

MAKING TRADE WORK FOR ALL

Turning value chains into social gains in Asia

Eighty percent of world trade now takes place in global value chains (GVCs)—where various stages of a good’s production process are located across different countries. This new reality is reshaping the global economic landscape and trade relationships and creating opportunities to further integrate developing countries’ economies into production networks. In fact, GVCs have become an engine of economic growth and job creation for many Asian countries. Building on the region’s generous supply of low-cost labour and raw materials, many countries are promoting labour-intensive, export-oriented manufacturing so they can make the most of GVCs.

These industrial policies align with development goals: besides boosting economic growth overall, GVCs have become a significant source of jobs for women, who are often excluded from employment otherwise. For example, in Bangladesh, female labour force participation was just 33.2 percent in 2018¹—yet women held 80 percent of the garment industry’s three million jobs.²

ADDRESSING BARRIERS AND CHALLENGES TO WOMEN’S PARTICIPATION IN VALUE CHAINS

Despite the economic opportunities that GVCs create, there are downsides. For example, GVCs can become new sources of inequality and exclusion if not backed by sustainable business models and economic policies, and the jobs they create are not always decent, formal or even recognized. GVCs and cross-border trade have not led to the broad-based prosperity that some had anticipated.

As well, while women are present in each step of most GVCs, their ability to engage in productive work is still limited, and their contributions are too often undervalued or hidden at the lower end of the chain. In particular, garment, textile and footwear value chains in Asia have been accused of opaque sub-contracting arrangements, poor working conditions and low pay.

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Moreover, despite women’s increasing participation in the labour market, they still face considerable barriers to employment and economic opportunities. Social and cultural norms in many contexts prevent them from engaging in work outside the home. They are responsible for significantly more domestic and care duties than men. As well, women are usually segregated into lower-growth economic sectors—and when jobs are scarce, men are typically preferred.



Global value chains have been an engine of economic growth and job creation for many countries in Asia. In Bangladesh, for example, exports account for 15 percent of GDP, and the garment value chain alone has created over 3 million jobs over the last twenty years.

¹ World Bank Country Data, 2018.

² Global Value Chains: A way to create more, better and inclusive jobs. Kumar, 2017.

CREATING SOLUTIONS FOR MORE INCLUSIVE AND SUSTAINABLE VALUE CHAINS

Evidence suggests that it is possible for jobs in GVCs in developing countries to be decent. For example, working conditions and wages can improve when firms strive to meet basic global standards. Canada’s International Development Research Centre (IDRC) is shedding light on the challenges and opportunities of GVCs by studying the conditions that can lead to decent employment, productivity and improved working conditions and well-being for workers. These studies are contributing to the progressive trade debate by providing evidence of good practices and building the capacities of various GVC participants.

Across Asia, IDRC supports innovative research that generates knowledge along with tangible networks, programs and policies that aim to turn value chains into social gains, primarily for women. Our programming approach straddles three mutually reinforcing objectives:

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| <p style="text-align: center;">RESEARCH AND KNOWLEDGE CREATION</p> <p style="text-align: center;">Working conditions</p> <p style="text-align: center;">—</p> <p style="text-align: center;">Business and management practices</p> <p style="text-align: center;">—</p> <p style="text-align: center;">Women’s collectivization/ leadership</p> | <p style="text-align: center;">CAPACITY BUILDING</p> <p style="text-align: center;">Training for emerging business leaders and women-led businesses</p> <p style="text-align: center;">—</p> <p style="text-align: center;">Training for researchers</p> <p style="text-align: center;">—</p> <p style="text-align: center;">Promoting women’s leadership</p> |
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CONNECTING EVIDENCE TO PRACTICE

Multi-stakeholder platforms

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Policy engagement

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Informing private sector practices

RESEARCH AND KNOWLEDGE CREATION: PROMOTING INCLUSIVE BUSINESS MODELS AND DECENT WORK

The first pillar of our approach is about achieving a better understanding of the working conditions of those at the bottom of value chains—predominantly women. Creating this knowledge is the first step toward increasing women’s visibility and representation, achieving decent work practices and influencing inclusive policy development.

To that end, IDRC is supporting research in Indonesia, Vietnam, the Philippines, Myanmar, Thailand, India and Nepal on working conditions for both factory- and home-based workers, and the impacts of these working conditions on worker productivity and well-being.



Value chains have created essential opportunities for women to work and earn their own income, contributing to challenging norms and barriers that limit women’s access to jobs.

For example, a joint research project between Tufts University’s Labor Lab, the University of Indonesia, and Real-Time Analytics in Vietnam is examining whether the implementation of the International Labour Organization (ILO)’s Better Work program³ is improving working conditions for women in factories in Indonesia and Vietnam. Initial findings suggest that women in Better Work factories have improved access to leave policies (such as sick leave, paid vacation and maternity leave), work less overtime (allowing for better work-life balance), have access to more training opportunities, and are generally more satisfied with their work environments.

³ Better Work is a collaboration between the United Nation’s International Labour Organization (ILO) and the International Finance Corporation (IFC), a member of the World Bank Group. It is a comprehensive programme that joins all levels of the garment industry to improve working conditions and respect of labour rights for workers and boost the competitiveness of apparel businesses.

Similarly, IDRC-supported research examining working conditions in the electronics and garment industries in Myanmar, the Philippines, Thailand and Vietnam is revealing how GVCs and cross-border trade can affect local economies at both the macro (in terms of impacts on trade and economic growth) and micro levels (in terms of opportunities for economic and social mobility). Carried out by the Just Jobs Network in collaboration with local organizations, this project aims to inform the design and implementation of more inclusive industrial and trade policies in Southeast Asia.

Also, an IDRC initiative led by Aston University in the UK in partnership with the Centre for Responsible Business (CRB) in India is examining business and management practices in GVCs. The project aims to develop sustainable and inclusive business models and practices in GVCs in India and to inform policy reforms and actions toward achieving the Sustainable Development Goals (SDGs). It will develop evidence-based models and approaches that businesses can use to contribute more effectively to specific SDGs in India, particularly those focusing on women, youth and the environment.

Women’s work in the value chain is not limited to formal work arrangements. HomeNet South Asia (HNSA) and Women in Informal Employment: Globalizing and Organizing (WIEGO) estimate that there are at least 41 million home-based workers in Bangladesh, India, Nepal and Pakistan, not including agricultural workers. Through a partnership with HNSA, IDRC research is turning a spotlight on the working conditions of home-based workers in Nepal and India. Many home-based workers in the garment sector

are paid by the piece and deal mainly with “middlemen” who subcontract production. This research is documenting workers’ perspectives in order to influence brands and suppliers to create decent environments for home-based workers in their supply chains.

CAPACITY BUILDING: TRAINING AND SUPPORT FOR EMERGING LEADERS AND SMEs

The second component of IDRC’s work on GVCs in Asia focuses on building the capacity of business leaders and researchers to better understand their business environment, and training women entrepreneurs to grow their own export-oriented businesses. This will build on the multifaceted approaches and partnerships developed to date as outlined below.

In Southeast Asia, IDRC supported a training program at the National University of Singapore Business School for a diverse group of stakeholders, including entrepreneurs, policymakers and researchers. This has strengthened their understanding of ASEAN trade and value chains, helping them grow their businesses and create jobs.

IDRC is also supporting the growth of women-led small- and medium-sized enterprises (SMEs), moving women up the value chain and improving their representation in business. A project led by the Mekong Institute in Thailand ran a successful modular training program on “Promoting Women Entrepreneurship for Export Business” followed by dedicated coaching for supported women entrepreneurs. The program helped participants achieve greater knowledge of their business environments, more efficiency in their operations, and significant growth in their businesses and export sales.

The Trade Facilitation Office Canada (TFO Canada) implemented a similar training and coaching program that brought dozens of ASEAN SMEs to Canada and connected them with Canadian buyers. This project built on the Artisan Hub initiative, a successful program implemented by TFO Canada with financial support from IDRC and Global Affairs Canada. Through the program, 30 artisan companies from eight least-developed countries (Madagascar, Uganda, Lesotho, Ethiopia, Haiti, Bangladesh, Nepal and Cambodia) were able to gain knowledge, improve their export capacity and access export opportunities in the Canadian market.



IDRC / Bartay

Strengthening capacity of emerging leaders and growing SMEs is part of the solutions to promote inclusive and sustainable value chains.

CONNECTING EVIDENCE, POLICY AND PRACTICE

The third pillar of our multi-faceted GVCs program aims to connect knowledge partners with actors for further reach.

Regional networks and multi-stakeholder platforms play a critical role in expanding economic opportunities for marginalized groups in GVCs. They offer a valuable space for knowledge co-creation and sharing as well as for developing and experimenting with business practices and public policies that support inclusive, sustainable value chains.

One such platform is the Grow Asia Learning Alliance (GALA). GALA aims to connect agribusinesses with knowledge producers (such as academics and think tanks) to foster the scale-up and application of research and innovation in agriculture. The goal is to better integrate business and research ecosystems and promote the co-creation and use of relevant research and innovation. The program focuses on Myanmar, Philippines, Vietnam, Indonesia and Cambodia. Similarly, the project by Aston University and the Centre for Responsible Business is running multi-stakeholder platforms to develop and promote inclusive and sustainable business practices among GVCs in India.

A COMPREHENSIVE PROGRAM TO EMPOWER WOMEN IN GLOBAL VALUE CHAINS

IDRC-supported research on how women are faring in GVCs across Asia is documenting both the working conditions of formal and informal workers and the business and management practices that can boost productivity and create better economic opportunities. This research is drawing attention to informal, “hidden” home-based workers with the goal of improving the policy environments and labour practices that affect their lives. It is also raising the profile of informal workers generally, helping them to advocate for their own inclusion in the social protections available to workers at the national level.

Women’s economic empowerment in Asia is inextricably linked to the promotion of progressive trade—trade that includes a focus on decent working conditions, inclusive business practices and adequate social protection schemes for women in GVCs. By strengthening the capacities of business leaders, researchers and policymakers—and investing in sustainable networks and multi-stakeholder platforms—IDRC aims to improve working conditions and generate leadership opportunities for women.



IDRC / Vijay Kurty

Empowering women in value chains presents a unique opportunity to create business value and offer social gains, particularly for women.

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