

NATIONAL CONSULTATION

ON

POOR WOMEN'S INTERVENTION IN GLOBAL TRADE

21st August, 2006

SUMMARY



SELF EMPLOYED WOMEN'S ASSOCIATION (SEWA)

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A. Background

The National Consultation on Poor Women's Interventions in Global Trade was organized jointly by Self-Employed Women's Association (SEWA), Department of Commerce, GoI and the World Bank for understanding the trade issues of the poor, especially women and how the various stakeholders could work in harmony to synergize the efforts of mainstreaming poor women in global trade. It was attended by the Minister of State for Commerce, Rural Development Secretary, representatives from HLL, UNCTAD India, DFID, SEWA Bharat and CSOs such as SEWA Ahmedabad, Indira Kranthi Pratham, Karim Nagar Andhra Pradesh, Lace Park, Narsapuram Andhra Pradesh. This initiative to upscale poor women's capability and give a global exposure for acquiring greater market presence goes a long way to ensure creation of sustainable employment.

The honourable Minister of State for Commerce and Trade, Shri Jairam Ramesh highlighted the importance of linking Export Promotion with Employment. The honourable Minister highlighted the fact that since 2/3rd of the total export oriented employment of our country is in the unorganized sector; the future implication is that employment in export sector will exhaust nearly 80% of the producers from unorganized sector. Another significant fact is that if we look at any sector; be it leather, handicraft, tea, coffee etc., we find that mostly women form a greater chunk of the total employed force as compared to males. It is therefore implied that our government, Ministries and civil society organizations understand the contribution of women and her role in economic growth. If India wants to achieve economic growth through export promotion, it is necessary to ensure that the poor, especially women have full and sustainable employment. Therefore, the aspect of linking exports with livelihood is receiving significant consideration by the government and various Ministries and efforts and investments will be directed towards employment-led exports with specific inclusion of women from the informal sector.

The Ministry has already taken the following steps in this direction

- The government is willing to give every kind of support for promoting export and more specifically to link all the initiatives to employment generation and has given assurance that it is ready to help in every aspect. Out of 23 export promotion councils, 5 to 6 councils which deal in exports of embroidery & handicrafts, handloom, gems & jewellery, leather products, agricultural products will be given greater emphasis
- The government is planning to take initiatives for linking export promotion to various employment programmes such as SGSY and SGSRY in the areas of agriculture, leather, handloom & handicrafts, gems & jewellery in 3 to 4 states
- In order to get global markets, the government has launched "India Brand Equity Fund" which covers the following sectors (i) Handicrafts (ii) carpets (iii) embroidered, knitted, crochet items, (iv) tribal arts and (v) art works. This fund will facilitate in creating national and international markets for these products
- Apart from the usual subsidy and assistance, a new scheme has been initiated by the government for 250 districts across India. Each district will be provided Rs. 12 to 13 crores per year in addition to the usual financial support and schemes

Ms. Reema Nanavaty, Director, Rural & Economic Development Division, SEWA, in her speech highlighted 3 important misconceptions which need to be critically considered; (i) Women (ii) Trade and (iii) Women and Trade. All three need to be understood properly. Firstly women need to get complete recognition for their significant contribution to India's

economy as producers, consumers and now as managers and drivers of economic growth. Secondly, in order to reap benefits from trade the millions of small and marginal traders and businesses have to be mainstreamed in India's economic development. And last but not the least, women have to be linked to trade by identifying potential economic programmes for women in trade that provide sustainable employment.

Dr. Renuka Vishwanathan, Secretary, Ministry of Rural Development shared her concern about the various issues that poor women encounter in business and trade. She highlighted the fact that for a woman, availability of finance for trade is still one of the major problems that needs to be considered. There was no financing for trade for women given the fact that women's role is very large on production side and they are very good at trading in the markets. Citing an example, she said that a survey of 100 women involved in selling fruits, vegetables and flowers was conducted in Bangalore. These women were doing extremely profitable business. They borrowed funds from the market for buying the stock and made huge profits so much so that they could pay high rates of interests. Women carry movable assets with them but yet do not have access to credit. She expressed her concern as to why is it not possible to structure a product for these traders; why couldn't banks finance poor women's trade by giving them a cash credit limit? Today, after so many years of fighting for financial support, we find the financial inclusion for women as recommended by the Rangarajan Committee.

Apart from financial support, it is also very necessary to strengthen the marketing skills of women. She was of the opinion that in order to position poor women's products in national and international markets, professional marketers should be involved in marketing the products and not the producer's organizations themselves. But it should be seen that the poor are not exploited on this front. So it is a challenge to ensure professional marketing without the poor getting exploited. This can be done by finding marketers who could be given a stake in increasing the revenue of the group. The marketers could be offered commission in return for their professional services. It is also necessary to use the existing marketing networks rather than creating new set ups in order to bring down the overhead costs. Apart from marketing, women's accounting and managerial skills also needs to be developed.

She further suggested that she was in favour of choice as far as trade related decisions are to be taken by the poor. The poor should know what they want and make a choice given the various alternatives. They need not be told or directed as to what has to be done by them. In this regard, support could be provided by government and organizations working for building livelihood for the poor. But it should also be seen that CSO's involved in facilitating the poor producer's organization do not overload the support cost. These organizations should not be parasites borne on people's income-generating projects. Therefore there is need to provide genuine support to producers and all efforts should be made in this direction.

B. Trade Related Issues

The consultation among producers, producer's organizations, SHGs, development experts, corporate and Commerce Ministry have brought out the following trade related issues that hamper poor women's development and that need to be addressed

- Identifying potential markets and establishing market presence for the products manufactured by poor women's organization or SHG's was a common concern voiced out by the stakeholders across all the regions and various trades

- Exploitation through middlemen and intermediaries who take undue advantage of the poor producer's ignorance about market price and demand
- Access to Finance & Trade investment often becomes a barrier for poor women to expand their business and trade.
- Support from governments in terms of financial assistance, incentives and market facilitation is required on a large scale
- Lack of access to modern technology and infrastructure especially in rural areas discourages the poor producers from upscaling their efforts
- Capacity building and trainings for skill upgradation is very necessary to keep up with the current market trends
- Quality of the product is also very crucial for ensuring sustained presence in the market. Ensuring good quality as per the customer needs and standards is very crucial
- Research and Development on a continuous basis is needed for product development and innovations. Availability of finance and professional expert in the field of R & D is required for this

C. The Immediate Action Areas

The major demands that have been outlined through the national consultation on poor women's intervention in global trade are as follows:

- **Formation of Task force:** The constitution of a national level task force is imperative to give an inclusive approach to trade in the country by focusing on the poor and women in trade related matters. The task force would recommend investments and incentives based on trade related needs and would facilitate in identifying various trades that could be taken up by poor women with respect to globalisation and open economies
- **Formation of Trade Security Fund:** A trade security Fund needs to be formed for providing access to fund and investment. This fund would help in meeting the identified needs, build world class small producer owned enterprises, developing trade supportive infrastructure, conduct research & development, provide relevant trainings and market linkages to the poor producer's organization. Ministries from 2 to 3 countries should come together to build a livelihood security fund which would provide livelihood security through sustained economic programmes, based on local skills and resources.
- **Main Task of the Task Force:**
 - The needs in terms of infrastructure, technology, research and development based interventions required to enhance the creativity and productivity of women would be determined by the task force

- Identifying global opportunities in trade for accessing global markets by enabling adequate participation in trade delegations, trade fairs, buyer-seller meets, and linking with the existing trade promotion measures designed for the formal sector
 - Finalize the operational plans of the economic programmes including Business Plans
 - Facilitate in setting up Fund Management
 - Help establish linkages with Government programmes of the State and Centre
 - Quarterly review the initiatives based on the operational plan. Arrange for concurrent audit both programmatic and financial
- **Particular Emphasis on Vulnerability of the Informal Sector:** Since the informal sector is exposed to vulnerability in terms of disasters, exploitation, and inequality, government initiatives and programmes should be designed by considering this vulnerability which has long term impact on the lives of the poor

D. Conclusion

Market facilitation to poor women producer's organization especially access to international markets is the bottom line for upscaling economic growth through exports. Employment oriented exports is very essential for sustaining economic development. For this direct export marketing of poor producers products is very important.

The Task force and Trade Security Fund must be formed keeping in mind the long term implications of women's participation in trade as driving force for economic growth and development. All the above initiatives for strengthening poor women and trade needs to be taken on sustainable basis and should not be time bound.

Linkages have to be established with private sector and civil society organizations. Such partnerships should address the needs of all the stakeholders involved, thus creating a win-win situation for high economic growth and development.

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