

Gender in Global and Regional Trade Policy: Contrasting Views  
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Insights from Global Value Chains Analysis

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# *Gender, Trade, and Informality: Some Methodological Insights from Global Value Chains Analysis*

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## SUMMARY

This paper summarizes the methodological approach to trade and informality embraced by two distinct initiatives: Women in Informal Employment Globalizing and Organizing (WIEGO), a global research and policy network; and the Greater Access to Trade Expansion project (GATE), a USAID funded project. WIEGO is a global research-policy network that seeks to improve the status of the working poor, especially women, in the informal economy through better statistics, research, programs, and policies and through increased organization and representation of informal workers. The GATE Project is designed to strengthen the capacity of USAID/Washington and Missions worldwide to institute gender-equitable practices and policies in USAID-funded economic growth and trade activities.

The paper examines the new expanded definition of informality developed by the International Labour Organisation which is employment- and security centered. Under this expanded definition, informal employment is understood to include all remunerative work, both self-employment and wage-employment, that is not recognized, regulated, or protected by existing legal or regulatory frameworks, as well as non-remunerative work undertaken in an income-generating enterprise.

One lens through which to examine gender, trade and informality is presented in the analysis of global value chains. A global value chains analysis affords an opportunity to consider the entirety of production, processing, packaging and distribution—both within and between different countries. Global value chains (GVC) can be fairly simple, involving production in one country and distribution and consumption in one or several others, or they can be complex, with multi-country production and sourcing for component activities and tasks and multi-country consumption and distribution sites.

The paper concludes with a framework for engendering value chains analysis. A gendered value chain analysis highlights the different positions and contributions of men and women across the value chain and uncovering the economic, organizational, and asymmetric relationships among actors located along different points of the industry. It consists of a segmentation analysis that explores how the labor market is segmented throughout the value chain. Segmentation can be described in terms of sex, race, ethnicity, and immigration status at different points along the chain. A number of indicators can be used including the degree of feminization, as well as the degree of informality and insecurity of tenure by sex.

A gendered value chain analysis addresses power within the production and exchange relationships. The analysis explores monopoly and monopsony power to set market prices, the power to bargain with buyers and sellers, as well as indebtedness and sub-optimal contracting.

Finally, a gendered value chain analysis considers entitlements and capabilities: those factors and characteristics that mediate men's and women's entitlements to productive resources, and their capabilities to deploy these resources.

# *Gender, Trade, and Informality: Some Methodological Insights from Global Value Chains Analysis*

Sarah Gammage

This paper summarizes the methodological approach to trade and informality embraced by two distinct initiatives WIEGO, a global research and policy network, and GATE, a USAID funded project. The paper examines the new expanded definition of informality developed by the International Labour Organisation and considers how a global value chain analysis can be engendered to explore the intersection of gender, trade and informality. The paper concludes with a check list for how to undertake a global value chains analysis from a gender perspective highlighting the types of inquiry and indicators that can be used.

## *Background*

Over the past two decades, the informal economy has grown rapidly in all regions of the world, emerging in unexpected places and in new guises. In developing economies, the majority of the working poor, disproportionately women, work in the informal economy. In transition economies, many retrenched workers and many of the unemployed and underemployed work in the informal economy. And, in developed countries, an increasing share of paid workers is hired under flexible, often informal, employment arrangements and a significant share of the total workforce is self-employed. Available evidence suggests that those who work in the informal economy, especially women, have lower average earners and higher average risks than those who work in the formal economy (Chen et al, 2005). However, in the international debate on the links between economic growth, globalization, and poverty relatively little attention is paid to issues of labor and work and even less to issues of the working poor in the informal economy. The quantity and quality of work generated by different patterns of economic growth and global integration provide key insights into whether or not poverty is reduced; and, therefore, that the neglect of work and labor issues (especially from the perspective of informal workers) represents the “missing link” in the globalization-poverty debate.

This presentation focuses on Global Value Chains to explore the nexus between gender, trade, and informality focusing on horticulture, garments and shrimp. A GVC perspective affords the opportunity to look at the terms and conditions of work across the entirety of the production and distribution chain and not just within a particular country. Employment flexibility is often used as a strategy to depress wages and keep costs low in specific segments of the global value chain (Standing, 1989; Barrientos, 2001)). Frequently, the workers who are most vulnerable and contingent are women. The flexibility of women’s employment and their status as secondary wage earners is central to the functioning of these GVCs and is visible in production, processing and retailing.

This presentation describes a methodological approach to explore the intersection of gender, trade and informality emerging from two initiatives: Women in Informal Employment: Globalizing and Organizing (WIEGO) and Global Access to Trade Expansion (GATE). WIEGO is a policy research network and GATE is a project supported by USAID funds. Both initiatives seek to explore the uneven effects of globalization upon women and the poor.

WIEGO is a global research-policy network that seeks to improve the status of the working poor, especially women, in the informal economy through better statistics, research, programs, and policies and through increased organization and representation of informal workers. The individuals and institutions in the WIEGO network are drawn from three broad constituencies: membership-based organizations of informal workers; research, statistical, and academic institutions; and development agencies of various types (non-governmental, governmental, and inter-governmental). The common motivation for those who join the network is the troubling lack of public and policy recognition and support for the informal economy, especially the women who work in it.

In contrast, GATE is a time delimited initiative focused on a particular donor that will run for three years. The GATE Project is designed to strengthen the capacity of USAID/Washington and Missions worldwide to institute gender-equitable practices and policies in USAID-funded economic growth and trade activities. By helping USAID operating units recognize and address obstacles in their trade-related assistance programs, this task order aims to enhance the capacity of USAID economic growth assistance programs to contribute to lasting poverty reduction. The aim is to ensure that trade-related activities incorporate the poor, and women, enabling them to take advantage of the opportunities offered by globalization. Emphasis is placed on identifying gender-based constraints to participation in opportunities from trade liberalization, and to develop programs, strategies, tools, technical assistance and training to strengthen Missions ability to design, implement, monitor and evaluate programs which promote gender equity in trade-related activities.

The GATE Project provides technical assistance to at least eight (8) USAID Missions and Operating Units in identifying gender-based constraints associated with labor-intensive export industries as well as those associated with inter-regional or global trade. Currently, the project is working in: Albania, Bangladesh, the Dominican Republic, Nigeria, Peru and South Africa. After completing a country diagnostic, the GATE Team assists the USAID Mission and Operating Unit by developing appropriate interventions to remove gender-based impediments to economic growth and trade activities. GATE conducts research on gender-differentiated opportunities and constraints faced by the poor in accessing the opportunities presented by global trade liberalization which is disseminated to contribute to the knowledge base of the Agency and Missions. Activities may include conducting gender sensitive trade risk and technical assistance assessments; improving workforce skills development programs; strengthening the capacity of civil society organizations to address trade and gender issues; training policy makers

and other change agents on how to incorporate gender considerations into trade policies and programs.

### *Defining Informality<sup>1</sup>*

Over the past two decades, employment in the informal sector has risen rapidly in all regions of the world. The growth of employment in the informal economy is due to many factors, including the lack of economic growth, different patterns of economic growth, and economic crises. The recent global economic crisis – which began in Asia in 1997 and affected Russia in 1998, Brazil in 1999, and Argentina in 2000 - accelerated massive lay-offs in the formal economy. It has been estimated that as many as 25 million jobs were lost in the East Asian Tigers alone. Many of these retrenched workers crowded into the informal economy; it is not clear how many have been able to regain secure or protected jobs in the formal economy. Moreover, key features of global trade and investment have contributed to the increase in informal employment. First, the rapid mobility of capital and increased competition have encouraged (and allowed) companies to avoid obligations to their employees and encouraged governments to avoid enforcing labor legislation. The net result has been an erosion of employment relations. Second, the marked decentralization of production through global value or sub-contracting chains is associated with an informalization of production and employment relations, particularly at the lower ends of these chains.

Informality has been variously defined and categorized. For many years, definitions of the informal sector focused on the size of an establishment and whether it was formally registered as a production unit and paid taxes and license fees. Increasingly this definition is being challenged and expanded. This presentation applies the broader concept of informality that is being adopted and used by the ILO (ILO 2002a,b) where the informal economy includes employment without secure contracts, worker benefits, or social protection. As such, informal employment comprises self employment in informal enterprises that are small, unregistered or unincorporated and includes employers, own-account operators and unpaid family workers in informal enterprises. Informal employment also includes paid work in informal employment that can be undertaken for informal enterprises, formal enterprises, households, as well as for no fixed employer. Additionally, informal employment includes casual or day laborers, industrial outworkers, unregistered or undeclared workers, contract workers and unprotected temporary and part-time workers.

The shift towards an expanded concept of the informal economy allows us to more usefully define informality in an employment- and security-centered framework. The ILO (2002b) summarizes this shift in this definition: “Historically the informal sector was defined largely in opposition to the formal sector: as the sum total of all income-earning activities outside of legally regulated enterprises and

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<sup>1</sup> This section draws heavily on *Women and Men in the Informal Economy, A Statistical Picture*, International Labour Office, Geneva, and WIEGO position papers and documents including Chen et al (2005), Lund and Nicholson (2003) and Carr (2004) and Carr, Chen and Tate (2000).

employment relations.” Yet for our purposes, this definition is too amorphous and not comparable across countries or frequently even within countries over time. This definition is sensitive to changes in regulations, different statutes, and any broadening or contraction of the tax base. Additionally, the enforcement of these regulations and statutes may not apply, and what is apparently formal may in fact be informal. Furthermore, we would seek to exclude the criminal economy. Although production or employment arrangements in the informal economy are not equivalent to those in the formal economy, the informal economy produces and distributes legal goods and services. Another realm of activity that we would seek to exclude from the definition of informality is the reproductive or care economy. Unpaid domestic work and care activities are also not part of the informal economy. This is because the informal economy is defined as part of the market economy: that is producing goods and services for same or some other form of remuneration.

Table 1 provides a schematic of the informal economy under the new definition. Dark blue cells refer to jobs that by definition do not or cannot exist in the type of production unit in question. For example, in formal sector enterprises, there are no informal own-account workers. Light blue cells refer to jobs which exist in the type of production unit in question, but are not relevant to our concerns. The unshaded cells are the focus of our concern, these represent activities that comprise the expanded definition of informality:

Cells 1 and 5 represent contributing family workers. No contract of employment and no legal or social protection is assigned to the job in formal enterprises or in informal enterprises. Contributing family workers who hold a contract of employment, receive a wage and social protection are however in formal employment.

Cells 2 and 6 represent employees who have informal jobs, whether they be employed in formal enterprises or informal enterprises.

Cells 3 and 4 comprise own-account workers and employers who have their own informal enterprises. The informal nature of their jobs follows directly from the characteristics of the enterprise that they own.

Cell 7 includes employees working in informal enterprises but having formal jobs. This may occur where enterprises are defined as informal using size as the only criterion.

Cell 8 includes members of informal producers’ cooperatives.

Cell 9 comprises producers of goods for own final use by their household such as subsistence farming.

Cell 10 includes paid domestic workers employment by households in informal jobs.

Table 1. A Conceptual Framework of the Informal Economy

Production Units By Type	Jobs by Status in Employment								
	Own-account Workers		Employers		Contributing Family Workers	Employees		Members of Producers' Cooperatives	
	Formal	Informal	Formal	Informal	Informal	Formal	Informal	Formal	Informal
Formal Sector Enterprises					1	2			
Informal Sector Enterprises <sup>a</sup>	3		4		5	6	7	8	
Households <sup>b</sup>	9					10			

<sup>a</sup> As defined by the 15<sup>th</sup> International Conference of Labour Statisticians in 1993. This includes informal own-account enterprises which may employ contributing family workers and employees on an occasional basis; and enterprises of informal employers which employ one or more employees on a continual basis. An enterprise of informal employers must fulfill one or both of the following criteria: a size below a specified level of employment (usually 5 or 10), and non-registration of the enterprise or its employees.

<sup>b</sup> Households producing goods for their own final use and households employing domestic workers.

Under this expanded definition, informal employment is understood to include all remunerative work, both self-employment and wage-employment, that is not recognized, regulated, or protected by existing legal or regulatory frameworks, as well as non-remunerative work undertaken in an income-generating enterprise. Thus the definition of informality shifts to an employment-based one which embraces security as a central concern of workers. Most informal workers, including the self-employed and wage workers, are deprived of secure work. Typically, these workers have no benefits, social protection, representation or voice. The self-employed have to take care of themselves and their enterprises. Furthermore, these enterprises are often at a competitive disadvantages with respect to larger firms in capital and product markets. Informal wage workers also receive few if any employer-sponsored benefits and do not qualify for social protection.

Informality, typically manifests as a continuum. It does not present us with clean joints along which to separate formal and informal employment and production. Production, distribution and employment relations may embody distinct aspects of "security" affording workers some benefits and denying them others. Moreover, the more formal and informal parts of the economy are often dynamically linked. For example, many informal enterprises have production or distribution relations with formal enterprises: supplying inputs, finished goods, or services to each other either through direct transactions or subcontracting arrangements. Additionally, many formal enterprises hire wage workers under informal employment relations using part-time workers, temporary workers and industrial outworkers through sub-contracting arrangements.

WIEGO estimates suggest that informal employment comprises one half to three-quarters of non-agricultural employment in developing countries: specifically, 48 per cent of non-agricultural employment in North Africa; 51 per cent in Latin America; 65 per cent in Asia, and 72 per cent in sub-Saharan Africa. If South Africa is excluded, the share of informal employment in non-agriculture employment rises to 78 per cent in sub-Saharan Africa. If data were available for additional countries in South Asia, the regional average for Asia would likely be much higher. More importantly, if data were available for informal employment in agriculture, the proportion of informal employment would likely increase. In three countries that included informal employment in agriculture in recent estimates of informal employment, the proportion of informal employment increased significantly, between the early 1990s and the late 1990s: from 83 per cent of non-agricultural employment to 93 per cent of total employment in India; from 55 per cent to 62 per cent in Mexico; and from 28 per cent to 34 per cent in South Africa.

Unfortunately, comparable data on informal employment for industrialized countries are not available. However, comparable data on certain categories of non-standard work exist and can be used. Three categories of non-standard or atypical work—self-employment, part-time work, and temporary work—comprise 30 per cent of overall employment in 15 European countries and 25 per cent of total employment in the United States. Although not all self-employed, part-time workers, and temporary workers are informally employed, the majority receive few (if any) employed-based benefits or protection. In the United States, for instance, less than 20 per cent of regular part-time workers have employer-sponsored health insurance or old-age pensions. A recent report by Schmitt (2005) emphasizes that less than a quarter of the total US workforce hold what is defined as a good job. The report defines a “good” job as one that offers decent pay (at least \$16 per hour or about \$32,000 per year), employer-paid health insurance, and a pension. In 2004 (the most recent year for which data are available), only 25.2 percent of American workers had a job that met all three criteria.

### *Gender Dimensions of Informal Economy*

Informal employment is generally a larger source of employment for women than for men in the developing world. Other than in North Africa where 43 per cent of women workers are in informal employment, 60 per cent or more of women workers in the developing world are in informal employment (outside of agriculture). In Sub-Saharan Africa, 84 per cent of women non-agricultural workers are informally employed compared to 63 per cent of male non-agricultural workers; in Latin America 58 per cent for women in comparison to 48 per cent for men. In Asia, the proportion of women and men non-agricultural workers in informal employment is roughly equal (at around 65 per cent).

Although women’s labor force participation rates are lower than men’s, the limited data available point to the importance of women in home-based work and



street vending in developing countries: 30-90 per cent of street vendors (except in societies that restrict women's mobility); 35-80 per cent of all home-based workers (including both own account and homeworkers); and 80 per cent or more of homeworkers (industrial outworkers who work at home). Similarly, in developed countries, where women's labor force participation rates are also lower than men's, women represent the vast majority of part-time workers. In 1998, women comprised 60 per cent or more of part-time workers in all OECD countries reporting data. Women's share of part-time work in specific countries was as high as 98 per cent in Sweden, 80 per cent in the United Kingdom, and 68 per cent in both Japan and the United States.

We encounter substantial limitations applying these definitions using existing data on employment in developing and developed countries. Official statistics do not fully capture two of the large and growing sub-sectors of the informal economy—home-based work and street vending—where women are concentrated. If women home-based workers and street vendors were to be fully counted, both the share of women workers and the share of informal workers in the global economy would be significantly increased. The invisibility of the informal economy in general, and women's work in particular, has led to certain empirical, conceptual, and policy-related problems. Empirically, the size and contribution of the informal workforce to the global economy remain underestimated. Conceptually, mainstream understanding of the linkages between the informal economy, the formal economy, and the total economy and between the informal economy, poverty, and growth remains ill informed. As a result, too little attention has been paid to how public policies affect the informal economy, especially the women who work in it.

### *Linking Gender, Trade and Informality*

There are a number of mechanisms by which trade liberalization can contribute to informalization. Trade liberalization can expose formal establishments to increased foreign competition. In response, these establishments may attempt to reduce labor costs by cutting worker benefits, replacing permanent workers with part-time labor, or subcontracting with establishments in the informal sector—including home-based and self-employed microentrepreneurs. Alternatively, firms in the formal sector may respond to the intensified competition from abroad by laying-off workers who subsequently seek employment in the informal sector.

Another mechanism is by the failure to stimulate sufficient job growth in formal employment. Increased formalization requires not just positive economic growth, but economic growth well in excess of the underlying rate of productivity growth, to absorb workers into the formal economy (Bivens and Gammage, 2005). The benefits from growth have to be more widely distributed, and not narrowly concentrated in a few sectors. In some cases, export-oriented policies, in combination with trade policies that have been pursued to benefit specific sectors, may have reduced the spillover effects of growth. If the measures by developing

countries to recruit foreign direct investment, and provide infrastructure for export-oriented production, contribute to the creation of enclave economies with few direct linkages to production in other sectors, employment creation is likely to be limited. Furthermore, if liberalization exposes other sectors to competition from imported goods, the loss of employment in declining sectors is unlikely to be compensated by increasing demand for workers in traded sectors.

Finally, liberalization increases the porosity of national borders. As the flow of traded goods increases so too does the potential for labor export: the same channels that convey goods can also be used to convey people. It is not surprising, therefore, that labor migration is increasing in the post liberalization era—both within national borders and across countries (IOM, 2005). Not only do the processes of liberalization accelerate economic dislocation, displacement and labor migration from declining sectors, but they also provide an infrastructure for the movement of goods and people, within and between countries. If people do not move seamlessly into traded production in expanding sectors locally, they may seek employment elsewhere. Many migrate internally in search of work, while some seek employment abroad. What is notable about the rise in migration in the latter part of the 20<sup>th</sup> century and early 21<sup>st</sup> century is that migrants tend to cluster in informal and insecure employment, and are frequently considered flexible and often expendable labor in secondary labor markets in higher income countries (Ross, 2004; Haines, 1999; Martin, 1999).

Unfortunately, multiple methodological and empirical challenges hamper the analysis of the impact of trade liberalization on employment, not least that of causality which emphasizes that we are largely unable to distinguish the impact of liberalization upon specific labor market and wellbeing indicators, because of the myriad policy changes being enacted concurrently. Furthermore, these outcomes are not independent of economic and social institutions that mediate, intervene and mitigate the distributional effects of policy change. As a result, the literature on liberalization is both contradictory and contested and many of these processes and outcomes remain under-explored or poorly explained.

### *Engendering Global Value Chain Analyses*

Confronting these theoretical and methodological challenges presents significant problems, especially in countries where data are sparse. One lens through which to examine gender, trade and informality is presented in the analysis of global value chains. A global value chains analysis affords an opportunity to consider the entirety of production, processing, packaging and distribution—both within and between different countries. A global value-chain is a network that links the labor, production, and distribution processes which result in one commodity or product. These networks link households and enterprises spread across several countries to one another within the world economy. Global value chains (GVC) can be fairly simple, involving production in one country and distribution and consumption in one or several others, or they can be complex, with multi-country

production and sourcing for component activities and tasks and multi-country consumption and distribution sites.

A GVC perspective is increasingly called for when analyzing international trade and labor markets for traded goods. The global trade in intermediate inputs has risen much faster in the last decade than for final goods, revealing the fragmented and multi-country nature of production and distribution (Hanson et al 2004). Yeats (2001) estimates that by the end of the 20<sup>th</sup> century intermediate goods accounted for 30 percent of the world trade in manufactures. Production processes have become more complex and increasingly reliant on intermediate inputs from multiple sources. Furthermore, the lattice of regional and bilateral trade agreements, with their attendant quotas, graduated tariffs and preferential treatment conditions, have accelerated multi-country production and sourcing.

As the composition of trade in finished goods and intermediate inputs changes, so too has the labor force engaged in their production, utilization, and distribution. In some cases, workers have experienced distinct improvements in the terms and conditions of their employment, gaining higher wages and more secure employment. In other cases, the terms and conditions of employment are deteriorating.

An analysis that considers the entire chain also permits a comparative understanding of the importance of flexibility and responsiveness in the chain and how this flexibility can affect the terms and conditions of work. Workers are not homogenous; they possess different skills and tenure in the labor market. Moreover, labor market institutions and regulations mediate outcomes for workers: they may be members of unions and associations and bargain collectively, they may have contracts and receive non-wage benefits such as pensions and sick leave, or they may sell their labor daily without any protections. Consequently, some workers may be more privileged than others. The relative security that a worker encounters in the labor market may also depend on their age, education, ethnicity, citizenship, or gender. A gender perspective can shed further light on labor security and insecurity, drawing attention to the role that gender-based strategies can play in cushioning firms from competition by reducing wage and non-wage costs, as well as in the distribution and commodification of final products.

Value chain analyses focus on the institutional arrangements that link producers, processors, marketers, distributors, and consumers. Supply chain analyses focus on the way goods move from producers to consumers; the exchange of payment, credit, and capital among actors; price signals, pricing behavior, and value added; the dissemination of technology; and, the flow of information across the chain. A value chain analysis augments this approach by considering power and governance. Typically, the ability to influence outcomes derives from the power that certain firms or agents exert over other firms or agents in the chain. Powerful firms derive the ability to influence other producers and firms from two distinct sources: (1) their market share or concentration and/or (2) their positioning within particular segments of the chain. The influence can extend to defining the products

to be produced by suppliers and specifying the processes and standards to be used. Power can be exercised by lead firms or buyers through their control over key resources required for production, distribution or marketing within the chain, decisions about entry or exit, monitoring suppliers or even providing technical support to producers to ensure that they meet the required standards. Consequently, by integrating an analysis of power and governance, value chain analyses recognize that various configurations of actors may influence capabilities, possess different levels of bargaining power, and subsequently affect outcomes along the value chain.

A value chains approach lends itself well to a gendered analysis. A gendered value chain analysis highlights the different positions and contributions of men and women across the value chain and uncovering the economic, organizational, and asymmetric relationships among actors located along different points of the industry. It consists of a segmentation analysis that explores how the labor market is segmented throughout the value chain. Segmentation can be described in terms of sex, race, ethnicity, and immigration status at different points along the chain. A number of indicators can be used including the degree of feminization, the degree of informality and insecurity of tenure by sex. For example, Barrientos (2001) and Barrientos and Barrientos (2003) document that 26 percent of all permanent workers in horticultural production in South Africa sourcing UK wholesalers and supermarkets are women. Women make up more than 69 percent of temporary and seasonal workers in horticultural production in South Africa. Similarly, in Chile only 5 percent of permanent workers were women, while more than 52 percent of temporary and seasonal workers were women.

A gendered value chain analysis addresses power within the production and exchange relationships, not just in terms of governance but with attention to how this power may be affected by the gender of the individual negotiating employment or exchange. In economic terms this analysis explores monopoly and monopsony power to set market prices, the power to bargain with buyers and sellers, as well as indebtedness and sub-optimal contracting.

Finally, a gendered value chain analysis considers entitlements and capabilities. A number of factors mediate men's and women's entitlements to productive resources, and their capabilities to deploy these resources. This draws on Amartya Sen's analysis of poverty in terms of a lack of entitlements and capabilities. Traditionally poverty was considered to summarize a lack of access to resources, productive assets and income resulting in a state of material deprivation (Sen, 1999). The shift to a capabilities and entitlements analysis allows practitioners to focus on the processes that underpin or precipitate material deprivation—highlighting the causes and not just the symptoms. Entitlements to resources and the capabilities to deploy these resources are uniquely gendered. The following list provides a way in which entitlements and capabilities may be gendered. These factors shape men and women's engagement in economic activities and their access to particular markets.

- **Asymmetric rights and responsibilities.** Throughout many countries and regions, the gender division of labor within the household underpins fundamental differences in the rights and responsibilities of men and women. In many rural societies, for example, women are responsible for household provisioning: food crop production, gathering fuel and hauling water, and caring for children and the aged. In return, men are expected to meet certain cash requirements of the household. This division of labor affects women's ability to participate in paid employment, to access education and training, and influences their choice of productive activities.
- **Fertility and reproduction.** Women bear most of the burden of reproduction. As a result of their biological ability to gestate and reproduce, social prescriptions shape what is considered to be acceptable for women during much of their reproductive life. Motherhood confers certain responsibilities upon women that can restrict their movement and labor market participation. Consequently women may enter and exit the labor market more frequently, have lower job tenure, and acquire less on-the-job skills. Women may, therefore, seek employment in sectors (including the informal economy) where job tenure is less important. As a result, fewer women may possess long-term contracts or work in the formal economy.
- **Gendered social norms.** Although there are variations across countries, social norms strongly influence men's and women's work and working environments. Some tasks and jobs are considered more appropriate for men or women, and overt or covert screening filters out applicants who defy these norms. These same norms and expectations also influence women's access to productive assets and their ownership of wealth. For example, in many regions of Africa men hold formal land title and women's land rights are contingent upon their status as a wife or mother. Any change in civil status for the woman, such as widowhood or marriage, alters her land rights and her access to a critical productive resource. Consequently, gendered social norms that restrict women's ownership of assets can have far-reaching implications for their ability to access other productive resources, limiting their productivity and ability to engage in economic activity.
- **Consumption patterns.** Because of women's primary role as caregivers, their consumption patterns may differ from those of men. Household resources, including food, may be prioritized for wage earners, frequently men or boys. Furthermore, as primary caregivers who are responsible for household provisioning, women may be more affected than men by changes in the price of food, education expenses, or health care provision. When prices rise or service provision declines, women may be required to compensate directly by reducing their consumption or indirectly by expanding their role as caregivers.
- **Time Poverty.** Finally, women generally consume less leisure time than men due to their different responsibilities outside and within the household. Although both men and women divide their time between paid and unpaid

work and leisure, women consistently work more hours in paid and unpaid work and consume less leisure time than men (WISTAT, 2000; Floro 1995a,b). Consequently, women may be time poor. Any policy changes that result in an increase in women's time burdens are likely to have a negative impact on women's welfare and well-being and may also affect the welfare and well-being of other household members (Floro 1995a,b).

These characteristics may overlap and many reinforce each other: the combination of women's asymmetric rights and responsibilities and their relative time poverty can mean that their own labor supply is frequently less flexible than that of men and their responsiveness to market signals can be greatly limited. The net effect of the combination of these characteristics is that men and women may face different opportunities and constraints that affect their ability to enter labor or product markets or transform and upgrade their productive activities along the value chain.

### *Gendered GVCs: A How-To Check-List*

Integrating these concepts and approaches in a global value chain analysis is a challenge. Table 2 provides a simple check list of the types of analyses that can be undertaken to explore the gender dimensions of trade and informality in GVCs. The analysis should be taken throughout the chain including production, distribution and retailing. This is flexible framework and can be modified to the needs of the specific analysis.

Table 2. A Checklist for A Gendered GVC Analysis

Analysis	Description	Indicators
Segmentation Analysis	<p>Explore different measures of labor market segmentation by sex, race, ethnicity, migration status in different segments or nodes of the value chain.</p>	<p>Feminization in each segment: (F/M)  Duncan Index<sup>a</sup>:  <math display="block">D = 100 * \frac{1}{2} \sum_{i=1}^N   f_i - m_i  </math>   Permanent (p) and temporary workers (t) by sex.    F<sub>p</sub>/P, M<sub>p</sub>/P; F<sub>t</sub>/T, M<sub>t</sub>/T    F<sub>t</sub>/(F<sub>p</sub>+ F<sub>t</sub>); M<sub>t</sub>/(M<sub>p</sub>+ M<sub>t</sub> )    Where M<sub>p</sub> + F<sub>p</sub> = P and  M<sub>t</sub> + F<sub>t</sub> = T    Informal workers by sex: applying the expanded definition of informality.    Do workers in different segments of the chain, formal/informal, male/female, immigrant/native born, etc., differ by education, length of employment, or other measure of skills and abilities?</p>
Governance and Power	<p>Analyze bargaining power and governance along the value chain.</p> <p>Are there gender dimensions to governance? If governance is linked to the power of one firm or agent over another, is it also linked to feminization and flexibilization of employment?</p>	<ul style="list-style-type: none"> <li>• Number of buyers and sellers and their dispersion geographically.</li> <li>• The types of competition that prevail at different nodes of the value chain: monopoly, monopsony, cartels, imperfect or perfect competition, etc.</li> <li>• Extent of informality throughout the value chain. This can be measured in terms of the workforce, the number of firms, the output of firms and the output in the national and GVC.</li> <li>• Extent of unionization along the chain by gender.</li> <li>• Indebtedness and the use of</li> </ul>

Analysis	Description	Indicators
		<p>credit to tie sellers to buyers.</p> <ul style="list-style-type: none"> <li>• Autonomy: control over product definition, design, specification, source and type of inputs, etc.</li> <li>• Contracting: length of contracts, extent to which sale price is predetermined in the contracts.</li> <li>• Branding: the extent to which firms produce branded products.</li> <li>• Risk-bearing throughout the value chain. Who bears the risk of failure and how is it borne?</li> </ul>
Entitlements and Capabilities	How are agents endowed with different entitlements and capabilities throughout the value chain?	<p><u>Workers</u>: do men's and women's different entitlements and capabilities affect where they locate as workers in the GVC? Are their terms and conditions of employment affected by these entitlements and capabilities.</p> <p><u>Firms</u>: do firms face different entitlements and capabilities, differential access to credit, subsidies, infrastructure, government resources, training for their workforce, etc. Do these entitlements and capabilities vary by the nature of the enterprise – whether it is formal or informal or whether the workforce is formal or informal?</p>

Notes: <sup>a</sup> The Duncan Index Where  $i = (1,2,...N)$  is the total number of sectors, industries, or occupations, and  $f_i$  and  $m_i$  are the sectoral employment ratios of men and women to their respective labor force. The Duncan Index of dissimilarity, ranging from 0 to 100, can be used to measure labor market segmentation by sex. An index of 0 indicates that sectors or occupations are not sex-segregated; women and men are distributed across these sectors and occupations in proportion to their participation in the total labor force. An index of 100 indicates that men and women are in entirely different sectors or occupations.



## *Policy and Program Implications*

Fostering decent work should be a fundamental objective of those concerned with improving living standards throughout the developed and the developing world. A gendered GVC analysis is useful in that it highlights potential points of intervention to improve outcomes throughout the value chain. Identifying the extent of segmentation and the specific form that this segmentation takes can provide policymakers and development practitioners with concrete recommendations to increase training and education opportunities, support labor market intermediation services that better match employers and employees, devise better and more meaningful labor market regulations and commit funds to enforcement and regulation. Analyzing governance and power within the global value chain also enables us to direct resources such as credit, training, research, and subsidies to upgrading, innovation, and technical capacity-building. Where possible the receipt of benefits by firms, should be tied to specific improvements in the terms and conditions of employment. Finally, exploring entitlements and capabilities and their uneven distribution throughout the chain will provide information on how to better support men and women workers and producers in the chain. This support should be targeted to increase equality of opportunity entering markets, accessing productive resources, and obtaining credit, market information, training and education.

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