

INTRODUCTORY PAPER FOR THE AFRICA REGIONAL WORKSHOP ON INFORMAL WORKERS/PRODUCERS IN FOOD AND FOREST GLOBAL COMMODITY CHAINS

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What is WIEGO?

Women in Informal Employment: Globalizing and Organizing (WIEGO) is a global network of institutions and individuals - who come from the academic world, from international development agencies and from grassroots associations - concerned with improving the situation of women workers in the informal economy. Its founding members are Harvard University, UNIFEM and the Self Employed Women's Association (SEWA) in India which initially came together in 1994 to start promoting the need for an ILO Convention on homeworkers. So successful was this combination of academic and grassroots credibility along with the convening power of the UN, that the founders invited other organizations similar to themselves to become members of a network which became known as WIEGO.

Although only in existence for 5 years, WIEGO's outreach has grown enormously: at its Third Annual Meeting held earlier this year in Ahmedabad over a 100 people from 40 countries who are affiliated with WIEGO's work participated. WIEGO has a Coordinator based in Harvard and 5 part-time Programme Directors who guide its areas of work. These programmes are Global Markets (global trade and investment policies and their effects particularly on homeworkers) which is currently based at IDS, Sussex; Urban Policies (as they effect street vendors) which is based at IDS Nairobi; Social Protection (for informal workers/producers) which is based at the University of Natal; Organization and Representation of informal workers/producers which is based in Geneva; and Statistics (on the size and contribution of the informal economy) which is based in New York

While 2 of its 5 Programmes are based in the Africa Region, it has no Regional Adviser here – a function which has greatly facilitated WIEGO's work in other regions. In addition some programmes have as yet had less means to build their projects and networks. This applies to the Global Markets Programme, and one of the purposes of this meeting is to start strengthening organizations of businesswomen and workers in the informal economy who are linked in some way to international markets.

What is the Global Markets Programme?

The Global Markets Programme aims to assist associations of informal workers/producers (particularly homebased workers/producers) to minimize the negative impact of global trade and investment policies on their livelihoods and to maximize the new economic opportunities arising.

Currently the Programme has two major components:

- *cross-regional comparative research: on global commodity/value chains in the garment, food processing and non-timber forest products sectors;

- *global marketing strategies: advice and assistance to grassroots associations of informal producers and workers with interventions aimed at helping their members increase their access to and competitiveness in overseas markets

While the main focus of this workshop is global commodity chains, the two components are obviously interlinked as the second tries to address some of the outcomes coming out of the research being documented in the first.

Global Commodity Chains

To focus its work, the programme has selected those economic sectors/subsectors (garments, food processing and non-timber forest products) in which women are most involved; and which are most subject to major changes as a consequence of liberalization and globalization. It aims to improve global commodity chain analysis which can be used by teams of researchers and activists to identify who is doing and getting what within the chain with particular emphasis on women homeworkers/own account workers. Research results are used to influence policies and guide the work of stakeholders (policy makers, international organizations, NGOs, corporate private sector, and producers and workers associations) through targeted publications, media, and policy dialogues.

Garments

Most progress has been made in the garments chains where vast numbers of women work informally - either as outworkers, or as factory workers without formal contracts - all of whom will become even more vulnerable with the phase out of the MFA in 2005. Following a research design workshop held in Ottawa in 2000, a series of proposals for comparative research studies were prepared. Those in South Africa, Morocco, and Central America are being supported by IDRC while that in India is being supported by Ford Foundation. WIEGO also obtained funds from the World Bank and ILO for complementary studies to be carried out by HomeNet International in the Philippines, Thailand and Indonesia. All research is supported by the preparation of a methodology by IDS, Sussex/IDS, Nairobi with funds from the Rockefeller Foundation¹; and the preparation of a binder of materials on garments and homebased workers worldwide². It is proposed to bring together all of the research teams at a global workshop in Sussex in 2003 to strengthen the network and to plan dissemination activities. These will include the editing and publishing of the studies in various forms with the research used in policy dialogues, high level meetings, and within the advocacy and action programmes of the associations of informal workers themselves.

Food Processing and Non-timber Forest Products

Much less work has been done on food processing and non-timber forest products, partly because it is more difficult to see the impact of globalization in these sectors and to map global commodity chains. In addition, grassroots organizations such as those affiliated to HomeNet International and to StreetNet International have done less organizing here and thus less is known about the informal producers and workers involved. The way in which liberalization is affecting these sectors also seems to be different from garments. The pattern to date has been that of own account workers and microenterprises producing for local markets - with little regional and international involvement. Here - rather than creating export-led jobs for women - globalization seems to be having the effect of destroying millions of informal jobs/enterprises which cannot compete with imported food stuffs. For example, in Southern and Eastern Africa, many local small-scale oil processing businesses have closed because of an influx of Asian imports. In other cases, independent producers are being turned into dependent/insecure workers of the local affiliates of multinational companies which have taken over the processing of agricultural and forest products for export. For example, many of the independent women fish workers in West Africa are now reduced to being casual day workers in large fish processing plants where they have no economic security at all and vastly inferior working conditions.

¹ Dorothy McCormick and Hubert Schmitz, Manual for Value Chain Research on Homeworkers in the Garment Industry (WIEGO/IDS, 2002)

² Sally Baden, Researching Homeworkers and Value Chains in the Global Garments Industry: A Resource List, (WIEGO, 2001)

In addition, there is a greater variety of diversity in products which has made it difficult to know where to start.

Major questions for this workshop include: which products should be given high priority in this type of research work, and why; and can the impact of globalization in these sectors be made more beneficial for informal women, and how?

Work so far in South Asia and Latin America

As with garments, this is a cross regional project and work has already started in South Asia and Latin America. In South Asia, an initial meeting to identify interested researchers and priority areas for research was organized by WIEGO and UNIFEM in October 2000 in Nepal with funds from IDRC, the Aga Khan Foundation and UNIFEM. A background paper prepared for the meeting included several examples of global commodity chain analysis including: medicinal plants in Nepal; agarbatti in India; and coir in Sri Lanka³. Following the meeting, funds were provided by the Delhi Office of IDRC to enable ITDG Sri Lanka to prepare a background paper on food and forest products to include mapping of selected global commodity chains – of which the most detailed in that of cashew nuts in Sri Lanka – and to incorporate suggestions for research teams to do further work. When completed, this paper will be used within the context of a regional research design workshop from which a series of comparative research studies will emerge.

A similar pattern was followed in the Latin American Region where IDRC and UNIFEM jointly organized a regional workshop to identify interested researchers/activists and priority areas for research. This was held in Quito in September 1999 with IDRC funding, and several areas for research were identified including: brazil nuts/babacu; medicinal plants; traditional and non-traditional processed foods; and panama hats. Again, the aim is to undertake a series of comparative research studies using global value chain analysis. The first of these – on Brazil nuts in Peru -- has just started.

Proposed work in Africa

The aim of the current workshop is to join in with this global initiative by helping to identify products which informal women producers are making for export and which would lend themselves global value chain analysis. It will also aim to discuss ways in which such studies could be made more or less comparable. Eventually all research teams will be brought together for a global sharing of experience.

Among our participants we have tried to include as wide a range of experience as possible. These include, of course the representatives of informal women producers themselves, but also academics, international development agencies, government officers and – given the importance of improved technologies in these sectors – a number of representatives from technology organizations such as ITDG and IDRC ‘Valorization’ Network.

We have also tried to invite people who have interesting and valuable experience in a range of products and in export of these. These range from canned caterpillars and vanilla processing to seaweed and shea butter. Based on this I hope we can come up with an interesting programme of work. I hope that we can also start to develop a network of researchers and activists who are involved in such issues in Africa.

³ See Bajaj studies

Some statistical issues

One of the issues we need to discuss is what is the likely number of informal women (in a country or in the Region) who are already integrated into global value chains. Thanks to the efforts of the UN Statistical Offices we know more clearly now what is the number of people in the informal sector and the share of women in informal employment. For instance, the informal economy in sub-Saharan Africa currently accounts for 77.4% of non-agricultural employment (up from 66.5% in 1980), and according to the ILO, it expects over 90% of all new urban jobs in the region will be in the informal economy⁴. We also know that the female share in this ranges from 42% in Burkina Faso to 72% in Mali. But there is thought to be substantial undercounting and also confusion because many women are involved in multiple jobs – often with substantial focus on food processing⁵. But how many are linked to global markets? The statisticians have not started to count this, and getting some feel for numbers (is it small, medium or large) will be an important starting point for research for without this we have no idea if they are an important enough group in terms of numbers for consideration in detailed research. So – where are the women and how are there?

A short example of GVC Analysis to Guide Us.

A category of products for which there is now a surprisingly sizeable and growing international market is that of non-timber forest products (NTFPs) which include: essential oils, medicinal plants, gum Arabic rattan, natural honey, cashew and other edible nuts, mushrooms, and shea and neem and other types of wild nuts and seeds which produce oils that can be used for cooking, skin care and other purposes. In all, there are now 150 NTFPs of major significance in international trade which together involve millions of producers and workers, including many who live in the most remote areas in developing countries.

But these are very complicated chains with many of the poorest being hardly visible at all, and with a history of exploitation of those at the bottom of the chain...many of whom are informal women. The challenge is to map this chain in as much detail as possible so that we can find out who is doing what and getting what and finding ways in which power and returns could be adjusted.

One product on which some work has already been done in Africa is that of shea which has been collected, processed and used by women in West Africa for centuries as a cooking oil or body lotion and for medicinal purposes. Now there is a growing and profitable market for shea butter in Europe, North America and Japan for use in cosmetics. However, the women who collect the shea nuts get very little of the high price which the final product brings in the North. One study in Burkina Faso has estimated that shea butter is sold to consumers in Europe at 84 times the price paid to women for the raw material. Most of this value added is accrued by the numerous middlemen exports, importers, refiners and retailers who make up the complicated shea butter value chain shown in the attached diagram/map. (Research coming out of studies undertaken in Asia show that typically less than 10% of total costs of production goes to those at the bottom of the chain, with the vast amount going to retailers).

Research shows that one problem is that while women's existing technology for processing the nuts is adequate for the needs of local markets, a much higher quality product is demanded in Northern markets which means that the women must sell the unprocessed nuts directly to middlemen for export to countries where advanced technology is available. Even if women can gain access to improved processing technologies, there is still a

⁴ Jacques Charmes, *Women Working in the Informal Economy in Africa*, UN Statistical Division, New York, 1998.

⁵ Jacques Charmes, *African Women in Food Processing: a major but still underestimated sector of their contribution to the national economy*, paper prepared for IDRC/WIEGO, December 2000

Problem in gaining access to information about and links to distant markets which means that women still are dependent on middlemen further up the value chain. Lack of horizontal linkages at the local level is also a problem because without organizing, individual women are very little chance to gain increased access to technology and information and to increase their bargaining power in the marketplace⁶.

With conditions within this chain now better understood, we can begin to find positive ways in which they can be helped through, for instance, access to improved technologies and finding ways of strengthening their links with distant markets.

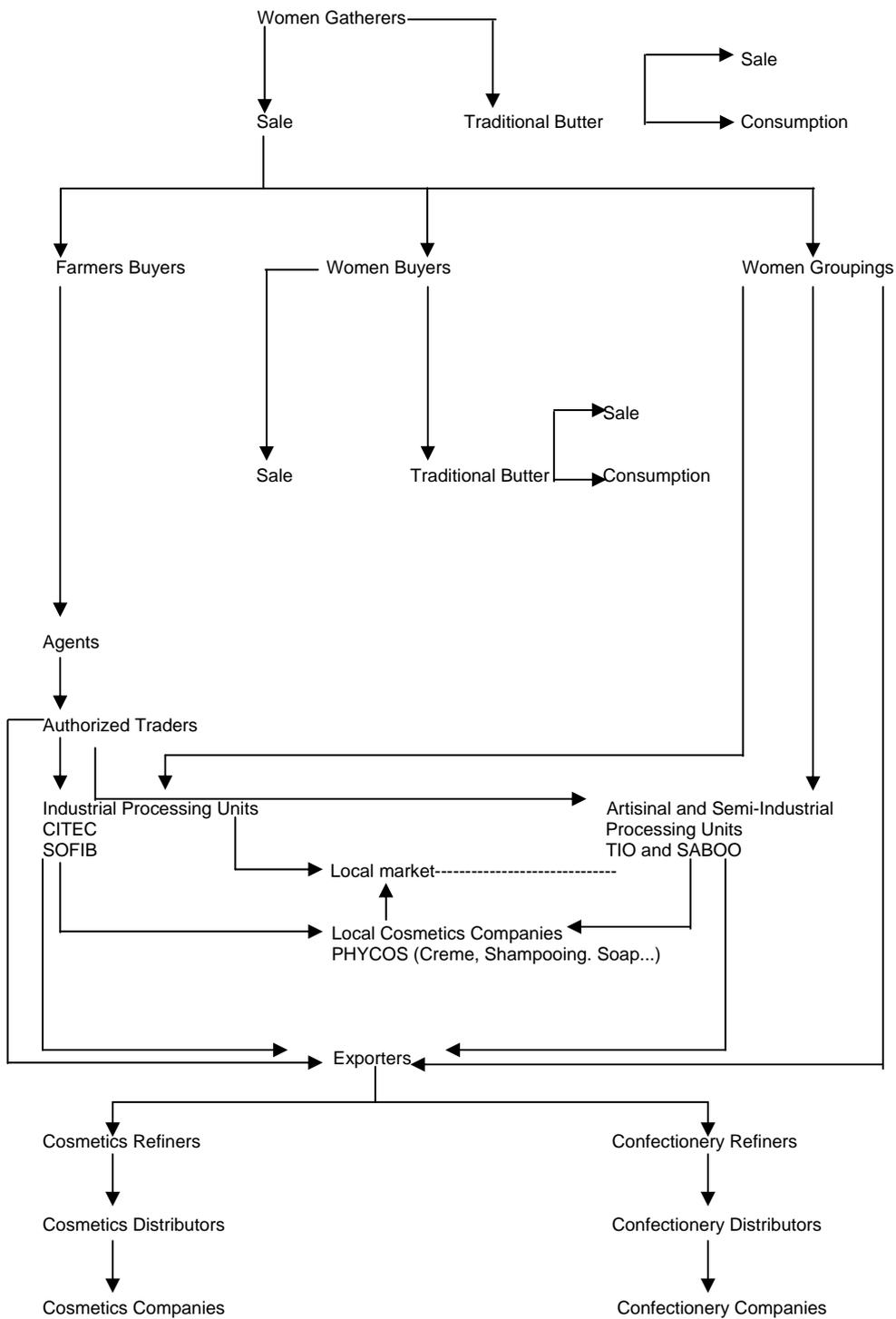
During the workshop, we will have a chance to start thinking through how to map different types of global value chains and the methodologies involved.

How do we proceed?

WIEGO's Global Markets Programme has debated widely with many international agencies on how to start the process off in Africa, and most agree that we need to find those producers' associations which do exist to discuss priorities and needs. This workshop is the first step, but undertaking major global value chain analysis research is a daunting task which is also expensive to fund. WIEGO will continue to discuss with all agencies concerned how we can now move forward with this important task.

⁶ Marilyn Carr and Martha Chen, Globalization and the Informal Economy: How Global Trade and Investment Impact on the Working Poor, ILO Working Paper on the Informal Economy#1, Geneva, 2002.

Figure 3: Value Chain of Shea Butter in Burkina Faso



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