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# Gender and Employment in High-Value Agriculture Industries



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# Contents

<b>Acronyms .....</b>	<b>v</b>
<b>Abstract.....</b>	<b>vii</b>
<b>1. Introduction .....</b>	<b>1</b>
<b>2. High-Value Agriculture .....</b>	<b>4</b>
Factors Underlying Growth in High-Value Agriculture Exports.....	4
Governance of High-Value Agriculture Industries .....	6
<b>3. Case Studies .....</b>	<b>12</b>
Cut Flowers.....	12
Poultry .....	16
Fruit.....	18
Vegetables .....	20
Vanilla .....	23
<b>4. The Nature of Work in High-Value Agriculture Commodities.....</b>	<b>25</b>
Employment in High-Value Agriculture .....	25
Small-Farm Production.....	47
<b>5. The World Bank’s Role .....</b>	<b>55</b>
Additional studies.....	56
<b>Appendix 1. Public Governance: National and International Regulations Relevant to High-Value Agriculture Sectors .....</b>	<b>58</b>
NAFTA.....	58
MERCOSUR .....	59
Uruguay Round.....	59
Lomé Conventions I–IV (1975–2000) .....	59
Cotonou Agreement .....	59
Sanitary and Phytosanitary Standards .....	60
Environmental Regulations.....	60
Market Regulation.....	61
International Labour Organisation Conventions .....	61
<b>Appendix 2. Emergence of Codes.....</b>	<b>63</b>

## Appendix 3. Distribution of Wages in High-Value Agriculture Sectors ..... 64

## References ..... 65

### List of Tables

Table 3.1	Imports in EU from non-EU countries, 1995-99 .....	13
Table 3.2	Average value of us cut flower imports, by country of origin, 1995/96–1999/00.....	13
Table 3.3	Comparison of cut flower production by country.....	14
Table 3.4	Role of floriculture in Ugandan exports.....	15
Table 3.5	Employment in Colombia cut flower industry, 1971–96 .....	16
Table 3.6	Total broiler meat production .....	17
Table 3.8	Increase in dollar value of fruit imports to US, 1997-2001 .....	18
Table 3.9	Comparison by country of fruit and/or grape production.....	19
Table 3.10	US imports of fresh vegetables: 5 leading country suppliers, 1997-2001 .....	21
Table 3.11	Comparison by country of export vegetable production .....	21
Table 3.12	Value of nontraditional agricultural exports from Guatemala .....	22
Table 3.13	Ugandan vanilla exports, 1990–1998.....	24
Table 4.1	Characteristics of the workforce .....	26
Table 4.2	Occupation distribution by sex: Ecuadoran cut flower industry.....	33
Table 4.3	Conditions of employment .....	35
Table 4.4	Working hours and overtime in the Ecuadoran cut flower industry .....	36
Table 4.5	Average salaries for cut-flower employees since 1995–98 .....	37
Table 4.6	Wages by skill level and gender .....	38
Table 4.7	Benefits obtained by workers in Ecuadoran cut flower industry .....	39
Table 4.8	Household responsibility for domestic chores in Chile.....	44
Table 4.9	Gender issues in small farm production .....	48
Table 4.10	Current NTAE producers' perception of total family economic trajectory during NTAE production, San Mateo Milpas Altas.....	50
Table 4.11	Description of incomes earned from export horticulture by gender .....	50
Table 4.12	Type of labor used in vanilla production, by task.....	51
Table 4.13	Authorization of expenditure of vanilla income .....	52
Table 4.14	Comparison between engagement in export horticulture and effect on land-use patterns .....	54

### List of Boxes

Box 4.1	Occupational segregation in Mexican packhouses .....	33
Box A1.1	Relevant ILO Conventions.....	62
Box A1.2	International Treaties and Other Commitments Relevant to Women and Dates of Adoption.....	62

### List of Figures

Figure 4.1	Labor force participation: Continuum of formalization in high-value agriculture .....	29
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## Acronyms

ACP	Asian, Caribbean and Pacific countries
ADC/IDEA	Agribusiness Development Center of the USAID-funded Investment on Developing Export Agriculture Project
AEAA	Agricultural Ethics Assurance Association of Zimbabwe
ASC	Africa Studies Centre
ASIES	Asociación de Investigación y Estudios Sociales
BICO	U.S. agricultural export and import data on Bulk commodities, high-value Intermediate, and Consumer-Oriented foods and beverages
BIT	bilateral investment treaty
CBI	Confederation of British Industry
CDR	Centre for Development Research
CEDAW	United Nations Convention on the Elimination of All Forms of Discrimination against Women
CEDE	Centro de Estudios Económicos
CEPLAES	Centro de Planificación y Estudios Sociales
CEQ	United States Council on Environmental Quality
CES-CIIF	Instituto de la ciencias de la salud (Colombia)
CIDA	Canadian International Development Agency
CIE	Center for Emerging Issues
CNAS	Center for North American Studies
COLEACP	Europe-Africa-Caribbean-Pacific Liaison Committee
CTE	Committee on Trade and Environment (WTO)
DFID	Department for International Development (UK)
ECU	European Currency Unit
EDGE	The Coalition for Women's Economic Development and Global Equality
EO	Executive Order (US)
ERS	Economic Research Service (US)
ETI	Ethical Trading Initiative
EU	European Union
EUREP	European Retailers Representatives Group
FAO	Food and Agriculture Organization of the United Nations\
FIAN	Food, Land and Freedom Global Campaign for Agrarian Reform
fob	free on board
FTA	Free Trade Agreement
FTAA	Free Trade Area of the Americas
GAP	Good agricultural practice; Gender and Agribusiness Project (Zimbabwe)
GATT	General Agreement on Tariffs and Trade
GSP	Generalized System of Preferences
ha	hectare(s)
HACCP	Hazard Analysis Critical Control Point
HVA	high-value agriculture
HVAE	high-value agriculture exports
ICMSF	International Commission on Microbiological Specifications for Foods
IDS	Institute of Development Studies, East Anglia (UK)
IFCTU	International Confederation of Free Trade Unions
ILO	International Labour Organisation
INE	Instituto Nacional de Estadísticas, Chile
IPM CRSP	Integrated Pest Management Collaborative Research Support Program
ISO	International Organization for Standardization
ITC	International Trade Center
KFC	Kenya Flower Council
KHRC	Kenyan Human Rights Commission

KSh	Kenyan shilling
LDC	least developed country
LEI	Agricultural Economics Institute (The Netherlands)
MERCOSUR	Southern Common Market
MFN	most favored nation
MGLSD	Ministry of Gender, Labour and Social Development (Uganda)
MRL	maximum residue levels
NAFTA	North American Free Trade Agreement
NRI	Natural Resources Institute
NSSA	National Social Security Authority
NTAE	Nontraditional Agriculture Export
OECD	Organisation for Economic Co-operation and Development
PANUPS	Pesticide Action Network Updates Service
Q	Quetzales (Guatemala)
RAP	Regional Agribusiness Project
RTA	regional trade agreement
SA8000	Social Accountability standard
SAF	Society of American Florists
SAGAR	Mexican Department of Agriculture
SAMAT	Southern Africa Multidisciplinary Advisory Team
SAP	Sectoral Activities Programme (ILO)
SENA	Vocational Training Institute (Colombia)
SSA	Sub-Saharan Africa
SPS	Sanitary and Phytosanitary Standards
TBT	Technical Barriers to Trade
TED	Trade and Environment Database
TNC	transnational corporations
TSh	Tanzanian shilling
UNIFEM	United Nations Development Fund for Women
UNRISD	United Nations Research Institute for Social Development
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USh	Ugandan shilling
USTR	United States Trade Representative
WHH	women-headed household
WHO	World Health Organization
WIDE	Network Women in Development Europe
WTO	World Trade Organization



## **Abstract**

For many developing countries, declining revenues from traditional commodities and the opportunities of a globalized market have led to the adoption of high-value agricultural exports to diversify production and achieve national growth and development. Over the last decade, these exports have generated significant amounts of foreign exchange, contributed to upgrade agricultural production skills, and created substantial opportunities for waged employment and self-employment. In many countries, diversification into high-value agricultural exports has become a key means of linking the world's rural poor to global product markets. Women in particular have been able to profit from these new labor market opportunities both as smallholders and as wage employees. The growth in women's participation in these industries raises important questions for international financial institutions such as the World Bank.

As the Bank's new Rural Development Strategy acknowledges, to achieve effective poverty reduction and sensitive economic growth, gender issues and actions need to be mainstreamed in the rural development process. This report provides a cross-industry approach to the analysis of gender and trade in high-value agriculture (HVA), reviewing a range of empirical studies on five agriculture commodities: cut flowers, fresh fruits and vegetables, vanilla, and poultry. We explore what we know about the conditions and quality of female employment by comparing the production structure across commodities and regions. The report demonstrates that, while high-value agriculture can be an engine of growth for developing countries, it is not always a pathway toward enhanced welfare and social well-being. At times, employment is empowering for women, but it also is characterized by several shortcomings, from occupational segregation and environmental health issues to gender-based constraints in rural farming systems.

The Bank's objectives to combat poverty and inequality as stated in the new rural strategy necessitate the promotion of pro-poor yet socially responsible growth. High-value agriculture commodities can help fulfill this mission. They offer substantial opportunities for countries to generate foreign exchange as well as new opportunities for women to enter the labor force. However, while it is important that the Bank support countries' entering these markets, it also must ensure that export growth does not come at the expense of rural women and their families. Negative repercussions can be alleviated and averted through effective worker training, as well as the enforcement of national and international labor protections and codes of conduct.



# 1. Introduction

The economic restructuring associated with globalization and liberalization has substantially reshaped the composition of global agricultural trade. In addition to an expansion of the overall volume of production, the agriculture industry has shifted away from basic commodities such as grains, oilseeds, cotton, and tobacco toward differentiated, high-value, and processed food products, which now account for two-thirds of total agricultural trade (Regmi 2001, Morrison 2001).<sup>1</sup> The growth in these exports has been stimulated by a number of factors associated with both demand and supply. Changes in consumer diets in developed countries combined with policy packages in developing countries (devaluation, relaxation of foreign exchange controls, trade liberalization, and tariff reductions) have induced a shift away from the production of nontradable to tradable commodities, and from import substitution to export-led growth. A number of developing countries have become successful exporters of these high-value agriculture (HVA) commodities, achieving double-digit growth rates for a decade or more. Successful cases involve a range of horticultural commodities (fresh fruits, vegetables, and flowers), as well as fish, meat, and oilseeds.

In many countries, diversification into high-value-added exports has become a key means to link the poor to global product markets. Women in particular have been able to capitalize on these new labor market opportunities to an unprecedented extent. In Africa, Asia, and Latin America, HVA exports are female-intensive industries, with women dominating most aspects of production and processing. Women are farm laborers on rose plantations, packers in poultry processing plants, and unpaid family workers on small farms growing green beans and vanilla for export. In Chile, Ecuador, Guatemala, Kenya, Mexico, South Africa, and Zimbabwe, evidence suggests that women occupy at least 50 percent or more of the employment in these industries.

The rise in women's participation in the production chains of high-value agricultural exports raises important questions for international financial institutions such as the World Bank. The recognition that gender equality is a development objective in itself, as well as a means for furthering poverty reduction and economic growth, is now widely recognized, with gender assessments being standard practice in the design of development projects and programs (Gammage and others 2002, World Bank 2001, 2002). However, gender equity depends on more than income and economic growth; quantitative increases in female labor market participation are not always matched by a qualitative improvement in women's lives.<sup>2</sup> While women may be advantaged in terms of employment, their competitive strength may lie in lower pay and poorer working conditions, which erode the long-term welfare and empowerment process of themselves and their families (Çağatay 2001).

The ability to gain from trade and labor market shifts hinges on several factors, ranging from the social nature of gender relations and household organization to employment aspects, such as job stability, wages, working conditions, and opportunities for career development. Furthermore, even within one household, the impact of working in these industries can vary. For example, a woman taking up employment in the poultry industry may find her own income and bargaining power increased. However, her employment may require that her eldest daughter leave school to assume domestic work, thus

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<sup>1</sup> High-value food products are commodities that either require special handling, such as fresh produce, or are processed, which adds substantial value beyond the farm (Regmi and Gehlar 2001).

<sup>2</sup> Evidence shows that workers do not always capture the gains from these increased export revenues. For example, in the female-dominated *maquila* sector of Mexico, women's earnings declined despite a fourfold increase in overall employment (Fleck 2001).

diminishing her opportunities for education and long-term growth. Consequently, understanding the gender impacts of growth in these industries requires several layers of analysis:

1. The characteristics of the workforce: What are the factors driving the demographic profile of these industries?
2. The nature of employment and/or opportunities for career mobility: Are these high-value industries generating high-value jobs for women?
3. The social norms and intrahousehold issues that govern the gains women are likely to realize through labor force participation.

To date, these types of issues have been approached by analyzing female employment in specific industries or specific regions. This report is a first step at providing a cross-industry approach to the topic, asking what we can learn about the conditions of female employment in agribusiness by comparing several commodity chains in different regions. Three main questions are posed. First, what are the specific features of employment and labor market opportunities in high-value agricultural export industries? What patterns prevail and what conclusions can be drawn? Second, how does employment in these production chains influence the welfare of workers, both as wage earners and small-scale farmers? Third, what sort of policy instruments or programs might the World Bank develop to ensure that the employment in HVA contributes to gender equality without jeopardizing the levels of employment generated?

By comparing a number of commodities, this report will document what we know and do *not* know about the gendered impacts of participation in high-value agricultural exports. We review a range of empirical and analytical research on five commodities: cut flowers, fresh fruits and vegetables, vanilla, and poultry. These five have been chosen for several reasons:

- They are labor-intensive and women *dominate* in important segments of the production chain. In most cases, female participation in these commodities has provided women with a new and highly significant form of income generation.
- The gendered impacts of these commodities remain comparatively under-researched, particularly in relation to manufacturing industries;<sup>3</sup> “traditional” agricultural commodities such as coffee, tea, and tobacco; and women’s role in food production.
- Most are highly significant in their respective regions in terms of employment and contribution to economic growth and exports.
- They are part of global commodity chains driven by powerful Northern companies.<sup>4</sup>

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<sup>3</sup> For example, while several studies have documented the link between trade liberalization and the feminization of the manufacturing labor force (Çağatay and Ozler 1995, Joekes and Weston 1994; Joekes 1995; Standing 1989), these links have been less explicit with regard to agriculture. Likewise, while a great deal has been written on gendered roles in agricultural sector (see for example, the collection edited by Bryceson (1995), most concentrate on women’s role in food production, or their exclusion from traditional cash crops.

<sup>4</sup> While all the commodities are inserted into global commodity chains, the varying institutional structures of these commodity chains present different opportunities for firms and workers in developing countries. For example, a commodity such as cooked chickens, which is controlled by a multinational agribusiness from production through processing to sales presents a different set

- Most are industries that have faced and responded to the growing pressure to meet improved labor, environmental, and quality assurance standards. Thus, they provide opportunities for improved welfare through good practices in corporate ethics.

Taken together, these factors provide a strong basis for a comparative analysis. They also are production chains for which some research on the gendered effects of trade has been conducted and is accessible.<sup>5</sup>

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of opportunities for change than export vegetables, which are purchased from small farmers and resold on to wholesalers (Cloud, personal communication). These differences led to varying points of possible intervention for World Bank policies and projects.

<sup>5</sup> Other high-value natural resource based sectors in which significant numbers of women are found (e.g., spices, aquaculture) were excluded due to the lack of gender-based material available for analysis.

## 2. High-Value Agriculture

Agricultural exports are highly significant to many of the poorest countries. Agriculture accounts for 61 percent of employment and 14 percent of GDP in developing countries and an even higher proportion in the least developed countries (85 percent of employment and 36 percent of GDP). Participation in these commodity chains also provides considerable opportunities for growth and poverty reduction. For example, developing countries with positive GDPs had trade and agricultural growth rates 300 percent greater from 1989/90 to 1990/95 than those of developing countries overall (Bathrick 1998 in Henson and Loader 2001).

However, for many countries, agricultural performance has waned, leading to a decline in growth in several LDC countries (UN 2000). Trade in traditional agricultural commodities (coffee, tobacco, cotton, and cocoa), on which developing countries largely depend, has been beset by adverse world market conditions, restrictive macroeconomic policies, excessive market controls, and political instability. The decline of revenues from these classic export commodities, coupled with trade liberalization and structural adjustment reforms, have prompted many countries to diversify their export portfolios into higher value-added agriculture products.

- For many countries, diversification into high-value agriculture commodities has entailed the production of several nontraditional agricultural exports (NTAEs).<sup>6</sup> Such exports have been defined as:
  - Products that have not been produced in a country before (snowpeas in Guatemala, roses in Zambia)
  - Products that originally were produced for the domestic market but have expanded into export markets (mango, papaya, other tropical fruits)
  - Traditional products reoriented to new market niches (the export of bananas to the Soviet Union) (Barnham and others 1992:43).
  - Over the past few decades, these commodities have grown considerably in importance. In the next section, we discuss the factors underlying this growth.

### Factors Underlying Growth in High-Value Agriculture Exports

#### *Weak Performance in Traditional Commodities*

As noted, from the early 1970s to the 1990s, the terms of trade for several traditional commodities declined significantly. For example, according to FAO, Africa's share of cocoa production fell from 71.6 percent in the 1960s to 58.7 percent in the 1990s while the market share dropped from 78.9 percent to

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<sup>6</sup> The Harmonized System of Tariff Codes defines high-value agricultural products as those products that require little or no additional processing and typically are ready for final consumption at either the food retail or food service level. Good examples include fresh fruit and vegetables and nursery products. In some cases, however, products classified as consumer foods also may be used by food processors as ingredients in other foods. These products include spices, dairy and egg products, tree nuts, and dried fruits (CIDA 2002).

