

CAPTURING THE GAINS

economic and social upgrading

Revised Summit Briefing

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This is a revised version of the Summit Briefing which informed panel discussions and stimulated debate at the Capturing the Gains Summit, 'Capturing the Gains in Value Chains', held in Cape Town, South Africa, 3-5 December 2012 (<http://www.capturingthegains.org/summit/>). It incorporates recommendations arising from debate with key stakeholders at the Summit.

The findings and views presented here do not represent those of Capturing the Gains funders or supporting organisations.

Women in value chains: making a difference

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Abstract

Global value chains (GVCs) offer important opportunities for women worldwide to earn a living – garments, tourism, mobile phones and commercial horticulture are good examples. Women can play a vital role in supporting value chain upgrading – as workers, farmers, producers and consumers. Yet women's skills are often undervalued and they are stuck in low-status jobs. Work in GVCs is potentially empowering for women. Policy and commercial strategies need to proactively support the more equitable participation of women, because this enhances value chain upgrading, improves women's lives and promotes more inclusive development.

Keywords

gender norms, global value chains, women workers, casualization, tourism, horticulture

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“ Women play key roles as designers, workers, managers, service providers and buyers in global value chains. ”



Gendered value chains

Women play key roles as designers, workers, managers, service providers and buyers in global value chains (GVCs), and make up the majority of retail consumers (over 70 percent in the UK and US).

Women are estimated to account for the majority of workers (up to 75-80 percent) in the value chains covered in our research. Gender relations – socially established norms and roles of women and men – shape the wider community context in which value chains are embedded and affect the commercial dynamics of value chains at every stage. Using a GVC framework helps highlight how:

- Gendered norms shape labour and commercial opportunities,
- Existing gender relations disadvantage women's 'value capture',
- Women are central to promoting quality and upgrading in value chains, but face gender-based barriers to upgrade,
- Governance of GVCs influences gender equality and development outcomes.

Gendered nature of work in GVCs

Figure 1 presents a simplified GVC map, noting gender divisions of work in different segments of each value chain by sector. The category designations are illustrative of patterns revealed in Capturing the Gains studies, but these vary by region and firm. A general

finding is that, although women's work in GVCs is essential, women are often concentrated in low-status positions, where their labour and skills are not formally recognized or adequately remunerated.

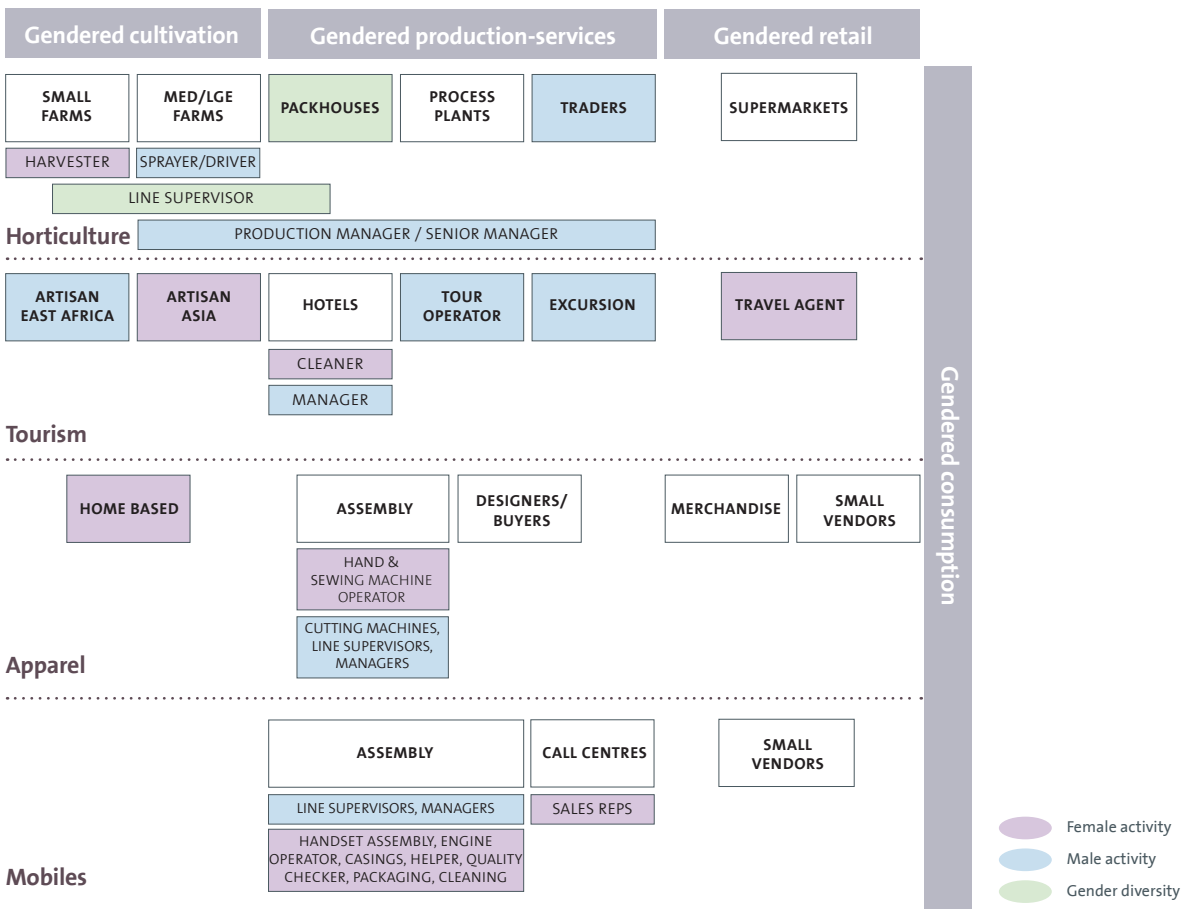
Feminized wage labour: Women comprise significantly more than half the workforce in certain segments of all four GVCs, mainly in cultivation and production. In floriculture, women account for 75-80 percent of the workforce, and in mobile phone factories in China over 50 percent. Women generally constitute about three-quarters of production workers in the garment industry. In tourism, 70 percent of workers are women, mainly in lower positions. Regional exceptions exist, such as male-dominated hotel and safari camp work in East Africa.

Gendered entrepreneurship and producers: Women play important but often 'invisible' roles in entrepreneurship and production in tourism and agro-food GVCs. We found women and men tourism artisans in our Asian studies. In East Africa artisans and distributors are primarily men, with easier access than women to more lucrative tourist markets, although Maasai women are typically jewellery makers. Smallholder agricultural crops, including cocoa, are often thought to be cultivated by men, but in reality many depend on female family members, primarily as unpaid or casual labour. Women farmers' rights to



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Figure 1. Gendered GVCs: examples from Capturing the Gains studies



land are often unrecognized, yet they are increasingly doing most of the farming (e.g. 75 percent in Uganda).

Job status: Women tend to be more concentrated in low-status work and men in higher-status jobs. In horticulture, women dominate poorly paid/insecure casual work. In apparel, they make up the majority of lower-status assembly workers and seldom rise above supervisor level into management;

the vast majority of line, production and senior managers are men. In tourism (all study countries), men, or women from the global North, typically carry out the higher-status jobs of tour operator, excursion worker and manager. However, women are making inroads into low-level management, for example as supervisors in apparel and team leaders in horticulture and in packhouses, which are higher-pay/status jobs.

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Research found widespread sexual harassment of women in the workplace.

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Wage gaps: Job designation is determined largely by gendered norms, which influence gender wage gaps and gender-based job segmentation. In Ugandan floriculture, the majority of senior supervisors are men, while 70-85 percent of harvesters are women; and harvesters took home a salary of around 14 percent of that of senior supervisors in 2011. Elsewhere, women’s subordination is deeply entrenched; in Indian cocoa, for example, women are paid less than men for the same work.

Gender norms create barriers for women: Gender norms often limit women’s upward mobility paths in GVCs. In tourism, particularly in Africa, women are not usually tour guides, which cuts them out of higher tips and training opportunities. Discriminatory customary laws leave Maasai women without access to land, barring them from fees generated from tourism-related private development outside of national parks and reserves. Research found evidence of widespread sexual harassment of women in the workplace; this is damaging to women and a barrier to decent work and a productive working environment.¹

Economic and social upgrading: making a difference?

All GVCs in our country studies are facing intense global/regional competition and downstream buyer pressures for higher

standards and quality and lower prices. Our research suggests these global commercial pressures have the greatest adverse impact on women, yet their work is central to economic and social upgrading in GVCs.

Reliable workers: Women workers’ ‘feminine’ characteristics commonly assist in firm economic upgrading. Managers consistently report that women are more honest and more reliable than men. This helps reduce absenteeism and engender a culture of trust that translates into productivity gains. Women’s social skills enhance team working and adaptability to new production methods, supporting innovation and economic upgrading.

Quality is critical: Workers’ improved skills support economic upgrading (e.g. productivity gains) and social upgrading (e.g. better wages, conditions, rights) for producers and workers. GVCs depend on quality output at competitive price points. Women’s (unpaid) social skills mean their perceived ‘nimble fingers’ are suited to more delicate tasks needed for high-quality mobile phones, garments and horticulture. In horticulture, women constitute the majority of flower pickers and packhouse workers, where quality and low wastage are central. In cocoa, the gender division of labour has long assigned women to fermentation and drying of beans, which are critical tasks for flavour.

Skills and value capture: Skills contribute to quality within GVCs and upgrading

Notes

1. Amoding, F., Evers, B. and Krishnan, A. (2013, forthcoming). ‘Social and economic upgrading in Uganda floriculture’. *Capturing the Gains Working Paper*.





“ With higher incomes, women are more likely than men to support household welfare and children’s education. ”

potential, yet value generated by women’s skills does not always result in higher returns to women. Women do not receive the training they need to achieve higher quality. Although women’s perceived ‘nimble fingers’ have assisted their upgrading to higher positions, gendered perceptions also narrow their training opportunities. Many garment manufacturers bemoan the low skills of women machinists, but provide little or no training and fail to recognize that the pace and high quality of machinists’ work reflect valuable skills. Instead, the value is captured downstream in the GVC, where more powerful (and often male) GVC actors (brands and retailers) are located and where the returns to

quality based on consumer satisfaction are more likely to be concentrated.

Casualization affects women disproportionately: Despite demands for higher quality, commercial pressures have led to increased casualization of (mainly female) labour. In a segmented workforce of permanent, contract and casual workers, price pressures from global tour operators in Mombasa, Kenya, are causing extreme competition between mid-range hotels, intensifying such casualization. Women casual workers are on the increase, but lack union/social protection and are particularly vulnerable to sexual harassment.

Recommendations

More equitable participation of women in GVCs can be achieved through effective private, public and social governance.

- **Skills shortages:** Skills are essential to meet quality and standards required for economic and social upgrading. A key finding is that in many locations there is an increasing shortage of appropriate skilled labour. Investment in women’s training, and better remuneration and conditions, would help attract and retain a larger pool of skilled workers.
- **Women workers as an asset:** The value of women’s contribution to quality output needs greater recognition and remuneration. Proactive strategies are needed to educate and train women workers (not just men). Women need better promotion opportunities and career paths, particularly in jobs considered ‘male’. Female mentorship programmes can be established to guide women who are entering traditionally male jobs. Workplace policies to address discrimination and sexual harassment and support women workers’ rights will attract and enhance women as a skilled, productive and committed GVC workforce.

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2. World Bank (2012). *Gender Equality and Development: World Development Report*. Washington, DC: World Bank.

Capturing the Gains brings together an international research network to examine economic and social upgrading in business communities across the developing world.

The programme explores the connections between business competitiveness and social prosperity with attention to firm innovation, trade expansion, labour standards and decent work.

Its research allows policy-makers and business leaders to better understand the relationship between business growth and poverty reduction in the global South.



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- **Social compliance and codes of labour practice:** Civil society organizations (CSOs), often led by women, have highlighted women's poor working conditions in GVCs. Companies have responded with codes of labour practice to avert bad publicity. These have helped regular workers, but casual workers (women) are often overlooked. Monitoring must effectively address gender discrimination and the particular concerns of women workers. Buyers can create incentives, train and help suppliers to implement social compliance measures that take on board temporary workers' concerns, and address demands for a 'living' wage and gender equality.
- **Enabling rights and voice:** Studies showed a strong association between social upgrading, union representation and international and national civil society advocacy. In Kenya and Uganda, hospitality unions advocated against workplace sexual harassment and have collective bargaining agreements with major hotels. In African floriculture, international CSOs, such as Women Working Worldwide, joined forces with national CSOs and trade unions. The results: improved conditions for workers (contracts, maternity leave, paid overtime, higher basic salaries, improved health and safety). Packhouses, farms and hotels with collective bargaining agreements have channels for negotiating better conditions. A more positive workplace environment and reduced sexual harassment have positive productivity impacts. More can be done to promote gender equality within unions, such as promoting women's union leadership and the interests of casual workers. Collective bargaining agreements between industry associations and unions, and bringing labour brokers into the agreements, could be encouraged.
- **Legislation and trade policy:** Gender equality legislation is often poorly implemented or inadequate and hindered by the dearth of gender-disaggregated evidence. Government promotion of women in GVCs can help in pursuing a 'high road' to economic and social development. Better public safety and transportation for remote and nightshift workers are simple first steps. Government-CSO collaborations can be effective in providing training to help companies reduce sexual harassment and, as in horticulture, promote gender equality and better health and safety in the workplace for men and women. Trade agreements and Aid for Trade initiatives may include social clauses, but these require a stronger gender focus. There is a need to extend preferential trade agreements that support women-dominated value chains: if the African Growth and Opportunity Act ends in 2015 and foreign-owned supply firms in Africa move to another region, causing a devastating loss of livelihood, women workers have most to lose.
- **Women's empowerment:** Working in value chains provides millions of women with jobs and incomes – which can bring greater economic independence, social connections and voice. With higher incomes, women are more likely than men to support household welfare and children's education.² Promoting pro-poor development can open doors to new life opportunities. These are powerful reasons to support women and greater gender equality in GVCs.

