



WOW // Work and Opportunities for Women

Building back equitably:

Spotlight on Covid-19 and women workers in global value chains





Table of contents

Executive Summary	3
1. Overview	6
2. Covid-19 and women workers in GVCs	8
Variations between value chains	8
Value chain investigations.....	9
Impact on women workers at different tiers of the value chain	10
Retail and brands	10
Larger commercial producers	11
Informal workers and small-scale agriculture.....	13
Out of sight, out of mind	15
3. Protection of women workers and international responses	16
Job and social protection of workers	17
International responses – calls for a new social contract	18
4. Building back more gender-equitable GVCs	19
5. WOW recommendations for businesses, policy makers, governments and donors	20
Improve data capture and gender visibility	20
Focus on jobs and social protection.....	21
Amplify women’s voice and representation	21
Recognise and support women’s paid and unpaid roles	22
Towards a more gender-equitable social contract	22

Executive Summary

The 2020 Covid-19 pandemic has led to major disruption in the supply of goods through global value chains (GVCs). Women workers play an essential role in labour intensive production within global value chains, and yet they have largely been left out of most GVC assessments and supply chain responses to the crisis. Research from the Work and Opportunities for Women (WOW) programme has shown the risks to business of the invisibility of women in GVCs (see earlier report “Hidden in Plain Sight”).¹ This report builds on these findings and draws on emerging data about how women workers have fared through the ongoing Covid-19 crisis, to shine a spotlight on the enduring invisibility of women in GVCs. The report argues for proactive strategies by companies and policymakers to rebuild more gender equitable GVCs in the recovery. The pandemic has exposed the inequalities within the global economy, and has presented an opportunity to redress these. Without deliberate action there is a risk that the pandemic could set back hard won gains for women workers by decades.

This report presents the findings from rapid research undertaken by WOW between May and June 2020. It highlights the impact of Covid-19 on women workers in highly feminised value chains. Though it is not a comprehensive study, our findings indicate that the economic crisis triggered by Covid-19 is clearly impacting men and women differently, with women disproportionately vulnerable.

The flow of goods through just-in-time supply chains that link retailers, suppliers and producers across countries is estimated to account for over half of world trade. Estimates suggest that world trade will plummet by 32% in 2020. There are significant variations in how different industries and value chains are impacted and this paper reviews the differences and commonalities of gendered impacts across highly feminised

sectors as a result. Ready-made-garments (RMG) value chains have been particularly adversely affected as clothing is deemed non-essential. Agri-food has overall witnessed less severe immediate impacts as both food production and retail are deemed essential.

Personal care is more mixed, with increased sales of essential products (e.g. soap) via pharmacies and supermarkets, whilst sales of other products (e.g. cosmetics) declined.

Hundreds of millions of workers globally are employed in production across value chains. About 40-50% are women, a majority of whom are in developing countries, where most goods and products are produced. Whilst some data and information exist on the impact of Covid-19 on women workers at higher value chain tiers, little is available at lower tiers. Findings at different tiers reveal that:

¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/924704/Hidden-in-plain-sight.pdf

In **retail**, shop workers are predominantly female in most countries. Where retailers have closed as a result of the pandemic, women have been retrenched or furloughed. In essential retail, such as supermarkets, women are concentrated on the shop floor. These frontline positions mean they face health and safety risks, and often work long hours.

Large commercial production: The majority of waged workers employed in ready-made-garments, food and personal care production are female. They are concentrated in lower paid, precarious jobs. Where production facilities have been closed down because of the pandemic (for instance, garment factories), women have been at greater risk of being retrenched compared with men. Men are overrepresented in more secure jobs, making them more likely to benefit first from employment in the recovery. Where production has continued (for instance, in food production) women have faced increased health and safety risks combined with reduced hours and pay.

Informal and small-scale farmer production: Women play an important role in informal and small-scale farmer production but are often underrepresented in the data. Whilst some initiatives, such as women's civil society organisations, have undertaken impact assessments to understand how women have fared during the pandemic, these were not specifically GVC focused. WOW found little comprehensive data on the impact of Covid-19 on women workers at this level of the value chain.

The crisis has been compounded by lack of social protection by governments for millions of workers in GVCs, especially in low-income sourcing countries. Social protection and emergency relief from governments, companies and NGOs has helped some workers, but these are more easily accessed by workers on permanent contracts than those on insecure contracts – who tend to be majority women.

Not enough data is being collected or requested by companies and organisations on the gender differentiated impacts of Covid-19 in GVCs. This is particularly notable at lower value chain tiers, where data is all but absent. This widening data gap creates real risks for companies who hope to retain skilled

workers, investment and rebuild more resilient, inclusive and gender-equitable value chains for the future.

The continued spread of the virus globally and the uncertainty around immunisation solutions make it impossible to predict the depth of Covid-19's economic impact. To date, US\$20 trillion has been committed by bilateral and multilateral donors to respond to the crisis. These funds fail to sufficiently address the gender implications of the pandemic, and risk missing opportunities to support millions of women who are sliding into extreme poverty. Based on the data available, it is hard not to conclude that companies and policy actors are walking into the recovery gender blind.

Despite resounding calls to ‘build back better’ it is as yet unclear whether recovery will mean ‘business as usual’, deviance from required standards, or more responsible business models based on a robust social contract. Understanding how this crisis is affecting women and men matters. The choice to ignore or investigate the gendered impacts of this crisis matters for the future outlook and resilience of GVCs.

Based on our research, we have identified a set of recommendations aimed at policymakers and business, underpinned by emerging evidence that gender equality is a critical driver of value chain resilience. These must be at the heart of any approach to ‘building back better’. The full recommendations can be found at the end of this report.

1

Gather more data to improve gender visibility: Businesses should explicitly request gender disaggregated data from their suppliers to monitor the impacts of Covid-19 throughout the pandemic and the recovery period. Government stimulus packages should have gender-sensitive targets, and where governments provide assistance to the private sector, it should include conditions on collection and monitoring of gender data.

2

Focus on jobs and social protection: Businesses should honour orders and use their collective influence with governments to drive improved social protection for workers. Governments should explicitly consider women and vulnerable workers when designing social protection and emergency relief packages, so that these are gender equitable.

3

Amplify women’s voice and representation: Suppliers should engage with women workers on addressing gender needs in their response to Covid-19. Women should be equally represented on any internal taskforce, in addition to other minority or vulnerable groups. Businesses and government should engage with international and civil society organisations in formulating gender-equitable recovery plans.

4

Recognise and support women’s paid and unpaid roles: Buyers, suppliers and governments should provide greater flexibility, financial support and paid leave for women workers who are also carers within households and communities.

5

Towards a more gender-equitable social contract: More active collaboration is needed between government, business and civil society to sharpen focus on gender equality in response to Covid-19, and to build back better under a more equitable social contract.

1. Overview

The Covid-19 pandemic has posed unprecedented challenges to global value chains (GVCs). Women workers play a significant, yet often under- or unrecognised role in many GVCs. Although there is a growing body of media reporting around the consequences of Covid-19 for workers, as well as analysis and data on both the economic and healthcare impacts of the pandemic, there is limited research which specifically considers how women working in GVCs have been affected. This report aims to begin to address this lack of information, shining a spotlight on the many millions of women workers upon whose labour GVCs depend. Our research found that there is little to no gendered data being systematically collected on women workers in GVCs. We argue that this systemic lack of information is a risk to women workers, to the resilience of GVCs, and a risk to companies whose response to the pandemic will be gender-blind.

The healthcare and economic crisis triggered by Covid-19 has been described by some as a ‘shecession’ because of its disproportionate impacts on women. There is evidence indicating that women fare much worse during financial crises, such as in 2008, when women’s formal employment rates decreased by approximately 6% relative to men’s.² The International Labour Organisation (ILO) estimates that up to 400 million full-time equivalent jobs will be lost world-wide in this pandemic across all sectors of the economy, with women workers disproportionately affected relative to men.³ Current calculations show that whilst women make up 39% of global employment, they account for 54% of overall job losses as a result of Covid-19.⁴ Yet women are concentrated in jobs that have proved essential to weathering the crisis, including health, retail and social care. They

face additional burdens as primary carers in households, and many women are vulnerable to gender-based violence, which is on the rise during Covid-19 lockdowns.⁵ Women are therefore hit hardest by the economic and social consequences of the pandemic.

GVCs operate on the basis of the just-in-time production system through close linkages between companies and scheduling of supply across borders coordinated by lead firms. GVCs account for over half of world trade,⁶ which it is estimated could plummet by up to 32% in 2020.⁷ Value chain tiers link inputs, manufacturing, distribution and retail, with labour-intensive sourcing from low-income developing countries. Disruption in one tier can rapidly affect activities in another, generating knock-on effects across value chains.

2 <https://investinginwomen.asia/wp-content/uploads/2020/05/Report-COVID-19-and-Women’s-Economic-Participation.pdf>

3 https://www.ilo.org/global/topics/coronavirus/impacts-and-responses/WCMS_749399/lang--en/index.htm

4 <https://www.mckinsey.com/featured-insights/future-of-work/covid-19-and-gender-equality-countering-the-regressive-effects>

5 <https://apparelinsider.com/study-says-gender-violence-endemic-in-bangladesh/>

6 <https://www.worldbank.org/en/publication/wdr2020>

7 https://www.wto.org/english/news_e/pres20_e/pr855_e.htm

Hundreds of millions of workers are linked to GVCs, nearly half of whom are women.⁸ Just-in-time production is facilitated by a large and flexible workforce, with many on insecure contracts. These casual and informal workers are often recruited via labour intermediaries. As wage workers in commercial production, men are more concentrated in permanent and higher-grade jobs which are more likely to be protected or reinstated through the crisis. Women are overrepresented in lower grade, more insecure jobs with less protection, are slower to be reemployed and as such are at greater risk of loss of income and employment.

At lower GVC tiers, women are concentrated in more informal and home-based work, or family labour in small-scale farming. Covid-19 has resulted in reduced hours, furloughing or complete retrenchment for millions of workers, who have abruptly been thrown into poverty, often with no household savings to fall back on. Many of these workers live in low-income countries that lack government funded business support schemes or social protection, plunging them further into deprivation.⁹

In response to these challenges, WOW's research focused on the impact of Covid-19 on women workers in labour intensive value chains including garments, agri-food and

personal care. This report synthesises publicly available information and offers more detailed insights gleaned through interviews with WOW company partners about their own supply chains. This rapid research presents a review of secondary data and information (including reports, blogs, briefs, websites and webinars) and in-depth interviews with ten companies, suppliers, social compliance standards and civil society organisations. All information and references in this report were accessed between April and June 2020 unless otherwise stated.

The research focuses on the three value chains in which WOW has already undertaken in-depth research and acquired detailed background knowledge. It is neither an exhaustive review nor a definitive assessment of the long-term impacts of Covid-19 on women workers in GVCs. Rather it provides a snapshot of the available knowledge in April – June 2020. However, as the pandemic runs its course, with recurring global surges predicted in the coming months, this snapshot provides an opportunity to inform plans for recovery, and longer term strategies to address the continued insecurity and risks workers face in GVCs. Following a review of the evidence we found, we offer a set of recommendations aimed at policymakers, government and businesses, to build into efforts towards a gender-equitable recovery.

⁸ https://www.ilo.org/public/libdoc/ilo/2016/116B09_43_engl.pdf

⁹ <https://www.gatesfoundation.org/goalkeepers/>

2. Covid-19 and women workers in GVCs

Covid-19 has exposed weaknesses in GVCs. WOW research undertaken before the pandemic highlighted the persistent invisibility of many women workers in GVCs (see WOW Report ‘Hidden in Plain Sight’). This is due to a lack of systemic collection, recording, and reporting of gender-disaggregated data and information, which results in the invisibility of women workers – particularly those in insecure work at lower value chain tiers.¹⁰

Since the pandemic, WOW’s rapid research on the impact of on women workers in the same GVCs found that:

- 1** The impact of the pandemic on women varies within value chains and across countries;
- 2** Covid-19 has further exposed the chronic lack of gender data. This is most pronounced at lower GVC tiers, particularly for informal workers and contributing family labour in small-scale agriculture.

The first section below provides a brief overall summary by value chain (ready-made-garments, agri-food and personal care). The following section compares impacts at each tier across GVCs, focusing on women workers in retail, larger commercial production and small-scale and informal producers.

Variations between value chains

The impact of the pandemic has varied by value chain and by country, depending on infection rates, dependence on exports and government response. Some value chains have fared worse than others with disruption at one tier rippling through other tiers further downstream (retail and distribution) or upstream (production, and input supply). Figure 1 below shows a simplified value chain illustrating the inputs at different levels.



Figure 1: Simplified value chain

¹⁰ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/924704/Hidden-in-plain-sight.pdf

Value chain investigations

We investigated three value chains and found that:



Ready-Made-Garment value chains have been particularly adversely affected. Clothing brick and mortar retailers were amongst the first to close down. Many brands suspended orders and some reneged on their commitments and payments to suppliers. With a majority of RMG sourcing coming from low income developing countries, the change in demand quickly put millions of low wage workers and home-based workers (who are mostly women) out of jobs or at risk of losing their incomes.



Agri-food value chains have been less severely impacted, as food production, retail and distribution are deemed essential. Nevertheless, food services such as restaurants and cafes were shut down, and food transport and distribution has been stalled by bottlenecks and hit by rising costs. Impact on food producers and workers differ by product and country, as well as by value chain tier (processing, large scale agriculture and small-scale producers). Health and safety and social distancing requirements have led to split shifts and reduced incomes for many workers.



Personal Care value chains have seen mixed impacts, primarily driven by whether products are deemed essential (soap, detergents), or not (cosmetics). Whilst suppliers to food retailers and pharmacies have continued, other dedicated shops have closed. Overall sales of personal care products have declined. A challenge for suppliers has been access to inputs. Impacts on personal care producers and workers have varied by product and value chain tier.

Distribution involving logistics and transport enable the 'just-in-time' flow of goods and the functioning of global value chains. Disruptions to logistics and transport early on in the pandemic have had knock-on effects across multiple sectors. Shipping containers in China were held up in efforts to contain the virus, delaying sea, road and rail freight transport of goods elsewhere. Commercial passenger flights, which often transport food in the hold, were cancelled, reducing overall capacity to export food products. In Kenya, for example, freight costs tripled, proving too costly for some producers and leading to a drop in total exports of fruit and vegetables.¹¹

¹¹ <https://www.the-star.co.ke/business/kenya/2020-04-02-freight-charges-tripple-affecting-exports/>

Impact on women workers at different tiers of the value chain

We then looked at the data available at different value chain tiers, and compared impacts across tiers (retail, large producers, informal and small-scale agriculture), for the same three value chains. We found more and better data for higher tiers and limited data at lower value chain tiers, where women are more concentrated.

Retail and brands

Retail workers are largely female in most countries. In the UK, for example, women account for 60% of 2.9 million retail workers.¹²

¹³ Those employed in non-essential stores were furloughed or lost their jobs, with many companies continuing to cut jobs as shops permanently closed due to declining profits.¹⁴

In contrast, employment in food retail and pharmacies increased to deal with extra demand for essential services during the pandemic.¹⁵ At the same time, online retail grew across sectors.

Clothing retail has suffered the most dramatic impacts, with mass store closures and drops in consumer demand. Clothing sales plummeted by 50.2% from March to April in the UK¹⁶ and there has been a shift in what people wear with demand for formal office wear falling. Retailers faced increased costs, some furloughing up to 90% of their workforce¹⁷, a large proportion of whom are women.¹⁸

Food retail experienced the opposite effect. Stockpiling increased food sales exceeding normal levels at Christmas. In the UK, food sales increased by 20.6% for the four weeks ending 21 March 2020.¹⁹ More customers have moved to shopping online with the online grocery market forecast to grow 25.5%

in 2020. Value chains have had to adapt rapidly, with some doubling the output of certain goods, whilst others have suffered shortages and logistical challenges. Some supply was switched from food services to retail.

Pharmacies and supermarkets selling essential personal care products remained open. Dedicated stores selling personal care closed, representing about 30% of the market in the UK. With in-store shopping accounting for 85% of purchases, estimates predict global beauty industry revenues could fall by 20-30% in 2020.²⁰ Distribution has been a key issue with products and inputs held up.

Women workers in retail are concentrated in lower paid shop floor jobs rather than management.²¹ A significant challenge on the shop floor has been occupational health and safety (OHS) and ensuring social distancing from customers in a busy commercial environment. Workers have had to work longer hours than usual, to replenish stock overnight. Women workers, who have shouldered additional childcare responsibilities given school closures, have had to juggle this with paid work.²²

¹² <https://www.theguardian.com/lifeandstyle/2018/jul/24/their-jobs-are-disappearing-how-the-demise-of-the-high-street-is-killing-womens-jobs>

¹³ <https://www.retailappointment.co.uk/career-advice/talking-shop/uk-retail-facts-and-figures>

¹⁴ <https://www.bbc.co.uk/news/business-53348519>

¹⁵ <https://www.itv.com/news/2020-03-20/lidl-creates-2-500-four-week-store-jobs-to-cope-with-outbreak/>

¹⁶ <https://www.bbc.co.uk/news/business-52766856>

¹⁷ <https://www.businessinsider.com/primark-john-lewis-waitrose-furlough-workers-during-pandemic-2020-4?r=US&IR=T#waitrose-6>

¹⁸ <https://commonslibrary.parliament.uk/research-briefings/sn06838/>

¹⁹ <https://www.thegrocer.co.uk/supply-chain/podcast-how-the-food-and-drink-supply-chain-has-been-affected-by-coronavirus/604203.article>

²⁰ <https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/how-covid-19-is-changing-the-world-of-beauty?cid=other-eml-alt-mip-mck&hlkid=3b1da81adae84e21865eeb6e75df2092&hctky=1463486&hdpid=6295188f-e4b4-4632-8936-1cdb9fc93f1f>

²¹ Barrientos, S. (2019) *Gender and Work in Global Value Chains*, Cambridge University Press.

²² <https://www.theguardian.com/commentisfree/2020/apr/17/lockdown-women-working-mothers-coronavirus-home-working>

Larger commercial producers

Data on the impact of Covid-19 on wage workers in larger factories and farms is more readily available than at lower GVC tiers, but still limited. Available data and information comes from direct links between global buyers and suppliers who could share information and partake in surveys (e.g. Sedex).²³ However, the systematic failure to collect gender-disaggregated data across companies means efforts to respond to the crisis which adequately take gender into account start from zero information.²⁴ Although face to face social auditing stopped during the pandemic, some virtual auditing continued, with a focus on occupational health and safety (OHS) of workers, providing partial aggregate information. Trade unions are also more active amongst wage workers in larger commercial sites at the upper value chain tiers and provide a source of data.²⁵ Some NGOs also highlight that women workers are harder hit, collating available data and information at certain tiers.²⁶

In ready-made garments, women account for approximately 65-75% of the 40 million global work force.^{27 28} Many retailers and brands invoked *force majeure*, cancelling orders. In March, suppliers in Bangladesh reported that 91% of buyers refused to pay the cut-make-trim costs of cancelled orders.²⁹ However following pressure from groups such as the Worker Rights Consortium and adverse media

coverage, many brands agreed to honour orders and pay for shipment of goods already manufactured and in production.³⁰ Overall, garment orders in Bangladesh reduced by 45% from last year.³¹ An estimated 2.27 million workers were affected³² with over 1 million dismissed or furloughed³³ with growing reports of job losses for women involving increased workplace violations and GBV.³⁴ Similarly, Indonesia has seen over 1.8 million workers furloughed or paid off³⁵ and other countries including Cambodia, India, Myanmar, Vietnam have also seen significant job losses. Many migrant workers returned to rural villages, and once production restarted, suppliers in some locations faced problems recruiting workers back.

Some evidence suggests that women also face greater challenges as a result of social norms linked to the 'male breadwinner,' with employers considering men to have more right to retain their jobs and benefits.³⁶ Upon the return of some workers to garment factories, surveys in Bangladesh found fewer women reported working or being paid than men. A positive move was the rapid shift to digital payment via mobile phones of the worker (or a relative) to ensure they received wages despite disruption. However, the huge gender gap in mobile phone ownership risks

23 https://www.sedex.com/wp-content/uploads/2020/05/Sedex-Insights-Report-COVID-19-Impacts-on-Businesses.pdf?utm_source=Sedex+Mailing+List&utm_campaign=7704396ae6-
24 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/924704/Hidden-in-plain-sight.pdf
25 <https://www.ituc-csi.org/>
26 <https://www.fairwear.org/covid-19-dossier/worker-engagement-and-monitoring/gender-analysis>
27 <https://labourbehindthelabel.org/the-women-who-make-your-clothes/>
28 <https://www.theguardian.com/global-development/2020/mar/19/garment-workers-face-destitution-as-covid-19-closes-factories>
29 <https://www.workersrights.org/wp-content/uploads/2020/03/Abandoned-Penn-State-WRC-Report-March-27-2020.pdf>

30 <https://www.workersrights.org/>
31 <https://in.reuters.com/article/health-coronavirus-garment/all-my-dreams-are-shattered-coronavirus-crushes-asias-garment-industry-idINKBN22V1U0>
32 https://research-api.cbs.dk/ws/portalfiles/portal/60550960/Risc_report_impacts_of_coronavirus_on_bangladesh_rmg_1.pdf
33 https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---sector/documents/briefingnote/wcms_741344.pdf
34 <https://www.theguardian.com/global-development/2020/jul/09/we-are-on-our-own-bangladeshs-pregnant-garment-workers-face-the-sack>
35 https://sourcingjournal.com/topics/sourcing/coronavirus-bangladesh-myanmar-indonesia-cambodia-garment-workers-union-209828/?mc_cid=d469def20a&mc_eid=ed97258234
36 Elson 2002

exacerbating the issue of male control over women's incomes.³⁷

Food production was deemed essential in most exporting countries. Women account for a significant proportion of workers processing and packaging food (up to 55-80% in fresh produce).³⁸ The impact of Covid-19 on employment varied across suppliers.³⁹ A major issue for workers that continued was occupational health and safety, with many workers reduced and worker shifts split to ensure social distancing. In some cases, about half of workers were sent home on mandatory leave. Seasonal and part-time workers are almost always first to go when jobs are cut. They are more likely to be women given their concentration in this group.⁴⁰ Other food producers faced labour shortages due to reliance on migrant workers, who were less able to migrate due to restrictions on the travel.

In contrast to food, the fresh flower value chain has been hard hit, with major declines in demand from Europe, which makes up 70% of the export market.⁴¹ Women constitute the vast majority of flower workers. In Kenya, for example, women form 80% of the 150,000 direct flower workers and 1 million in affiliated industries.⁴² Most flower suppliers reduced their permanent workforce by 50% or more, some put on unpaid leave and others working shifts with half pay. However, reports

suggest that workload increased by more than double for workers that remained. All seasonal workers were laid off with 50,000 workers reported to have been sent home without salaries.^{43 44} With women concentrated in packhouses or seasonal work (relative to men in more senior and managerial posts), women have been disproportionately affected.⁴⁵ The economic and social fallout from the crisis has been unprecedented with an estimated US\$300,000 being lost to the industry daily, 50 tonnes of flowers dumped every day⁴⁶ and thousands of workers without other employment options.

Tea production saw more mixed outcomes, with the initial closure of most tea auctions halting production, and reduced demand from food services affecting estates as they opened. Women account for 60% of workforce,⁴⁷ many workers have not been paid for weeks whilst suppliers grapple with trading challenges and cash flow issues. One trade union found that of 14 estates assessed, no tea pickers had received wages for the lockdown period and only one estate had provided workers with their rice ration,⁴⁸ meaning workers face huge uncertainty. Some companies have noted how after restrictions were relieved, estates have had to prioritise spraying pesticides. Women are excluded from this work, which meant they had less work and less income.

37 <https://workerdiaries.org/gender-differences-in-wage-digitization-immersion-and-use/>

38 Barrientos, S. (2019) op. cit.

39 https://www.sedex.com/wp-content/uploads/2020/05/Sedex-Insights-Report-COVID-19-Impacts-on-Businesses.pdf?utm_source=Sedex+Mailing+List&utm_campaign=7704396ae6-

40 Handbook of the International Political Economy of Agriculture and Food

41 <https://www.fairtrade.net/news/tough-times-for-east-african-flower-growers>

42 <http://kenyaflowercouncil.org/>

43 <https://www.hivos.org/assets/2020/05/Hivos-Rapid-Assessment-2020.pdf>

44 <https://www.sde.co.ke/article/2001367038/covid-19-crisis-cotu-okays-sacking-of-50-000-farm-workers-without-pay>

45 <https://www.floraldaily.com/article/9205314/kenya-flowers-of-hope-to-save-thousands-of-farm-jobs/>

46 <https://www.fairtrade.org.uk/Media-Centre/Blog/2020/April/Kenya-worker-tells-her-story-of-a-flower-industry-devastated-by-COVID-19>

47 <https://thewire.in/labour/covid-19-lockdown-tea-workers-labour>

48 <https://www.oxfam.org/en/food-workers-frontline-coronavirus>

Informal workers and small-scale agriculture

The lack of data at these lower tiers of the value chain reflects an entrenched invisibility of women in informal work or small-holder agricultural production of GVCs. Most buyer or industry based consultations and surveys undertaken since the start of the pandemic have failed to request gendered data or information at this level. The main exceptions are women-focused civil society organisations, who provide an important source of information, although these are often not GVC focused.⁴⁹ Interviews indicate that a few progressive companies and organisations with a stated commitment to gender equality are beginning to consider the impact of Covid-19 at lower value chain tiers.

Women working in the informal economy are overrepresented in sectors hardest hit by the crisis.⁵⁰ Informal work accounts for over 70% of workers in Asia, including daily wage workers, piece-rate workers, sub-contracted workers including large numbers of migrant workers and home-based workers. Where linked to global value chains, home-based work is largely outsourced from higher tier producers through market intermediaries, although some work through more organised centres.⁵¹

Covid-19 has disrupted home-based and informal work, in part through government lock down restrictions on travel. Many workers report having not been paid since February and do not expect work for at least another six months.⁵²⁵³ However, where home-based or informal workers are organised via centres or social enterprises, some switching production to make PPE,

interviews indicated that they have received better support to cope with the crisis.

Small-scale agriculture also suffers from lack of data. Gender bias in land tenure means most recognised farmers are male, and women remain largely invisible, even if they make an important contribution to cash crop production as contributing family labour.⁵⁴ Interviews indicated that most consultation at this level has mainly been with producer groups and cooperatives. However, membership of producer groups and cooperatives is usually based on land tenure, and therefore reflects a male bias. Hence the rapid research reported here is unable to discern the specific impacts on women in the value chains that were our focus, only more general impacts on small-scale agriculture.

Cotton, which is an important input into garment manufacturing, has experienced sharp declines in both demand and price as a result the decrease in retail garment sales. Many buyers have cancelled existing contracts and in India, many farmers are anticipating significant financial loss, refusing to sell their recent crop due to low prices. Lack of cash flow and delays in seed distribution for next year's crop due to be sown in June means farmers may shift to other crops and the supply of cotton is likely to be short next year.⁵⁵ Cotton farming relies on workers at multiple levels including family labourers. Whilst men represent the majority of primary farmers (approximately 93%)⁵⁶, women as workers and labourers make a significant - though unrecorded - contribution to the cotton-garment value chain.⁵⁷

49 <https://www.wiego.org/covid19crisis>;
<http://www.homeworkersww.org.uk>

50 <https://www.weforum.org/agenda/2020/05/industries-gender-women-coronavirus-covid19-economic/>

51 Homenet South Asia report forthcoming.

52 <https://www.ethicaltrade.org/blog/impact-covid-19-homeworkers-garment-supply-chains>

53 <https://in.reuters.com/article/health-coronavirus-india-garment-idINL4N2BU29I>

54 <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/799571468340869508/gender-in-agriculture-sourcebook>

55 <https://www.fairtrade.org.uk/Media-Centre/COVID19>

56 Interview with non-profit initiative

57 http://cottonconnect.org/wp-content/uploads/final-cc_women-in-cotton.-findings-from-a-gender-mapping.pdf

Small-scale producers in fresh produce and tea production for the international market have faced similar concerns to cotton farmers, despite food being classified as essential production. They have experienced price fluctuations, reduced access to inputs and increased costs posing significant issues to continuity. In Kenya, small-scale producers are responsible for over 60% of the tea produced and have continued to work. However, they have struggled to access a special fertiliser import due to logistical and international travel restrictions. This could impact on future harvests and small-scale agriculture incomes. Tea exports are at an all-time low in Kenya and it's estimated the country may face at least a 25% decline in export revenue.

To meet export standards, small-scale producers have also seen a steep increase in their costs with new requirements to purchase PPE to meet OHS standards and a 20% hike in input prices,⁵⁸ all of which they must pay themselves. Reduced exports could mean suppliers require less from small-scale producers depending on contract agreements. This is likely to impact on livelihoods and future harvests. Many rural households have

been directly impacted by food price increases of up to 21% in some countries.⁵⁹ Women account for 70% of workers in fresh produce production in Kenya,⁶⁰ and have the main responsibility for caring within households.

Anecdotal information indicates that small-scale producers organised in producer groups or cooperatives, or selling through fair trade initiatives or socially responsible buyers, have received better support in coping with economic shocks than those operating solely through market intermediaries. This has included repurposing of existing schemes to resource coping strategies (e.g. food parcels); better information flows about the likely value chain disruption, and access to externally resourced funds (e.g. Fairtrade). Some small-scale farmers directly supplying larger producers also received support and could be brought back into the value chain quickly when orders have picked up. The fact that land tenure tends to recognise male farmers and cooperative members has meant that information about women smallholders, particularly women contributing family labour, is very sparse.

58 Interview with fresh produce supplier in Kenya
59 <https://datalab.review.fao.org/dailyprices.html#>

60 Barrientos, S. (2019) *Gender and Global Value Chains: Capturing the Gains?* Cambridge University Press.

Out of sight, out of mind

WOW research has already indicated the lack of data and information collected, recorded or reported on women workers in global value chains at every level. Covid-19 has further exposed these critical data gaps. Critically, this lack of robust gendered data means it is simply not possible to get a clear picture of the impacts this pandemic is having on women workers, particularly those in lower tiers of the value chain. This in turn compromises the effectiveness of response measures, which cannot be evidence-based without data.

The pandemic has also highlighted the dual role of women as essential paid workers in GVCs, and unpaid carers that sustain households and communities. Data shows that women's burden of unpaid work and care, of which they already bear 75% globally, has increased as a result of the pandemic.⁶¹ This risks further reducing women's opportunities and ability to work, which previous crises have shown often lasts much longer than the pandemic itself. There is also evidence that the pandemic has exacerbated

the risks to women of gender-based violence and harassment (GBVH).⁶² There has been increasing recognition that GBVH is a serious issue for many women workers within global value chains.⁶³ This led to the International Labour Organisation (ILO) adopting a Convention (C190) and Recommendation (R206) in 2019 to address GBVH. The coronavirus crisis has increased the vulnerability of insecure workers to pressure from more senior, often male, supervisors and managers.⁶⁴ Women locked down within households are also more vulnerable to domestic violence from male partners and relatives.

In sum, the limited information available indicates women workers in GVCs have disproportionately borne the burden of the economic repercussions of Covid-19. But the invisibility of women workers, particularly at the lower GVC tiers, has facilitated an 'out of sight out of mind' response by many companies and policy actors. Any value chain is as weak as its weakest link, and a gender blind approach only undermines value chain resilience.

61 <https://www.weforum.org/agenda/2020/05/industries-gender-women-coronavirus-covid19-economic/>

62 <https://www.un.org/sg/en/node/251640>

63 <https://www.fairwear.org/stories/resource-kit-gender-based-violence-now-online>

64 <https://www.business-humanrights.org/sites/default/files/documents/Advancing-Gender-Justice-on-Asian-Fast-Fashion-Supply-Chains-Post-COVID-19-Guidance-from-ILO's-Convention-190-on-its-First-Anniversary-single-page%5B1%5D.pdf>



3. Protection of women workers and international responses

Many governments in buyer and producer countries have scrambled to put measures in place to protect workers or risk rapid increases in dire poverty. Private and public responses have so far not been sufficient to avoid the loss of livelihoods for millions. This is compounded by a lack of job protection measures by companies and social protection programmes by governments, and systemic gender inequalities where measures are put in place. The concentration of men in higher category, more permanent work, and women workers on insecure contracts in GVCs, has gender implications for different levels of protection and has reinforced the vulnerability of the most insecure workers (largely women) and their households.⁶⁵



⁶⁵ Barrientos, S. (2019) *Gender and Global Value Chains: Capturing the Gains?* Cambridge University Press.

Job and social protection of workers

1

Job protection schemes offered by companies have included repurposing production (e.g. to masks, gowns and other types of personal protection equipment (PPE) to retain jobs, reduced hours rather than retrenchment, workplace OHS protection and transport to work.⁶⁶ Some buyers have honoured undelivered orders and payments of labour to suppliers. Whilst positive, these measures often disproportionately benefit male workers on permanent and higher-grade contracts more than lower grade female workers, since lower grade and less secure roles are usually the first to go in times of crisis.⁶⁷

2

Social protection schemes offered by governments vary by country, but provide better protection in higher and middle than low income countries,⁶⁸ where much labour intensive sourcing for GVCs takes place. These schemes include:

2.1

Social insurance through employers including unemployment, maternity and sickness pay. Company codes of labour practice and social auditing help to reinforce compliance with these schemes.⁶⁹ However male workers with permanent contracts are more likely to access and claim from these compared to female precarious workers.

2.2

Social assistance such as conditional cash transfers provide minimal income to households falling into poverty. However, these require significant government resources and are limited in low-income countries with low-wage feminised workforces where much sourcing takes place.⁷⁰ Early evidence from some countries indicates that only a small proportion of those eligible gain access to these schemes, and women are the more disadvantaged.⁷¹

3

Emergency relief has been provided on an ad-hoc basis via public, private or civil society channels in response to acute problems caused by Covid-19. Some schemes have been initiated during the crisis such as Fairtrade's social premium adaptation to provide support for workers and small-scale producers. Some multi-lateral support has been provided such as EU support to Bangladesh and Myanmar garment workers.^{72 73} However, these have limited reach given the large number of workers and small-scale producers affected. Covid-19 has compounded chronic problems of poverty, poor health and lack of services amongst workers whose incomes were already too low to support their households sufficiently. Many governments have scrambled to provide support however efforts have often been too little too late, and have left the most precarious workers and their households vulnerable to food insecurity and poverty. Community based charitable initiatives are often the only support available, but these are fragmented and under resourced. Hunger and destitution is a major threat from this pandemic for many millions of households dependent on the most insecure GVC workers, who are mainly women.

⁶⁶ https://www.ifc.org/wps/wcm/connect/b27193d8-b024-4830-83cf-f93e931b240a/Tip+Sheet_Interim+Advice_Supporting+Workers_COVID19_April2020.pdf?MOD=AJPERES&CVID=n5mmkyK

⁶⁷ Barrientos, S. (2019) *Gender and Global Value Chains: Capturing the Gains?* Cambridge University Press.

⁶⁸ <https://www.gatesfoundation.org/goalkeepers/>

⁶⁹ Barrientos and Smith, 2007

⁷⁰ <https://www.worldbank.org/en/topic/socialprotection/coronavirus>

⁷¹ <https://www.dailymaverick.co.za/article/2020-07-15-the-day-the-bottom-fell-out-of-south-africa-a-triple-pandemic-has-hit-us/>

⁷² <https://www.ecotextile.com/2020060226149/materials-production-news/eu-to-support-bangladeshi-garment-workers.html>

⁷³ https://www.just-style.com/news/eus-myanmar-garment-support-fund-pays-out-mmk1-billion_id138854.aspx

International responses – calls for a new social contract

The Covid-19 crisis has prompted many international organisations to call for more systemic protection of workers. International organisations calling for better job and social protection of workers include the ILO,⁷⁴ World Bank⁷⁵ and World Economic Forum.⁷⁶ UN Women⁷⁷ and WIEGO⁷⁸ focus explicitly on promoting the economic empowerment of all women workers (formal and informal) as central in the response to and recovery from Covid-19.

There are wider calls for a more radical approach involving a renewed social contract between companies, governments and civil society to encompass a more systemic approach to addressing precarity, vulnerability to risks and enhancing social equality. These include business and human rights organisations (including the Mary Robinson Foundation)⁷⁹ and the International Trade Union Congress⁸⁰ (which emphasises ILO labour standards). Dani Rodrik (Harvard University) advocates a new social contract that involves a quid pro quo between companies and public authorities, strengthening links between commercial gains and economic growth with social policy and greater equality.^{81 82}

Our rapid research indicates that overall there is little or inconsistent attention to gender within these calls for a new social contract. For example, the ILO Covid-19 call to action in the global garment industry fails to mention gender at all,⁸³ and some donor private sector initiatives include minimal gender focus. There is a risk that the crisis could set back advances in women's economic empowerment, and set back gender pay parity by 30 years.⁸⁴

Initiatives and guidance focused on collecting better gender data such as the UN Women's Empowerment Principles (WEPs) and Data2X are therefore critical to ensure policy responses are sufficiently informed.^{85 86} Given the significant role played by women workers in many GVCs, and the concentration of women in insecure low-paid work, all calls for protection and a new social contract need a strong gender focus central to their design to be sure they reach more precarious and often unrecognised female workers. Without a gender lens, women workers will remain the most vulnerable to the impact of Covid-19 and weakest link in building back better value chains.

⁷⁴ <https://www.ilo.org/global/topics/coronavirus/lang--en/index.htm>

⁷⁵ <https://www.worldbank.org/en/who-we-are/news/coronavirus-covid19>

⁷⁶ <https://www.weforum.org/covid-action-platform>

⁷⁷ <https://www.unwomen.org/en/news/in-focus/in-focus-gender-equality-in-covid-19-response>

⁷⁸ <https://www.wiego.org/covid19crisis>

⁷⁹ <https://www.business-humanrights.org/en/shaping-a-new-social-contract-through-the-pandemic>; <http://www.ethicalcorp.com/could-2020-be-year-we-finally-rewrite-social-contract>

⁸⁰ <https://www.ituc-csi.org/a-new-social-contract>

⁸¹ <https://www.project-syndicate.org/commentary/new-social-contract-must-target-good-job-creation-by-dani-rodrik-and-stefanie-stantcheva-2020-06>

⁸² <https://www.bsr.org/reports/BSR-21-Century-Social-Contract.pdf>

⁸³ https://www.ilo.org/global/topics/coronavirus/sectoral/WCMS_742343/lang--en/index.htm

⁸⁴ <https://www.telegraph.co.uk/money/consumer-affairs/does-governments-can-do-attitude-solving-crisis-stop-women/>

⁸⁵ <https://www.weps.org>

⁸⁶ <https://data2x.org/resource-center/gender-and-data-resources-related-to-covid-19/>

4. Building back more gender-equitable GVCs

There is debate whether recovery will mean ‘business as usual’ with more cut-throat competition, a relinquishment of standards and best practice, or more socially responsible business models including a new social contract. According to *The Economist*: “Covid-19 will fundamentally reshape trade, accelerating the trend towards shortening supply chains. Just-in-time manufacturing using global suppliers will give way to a greater focus on use of regional supply chains, strategic use of inventories and a new approach to viewing risk in the C-suite.”⁸⁷ Women should play a key role in GVC restructuring since they make up the majority of consumers, buyers, managers and workers.

Early evidence indicates that the economic crisis will deepen pre-existing inequalities and set gender equality back by decades. WOW’s research has highlighted the critical and ongoing lack of data being collected on women workers particularly at lower tiers, and highlighted the risks this creates for a gender equitable recovery.

Now is the time to act. Studies have shown that companies with greater diversity and support for women’s economic empowerment are more commercially

successful than their competitors.⁸⁸ Promoting gender equality is critical to ensuring value chain resilience to future shocks and sustaining future economic growth and development.⁸⁹ More proactive strategies are urgently needed to enhance the visibility of women workers in GVCs, assess the gender impact of the shock and promote a more gender equitable recovery.

As the world inevitably experiences new outbreaks in the coming months, a response that plans both for long-term recovery and withstanding the inevitable continued instability for workers in GVCs will be important. This is central to building more resilient value chains involving all actors (companies, governments and civil society). Resilience involves ‘the capacity to prepare and react to stressors and shocks in ways that limit vulnerability and promote sustainability’.⁹⁰ Value chain resilience can enable suppliers and workers to prepare for future crises, recover from shocks effectively, and protect workers’ rights and well-being.

Recognising women’s value by capturing data on their roles in GVCs is an essential step in understanding the changes needed to build gender equitable supply chains. Building gender equitable GVCs is one key part amongst many others in creating stronger, more economically and socially resilient value chains.

⁸⁷ <http://www.eiu.com/Handlers/WhitepaperHandler.ashx?fi=covid19-and-the-regionalisation-of-global-supply-chains.pdf&mode=wp&campaignid=BusinessesandC19>
⁸⁸ <https://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters>

⁸⁹ <https://www.mckinsey.com/featured-insights/future-of-work/covid-19-and-gender-equality-countering-the-regressive-effects>
⁹⁰ <https://thecosa.org/the-wisdom-of-adding-a-resilience-strategy-to-sustainability-programs/>

5. WOW recommendations for businesses, policy makers, governments and donors

The below recommendations arising from the WOW research aim to promote a more gender equitable response and recovery for GVCs.

Business strategies and public policy need a strong gender focus to build back better and limit women being driven into more informal and precarious work. The severity of the pandemic has demonstrated that no single actor or group can address the economic impact alone. Stronger more holistic responses benefit all: business from re-establishing more adaptable and efficient value chains; public policy organisations and governments from re-establishing economic growth and development; women workers and their households from better rights, protection and livelihoods. Ensuring women's voice within the process is critical if responses are to address gendered needs. Coordinated efforts and stronger alliances involving all actors are needed to achieve more resilient GVCs able to withstand inevitable future shocks.

1. Improve data capture and gender visibility

Company and policy response to the impact of Covid-19 in GVCs is currently gender blind. Where information is available, the response can be much more effective in terms of supporting suppliers and workers, enabling them to weather crises, and come back faster and more effectively in the recovery. Only with better gender data including at lower tiers, can companies and policy makers fully recognise and value women's work, track changes in the gender profile of their value chains, and plan future resilience.

Recommendations:

- **Business:** Businesses must request gender data from their suppliers, which should be disaggregated, and anonymised where appropriate, to monitor the impacts of Covid-19 throughout the pandemic and the recovery period. This should include a breakdown of lay-offs, furloughs, and wage and bonus cuts. In the recovery this should include gender data on re-employment of workers, promotions, pay, part-time work and turnover. Business should demand that standards organisations and audit companies collect, record and report gender disaggregated data so changes can be monitored at greater scale over time.
- **Policy makers, governments and donors:** Where governments and international organisations provide assistance to the private sector (particularly for economic recovery and supply chain resilience), conditions should be included to require gender data to be collected and monitored. Government stimulus packages must have gender-sensitive targets

and must collect gender-disaggregated data to get a full picture of the impact of Covid-19 on workers. Data should be aggregated and anonymised to monitor and track gender impacts on women and men workers during the crisis, throughout the recovery and beyond. They should publicly report on gendered impacts and trends on workers in GVCs across sectors and countries.

2. Focus on jobs and social protection

Covid-19 has exposed the inadequacies of prevailing employment systems and social protection, with governments scrambling to support the most insecure and vulnerable workers, who are disproportionately women. Social protection should be better recognised as an issue central to supporting business in gender responsive planning. More effective alliances are needed between private, public and civil society actors to ensure all workers have better access to social protection, and strategies are in place to support workers and their households at times of severe shock.

Recommendations:

- **Business:** Brands and retailers should honour orders and payments to suppliers affected by Covid-19, and use their collective with governments to drive improved social protection for workers. Where layoffs become necessary, brands and suppliers should ensure that there is no gender bias in decision making, and when re-employment happens, potentially with fewer jobs, employers should ensure equal access to these jobs for men and women.
- **Policy makers, governments and donors:** Governments should explicitly consider women and insecure workers when designing social protection and emergency relief packages, so that these are gender equitable. International organisations should facilitate more effective alliances between governments, companies, industry bodies and civil society actors to ensure all workers have better access to social protection and design more gender equitable responses to support workers and their households at times of severe crisis.

3. Amplify women's voice and representation

Consultations on Covid-19 with suppliers and producer groups largely fail to include women workers. There is emerging evidence that women's voices have been drowned out in much public discussion of the pandemic and the design of responses. Ensuring that women workers have a voice in assessing Covid-19 impact and designing the recovery is essential. Women workers need to be consulted through independent organisations, and participate in formulating gender equitable strategies in the recovery.

Recommendations:

- **Business:** Suppliers should engage with women workers through gender and worker committees and trade unions on addressing gender needs and ensuring a gender-sensitive and inclusive response to the Covid-19 crisis and recovery. Women should be equally represented on any internal taskforce, in addition to other minority or vulnerable groups. Buyers and suppliers should engage with international and local civil society organisations focused on gender equality in formulating gender-equitable recovery plans
- **Policy makers, governments and donors:** Governments and international organisations should promote social dialogue that includes organisations representing women workers at

local, national and international levels to formulate gender equitable responses to the Covid-19 crisis and recovery. Where Covid-19 taskforces are put in place there must be equal representation of women and other minority or vulnerable groups, to ensure a gender-sensitive and inclusive response.

4. Recognise and support women's paid and unpaid roles

Covid-19 has severely affected women as workers and carers struggling to survive the crisis. Building recognition and policies that enable women and men to share unpaid care responsibilities around paid work will be important in the recovery. Women require greater recognition, remuneration and support within work, through more equitable policies that conditions of work, health and safety; as well as greater recognition and support for their caring and community roles. Workers and small-scale producers need equitable living incomes that facilitate savings and enable households to better withstand future shocks.

Recommendations:

- **Business:** Buyers and suppliers should ensure the essential role of women workers in GVCs is better recognised and equitably rewarded, so that women and their households have better resources to withstand shocks and build back more resilient supply chains post Covid-19. Companies should provide greater flexibility, financial support and paid leave for women workers who are also carers within households and communities, particularly in relation childcare needs strained by Covid-19. Messaging around care should encourage women and men to take the time and resources they need to care for themselves and their dependents.
- **Policy makers, governments and donors:** Governments should provide greater support for women workers juggling paid and unpaid work through provision of community services, including better healthcare and childcare facilities, to support households and communities engaged in GVCs critical to economic development.

5. Towards a more gender-equitable social contract

Covid-19 has led to international calls to action, including for a social contract that facilitates building back better in the recovery. These need to highlight both the essential role that women play in GVCs and women have a leading role to play in the economic and social recovery. Stronger and more gender equitable value chains which focus on close buyer-supplier relations, specific protection and insurance for workers will be more resilient in the future. Ensuring women's economic empowerment is central to any new social contract is therefore vital to building back better and ensuring decades of progress is not reversed.

Recommendations:

All stakeholders: Companies, civil society organisations, governments and international organisations need to collaborate more effectively and promote greater gender equality in response to Covid-19, and to build back better more resilient supply chains critical to achieving the Sustainable Development Goals.



The Work and Opportunities for Women (WOW) programme is the UK Government’s flagship women’s economic empowerment programme. The objective of WOW is that women have access to improved economic opportunities through business interventions in supply chains and economic development programmes. The five-year programme aims to enhance the economic empowerment of 300,000 women working in global value chains. It will achieve this goal by supporting businesses, organisations and programmes that are ready and willing to act on women’s economic empowerment; enabling players across the supply chain ecosystem to drive change; and influencing the UK and global agenda on women’s economic empowerment.

WOW is delivered by a consortium of global experts on women’s economic empowerment research, programme design, and delivery – including PwC, BSR, CARE International, the University of Manchester, and Social Development Direct.

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