

Linkages between Trade, Development and Poverty Reduction

**Gender and Trade**

**How to engender the National Foreign  
Trade Policy of India?**

4 October 2007, Kolkata, West Bengal

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## 1. Introduction

CUTS Centre for International Trade, Economics and Environment (CUTS-CITEE) hosted a workshop for Linkages between Trade, Development and Poverty Reduction (TDP) Project in Kolkata, West Bengal on the 4<sup>th</sup> of October 2007. Those present included national and state government officials, academics, social entrepreneurs, and members of various non-governmental organisations (NGOs). This is the first in a series of three workshops to be held on this subject.

### Highlights

- There was a wide turn out from many representatives, ranging from gender consultants in the field of economics, to NGOs focusing on trafficking and violence against women, to government officials.
- Informative presentations and speeches created heated debates and discussions on various issues.

## 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 like country background papers and case studies on two sectors. This 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 one 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 this project.

## **2.2 The NFTP and poverty reduction – Sanjeev Nandwani, Joint DGFT, Ministry of Commerce, Government of India**

Sanjeev Nandwani started his presentation by providing an overview of globalisation and the World Trade Organisation (WTO), stating that the WTO is the epitome of globalisation. He went on to suggest that people against globalisation have benefited from globalisation itself. Nandwani felt that globalisation is neither a good thing, nor a bad thing and that the losses to losers are less than what the winners gain.

He addressed issues concerning the National Foreign Trade Policy (NFTP), stating that the NFTP is in line with WTO policies. The objectives of the policy are to generate employment, increase economic growth and reduce poverty. In the past, import and export policies were reviewed every year, which then became three years and now has become five years. He noted that the framework and structure of the current NFTP cannot be altered, and only minor modifications are possible. The objectives of the NFTP are to increase the share of world trade to 1.5 percent by the year 2009 and to facilitate sustained growth in exports. Bringing down transaction costs by encouraging electronic communication and by not allowing duties and levies to be exported will make this possible.

The NFTP encourages exports but does not discourage imports. The domestic industry has to grow so imports are needed, otherwise there will be monopolies. Imports may be more competent thus allowing us to make better products that we can export, which will lead us to increased Foreign Exchange. Nandwani suggested that as a nation, we should import goods, not taxes (taxes should be refunded). If every country subsidises, it costs all the exporters which leads to inflation.

It is acknowledged by the government of India that there is no mention of women or gender in the NFTP and Nandwani welcomed this effort by CUTS. He believes that liberalisation is the right path and acknowledges that the WTO is not mandatory but that economic growth would not be feasible without it.

## **2.3 The importance of research on gender and trade -- Swapna Mukhopadhyay, National Institution of Public Finance and Policy**

Swapna Mukhopadhyay began her presentation with the fact that the export growth rate in India from 2002 to 2006 has increased. India is becoming more of an export-intensive nation. The structure of trade is also changing; manufactured goods are the largest of all exports, with gems and jewellery being the second highest and male intensive, and lastly software, which is concentrated on the lower end of production. She argued that at least women in this sector are earning and not marrying young, however many have insufficient employment opportunities.

Trade is still a marginal issue, and in terms of quantitative analysis, the structure of trade is changing along with technology, so projecting past trends must be done with caution. Trade policy is not a panacea for women or poverty reduction. The question of why we want to do research on gender and trade is essential. Mukhopadhyay made a crucial point when suggesting that whilst conducting research we need to question who is doing research and why. She cautioned that researchers are always predisposed and we must consider the concept of subjectivity. Mukhopadhyay argued that policy-makers are very 'knowledge proof' and stressed that we need to figure out a way to adequately communicate a method to convince them and handle the stakeholders who may lose. Advocacy for a group is a zero-sum, political game.

There are several problems to face when doing research on gender. Mukhopadhyay lamented that on an international level, women's issues are acknowledged, yet no concrete changes are implemented on the national level. Gender problems are context bound--it is easier to identify the poor, but it is difficult to identify inequality amongst women. Furthermore, women are not a homogenous group and no generalisations across cultures or even regions can be made.

The research to policy angle is difficult; those attempting it must be well informed and use different methodologies. Mukhopadhyay stressed a multi-disciplinary approach, which uses macro-level quantitative information in combination with qualitative data and empathy or links with the grassroots. It is necessary to communicate and learn from the process. Multi-disciplinary work is a challenge, and the researcher must look critically.

### ***3. Session 1: Impact of trade liberalisation on gender relations***

#### **3.1 Trade Liberalisation, Homeworkers & the Informal Sector -- Nirmala Bannerjee, Gender Consultant**

Nirmala Bannerjee initiated her presentation by questioning where the livelihoods of people, especially women, have gone. According to Guy Standing's (1981) thesis on the feminisation of labour, an increase was expected in women's employment in the manufacturing sector, but did not occur. Thus findings cannot be generalised across different contexts. In India, women are mainly in the supplementary/unorganised sector and that National Sample Survey Organisation

(NSSO) data shows that women's share in manufacturing is small compared to other countries where women make up 70 percent of the manufacturing labour force. Women here are concentrated in Biri making, textiles and garments and are mostly home-based and working in a non-traded industry, that is, for domestic production. Thus, trade policy is small area for research and advocacy, even if trade does grow—but it does affect some people and it is important to trace those effects, as trade makes production uncertain.

Why is the Indian woman's experience different? Women are engaged in a livelihood struggle. According to Bannerjee's fieldwork in West Bengal, women's skills remain traditional and they work as unpaid family labourers and are not allowed to finish school, whereas China and South Korea had universal education by the 1970s. Here, there are major family controls, more so than South East Asia, such as early marriage and childbirth. This is also linked to limited mobility. She gave the example of Tiruppur, where Keralite women are working for their own dowry, which is paid directly to the family and not to the woman herself. She found they are under such strict control by their employers that they cannot talk to outsiders and may be locked in their rooms. Largely, women do not migrate for work; rather, Indian women who work in urban areas do so by commuting large distances despite a lack of security. Women usually do not work before marriage or childbearing and thus have no skill training and no knowledge of the market.

Women are in dire need of a better education, training in modern skills, more time before marriage and child bearing, more mobility between villages and security from violence, support for living outside their family and access to capital to develop their own initiatives. Policy makers need to recognise that women are flexible labour and that families respond to monetary incentives; that women want to work but cannot break the family constraints, and have no qualifications for modern work. Employers view women as constrained labour and trade unions exclude them. Traditional images of women are preferred because they are used as cheap labour and images of males as superior workers are promoted. Bannerjee urges that with the right incentives, families will allow women to work.

The State has a key role to play in trade policy, education policy etc in which it has an obligation to achieve gender equality through positive discrimination policies. However, it has failed to enforce marriage and education laws. Women need provisions for childcare, water and fuel, and the State must help poor families to stop exploiting their daughter's labour. Many policies are involved, not just trade, so complementarity is essential through the cooperation of different ministries. Bannerjee concluded that the NFTP cannot assume women will benefit equally and argues that changes are desperately needed.

### **3.2 The NFTP and gender dimensions -- Piyashi Roy Choudhury, Stree Shakti**

Piyashi Roy Choudhury stated that the NFTP acts as a stimulant for a greater economy. Women are facing many hardships and inequalities and the

unorganised sector needs improvement. Choudhury used the example of women not using any contraception because they lack decision-making power. She explained that unsafe, illegal abortions are done contributing to India having the second highest maternal mortality rate in the world.

Women have one of the lowest literacy rates in Asia, since 45 percent of girls drop out of school between grades 1-5. Choudhury urged the focus of CUTS research to be on the role of women in decision-making; the role of women in small trades; and the role of women as entrepreneurs.

Choudhury emphasised that women work more than men, yet female employment is rarely recognised as economically productive. She concluded by underlining the importance of creating positive changes that can effectively be implemented.

#### ***4 Session 2: How to engender the National Foreign Trade Policy?***

##### **4.1 Trade Liberalisation and women in the handloom/handicrafts and agricultural sectors -- Devasmita Sridhar, Consultant; Professor Nabinananda Sen, Calcutta University**

Devasmita Sridhar emphasised that the best way for women to be introduced into the economy through a sustained method, is through self-employment in the context of global economic restructuring. She argued that women lack education skills and training which reduces employment prospects. Poor market acceptance of products creates economic stagnation and marginalisation of women. Sridhar offers the solution of creating people-centred projects, also called social enterprise, which are through the non-profit, Community Based Organisation (CBO) model. These address gaps in training, provide marketing support, and ensure full participation by members, thus providing trade for a social purpose. On the macro-level, they provide the means to achieve an end and meet the social needs of those who are marginalised. However, as with most social change processes, it is difficult to monitor or assess the contribution that social enterprises are making.

Nabinananda Sen stated that women's contribution in the agriculture sector is fairly large, and is not acknowledged as economically productive. Women are multi-taskers who face wage differentials that violate the 1948 Minimum Wages Act and the 1976 Remuneration Act. At the macro-level, farmwomen preserve national food security, traditional knowledge and the environment, and act as experts in crisis management in the household.

However, Sen argued that women cannot own land, buy farm inputs, sell farm outputs, take credit/farm loans or make farm work decisions. They are handicapped by non-literary, superstition, limited access to information, lack of entitlement to property, limited mobility, and nutrition deficiency.

WTO agreements are against the best interests of farm women. Sen explained the many dimensions of how Trade Related Aspects of Intellectual Property Rights (TRIPS), Sanitary and Phyto-sanitary measures (SPS), and the Agreement on Agriculture (AoA) are problematic for women. Women's domain in traditional knowledge is especially being threatened by seed monopolies like Monsanto. SPS are the same as non-tariff barriers, where developed countries' standards are too high and vary widely so are difficult for producers to match. They have trade-distorting effects, and women's livelihood security is being threatened. In this context of increased insecurity many farmers are committing suicide, thus increasing the burden on women and making them vulnerable to trafficking.

#### **4.2 Role of civil society in the promotion of gender equality in export intensive industries -- Sujata Goswami, SASHA**

Sujata Goswami stressed that we must expand education, training and skills for women and that corporate strategies that promote gender equality must be implemented. Ninety percent of women are employed in the unorganised sector, and the trade world is seen as 'off-limits' to women. Women are under-represented and have little success in global, regional and local markets. Goswami acknowledged that four million jobs have been lost due to the fluctuating rupee. Women who are not owners or managers of enterprises are the most vulnerable, and therefore desperately require market access.

If women are engaged in paid employment, they receive substantially less than men's wages. She considered the concept of socially constructed roles and suggested that by being called a 'housewife' women are excluded from economic activity. Women not only face economic discrimination, but other types of discrimination related to reproductive health and harmful traditional practices.

Goswami's solution is for CSOs to focus on disaster recovery, building women's capacities, migrant workers, capacity building of trade and other policymakers, fair trade and moving women up the value chain.

#### **4.3 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. Gender analysis, which aims to redress gender inequalities through research, is based on the premise that social, economic and public policies impact women and men differently, and such impacts must be taken into account in the policy formulation process. Gender analysis is the opposite of gender blind or gender neutral, which is the perspective that the majority of policies and frameworks take.



There is legal legitimacy for research on gender and trade. The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), to which India is a signatory, reveals that States have the right to: ensure women's 'right to equal remuneration, including benefits; to equal treatment in respect of work of equal value; and to equal quality of work. The 1995 Beijing Platform for Action requires that states seek to ensure that national policies related to international and regional trade agreements do not have an adverse impact on women's new and traditional economic activities, and that all corporations, including transnational corporations, comply with national laws and codes, social security regulations, applicable international agreements, instruments and conventions, including those related to the environment, and other relevant laws.

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; 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.

Key questions that apply to the CUTS gender and trade project are: What are the expected results of the trade policy, 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 they benefit more from trade liberalisation. This means looking at what kind of new employment is available for women. If this is found to be beneficial then it should be increased, but if employment is not available then constraints, such as access to credit or skills, should be addressed. CUTS plans on assessing the quality of employment in terms of wages and conditions and then comparing it to men in the same sector.

## **5. Conclusion**

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

Many concerns arose after the various presentations. When discussing the phenomenon of globalisation, Sanjeev Nandwani stressed that the losers lose less and the gainers gain more. His statement raised the question of who the losers are. Anuradha Kapoor from Swayam argued that the losers of globalisation are already the poorest, and while they may be losing less it is only because they have nothing to lose. The issue was then raised that better data is required to see who is losing out, so that the bureaucrats can make more informed policy decisions.

Swapna Mukhopadhyay stated that we must consider how data is gathered. Often qualitative data is more relevant to describing women's situations, but policy makers are not open to such data. Thus a combination of qualitative and quantitative data is necessary, using both economic and socio-anthropological methods. Often indices miss gender, and in her research she found that violence against women (VAW) is the best indicator. However, data is difficult to find, especially taking into consideration the 'credible threat' to women, i.e. restricted mobility due to the fear that something may happen. Psychological methods can measure stress/anxiety, but these are not broken down by components of gender, employment etc. If women tend to be more stressed than men, it is necessary to ask when and why. Thus we must look at the total picture of women in the household, not women in the workplace only. Here we see a care chain, whereby the mother-in-law stays at home and does all of the housework which causes conflicts between women, of which the husbands often are unaware.

In the process of researching one must triangulate, ask questions differently, spend time with respondents to gain their trust and ask more general questions, not individualised ones (in a group setting) because it may become problematic. By addressing these issues, more informative data will enable bureaucrats to create better policies. Mukhopadhyay argued that collectors, respondents and those who design questionnaires are all implicated in the research process, and we must weave a story about who is left out. Whilst the NSSO is flawed, there is unused data which may be tapped into. India is good data-wise but data is not processed properly. Gayatri Pattnaik added that data gathering is gender neutral and researchers must restructure information gathering to better incorporate gender. Nabinananda Sen added that we should conduct large scale case studies

on women in different sectors/activities and 24 hour time-use studies showing the problems women face in the household and workplace.

The social sector is ignored by policy makers and a safety net is necessary. India was too hasty joining the WTO, and there has been jobless growth. However, there may be scope in influencing Regional Trade Agreements (RTAs).

Expanding women's education, skills and training as a means to an end was a common theme throughout everyone's presentations. A key point that was brought up was that a main problem at the grassroots is often mentality, even that of women themselves. Women are socialised to think in a specific way, that they should do certain things and not others. Moreover, gender is context-specific and operates differently even across states in India. Nirmala Bannerjee raised the point that socialisation and cultural upbringing are in fact malleable. Empowerment is not simply a one-off process, it is gradual but it needs to be sped up. The dominant concept of sexual purity gives too much power to men and such attitudes need to be addressed.

It was stated that men are able to advance in the value chain because of the gender division of labour leaving women to take care of the household, and research should make this visible. Men have a lot to lose, so changes to policy are being resisted. Yet, policy makers need to understand that men will not lose out, especially since they benefit from women's earnings. Arnab Ganguly from CUTS CRC stated that awareness levels should be judged in terms of women's abilities to make decisions in the household. Are they empowered enough to represent their own problems and if not, why not?

Ultimately, the objective of the CUTS project would be to influence the next NFTP being revised in 2008 in a positive manner so it reflects the needs addressed throughout this report.

## 6. Agenda

### Inaugural Session

- 0900 - 0910 *Introduction of the TDP Project*  
Rebecca Band, CUTS CITEE
- 0910 - 0940 *Impact of foreign trade on poverty reduction*  
S. Nandwani, Joint DGFT, Kolkata
- 0940 - 1030 *Importance of research on gender and trade*  
Swapna Mukhopadhyay, National Institute of Public Finance and Policy
- 1030 - 1100 Tea/Coffee

### Session 1: Impact of trade liberalisation on gender relations

- 1100 - 1130 *Trade liberalisation, homeworkers and the informal sector*  
Nirmala Bannerjee, Gender Consultant
- 1130 - 1145 Discussion
- 1145 - 1215 *National Foreign Trade Policy and gender dimensions*  
Piyashi Roy Choudhury, Stree Shakti
- 1215 - 1300 Focus Group Discussion
- 1300 - 1400 Lunch

### Session 2: How to engender the National Foreign Trade Policy?

- 1400 - 1440 *Trade liberalisation and women in the handloom/handicrafts and agriculture sectors*  
Devasmita Sridhar, Consultant; Prof. Nabinananda Sen, Calcutta University
- 1440 - 1500 Discussion
- 1500 - 1530 *Role of civil society in the promotion of gender equality in export-intensive industries*  
Sujata Goswami, SASHA
- 1530 - 1545 Discussion
- 1545 - 1615 Tea/coffee
- 1615 - 1645 *CUTS gender and trade project: what is to be researched, why and how?*  
Rebecca Band, CUTS CITEE
- 1600 - 1800 Group activities and discussion, closing remarks

**7. List of Participants**

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5	Jayeeta Sarkar	CUTS-CRC
6	Anutosh Biswas	CUTS-CITEE
7	Sujata Goswami	SASHA
8	Nirmala Bannerjee	Sachatam
9	Nabinananda Sen	CUTS-CRC, CU
10	Bidyadhar Maharana	Knowledge Trust Bhubaneswar IRC Village N.I/A7, Corissa
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