

Linkages between Trade, Development and Poverty Reduction  
**Gender and Trade**  
**How to engender the National Foreign**  
**Trade Policy of India?**  
29 October 2007, Bangalore, Karnataka

## **TABLE OF CONTENTS**

<b>1. Introduction and Highlights</b>		03
<b>2. Inaugural Session</b>		
2.1. Introduction of the TDP Project Rebecca Band, CUTS CITEE		03
2.2. The importance of research on gender and trade Shahid Ahmed, UNCTAD India		04
<b>3. Session 1: Gender and trade capacity building</b>		
3.1 Sarojini Thakur, Acting Head of Gender Selection, Commonwealth Secretariat		04
<b>4. Session 2: Engendering the National Foreign Trade Policy?</b>		
4.1 National Foreign Trade Policy and gender dimensions R.S. Ratna, Director, Regional & Multilateral Trade Relations, Department of Commerce		06
4.2 Women, poverty and trade Shubha Chacko, Singamma Sreenivasan		06
4.3 Trade liberalisation and women in the handloom/handicrafts sector Dr. Narasimha Reddy, Consumer Guidance Society		07
4.4 CUTS gender and trade project: what is to be researched, why and how? Rebecca Band, CUTS CITEE		07
<b>5. Conclusion</b>		
5.1 Discussion of related issues and concerns		09
5.2 Agenda		11
5.3 List of Participants		12

## **1. Introduction**

CUTS Centre for International Trade, Economics and Environment (CUTS-CITEE) hosted a workshop for the *Linkages between Trade, Development and Poverty Reduction* (TDP) Project in Bangalore, Karnataka on the 29<sup>th</sup> of October 2007. Those present included national government officials, students and academics, gender experts, and members of various women's and trade related non-governmental organisations (NGOs). This is the second in a series of three workshops to be held on this subject.

## **2. Inaugural Session**

### **2.1 Introduction of the TDP Project -- Rebecca Band, Assistant Programme Officer, CUTS-CITEE**

Rebecca Band started off the workshop by introducing the TDP Project. This is a four year project, currently in its third year. It spans across 15 countries and 27 partners in Eastern & Southern Africa and South & South East Asia. The first half focused on research inputs such as country background papers and case studies on two sectors. The ongoing second half is focusing on channeling that research into advocacy. The project looks into the aspects of coherence that different stakeholders and departments need to accomplish in order to establish a positive linkage between trade and pro-poor development. This year's national dialogue in India is focusing on gender and trade. The issue of the National Foreign Trade Policy is to have specific policy relevance for advocacy purposes.

The four objectives of the TDP Project are: 1) To facilitate cross-fertilisation of experience and lessons learnt on linkages between trade, development and poverty reduction in the developing countries to develop appropriate policy responses; 2) To help strengthen the ability of developing countries through the provision of policy support and other knowledge/help on trade and development issues, and to defend their viewpoints and negotiating/advocating positions on issues of concern in the multilateral trading system; 3) To facilitate synergy between governments and CSOs (between and among the Northern and Southern stakeholders) to learn from each other and strengthen their collective perspectives and positions in the emerging debate on the linkages between trade, development and poverty reduction; and 4) To advocate development-oriented trade policies based on learning from research and other activities, by taking into account the interests and priorities (needs and aspirations) of the poor and marginalised sections of society and look into the aspects of policy coherence.

At least one, if not several regional dialogues, have been organised every year in each country. This particular dialogue is focused on gender and trade because CUTS is formulating a future project on this topic. The inputs today therefore will be used in formulating the project.

## **2.2 The importance of research on gender and trade—Shahid Ahmed, UNCTAD India**

According to economist Shahid Ahmed, trade effects vary across sectors. Trade liberalisation has immediate effects as well as long-term effects and different layers of the production process are also affected distinctly. There is a potential trade impact on employment and public service availability.

Research shows that an increase in women's wages is due to an increase in exports, and that a women's position in society is made better as a result of paid employment. Although women tend to experience poor working conditions, the wages are better than alternative options. The impact of gender depends on the division of labour between men and women, as they have different roles and entitlements. Current research lacks multi-dimensionality and needs statistical reasoning. Some constraints in gender research are a widespread view of gender-neutral trade effects and a lack of disaggregated data. Further research needs to be conducted to assess whether women are in fact homogenous, and to better determine if poor women are becoming empowered and their wages are increasing due to trade liberalisation.

Ahmed emphasised the need for a gender-sensitive domestic policy, as well as the need to identify sectoral and regional dimensions. Employment practises need to be examined to see if there is an impact of trade liberalisation on the informal sector. He acknowledged that modernisation and globalisation has aided in decreasing gender biases. Ahmed suggested that CSOs and developmental agencies should be proactive, and recommend appropriate policies that will result in gender equality, thus increasing the economy's capacity.

### ***3. Session 1: Gender and trade capacity building***

#### **3.1 Sarojini Thakur, Acting Head of Gender Section, Commonwealth Secretariat**

Sarojini Thakur began her presentation by introducing the fact that 53 countries are a part of the Commonwealth, and that its main goal is to facilitate governmental policy making, as well as to mainstream gender and trade. Thakur notified all the participants of two recent news articles; one regarding the garment sector in Bangalore and the other concerning Gap Incorporated's use of child labour to produce its garments. She pointed out that trade is intertwined with social issues and development. She acknowledged that trade, development and poverty are all linked, and that trade impacts all aspects of life including employment, wages, the care economy, and local livelihoods. She emphasised that development for poverty eradication is of the utmost necessity.

Thakur explained that the Millenium Development Goals (MDG) are an agenda that the global community has agreed to, in order to resolve issues such as gender inequality and infant mortality etc. She explained that the World Trade Organisation (WTO) is an instrument for implication of the multilateral system and that its main goal is to implement free trade. Thakur emphasised that gender equality is a social rights issue, but also a trade issue since it causes economic growth. She discussed the idea that trade barrier removals either increase or decrease access to the economy and social resources for women, and that the reduction of tariffs affect government budgets by causing cuts in programmes which affect women more than men. Thakur emphasised that poor women experience difficulty in accessing global markets, and the solution to this problem is to create an enabling environment.

Women are not a homogenous group, and therefore trade has different impacts upon them. Women and men are also impacted differently. One must take into consideration the specific sector, education and location of each. Thakur questioned whether the benefits of trade trickle down, and if not, surmised that the chain must be broken down to cut out the middlemen. The care economy, also known as the invisible economy, allows for women to be wageless workers. Time use surveys have also shown how women's leisure time is especially limited.

Thakur briefly explained how the Multilateral Trading System is a set of rules governing trade and that to date, negotiations are occurring to make sure that all parties can agree to the same terms. Negotiations allow protection for products and create an enabling environment for those that need it. She stressed that we must ensure a safety net for the protection of the unemployed, while keeping in mind that markets are constantly changing. The demise of the Multifibre Agreement (MFA) gave some countries preference in the garment sector while causing other countries such as Cambodia and Jamaica to collapse. For countries to be able to export, capacity building is needed.

Thakur concluded her presentation by stressing the notion that the best way to aid women in joining the global economy is by enabling them with technical skills, knowledge and education. She advised that specific sectors be identified and researched in depth, policies and negotiations be influenced through a gender lens, and stressed that thinking can only be changed once practise is changed.

#### ***4. Session 2: Engendering the National Foreign Trade Policy***

##### **4.1 National Foreign Trade Policy and gender dimensions—R.S. Ratna, Director, Regional & Multilateral Trade Relations, Department of Commerce**

R.S. Ratna started his presentation by stating that although the WTO acts as a governance organisation, it is not a perfect situation. He stated that in order for women to be able to earn the same income as men, they need the same qualifications, thus gender equality is crucial. The overall objective of any Foreign Trade Policy is to reduce poverty through development and to stimulate greater economic activity. India's National Foreign Trade Policy (NFTP) should be tailored to address gender disparities, rather than gender neutral. Women represent half of any population and they face many constraints, which make them less able to benefit from liberalisation. It is crucial to recognise and understand the existent gender related constraints and advantages.

Women's work in India largely goes unrecognised as 96 percent of women workers are in the unorganised sector. Women who were reported as non-workers in the census were actually found to be working eight to ten hours as domestic workers. Women have a strong presence in many sectors such as agriculture, textiles, handicrafts, services etc. The economic liberalisation of a sector puts immense pressure on the industry to compete, create efficiency and reduce profits.

Precise sex disaggregated data is needed, yet this is difficult to assess due to the invisibility that women face. Gender sensitive projects need to be identified and specific sectors need to be identified as well. The approaches to consider are WTO or Regional Trade Agreement (RTA) negotiations, policy formation and potential incentives. Capacity building and increasing efficiency are solutions to increasing competition.

##### **4.2 Women, poverty and trade—Shubha Chacko, Singamma Sreenivasan Foundation**

The slogan of "India Shining" needs to be reconsidered according to Shubha Chacko. It is said that India is an economic success story, but Chacko argued that the situation is much more complex than that. There are many shifts and implications, from food security to insecurity. The centre of power is with the WTO and the World Bank, and knowledge has been passed from women and communities unto corporations and institutions.

There is always an emphasis on North-South trade, but we must recognise that there is a large amount of South-South trade that is occurring also. We do not live in a supposed 'flat' world as many critics have claimed. Chacko acknowledged that there have been economic gains, but she questions who gains and at whose expense? Sustainable development is a responsibility and

we cannot continue to exist with a simplistic view, because there are ambiguous grey areas too.

Women have a competitive employment advantage since they are willing to work for a lower wage, for longer hours, in worse conditions, and even prepared to put up with sexual harassment. Some women gain, and some do not; it becomes an issue of the poor women of India vs. the poor women of Cambodia, each competing under the pressure to find and maintain employment. Our aim as a country should not be to have a nine percent growth, but rather to meet the basic needs of our population. Chacko offered that we need to examine how we can work together to strategise and get through to policy makers to ensure that voices are heard.

#### **4.3 Trade liberalisation and women in the handloom/handicrafts sector—Dr. Narasimha Reddy, Consumer Guidance Society**

According to Dr. Reddy the structure of production is perpetuated by the NFTP, which only focuses on exports and not imports. He provides the example of the 81 page document that does not mention anything in terms of India's imports. Rather, exports are the focal point and the NFTP is in essence a promotion policy. Dr. Reddy claimed that the NFTP wants to be silent when it comes to gender issues that are raised, and argued that the Director General of Foreign Trade (DGFT) is only concerned with procedures, and not policies.

A Market Development Assistance (MDA) Scheme is operated with a view to encourage handloom exporters to access and develop overseas markets. However, the structure of the MDA has no female members, further illustrating Dr. Reddy's point that men own the handloom sector.

Dr. Reddy went on to explain that gender is not the focus area for cluster development programmes, although there are twenty clusters across India. He emphasised that powerloom products are being sold as handloom products. Markets are changing and the cost of production is quickly rising so the government is encouraging cost efficiency, even at the expense of exploiting women and seniors. Master weavers are dealing with reduced wages, thus being one of the reasons to account for suicides of heirloom weavers. This leaves the burden on the women who end up sacrificing meals so that their family members (mainly their sons) are able to eat. This further results in an immense pressure to bring in wages, which contributes to an increase in child labour. The DGFT provides no code for handloom production, and no response is given from the ministry of textiles or policy makers. Indian handloom exports have a low cost of production is lower and are environmentally friendly nation, and thus are preferable to the alternatives.

#### **4.4 CUTS gender and trade project: what is to be researched, why and how? Rebecca Band, CUTS-CITEE**

Rebecca Band introduced the gender and trade project by stating that the NFTP will be the focal point of CUTS research. While the concept of gender budgeting is gaining legitimacy in India, it is necessary to take this exercise further by formulating a coherent understanding of the impact of trade liberalisation on gender relations and vice versa: the impact of gender inequalities on trade liberalisation. By providing policy prescriptions, gains for women can be capitalised, previous losses can be compensated and reversed, and future losses can be avoided.

The NFTP, like most other policies, is *gender-neutral*: it assumes liberalisation will affect men and women equally, despite women's disproportional representation in at least the first, if not all three of the thrust sectors of the special focus initiatives (agriculture, handicrafts/handlooms, and marine products).

Since gender inequalities will influence trade policy outcomes, the key questions to address are: what are the constraints women face and how can the government address these? The objective of the CUTS project would be to influence the next NFTP after 2008.

Just as the relationship between trade liberalisation and pro-poor growth or poverty reduction is a very contentious one, so too is the relationship between trade liberalisation and gender inequality. It is a two-way relationship because on the one hand, trade liberalisation can have adverse and differential effects on men/women and the relations between them; and on the other hand, gender-based inequalities impact on trade policy outcomes, such that trade liberalisation policies may not yield expected results.

Some women may gain in some ways, most often in that they have alternative job options. Other women (or even those same women) may lose, by their work increasingly becoming casualised with less benefits and security. As women increasingly take up paid employment, their household duties do not necessarily get redistributed to their partners, hence the double/triple burden.

## **5.0 Conclusion**

### *5.1 Discussion of related issues and concerns*

Many participants had raised questions throughout the workshop. Sumi Krishna, gender consultant said that there is confusion when it comes to gender terminology. For example, if one were to replace gender with women, essentially it would refer to the one and same thing. She pointed out that conceptual clarity is needed first and foremost and that gender sensitive products are required. Mr. Y.G. Muralidharan of Consumer Rights, Education & Awareness Trust (CREAT) questioned if there is space for gender sensitisation of policy makers. In response, R.S. Ratna called upon CSOs to make recommendations to NFTP by suggesting parameters so that sensitisation is possible.

Following Dr. Reddy's presentation, a participant stated that it was amazing how the handloom sector survived and questioned if government policy had helped in any way, (comparing it to the demise of Sri Lanka's sector).

A participant noted that men and women do the same job in the textile sector but women do not receive equal pay. Sarojini Thakur added that women are more disadvantaged since they are not negotiators. Instrumentalism is needed, and a solid case needs to be made and sold by speaking the language. Another participant questioned if gender issues can be raised in the context of socio-cultural issues. Thakur responded by stating that gender is about power relations, which are formulated through the dominance and control over scarce resources.

Key questions that apply to the CUTS gender and trade project are: What are the expected results of the trade policy, and did they occur? What mechanisms and measures are needed to achieve those results? CUTS is especially concerned with showing how constraints limit women's opportunities; and also how to enhance the opportunities so that they benefit more from trade liberalisation. This means investigating the new employment opportunities that are available for women. Ultimately, the objective of the CUTS project would be to influence the next NFTP being revised in 2008 in a positive manner so that it reflects the needs addressed throughout this report.

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*5.2 Agenda*

**Inaugural Session**

1000 – 1015 *Introduction of the TDP Project*  
Rebecca Band, CUTS CITEE

1015 – 1045 *The importance of research on gender and trade*  
Shahid Ahmed, UNCTAD India

1045 – 1100 Tea/Coffee

**Session 1: Gender and trade capacity building**

1100 – 1300 Sarojini Thakur, Acting Head of Gender Section, Commonwealth Secretariat

1300 – 1400 Lunch

**Session 2: Engendering the National Foreign Trade Policy**

1400 – 1430 *National Foreign Trade Policy and gender dimensions*  
R.S. Ratna, Director, Regional & Multilateral Trade Relations,  
Department of Commerce

1430 – 1500 *Women, poverty and trade*  
Shubha Chako, Singamma Sreenivasan Foundation

1530 – 1545 Discussion

1545 – 1600 Tea/coffee

1600 – 1630 *Trade liberalisation and women in the handloom/handicrafts sector*  
Dr. Narasimha Reddy, Consumer Guidance Society

1630 – 1700 *CUTS gender and trade project: what is to be researched, why and how?* Rebecca Band, CUTS CITEE

1700 – 1800 Discussion

**5.3 List of Participants**

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12	Tashi Penjor	Vivekananda College of Law	
13	B.Mahendra	Vivekananda College of Law	
14	Girish M	Vivekananda College of Law	
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