



Hivos
people unlimited

INVESTING IN WOMEN: IT PAYS!

RESPECT FOR LABOUR RIGHTS IN LOW-INCOME COUNTRIES





*It is smart
economics!*

Women's labour rights are respected in the Netherlands, but in many developing countries and emerging markets that is not the case. There, the work performed by women is often barely noticed, the work they do is unskilled and undervalued, and women have little access to knowledge or education. All this goes at the expense of their productivity and the quality of their work. This is where corporations can make a difference.

INVESTING IN WOMEN: IT PAYS!

Investing in women is a profitable endeavour: it naturally benefits the women in question, but it benefits businesses in equal measure. With its Women@Work campaign, Hivos is helping businesses and policy makers invest in women, starting with the flower, textile and coffee industry.

IS IT OUR CONCERN?

INVESTING IN WOMEN PAYS DE BUSINESS CASE

- More highly motivated staff
- A wider pool of talent to draw from
- Increased production and better quality
- Benefits to the corporate image (CSR, also in low-income countries!)
- Better opportunities in the market through conscious consumers

IS IT OUR CONCERN?

More and more companies use Corporate Social Responsibility (CSR) as a guideline for their actions. Responsibility for people and the planet does not end at the border: employees making products for our market in other countries are equally entitled to fair treatment. In the policies of the Dutch government, sustainable procurement and supply chain responsibility play a pivotal role. The idea behind this is that respecting labour rights contributes to the economic development of countries, making them less dependent on aid.

For years, the *planet* was the primary focus of CSR at the international level. Today the *human* aspect is increasingly commanding attention – and rightly so. It is high time the inferior and vulnerable position of women receive the focus it deserves. Despite their barely visible role, women are vital links in international production chains. In many export-oriented industries women form a majority of the work force. They perform the labour that is unskilled and the least valued, as is clearly seen in the flower, coffee and textile industry: production is based mainly in developing countries where women are poorly paid, and their rights inadequately protected.

Investing in women contributes to economic development: it is 'smart economics'. Having a greater proportion of women in the economy contributes to prosperity, the stabilisation of society and the economy, and a higher level of education in children. Economically empowered women are also potential customers: the more of them there are, the greater the market for products and services.


WHAT DO COMPANIES HAVE TO GAIN?

Investing in women pays, and these are not merely words. Research by the World Bank has shown that many countries yield an insufficient return from working women. By allowing these women to actively participate on the labour market and by treating them as able employees, their productivity as well as the quality of their work will significantly improve.

A study by the Bill & Melinda Gates Foundation has shown that female smallholders often produce better quality products than their male counterparts. Entrepreneurs ascribe the superior quality to women's greater commitment, their attention to quality control and their willingness to invest in the long-term interests of their families and the communities they live in.

There is a persistent fear that companies will price themselves out of the market if they contribute to the improved working conditions of women in low-income countries, but a growing body of research and *best practices* shows that this need not be the case. Female employees who feel valued and are treated well work harder and more efficiently. Companies giving equal opportunities to women actually solidify their position in the market and become more appealing as a business partner. The conscious consumer also increasingly rates companies according to their record of treatment of employees who make their products in other countries.

There is a great deal at stake, and there is much to be gained by investing in women: the time to act is now.

A photograph of three women in a kitchen setting, likely a bakery or food preparation area. The woman in the foreground is wearing a blue patterned headscarf and a green shirt, smiling as she works with dough. Behind her, another woman in a white apron and blue shirt is also working with dough. In the background, a third woman in a blue shirt is smiling. They are all focused on their tasks, and the atmosphere appears to be one of collaboration and productivity.

There is a positive correlation between economic development and the proportion of women doing paid work.

There is a negative correlation with the percentage of women who perform unpaid work or are sole entrepreneurs.

Gender Equality and Development,
World Development Report 2012,
World Bank

We have fought hard for the OECD Guidelines. And now we are asking all companies we work with to abide by these guidelines.

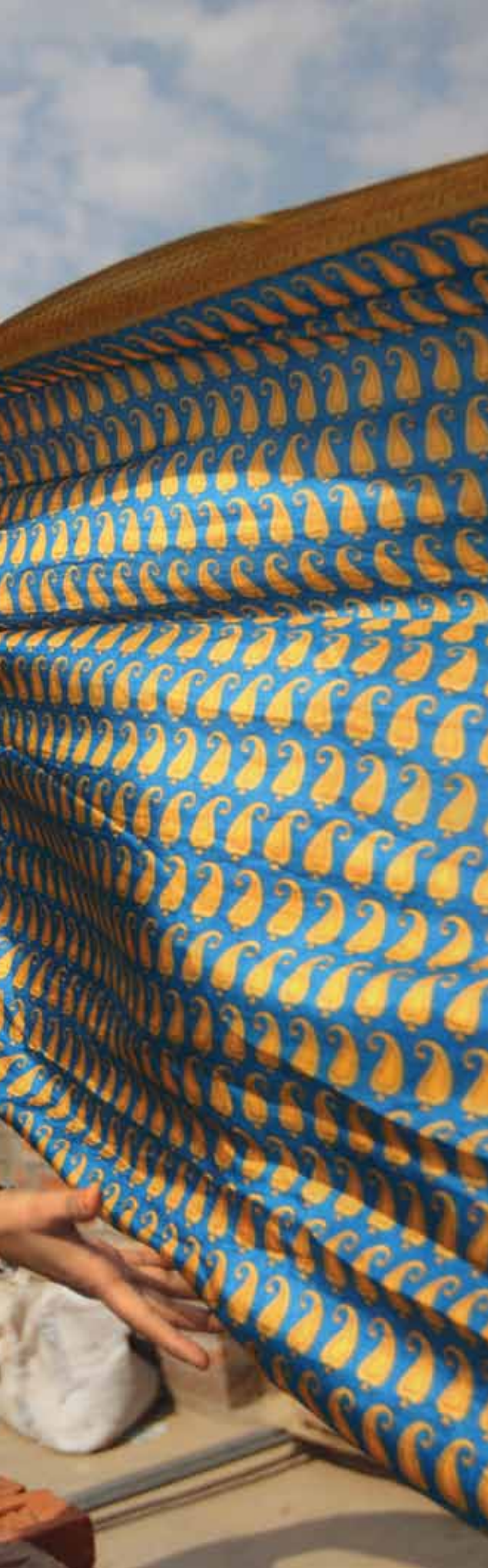
They have to make their own risk assessments and then act accordingly.

Dutch Secretary of State
Ben Knapen in an interview
in P+ magazine, August 2012

THREE REASONS WHY INVESTING IN WOMEN IN LOW-INCOME COUNTRIES PAYS

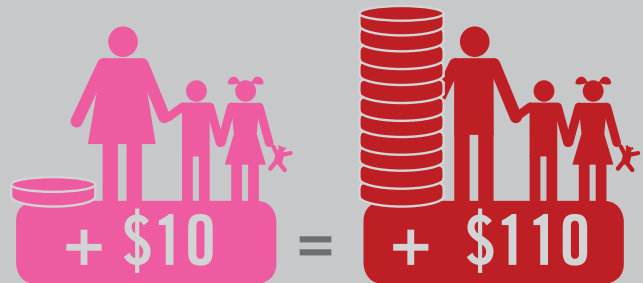
1. It is good for businesses
2. It is good for women
3. It is good for the economy





INVESTING IN WOMEN MEANS INVESTING IN THE FIGHT AGAINST POVERTY

The effects on children's nutrition and health of an additional 10 dollars income for women is the same on average as an increase in income of 110 dollars for men.



Bron: farmingfirst.org/women

INTERNATIONAL AGREEMENTS

Men and women have equal rights – this is no less true in trade and industry: equal rights to minimum living wage, for instance, equal rights to social protection and health care, to education, the right to protection from sexual harassment in the workplace, and the right to organisation and representation. The focus on the *human* side of CSR has significantly increased since the United Nations adopted the Ruggie Principles (2011). This marks the first time it was officially established that companies have a responsibility to respect social and human rights. The minimum requirements are in line with international standards and frameworks on CSR and sustainable business practices, such as ISO 26000, Global Compact, and the Global Reporting Initiative (GRI) of the United Nations, and the OECD guidelines for corporate responsibility abroad. The Dutch government expects all companies to apply the OECD guidelines.

Respect for women's labour rights is part of the OECD guidelines by way of reference to the standards of the International Labour Organisation, ILO. Still, attention for women's rights continues to receive a shortage of attention. Likewise, product standards and certifications take too little account of the unfavourable position of women in the labour market.

WHAT CAN COMPANIES DO?

The protection of human rights – in accordance with the OECD guidelines – and the observance of international labour agreements – ILO agreements – are important steps into the future. The internationally accepted principle of *due diligence* means that companies have an active duty to prevent human rights violations. It is not enough to lay down admirable principles in a corporate code of conduct, the point is the actual impact of corporate activities: those have to be investigated and measures have to be taken to limit the risk of violating international agreements. Still, if no attention is given to the specific position of women in the labour process there is little chance that they will actually benefit from the application of the new regulations.

There are a number of ways to improve the position of women in production chains:

1

PROMOTE THE PARTICIPATION OF WOMEN

In industries where small producers play an important role it is largely women who do the work and men who sign the contracts. That can change, for instance there is room for production groups that consist of women. Factories and farming cooperatives hardly have any women in managerial positions. That can change if quotas are introduced. It is also important to encourage women to qualify for representative or managerial roles.

2

MAKE COMPANY TRAINING MORE SUITABLE FOR WOMEN

Cultural factors often deter women from participating in training or improving their qualifications in other ways. Sometimes they simply do not have the time. By making company training more suitable for women companies invest in the involvement of female employees. Specific training also contributes to better quality, increased productivity and more efficient female leadership.

3

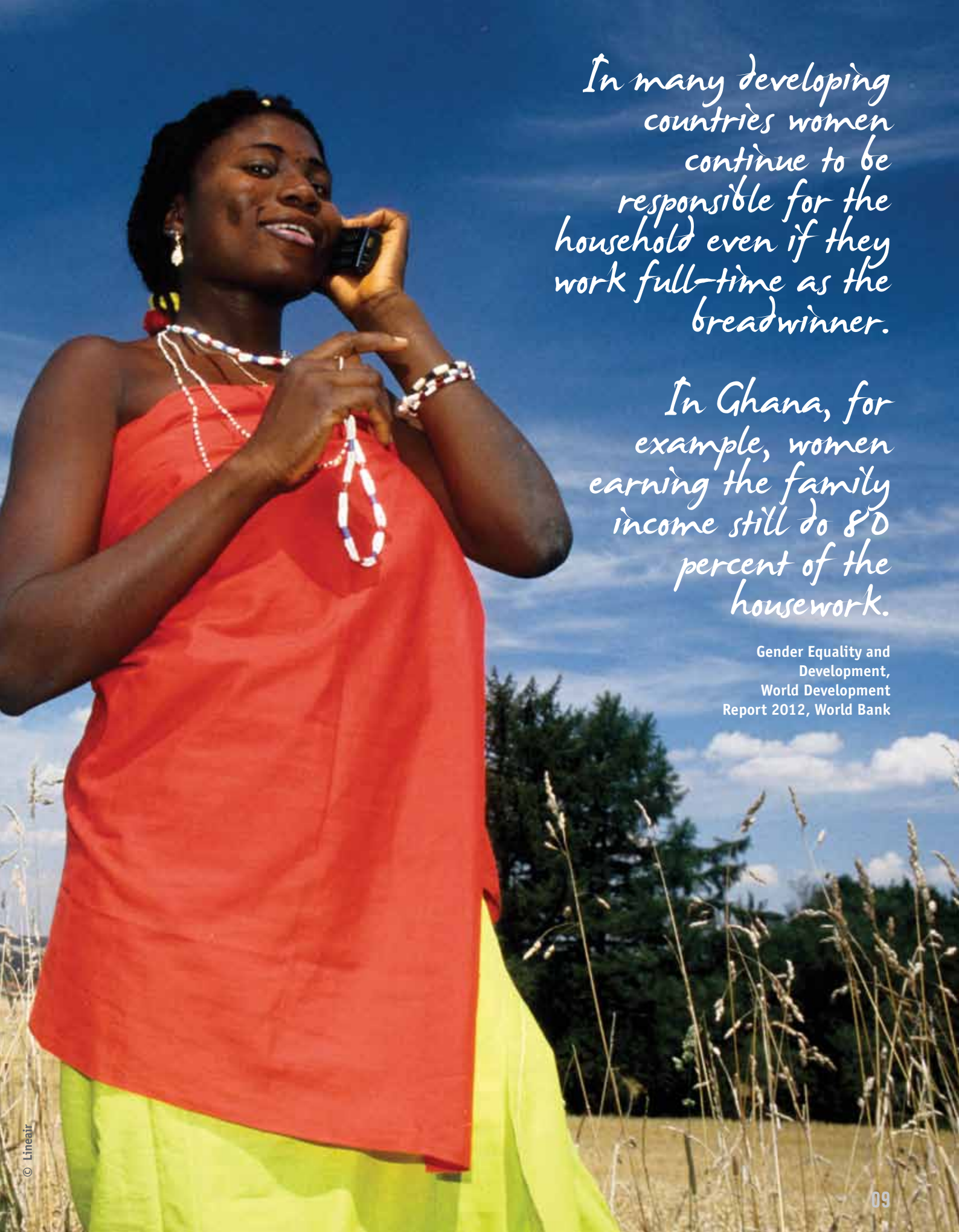
ENSURE THAT WOMEN BENEFIT FROM QUALITY STANDARDS AND CERTIFICATION PROGRAMMES

An increasing number of programmes are aimed at sustainable production. Too often, these fail to pay specific attention to the position of women even though these women carry out most of the work in the industry. Male inspectors generally have no regard for the specific problems that women encounter.

4

SUPPORT WOMEN WITH COMMUNITY DEVELOPMENT PROGRAMMES

Many companies support programmes for community development. Too often, those who tend to benefit from these programmes are the ones who have the most power in a community – and they are rarely women. By identifying barriers that obstruct the economic development of women, programmes can be better tailored to women's needs: for instance child care, maternity clinics, literacy programs, marketing courses, etc.



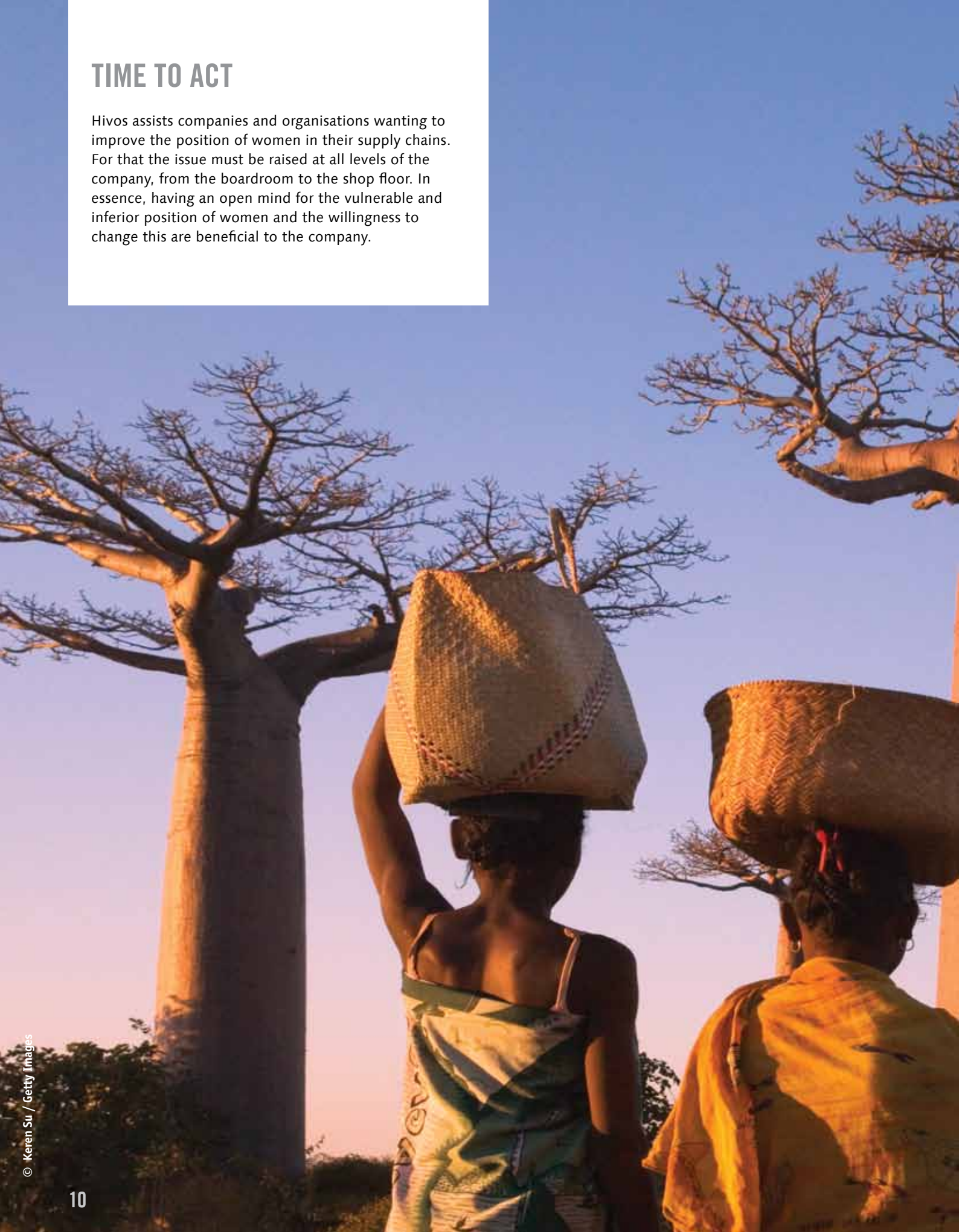
In many developing countries women continue to be responsible for the household even if they work full-time as the breadwinner.

In Ghana, for example, women earning the family income still do 80 percent of the housework.

Gender Equality and
Development,
World Development
Report 2012, World Bank

TIME TO ACT

Hivos assists companies and organisations wanting to improve the position of women in their supply chains. For that the issue must be raised at all levels of the company, from the boardroom to the shop floor. In essence, having an open mind for the vulnerable and inferior position of women and the willingness to change this are beneficial to the company.





GENDER CHECKLIST

1. Is equal treatment of men and women part of the business plan and does the CSR policy provide for investment in women's rights?
2. Are women treated equally and fairly in the company, including the right to decent work and fair pay?
3. Is there extra care for the health, safety and welfare of women in the company, including a policy to prevent sexual harassment?
4. Are women in the company encouraged to participate in technical and other training courses and are these courses geared to their needs?
5. Does the company contribute to projects aimed at developing the local community which take into account the needs and priorities of women?
6. Is participation by women in labour committees, health teams and other representative bodies actively promoted?
7. Are there quotas for women in the different layers of management?
8. Do women benefit from quality standards and certification programmes?

FOCUS ON FLOWERS, COFFEE AND TEXTILE

FLOWERS

In Kenya, Tanzania and Uganda, Hivos and the Women@Work campaign work with a regional network to improve the working conditions of women in the flower farms. This is done mainly through training, which enables women in this industry to better defend their rights, such as paid overtime, permanent employment contracts, a counsellor to assist in cases of sexual harassment, paid maternity leave, and protective clothing against chemicals. The current programme reaches over 25,000 women in 50 flower farms in East Africa.

Mary Kambo works for an organisation that wants to improve working conditions in the flower industry in Kenya. She realises that improving poor working conditions is not only the responsibility of flower growers. 'Employers tell us: We pay our employees more than the legally required minimum wage.

What more can you expect from us? Yet that wage is still too low. But as long as the government as well as unions in which women are under-represented do not fight for better pay for women, it remains a difficult issue. Women's work is undervalued in Kenya, unfortunately.

Christine Popma is a manager at Scheurs Navaisha flower farm in Kenya. The company is working hard to obtain its fair trade certification, and invests in its employees. For example, it employs a nurse who gives information about disease prevention and healthy nutrition. 'For me it's plain common sense,' says Popma. 'Healthy employees enjoy their work more, are more motivated and stay with you longer. They are more productive.' In Popma's experience women are also more loyal to the company: 'They take their responsibilities more seriously than men, who sometimes tend to forget their obligations. We prefer to work with female supervisors as well, because we have seen in the past that male supervisors often abuse their power over female subordinates.'

The flower, textile and coffee production chains are largely staffed with women. In the textile industry 80 to 90 percent of the employees are women; in the flower industry, that percentage is only marginally lower. Women also do most of the work in coffee production, both on the land and in processing the coffee beans.

Yet it is men who dominate in management and marketing for all three chains. The contribution of women is often barely visible. This lack of acknowledgement and recognition means that women have no access to information, training or production sources (such as land and pesticides). As a result, they lack knowledge and skills, and – consequently the chance of a better income.

COFFEE

In the coffee sector the inequality between men and women is considerable. Although women do most of the work, the men are the ones who hold the title deeds to the land. Because they are the ones who sell the beans to the buyers, they get the money – which is rarely shared with the women. This undervalued and dependent position is detrimental to the women's motivation. Quality and yields fall, and sometimes women refuse to continue growing coffee.

A study by the Bill & Melinda Gates Foundation found that investing in female farmers is productive in two ways. Women who have taken technical training achieve demonstrably higher yields. Furthermore, it bears fruit to encourage men to give part of their land to female relatives. If women know that part of their income benefits them or their family, their productivity increases immediately.

Hivos has been supporting programmes for coffee producers for many years. The past few years there has been increasing attention for the position of women. Over the past two years, a partner organisation in Kenya trained 16,000 coffee farmers, often united in cooperatives. Of these, 40 percent are women. The *promoter-farmer model* was applied, in which farmers learn how to train colleagues, and it has proven extremely successful. On average, farmers tripled their yields and 85 percent of this yield was of the highest quality (up from 26 percent). Their income rose by over two-thirds. Thanks to this successful approach women now have a role in the management of cooperatives, there are now female trainers, and auditing teams are focusing increasingly on the position of women.

Ecom, one of the biggest coffee traders in the world, is Hivos's partner in this programme. This Swiss company has made sustainability a key strategy. It is no longer a traditional trading company but an undisputed frontrunner.



TEXTILE

In the textile industry, the focus of the campaign is on Central America and the women assembling garments in factories in the free-trade zones (*maquilas*). They have to work long hours, often 10 hours or more, and do mind-numbing work that involves repetitive actions. This leads to health problems, often resulting in permanent damage. Through its partner organisations Hivos reaches many thousands of women in four countries in the region with information about labour rights and collective bargaining, but also about health risks and sexual harassment.

Companies can do a lot to improve working conditions in the industry. One example is the letter of intent signed by Dutch Secretary of State for Development Cooperation, Knapen, with companies like G-Star, Esprit, Levi Strauss & Co, C&A, H&M and WE during a visit to Bangladesh. All parties, along with a number of civil society organisations, promised to work towards cleaner and safer production methods in the textile industry. Shortly after, H&M requested that the government of Bangladesh increase the minimum wage for employees in the textile industry. H&M stated that it expects that decent wages for the employees will improve the quality of textile production.

An increasing number of clothing companies are joining the Fair Wear Foundation in order to work together to improve working conditions in the textile factories. The companies have signed a letter of intent to adhere to an adopted code of conduct. An initiative like Rank a Brand helps consumers see at a glance how well their favourite brand scores on a number of social criteria. As the number of critical consumers grows, image is becoming an increasingly important factor in business. Corporate responsibility – in this case attention for the working conditions of, mainly, women in low-income countries – is an inextricable element of that image.

Marta works in a textile factory in a free trade area in El Salvador. 'I get up at 5 a.m. in the morning,' she says, 'to prepare food for my husband and two children. From 7 a.m. to 5 p.m. I work in the packing department. I need to fold and pack at least 2,800 garments a day.'

Roxana works in the same factory. 'We earn the minimum wage,' she says, 'but I have to spend 2 dollars a day on travel costs alone.' The minimum wage is about 188 dollars a month, or just over 7 dollars a day – provided the employees produce enough garments. If employees do not reach their target, wages are held back or they are dismissed.

Codemuh is an organisation that educates women about their rights and advocates good working conditions. The employees have to do a lot of overtime work to meet their basic needs. Sometimes they work as much as 70 hours a week, while the legal maximum in El Salvador is 44 hours a week. That should be sufficient to live on, but for many women it is still not enough to make ends meet.

*Trade does not
discriminate*



WOMEN@WORK: WHAT CAN THE HIVOS CAMPAIGN OFFER?

Women@Work is a campaign through which development cooperation organisation Hivos works to improve compliance with the labour rights of women in developing countries. Its main focus is on the international flower, textile and coffee production chains. Women@Work cooperates with partner organisations in those countries to achieve this goal.

Would you like to know more? Would you like to share experiences with colleagues in the industry and learn from one another? Hivos is organising sector meetings and discussions in the form of round tables in the 2012-2014 period. We will examine the business case for investing in women's working conditions and discuss the challenges and, particularly, the opportunities. You can register for one of these meetings on our website: www.hivos.nl/womenatwork.

WHAT CAN HIVOS DO FOR COMPANIES AND ORGANISATIONS?

- Assess the production chain on its impact on women
- Advise how and where women's labour rights can be improved
- Draw up a checklist for businesses and organisations
- Indicate what is feasible on the short term and what requires a longer term commitment
- A role as broker: Hivos can act as an intermediary between companies and (organisations of) female employees and entrepreneurs

HOW CAN YOU CONTRIBUTE TO HIVOS' WOMEN@WORK CAMPAIGN?

- Come to our round table sessions (and bring a colleague with you)
- Develop a programme with Hivos to improve the position of women in the chain in which your company or organisation operates
- Contribute to research on best practices
- Support the Women@Work campaign financially

For more information visit the website or contact campaign coordinator Caroline Wildeman: cwildeman@hivos.nl

'Trade does not discriminate,' said a representative of the Export Promotion Council in Kenya. He meant that once you have reached the level of being able to do business internationally, it matters little to importers, investors and others whether you are a man or a woman. It is about your product or service. 'But,' he added, 'to ensure that more women reach this level, we must devote extra attention to them.'

A number of important international studies have served as a source of inspiration for the campaign and this brochure. They are also recommended reading if you want to explore the subject in further detail.

These are:

- *Improving Opportunities for Women in Smallholder-based Supply Chains – Business case and practical guidance for international food companies*, Bill & Melinda Gates Foundation (2011)
- *The Business of Empowering Women – Women's economic empowerment lifecycle*, McKinsey & Company (2010)
- *The Women's Empowerment Principles – Equality means Business*, UN Women en de UN Global Compact (2011)
- *Gender Equality and Development*, World Development Report 2012, World bank (2011).

HIVOS

Hivos is an international development organisation that fights poverty, oppression and discrimination. Hivos does this by supporting people who want to determine their own lives. Hivos believes in the power of these people and, with them, seeks for innovative solutions. At the same time, Hivos appeals to citizens in the Netherlands to involve them in our work, because bringing about change and tackling the root causes of the problems in these countries require efforts from us here.

WWW.HIVOS.NL