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An Examination of the Gender Implications of trade Liberalisation in Southern Africa

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Gender equality implications of globalisation and trade liberalisation arise because these phenomena do not eliminate existing inequalities in access to resources, power and decision making between men and women in society. This is a reality that must be confronted directly or else much of the tremendous investment in promoting the social and economic advancement of women will have been in vain (Williams,2003).

Currently, the system of international trade is based on the neo-liberal macroeconomic assumption that increasing and liberalising world trade will result in equal benefits for all. Proponents argue that policies that make an economy open to trade and investment with the rest of the world are needed for sustained economic growth and that freeing trade frequently benefits the poor (IMF, 2008). Of late, concern has arisen over the effectiveness of these economic arrangements in actually combating poverty and encouraging development, especially among the most vulnerable in our society including as women.

Given the feminisation of poverty, international scrutiny has now fallen on the previously ignored trade-gender nexus and studies have been conducted on how trade reforms may affect the economic conditions of women in particular (Elson & Evers, 1996; Oostendorp, 2002; UNIFEM, 2006; Randriamaro, 2008). Prior to this, trade policies were characterised as class-, race- and gender-blind and equally class-, race- and gender-neutral in terms of their impact. However, there has been a growing recognition of the fact that the processes of globalisation have been associated with rapid changes in forms of work and lifestyles with clear differential impacts on gender relations and outcomes. Researchers at Women Watch (2008) have shown that the effect of trade policy on economic and social activities tends to differ between men and women as they have different economic and social roles and different access to and control over resources, due to socio-cultural, political and economic factors.

No doubt, trade liberalisation has become an important pillar in the development of Southern Africa. In fact, the Southern African Development Community (SADC, 2012) has stated that it ‘increasingly supports free trade as part of its agenda to eradicate poverty in Southern Africa’ and, as part its long-term goals, the SADC was

able to establish a Free Trade Area in 2008. By January 2008, 12 member states signed the Free Trade Agreement, reducing tariffs on 85 percent of intra-regional imports (ibid). Agreements like this have the potential to alter the lives of those in the Southern African economy but they are negotiated and signed behind closed doors and it has also become increasingly evident that the economic lives of Southern African women may be adversely affected by such agreements. This paper explores the emerging argument that traditional forms of trade liberalisation may exacerbate existing gender inequalities and have the potential to worsen the social and economic status of women in the Southern African development trajectory.

The article begins with a brief examination of the context of development from which these concerns emerge. A discussion on the role of women in the economy of Southern Africa follows and an analysis of the ways in which trade practices, as a result of not recognising and incorporating gender relations, have harmful consequences for women and undermines development goals. Lastly, in view of these findings, recommendations are offered on how trade can be better used for the benefit of women.

Relationship between Trade liberalisation and Development

In 2011, Southern African countries recorded a relatively high growth rate of 5.14 percent and most of this growth was directly attributed to increased integration within the world and regional economy (SADC CCBG, 2012). The question is whether this 'growth' translated into 'development' for the region and, in fact, what is development? The meaning and concept of development has been widely debated. The idea of development as rapid economic growth measured in terms of Gross Domestic Product (GDP) arose in the 1950s and 1960s. However, by the 1990s, it was clear that this view of development failed to account for the ultimate goal of promoting individual wellbeing (Young, 1993). More important than this is the discovery that the assumption that wellbeing would automatically flow from economic growth is unfounded. The 1990 United Nations Development Programme (UNDP) Human Development Report put it more eloquently when it noted that, 'an excessive preoccupation with GDP growth and national income accounts has overshadowed the fact that the key objective of development is to benefit people.' However, this focus has been displaced by an obsession with indicators of economic performance, such as GDP (UNDP, 1990), which are inaccurate indicators of whether or not the lives of people have improved. Similarly, in 2007, Joel Konopo revealed that poverty in Botswana has persisted, despite the fact that the country had been experiencing sustained economic growth (Konopo, 2007, see also Mukras, 2003).

From a feminist perspective, the use of GDP as a measure for development has been widely criticized for various reasons. Most importantly for Southern Africa, GDP does not take into account informal labour which is an area of the labour market that is traditionally very feminized (Waring, 1988), as aptly illustrated by Alice Kanengoni in her article in this issue. A second critique of the use of GDP as a measure of development is that an increase in GDP does not unpack how this income was distributed or how human wellbeing is measured. Therefore, using GDP 'as a measurement of a country's success or level of development continues to address only the means, not the desired ends, of development' (Kabeer, 2004).

These shortfalls in the traditional notions of development have given rise to alternative conceptualisations of what development is. An example of this is the UNDP approach. Under this paradigm, development is a means to help people realise their full potential and to lead productive, creative lives in whichever way they choose. In the words of Amartya Sen (1999), 'Human development, as an approach, is concerned with...advancing the richness of human life, rather than the richness of the economy in which human beings live, which is only a part of it.' According to this approach, economic growth must be combined with a more equitable distribution of benefits (UNDP, 1995). More importantly, including women under the human development approach will mean that the socially structured gender relations which constrain women's choices will be addressed directly and not reinforced through the continuation of non-gender sensitive economic tools. However, despite this realisation, the incorporation of women in trade policy has not been fully realised and this has adversely affected them.

Trade Liberalisation and Women's Work

The participation of women in paid employment has steadily risen in Southern Africa over the last three decades and this can be attributed in part to structural adjustments and trade liberalisation. Furthermore, certain types of work available due to trade liberalisation have an undoubtable gender dimension (Elson & Pearson, 1997). For example, in Lesotho, trade expansion¹ over the last 30 years has brought about an increase in labour-intensive exports, most notably clothing and this development has been accompanied by a significant increase in paid female employment in the formal sector (UNCTAD, 2012; Gibbs, 2005). This has been in line with the international trend in which low-wage factory jobs in export processing zones draw almost exclusively female labour, taking advantage of cultural conceptions of women as 'nimble fingered', 'docile' and therefore better suited for such work (Elson & Pearson, 1997: 191-203). Overall, this has created job opportunities for Basotho women but it has also contributed to new patterns of inequality and vulnerability (UNCTAD, 2012).

To begin with, in real terms, wages in the textile and apparel sectors are extremely low. Using the lowest wage scale, a general worker in Lesotho's textile and apparel industry earns a minimum of 833 maloti per month (approximately US\$103). Considering that the average monthly household cash expenditure on food and beverages only was 405 maloti, according to the 2002/3 Household Budget Survey, this wage amount would only cover the most basic subsistence expenses.

Furthermore, the working conditions are very hard. According to Macaefa Billy of the Lesotho Clothing and Allied Workers Union, the conditions workers are facing in some factories are akin to slavery (IRIN, 2002). The type of work ensures that the women have limited skills development opportunities, perpetuating the female low-skill/male high-skill labour divide. Women in the factories have also complained about sexual harassment and threats of being fired if they unionise and there have been cases of reported rape which occur as the women walk home from late overtime work, however, the women state that despite this management still refuses to provide late night transport (ILO 2013). Lastly, working in these factories has made Lesotho women particularly sensitive to external shocks and changes in the international trade environment. This vulnerability is magnified by the fact that the workers would face many difficulties in adjusting to trade policy changes because, given their low wages, they would not be able to 'save for a rainy day' (UNCTAD, 2012). Thus, in export processing zones such as Lesotho the benefits of trade liberalisation for women can be marginal at best, as they are offset by numerous disadvantages.

It must be noted that increased participation in formal labour does not necessarily mean women are doing less informal work. Informal or reproductive work refers to work performed within the domestic or private sphere which helps to sustain a household (such as cleaning, cooking, childcare and rearing, et cetera), most of which is performed by women. This is important because, if trade liberalisation means an increase in female formal employment, as has been shown for Lesotho above, it is reasonable to assume that women will have less time to provide care and other essential work which they provide at home (Young, 1993). Unless these duties are taken on by other members of the family it is probable that levels of care in the household will decline and, such a situation can jeopardise human development in the long term.

Another important aspect of the informal economy in Southern Africa is informal cross-border trade (ICBT). ICBT is defined as largely unrecorded merchandise that crosses borders without being recorded officially. It also involves under-invoicing and under-declarations (Macamo, 1998). ICBT is extremely feminised; around seventy

percent of the informal traders in Southern Africa are women.² Studies have confirmed that the income women earn from informal trade has allowed them certain social benefits such as an improved status and greater bargaining power in the household (Damon & Jeuring, 2009) but it has not come without its pitfalls as is the case for the women of Zimbabwe. In the past two decades, Zimbabwe has seen the flourishing of its informal sector due to various political and economic factors³ and many women have ventured into ICBT (Muziyidziwa, 2007; Ndiaye, 2009).

Despite alleviating urban poverty, under 'traditional notions' of trade ICBT does not 'exist' in the sense that it is not part of the formal sector and is unrecorded and unregulated. As a result, its activities remain marginalised in various ways (Ndlela, 2006). Firstly, ICBT has been known to instil a culture of corruption in trade at border posts and this is especially detrimental for women as they are traditionally more prone to bribery, often accompanied by demands for sexual favours. According to a United Nations Development Fund for Women (UNIFEM, 2007) study, harassment and sexual exploitation by border officials seeking bribes constitute the biggest obstacles for female informal cross-border traders in Southern Africa. ICBT also functions in an inappropriate regulatory and policy environment. The benefits of development and economic policies such as employment and wage policies are only received by those in the male-dominated formal sector (Ndlela, 2006). In addition, infrastructure constraints, such as poor road networks, telecommunications and lack of storage and trading places, lead to smaller profit margins and thriving informal activity (ibid).

Lastly, ICBT is relatively profitable but it involves a very heavy workload, is characterised by long hours of work and overnight travel to cut down on accommodation costs (UNIFEM, 2006). Women involved in ICBT are away from their families for extended periods of time. Traders that operate from serviced market stalls, such as in flea-markets, work for ten hours per day at least and often make their way home very late at night. Besides the obvious safety issues (for women especially) and the difficulty of juggling these time schedules along with other economic or social responsibilities, the problem has been exacerbated by the recent practice of Zimbabwean police arresting unaccompanied women walking late at night on the grounds of soliciting or prostitution (Chibaya, 2012).

For Zimbabwe, and many other countries in Southern Africa, ICBT and the informal sector in general are key sites of the gender-trade dynamic in Southern Africa. In terms of sheer numbers, the amount of women who would be affected by trade facilitation measures aimed at the formal economy would be much smaller than those

affected by similar changes in the informal economy, however, traditional trade measures ignore the informal sector.

Making Trade Work for Women

The impact of trade on women's economic position must be examined against the backdrop of the consistent and relatively high growth rates in Southern Africa over the past few years⁴. The fact that this economic growth, most of which was driven by trade, 'has not yet translated into meaningful social development and inclusion of vulnerable groups' (UNECA & African Union, 2008) and that the feminisation of poverty persists despite this growth, leads one to the conclusion that women have not been able to adequately take advantage of the opportunities offered by trade and this must change.

There needs to be research conducted on the exact gender implications of the trade policies which have already been implemented regionally. These will be different for each country as the various countries have liberalised trade in different ways. Furthermore, countries must ensure that trade diagnostics, assessments and studies pay special attention to the needs of women in future. Gender disaggregated data in trade analysis must be fostered. This recommendation has been partially implemented in Uganda where an annual survey on ICBT is conducted (Uganda Bureau of Statistics, 2012). States must then enact domestic policy which militates against the undesirable effects trade has on women.

Gender-responsive macroeconomic policies are also necessary to ensure that trade supports the interests of women. A gender analysis of all trade agreements before they are concluded is essential. This process must include a country-specific analysis, disaggregated by gender, of the ways in which women will be affected by a particular trade agreement. Countries must also begin using more comprehensive measures of gauging gains in trade to ensure they are developing in the right direction and not leaving certain members of society behind.

There is also an urgent need to address the implications of the concentration of poor women's activities in the unregulated and unrecorded informal trade sector. Besides the numerous suggestions on how to formalise their businesses⁵ encouraging their empowerment will mean restoring their dignity and the most effective way to do this is to ensure a change in the attitudes of those who act on behalf of public institutions, who must be taught that informal work is not necessarily the same as illegal activities. Informal traders 'should not be seen as marginalised women in need of special or temporary programmes, but as full-fledged citizens with entitlements to respect and adequate support from public institutions' (UNIFEM, 2007).

Lastly, a gender analysis of trade is not merely the sensible thing to do. Southern African states are actually under obligation on the regional level to ensure that their trade policies are gender sensitive. Article 17 of the SADC Protocol on Gender and Development (SADC-PGD), which has been ratified by 11 member states says:

States Parties shall, by 2015, adopt policies and enact laws which ensure equal access, benefit and opportunities for women and men in trade and entrepreneurship, taking into account the contribution of women in the formal and informal sectors. States Parties shall, by 2015, review their national trade and entrepreneurship policies, to make them gender responsive.

Despite this effort, the SADC is still doing very little to ensure gender mainstreaming with regard to its policies and development plans. There is also a great deal of fragmentation in SADC instruments. For example, the SADC Protocol on Trade is essentially gender blind (Shayo, 2012) which undermines the fulfilment of any obligations created under Article 17 of the SADC-PGD. Greater advocacy must be garnered in this regard, women need to form pressure groups and hold their governments accountable in order to ensure that their experiences and opinions are taken into consideration when policy is developed.

The Regional Export Promotion Women's Trust (REPT, 2011) is a good model for such an organisation. REPT is a registered women's organisation which is making attempts to mainstream gender into trade policy in Zimbabwe. The organisation conducts independent research on trade markets with the aim of providing Zimbabwean women with expertise and training on business expansion in emerging regional markets (ibid). The organisation is ideal as it works as a pressure group and is well versed on the issues of women. REPT advocates for people-driven regional trade development that is led from the grassroots respecting gender rights for economic development. Further, REPT works within the framework of the Women's Coalition of Zimbabwe which hosts a network of prominent women's rights activists and women's organisations with national structures (ibid). All Southern African countries could benefit greatly from having organisations modelled after this one.

Conclusion

As this short analysis demonstrates, international trade, as it is currently formulated and practiced, does not adequately take into account women's experiences and has resulted in one-sided agreements neglect the gendered aspects of the economy and society. Ensuring trade policy does not affect women adversely is sound public policy that the Southern African region must engage in to foster effective development. This

inclusive development can only be realised once gender analysis is applied to trade policy.

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Notes

Three trade policy instruments have critically shaped Lesotho's competitive edge in apparel exports. Firstly, quotas on exports of clothing from Asian producers to the US and European market under the Multifibre Arrangement (MFA). Secondly, unilateral, non-reciprocal duty-free access to the US for Lesotho's apparel products under the African Growth and Opportunity Act (AGOA) initiative. Thirdly, a relaxation in the rules of origin under AGOA to permit third country fabrics in the production of Lesotho's apparel exports to the United States (UNCTAD, 2012).

Of this figure, around 40 percent operate exclusively outside formal trade channels, while the rest use informal trade as a source of supplementary income (Economic Justice Network, 2007). Studies of trade between Mozambique and South Africa and between Zimbabwe and South Africa found that over 70 percent and 65 percent of traders were women respectively (Peberdy, 2002).

These factors include population growth, urbanisation, changes in subsidies (national and international) under trade liberalisation, retrenchments in the civil services and high rates of unemployment, especially among women and the youth, devaluation of local currency and chronic shortages in foreign currency, increased demand for imported goods and commodities, decline in household income and related poverty levels among urban households and increased demand for cash as prices rise (Morris & Saul, 2000).

Over the period 2000 and 2011, the average GDP growth for the SADC was 5.2 percent (SADC, 2011).

The United Nations Women office has offered suggestions to aid informal traders. These are:

recognition of the huge economic contribution of their trading activities,

promotion of a favourable tax regime,

graduation in the formal sector for better access to market opportunities such as trade fairs, skills building and trade related services,

provision of entrepreneurial, negotiation and advocacy skills,

service delivery such as credit, health care, transport, water and sanitation, foreign currency exchange, infrastructure for storage of goods and refrigeration of agricultural commodities in cross-border markets and transport facilities,

access to social safety nets such as health insurance,

inclusion of their priorities in national poverty reduction strategies, national development plans, national budgets and mainstream trade processes,

fulfilment of their rights to information on regional trade agreements and protocols on movement of persons, goods and services, and

building solidarity networks in support of their issues involving eminent African leaders, women lawyers' organisations, civil society organisations working on trade and regional integration and the women's movement. (UNW, 2011)

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