

South Bulletin - 131, 15 September 2006

This issue of the South Bulletin focuses on restoring multilateralism in world trade

THE NAM SUMMIT, TRADE AND WOMEN

*The 14th Non-Aligned Movement (NAM) conference, bringing together 118 developing nations together in Havana, Cuba from 11 September, holds its two-day Summit (15-16 September) with over 50 heads of state or government expected. Revitalising the movement will be a continuing focus, with its attendant emphasis on promoting South-South trade. In the following article, **Devaki Jain**, a Former Member of the South Commission, calls on the Movement to give greater visibility to the role of women in trade. She was also a member of a Special Committee constituted by India's foreign ministry for the NAM Summit at Havana.*

Trade constitutes 30 per cent of India's GDP to day, and in a few years will constitute nearly 40 per cent of India's GDP, according to official statistics.

The last two decades have witnessed enormous changes in the way nations trade with each other in both goods and services. New trading opportunities have emerged across the world and developing countries have been able to effectively use trade to supplement their development efforts. South-South trade has grown at 10 per cent during 1990-2001 that is twice as fast as the growth of world trade. As a result of this dynamism, South-South trade now constitutes nearly 43 per cent of total trade of developing countries and 11 per cent of global trade.

In the last 15 years, countries of the South such as India, China, South Africa and Brazil among others, have shown the vitality of their economies in their growth rates and the value of their trade.

It was a deliberate decision to place the development dimension at the core of the Doha Round. However the suspension of the Doha Round of Multilateral Trade negotiations has been a wake up call to Developing Countries – that they not only have to forge stronger bonds to put forth a collective front, but that they have to strengthen South-South trade – however much it contradicts free trade theorems.

Given these negative features namely the failure of the Doha round, and positive features namely the improvement in South-South trade, the NAM Summit offers an opportunity to negotiate deepening of these processes. In fact since the name of today's game is trade, one proposal was to announce NAM as a global trading centre. While this may sound poetic to some, many felt that it is this kind of transformation of the NAM symbol or signature that could reclaim the Non Aligned Movement – give it current relevance.

It is commonplace these days to assert that globalization provides enormous challenges as well as opportunities. This observation is particularly relevant with regard to employment. Employment is the primary channel through which the majority of the population can share in the benefits of economic growth. In particular, employment plays a critical role in ensuring that economic growth translates into poverty reduction.

However, discussions on trade liberalization, and trading, including the basis for setting up Regional Trade Agreements, do not go into the issue of employment, with the kind of zest with which they see the success of their commerce. An exception to this generalization, is a

report that has been prepared by the Research and Information System, RIS, as well as the recent Asia Pacific Human Development Report Trade on Human Terms, both of which expand on the connections, both positive and negative in relation to employment.

The era of global integration has been associated with far-reaching changes in the structure of employment, including pressures for increased flexibility, episodes of “jobless growth,” growing informalization and casualization, expanding opportunities for the highly skilled, but vanishing opportunities for the less skilled.

The transformation of women’s employment during this period has been similarly far reaching. More women participate in paid employment than at any other time in history. The entry of women into the labour force has meant that, in many cases, the economic opportunities available to them have grown. However, equality of opportunity remains elusive. Sex segmentation of labour markets is endemic, with women concentrated in lower quality, irregular and informal employment. Economic stabilization programmes and the process of global integration have frequently squeezed household incomes, pushing women to enter the paid labour force.

At the same time, economic reforms have intensified demands on women’s unpaid work, creating a situation in which increasing the supply of women’s labour is a central strategy by which families cope with fundamental economic change. At a basic level, women’s employment, paid and unpaid, may be the single most important factor for keeping many households out of poverty.

For most countries of the region the period between 1985 and 1997 witnessed a massive increase in the labour force participation of women. This process was most marked in the Southeast Asian region which was also the most dynamic in terms of exporting.

Table 1
Share of women in employment in EPZs and non-EPZ manufacturing
(per cent)

Country	Year	Whole economy	EPZs	Other manufacturing
Malaysia	1980	33.4	75.0	35.6
Malaysia	1990	35.5	53.5	47.2
Philippines	1980	37.1	74.0	41.0
Philippines	1994	36.5	73.9	45.2
Republic of Korea	1987	40.4	77.0	41.7
Republic of Korea	1990	40.8	70.1	42.1

Source: Susan Joeekes [1999].

The two South Asian countries in which export-oriented production has been or has become more important - Sri Lanka and Bangladesh - show female shares in total employment which are comparable to the South-East Asian countries.

In the export-oriented ready garment industry of Bangladesh about 90 percent of the workers are women. Similarly, in South East Asian countries, such as Cambodia and Philippines,

female workers make up to 90 percent and 72 per cent of total workers in the textile and apparel sector. However, labour conditions are a major cause of concern for women employed in the textiles and clothing sector. Studies show that working conditions for women include excessively long hours of work, poor pay, hazardous and unhealthy work conditions, absence of opportunities for upward mobility and poor treatment of women workers (Choudhary, Parthapratim Pal and Manghnani, 2004).

The numbers of women migrants has increased significantly over the last three decades, and they now comprise approximately half of the estimated 200 million migrants worldwide. The feminization of labour migration is particularly pronounced in the Philippines, Indonesia and Sri Lanka, where national-level estimates indicate that women comprise 60-75 percent of legal migrants, many of whom are employed as domestic workers in the Middle East and Asia. Their remittances have often been the predominant foreign exchange earnings for their countries. There are also a large number of illegal women migrants, following the transnational companies as they stride across nations, looking for cheaper and cheaper labour. Often these women are hijacked into trafficking, especially into the flesh trade.

However, despite the growing involvement of women in recognised economic activity in Asia, they have continued to remain dominant in unpaid household work. It is obvious that one of the important reasons for preferring women workers in many export-related activities in particular, has been the lower reservation and offer wages of women. Women workers' wages have been consistently and significantly lower than male wages in the aggregate. The differentials are particularly sharp in the case of the Republic of Korea, Malaysia and Singapore, where the average female wages are just above half those paid to male workers.

Table 2
Female wages as percentage of male wages

Economy	Percentage
Bangladesh	71.7
Hong Kong, China	65.9
Republic of Korea	52.3
Malaysia	57.9
Philippines	84.0
Singapore	57.1
Sri Lanka	87.8
Thailand	63.8

Source: ILO 1998.

Note: The data refer to an average of years for which data were available in the 1990s.

The current situation of the participation of women in the trend of globalization with special emphasis on expanding trade reveals the need for the NAM movement to once again see the role of women, as principal actors, agents in the economic field, and give special attention to that identification.

Over the years 1975 to 1985, NAM was the most enabling space for the women of the South to both reveal their particular location in the political economies of the NAM countries, but

also to shift the imagery given by the UN system, that women were basically to be perceived and enabled as objects of social welfare, to affirming their central role in their economies as producers as well as farmers etc This shift further endorsed in the Delhi conference in 1985, was an important source of self affirmation for women of the South.

NAM could flag the fact that gender operates in all the critical economic trend areas of the current global economic landscape in that women are often the major economic actors in these production and trading lines and therefore NAM would like to visibilise this and make special arrangements to reduce some of its negative aspects. Ensure that women are protected and opportunities are given far greater opportunities in economic management.

The Puthrajaya document, the official document which will be negotiated at the Summit, while noticing the serious challenges faced by workers in the new globalised economic paradigm, does not highlight that it is women who are the major migrants as well as exploited workers in this new trend of roving TNCs looking for cheaper labour and less stringent labour laws.

NAM could design a social charter, which addresses both the legal issues of migration, protection of workers, social amenities and most of all secure employment in the national economy to inhibit the need to migrate at personal risk, a crucial element of the intersection of trading and social protection.

In the 60s and 70s during the hey days of the movement, when big issues like freedom from colonization, apartheid, slavery, liberation of Palestine were issues that NAM participated effectively in, NAM was also a strong and supportive presence, though physically invisible, in the UN conferences on women. Its attention to women's contributions to economic development was sparked by the UN's International Women's Year. The Ministerial Conference of the Non-Aligned Countries that was held in Lima in August 1975, which took place right after the Mexico City conference, strongly supported and reiterated the Plan of Action, the document that emerged from the Mexico conference This support was reaffirmed in the many conferences that followed, including the Fifth Summit Conference of Heads of State of Government of Non-Aligned Countries in Colombo in 1976 and the Conference of Foreign Ministers of Non-Aligned Countries in Belgrade in 1978.

The NAM passed a series of resolutions on the issue of economic development in succeeding conferences, culminating in its Conference of Non-Aligned and Other Developing Countries on the Role of Women in Baghdad in 1979. Representatives from forty-five developing nations attended the conference, and the UN sent observers from the ILO, ECWA, the UNDP, the United Nations Industrial Development Organization (UNIDO), and the WHO. As a result of dialogues in conference venues, the NAM saw women's role in development as an international and political issue, in contrast to its earlier conceptualization of issues relating to women's status as social or cultural phenomena.

Here is an opportunity, in a new world order, where NAM is trying to make itself into a powerful voice, standing for the less powerful, to bring back its role in strengthening the women of its countries, who indeed are the shoulders on which their trade is riding.