

Classified Women Labour in Neo-liberal Economy: Status of Women Handcraft Workers in Fair Trade Organizations of SAARC nations.

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Abstract

The paper investigates the implications of shifts in orientation of Fair Trade Organizations (FTOs) from solidarity based notions of social justice to market oriented social justice, in particular on the vulnerable women craft workers at the bottom of the production chain.

Post global financial crisis, FTOs are able to adhere to development goals as they enter mainstream markets. Through few case studies the paper shows paradigm shifts in the development of the FTOs post-ante neoliberal economic expansion in rural market of south Asia. The introduction of a certification regime and the emerging contradiction between the intentions of the FTOs for social and financial inclusion of the vulnerable section and its actual practice in the contemporary period are investigated.

Studies from India and Bhutan show evidence of violation of FTOs principles and ILO's decent work norms and also reveal characteristics of the informal economy with producers having no entitlements to minimum wages, or social security benefits. Declining partnership with cooperatives, rising partnership with large scale NGOs and setting up of a Business Development Unit within the organization are some of the strategic shifts in the FTOs. While onstage FTOs of global south use the principle of 'fairness' particularly in relation to northern corporations, this notion of fairness is not extended to the lower end producers through which they are expanding in the global market.

Introduction

Credible documentation of women's participation in economic activities is problematic particularly for women belonging to farm households. Several theoretical interventions have been deliberated to explain issues surrounding women's work and the sexual division of labour. Marxists have distinguished between *productive and reproductive labour*, economists have conceptualized the difference between *market production and subsistence production* and between *wage and non-wage labour* and sociologists have drawn a line between *work at home* and *outside home*. Neoclassical economic tradition emphasized the activities undertaken to meet the demand of the markets. On that count, women's work outside labor market has often been overlooked and excluded from economic analyses. In the 1960s, the human capital theorists developed the 'New Household Economics,' which was applied to impute the value of time allocation to household production. The analyses were used to spell out the male-female division of labor, and members' behavior in the market. In the 1970s and 1980s, these concepts were applied to further study of labor market from the angle of discrimination and bargaining power of different household members, to understand dimensions of power and conflict in decision making. The debate on the wages of domestic labor in 1960s and the United Nations conferences during the *Decade for Women* (1976-1985) popularized the concept of social reproduction. The above discourse and debate contributed to recognize the role of women's work in the productive and social sectors. In recent years, empirical research have tried to document the extent of women's involvement in specific tasks, and their contribution to national income, but the controversy regarding the complexity of women's work and the interconnectedness between different types of functions remains.

Women are disadvantage group to acquire knowledge on farm and non-farm production systems and technologies from the service sectors. They are disadvantaged because of traditional culture and social norms that confer power and privilege to men. However, since the awakening of rural market economy, women had played a lead role and carried the cross of injustice and social exclusion in the name of economic ratification or mayhem. In this documentation we model the role of classified women labour in neo-liberal economy to assess the status women in today's market economy.

FTOs and Role of Women in Rural Economy

On the onset of 19th century when Indian subcontinent was thriving under colonial economy, rural trade was finding its ways of emergence through household based industries solely run by women. The only difference in trade was standardization of price indices, market economic research and structured sales operation; the market was more demand driven and need based supply oriented. The status of women was always at the production end of the supply chain and revenue returns were almost equal to daily based wages or payments towards labour costs, whereas on the other side quality assurance was on topmost priorities and it reflected more of the social esteem of women responsible for developing the product rather than the unique selling point of the product itself. As an obvious consequence the system led to exploitation of women labour and their precision handwork which still remained an intangible operational expense in the rural market in post independence period. With the augmentation of civil society movements and policy implication towards women empowerment worldwide, mainstreaming women expertise in production and marketing took shape. Advent of fair trade organization was initially an economic refinement to assure social justice to women laborers; however the role of women in rural economy didn't see a paradigm shift owing to gender specific work distribution system and information gap that was deliberately created. With the stringent regulations and policy implications by international labour organization, FTOs were empowered to improve working conditions preferred wages and incentives for specialized working abilities of women of rural sector. While the FTOs managed the upfront sales and services, the women were at the back end of the production chain with limited access to the decision support system. The solidarity based notions of social justice of the FTOs gradually changed to market oriented social justice enabling a handful women the freedom of financial exchequer in the organization. However, the financial model was inefficient to percolate the impacts in large community groups.

Social and Financial Inclusion of Women

Mainstreaming women through social empowerment and micro finance linkages have been an economic jargon with its impact in the rural market of India. Formation of self help groups and bank linkages of women folk definitely created a mass impulse but didn't sustain the process of financial inclusion ethically. In fact micro finance and credit linkages to joint liability groups of women had pumped in loose money without any financial management perception. In the absence of business training, financial speculation and capacity building program, the poverty was enhanced rather than alleviation. An exorbitant rate of interest up to 35 percent per annum had sucked up the minimal resources available and mostly the women were drained out of resources with no fall back options. Products were way weirdly sold before they succumb to shelf life or natural spoilage rendering a large dip in the rural economy. Further, such dips saw the claws of global crisis that was obscurely aerated with policy implications through subsidies, grant-in-aide and dismantling of loans, though in most cases, it remained largely a political will to sanction the same.

Clusters of women who were linked to FTOs were fished out of the impact as civil society workers assisted them with capacity building and financial back up policies. However they survived with a scar of economic distress instead of a dream to financial sovereignty.

The Paradigm Shift

FTOs were lobbying more in the development sector on social issues to secure the market share in the existing economic frame. The civil society organizations and community based grassroots' entrepreneurial units were banking on these FTOs for social and economic justice as the operational and strategic synergy was needed for commensalisms. Post global financial crisis, FTOs were able to adhere

to their principles of social justice and development goals as they enter mainstream markets which are dominated by neo-liberalism, unequal terms of trade and propagation of the 'free market' principle. This phase saw the change in strategies for survival and a paradigm shift in business policies as the mainstreaming FTOs had the taste of both compensating prices and competitive prices on their end users. The introduction of a certification regime developed the identities of brands and quality assurance paraphernalia. The demand driven market now created the demand of supplied products by branding their unique selling points of indigenous make and rural purity of brands. The emerging contradiction between the intentions of these FTO for social and financial inclusion of the vulnerable section and its actual practice in the contemporary period evolved the relationship between the rural workers and market organizers. In this changing scenario woman artisans suffered the most as economic alternatives were limited owing to their social commitments, whereas the male artisans were free to change trades or migrate as contractual labourers. Two case studies from India and Bhutan elaborate the shifting paradigms and its consequences.

Case Studies: We present here two case studies that show the impacts of market dilutions on FTOs of global south. The studies were originally done by South Asian Forum for Environment, while investigating the potentials of rural market in developing ecofriendly products to substitute ecologically sensitive goods that are either non biodegradable or have eco toxic emissions in production line. The case studies are detailed hereunder:

a) The water hyacinth silk industry of Bengal, India

The water hyacinth silk industry: water hyacinth is an exotic invasive aquatic weed that spoils water ecosystems and reduces the productivity of water bodies. The profusely growing plant is only used for production of biofuel and biofertilizer. Nearly 90 percent water content in the tissue renders it to be an economically non viable raw material for any rural industry. An innovation made by rural women for drawing out thin fiber film from the stem of the plant, polishing and lacquering it and providing it a silky texture was available in rural areas of eastern India especially west Bengal. The end products were purchased by FTO's dealing with women handicraft works for developing desk top stationeries, artifacts etc. In the post liberal period after the global crisis and with the advent of emission neutral product fascination these rural products entered the global market as substitutes to non biodegradable or emission positive products. The study reveals the specialized women workers used to share 50 percent of the profit with the FTOs earlier other than their daily wages. After the increased demands of the products, three important changes in the production line had been brought in. 1) Decentralization of production units in terms of material acquisition, processing and finishing. 2) Division of labour based on efficacy and 3) recruitment of contractual women labour who are out of the trade to augment production.

Such interventions have led to a serious change in the status of women and their role in this trade. These changes are loss of sole proprietorship of the trade in the hands of market economy, loss of financial assurance on profit and social assurance on the decision support system, infiltration of male workers in the trade developing the shadow of gender bias and displacing women on the pretext of efficacy.

Further, financial statements revealed that owing to the increase in turnover and operational costs, profit margin in the global market reached nearly 150 percent increment though the income of contractual women laborers continued to remain the same. Statistically, it could be

inferred that profit sharing ratio for these women have come down to 3-4 percent in the dilated market place.

b) Handmade Paper Industries of Bhutan

A similar study conducted on "*Desho*", the hand made paper of Eastern Bhutan, which is prepared from the stripped skin of a wild plant called *Daphne*. The paper was prepared in a rural set up with very low capital expense and the process was very ecofriendly with no use of bleaching agents. The paper quality was appreciated by the packaging industry owing to its high bursting strength. The rudimentary technology and stray production units developed and run by tribal women was a total misfit for any urban bulk supply. With the intervention of the local FTO, a cooperative of '*Desho*', workers was formed in late 90's to revive the art of production and extend a minimal financial assurance in terms of revenue return.

In a similar economic transition such non timber forest products became targets of global market. The accentuating demand was far steeper than the supply line. To remain economically viable, raw materials for '*Desho*', were extracted by the women workers desperately leading to a sudden fall in supply of raw materials as the stripped plants didn't survive the extraction and parallel plantation program was not installed. In order to keep up to the target productivity raw materials from other plant parts were amalgamated with *Daphne* fibers. Such incorporations reduced the bursting strength of the paper rendering it unfit for the market. Ultimately the rural production units were closed and the rural artisans were left at lurch.

Discussion

A production chain analysis of handicraft production in the case studies referred above gives evidence of violation of FTO principles and ILO's decent work norms and also reveals characteristics of the informal economy with producers having no entitlements to minimum wages, or social security benefits. The rural women artisans fall prey to economic extortion and short term demand spikes that are unsustainable. There remains gender bias in the employment of women in the fair-trade production chain. The survey shows that there is no challenge to gender segmentation and in fact it is a reinforcement of the feminine stereotype. Declining partnership with cooperatives, rising partnership with large scale NGOs and setting up of a Business Development Unit within the organization are some of the strategic shifts in the FTO for its own market survivals. These shifts and the lack of implementation of FTO principles indicate that the FTO is succumbing to the logic of the neo liberal mainstream market resulting in a drift away from the social justice principles within the Fair-trade network. While onstage FTOs of global south use the principle of 'fairness' particularly in relation to northern corporations, this notion of fairness is not extended to the lower end producers through which they are expanding in the global market.

Inferences

It is important to understand why rural women attain economic autonomy in some social spheres yet remains powerless in others and what can this phenomenon teach us about the ambiguous impacts of globalization on rural market and gender relations. It can be hypothesized that globalization simultaneously encourages women's desire and ability to contest gender norms while reinforcing the traditional patriarchal system. The deficiency of technical know-how and operational strategies largely remains a blind path with the women. If it is more because of elimination of rural women from the decision support system, it is also because of their social conditioning of escaping strategic decision

taking occasions that increases their dependence on the other gender. This has led to information gap and lack of awareness and understanding.

Consequences of globalization, such as the dissemination of discourse regarding women's rights and the marginalization of men in the rural economy, foster women's autonomy. On the other hand, the same economic trends associated with globalization, which rob men of their traditional patriarchal role of economic provider, cause men to seek alternative methods of asserting their normatively sanctioned control. Consequently, the realization of female autonomy manifests itself in complicated and often paradoxical ways. Thus their claim to agentive power is both stifled and realized in the case of producing the local brew, as depicted in the case studies.

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