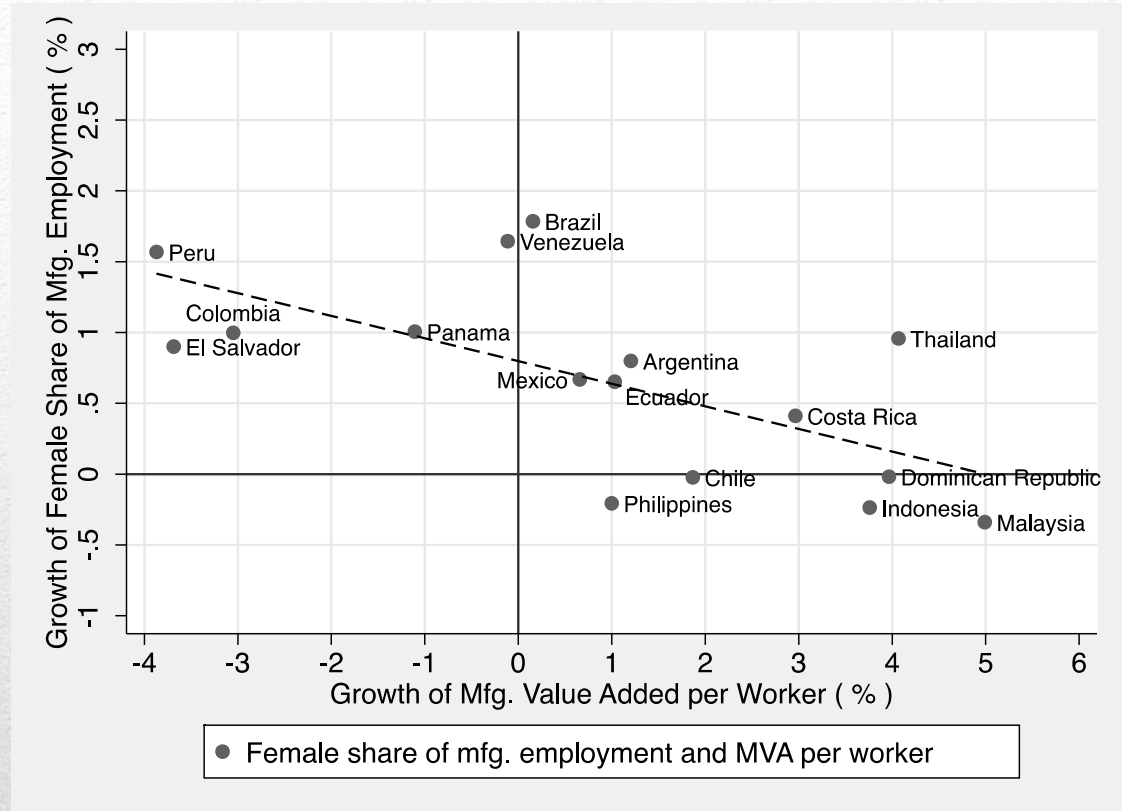
- Trade in intermediate inputs now accounts for 60% of global trade or \$20 trillion in exports of goods and services (UNCTAD 2013)
- Women have been increasingly incorporated into export production
 - Positive correlation between export share and female share of employment (Tejani 2011)
 - Labor intensive industries

Introduction

- Developing countries are increasing their share of global value added trade rapidly: 40% in 2010 (UNCTAD 2013)
 - Some of this is related to growth in natural resource extraction
 - But it also represents successful upgrading or “moving up the value chain” (producing goods with higher technological content and/or value added) by developing countries such as China, Chile, Philippines and Thailand.
- But from 1990-2010, 65% of developing countries increasing their participation in GVCs saw domestic value added creation in trade decline, though trade volumes expanded (UNCTAD 2013)
- The question is what happens to the gender distribution of employment, income and to labor standards overall in both these cases.

Value added, gender & GVCs

- Evidence that industrial upgrading often leads to a “defeminization of employment”
- The growth of manufacturing value added per worker (or rises in labor productivity) leads to a falling share of female employment based on data from 1980-2007 for 15 countries in Latin America and Southeast Asia
- (Tejani and Milberg 2016)



Source: Tejani and Milberg (2016)

Upgrading and defeminization

Does economic upgrading lead to social upgrading? (macro level)

Economic upgrading:

- i) Change in world export market share (competitiveness)
- ii) Change in export unit values (product upgrading)

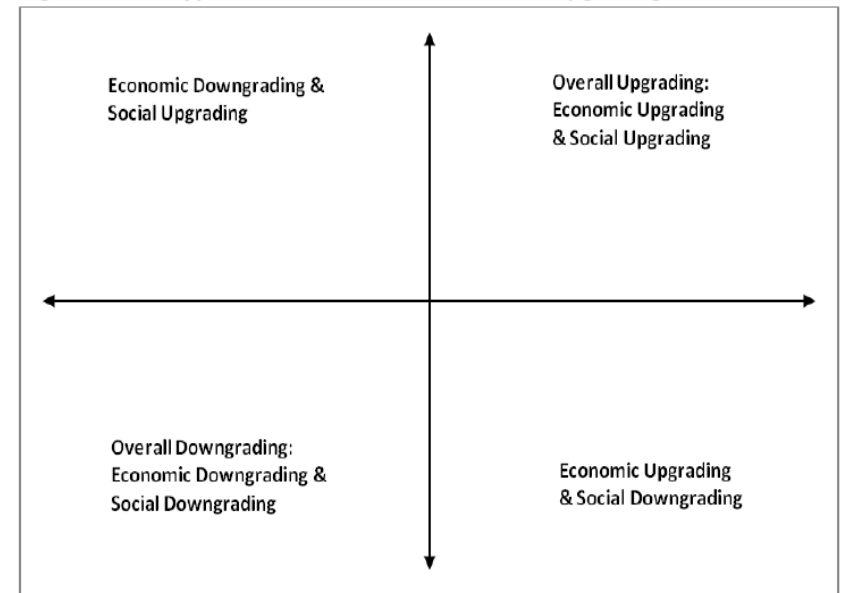
Social upgrading:

- i) Percent change in employment
- ii) Percent change in real wages in the relevant sector

Social upgrading from a gender perspective:

- i) Percent change in female share of employment
- ii) Change in the gender wage gap as feminized sectors upgrade or downgrade

Figure 3: Prototype matrix of economic and social upgrading



Source: Benhardt and Milberg 2011

Economic and social upgrading

- Social upgrading must involve formal equality so women have equal opportunity at all nodes of the chain
 - E.g., women are often unable to escape casual work, poor working conditions and violation of their rights.
- At meso level, economic upgrading must facilitate value creation and capture that is gender equitable.
 - E.g., if application of certification standards involves more work for women but they receive no additional remuneration.
- For those countries which have lost their share of domestic value added, the question is whether this is worsening the gender distribution of income and employment? (Barrientos 2014)

The gender aspect

- Kenya and Uganda successful as exporters of cut flowers and cuttings.
- 75% of flower workers in Kenya and 65-75% of Ugandan flower workers are women
 - Mostly employed in packhouses- have better levels of education and receive additional training and paid more than field and greenhouse workers.
 - Better health and safety conditions and less on-farm sexual harassment
 - Improvement in job security in Kenya: in 2002, 35% were on permanent contracts while in 2011, 80% were.
- But this is not automatic...
 - Vigorous civil society and trade union campaigns led to introduction of codes of labor practice based on ILO core conventions
 - Improvement in job security related to stabilization of Kenyan flower exports to Europe.
 - But real wage declined in absolute and relative terms due to inflation from 2002 to 2011 even as social wage improved

Source: Barrientos 2014

Flower GVCs: Kenya & Uganda

- Egypt became the fourth largest global provider of offshore services and the largest call center industry in MENA due to presence of high-skilled, low cost labor.
- Entry level jobs facilitate job creation for better paid, professional women though male employment grows as firms upgrade.
- Women dominate in frontline agent work but as industries upgrade to new functions, their participation diminishes:
 - Gendered domestic roles, nightshift work, glass ceilings and limited infrastructure and support services including transport and daycare.
 - Few talent management programs and little tracking of gender disaggregated data.

Source: Staritz and Reis (2013)

Call Centres in Egypt

Economic and social downgrading: West African cocoa

- West Africa (Ivory Coast & Ghana) experienced economic downgrading in the cocoa segment in due to a long-term fall in prices, falling government support leading to lower productivity and quality.
- Though cocoa is a male crop, 25% of workers are women-and remain unpaid family workers. Overall low incomes and decline in welfare of small cocoa households (Barrientos 2014).

Economic upgrading and social downgrading: Brazilian mobile telecom

- Only 4 out of 15 top exporters of mobile telecom are from developing countries but they occupy top spots. Brazil has upgraded: increased its market share and unit values dramatically since 1990.
- Brazil's mobile telecom sector- employment has been stable but wages have declined from 1996 to 2006. Overall social upgrading in mobile telecom has been rare (Bernhardt and Milberg 2011).
- Impact on gender inequality needs to be studied.

Social downgrading

- Question remains as to whether it is more beneficial for developing countries to attempt to integrate into GVCs as suppliers or to promote exports of finished products through trade and industrial policy.
- Capacity building, training, support and social provision for women targeted at upgrading requirements in GVCs are critical and governments and firms have a role to play.
 - e.g., childcare, transport and on-the job training
- Gender segmentation in education and vocational programs has to be addressed
 - “Humanistic-technical divide” (Tejani and Milberg 2016)
- Address gender bias and gender segmentation in role assignment in productive firms that are based on ideas of innate ability and skills based on gender.
 - Notion that agriculture is a male domain as policies implicitly assume farmers are men though 79% of women report farming as their primary activity in developing countries (Doss 2011)
- Protect worker’s rights to freedom of association, collective bargaining and non-discrimination

Policy implications



Thank you!

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