News on Pakistan’s trade performance is rarely found side by side, or even associated with, headlines on gender equality. Yet both are burning issues for Pakistani society. This article aims at highlighting their connections. Put differently, it shows how the world market is tied to Pakistani stoves.

Trade is important for Pakistan’s economy due to the country’s comparative openness. The country—like most parts of the subcontinent—is a late globalizer, as compared to, for example, East Asia or Latin America.

Structural adjustment programs implemented since 1988 under the aegis of the World Bank and the International Monetary Fund have been one catalyst for trade liberalization. Trade tariffs were reduced significantly, resulting in rising trade to gross domestic product (GDP) ratios. Today, the value of exports from Pakistan surpasses 21 billion U.S. dollars. Besides textile manufactures such as cotton cloth, bed wear, and knitwear, key exports include rice as well as leather manufactures, indicating the special role of the agricultural and manufacturing sectors for Pakistan’s trade. The main export destinations include the northern markets of the United States and European countries—such as the United Kingdom and Germany—as well as the Gulf states and Hong Kong (China).

Trade is more than an aggregate statistic on flows of goods and services. It means employment in export garment manufacturing for some, and job losses caused by cheaper Chinese imports for others. It may provide some consumers with access to affordable generic medicines that were previously unavailable, supply others with cheaper prices due to

Karin Astrid Siegmann is a research fellow at the Sustainable Development Policy Institute in Islamabad. She wishes to gratefully acknowledge the research assistance provided by Nazima Shaheen.
intensified competition, and present a third group with less choice as cheap imports gain a monopoly in the market.

**Gender Matters**

These economic roles as workers, consumers, savers, and investors are gendered. Hardly any woman is involved in weaving cotton for the world market. In contrast, imported creams are in high demand by female customers. Decisions at the Karachi Stock Exchange are mainly made by men. These few examples indicate that trade may mean different things for women and men. They imply that women’s and men’s roles matter for the interface of gender and trade.

Pakistan is characterized by strong gender hierarchies. Men are perceived as economic providers and women as dependents and homemakers. The institution of purdah, that is, the religiously legitimated segregation of the sexes, provides further support to the demarcation of male and female space and roles (Mumtaz and Salway 2007). In Pakistan and other parts of South Asia, gender norms link certain spaces and activities exclusively to women, and others to men. The home is defined as women’s ideological and physical space, whereas the world outside the home is perceived as being related to men (ADB 2000). As women’s confinement within this spatial boundary as well as their sexual behavior is linked to the male’s honor, women's movements are restricted and controlled in order to protect the family’s reputation.

However, gender relations in Pakistan are not homogenous. As compared to other provinces, Punjab is characterized by comparatively fewer rigid gender rules (Mumtaz and Salway 2007). Class differences interact with gender norms. Whereas economic imperatives force poor women to be mobile beyond the home (Sathar and Kazi 1997), they are discouraged from other public activities (Mumtaz 2007).

This has effects on gender equality in the economic realm and beyond. Efforts to confine women’s circulation to the homestead lower their participation in income-generating work. With 27 percent of its female population economically active, Pakistani women’s engagement in the labor market ranks right at the bottom of the Asian distribution (UNESCAP 2007). And of this 27 percent, a majority work as unpaid
family helpers (GoP 2006b). Those involved in paid employment face a narrower range of sectors and occupations as compared to men (see Figure 1 below).

In addition to the agricultural sector that absorbs the brunt of the female workforce, manufacturing (such as in the garment and surgical industries) and nursing and teaching (subsumed under “Community, social & personal service” in Figure 1) are other sectors that employ a significant share of women. Men face comparatively more choices in the labor market, such as in the trade, construction, and transport sectors. Narrower choices also imply a weaker negotiating position. As a result, women workers face poorer working conditions in comparison to their male colleagues. This includes the fact that average female incomes

Figure 1: Gendered Employment by Sector, 2005-06 (Percent)

represent less than two-thirds of what their male colleagues earn, as well as that a greater proportion of women as compared to men are employed informally (this would include piece-rate workers in cotton picking, who are paid by the weight of their harvest; home-based workers stitching soccer balls; or self-employed vendors of milk and eggs in their neighborhoods). Such informalization of women’s work has been shown to be rising across South Asia (Unni 2001).

Additionally, the mobility constraints mentioned above have a role to play in the wide gender gaps in education and health that characterize Pakistan. In rural areas, girls beyond puberty are often discouraged from attending school, particularly if the school is located far from the home. In addition to mobility constraints, the major role they serve in housekeeping as well as pervasive poverty also lower girls’ school attendance (UNESCAP 2007). As a result, girls’ overall enrollment is nine percentage points lower than boys’ at the primary level. The gender gap in literacy varies regionally between 12 percentage points in urban Punjab and 38 percentage points in rural Northwest Frontier Province (NWFP) (GoP 2007a and 2006a).

Women and girls are comparatively more vulnerable to injuries and sickness. Similar to gendered literacy, gender gaps are highest in the provinces characterized by more conservative gender regimes, i.e. NWFP and Balochistan (GoP 2006a). These outcomes are linked to women’s and girls’ relatively poor access to health services, higher workloads, and low nutritional status—all mediated by prevailing gender norms (Mumtaz and Salway 2007; Siegmann and Sadaf 2006; Khan 1999). This can lead to complications in pregnancy and childbirth, which are the leading cause of death and disability among women of reproductive age. The maternal mortality ratio for Pakistan is one of the highest worldwide, with 500 per 100,000 live births as compared to 92 in Sri Lanka (WHO, UNICEF, and UNFPA 2004). Poor schooling and health again represent handicaps to joining the labor force and to attaining a decent occupational status and good working conditions. The fact that the majority of Pakistani daughters are denied their due share in land ownership and inheritance further reduces their access to productive resources.

Obviously, gender biases in such access have consequences for women’s and men’s abilities to benefit from opportunities that arise from increasing
trade flows to and from Pakistan. This essay elaborates on such linkages, or what was referred to above as the ties between the world market and Pakistani stoves. First, it provides an outline of theoretical perspectives on the intersection of gender and trade. Images from Pakistan's agricultural and manufacturing sectors are presented in the next section. Finally, the last section discusses a crucial question: do intensified trade links have the potential to empower women, or rather do they threaten a deterioration of women’s already marginal position in Pakistani society?

**Theoretical Perspectives**

According to Tran-Nguyen (2004), trade flows can be associated with gender equality in different ways: Firstly, they can have a positive or negative impact on growth and employment opportunities for women and men. Secondly, they may induce competitive pressures, which may reduce or encourage gender discrimination in terms of access to employment or regarding wage differentials. Thirdly, they may facilitate or raise barriers to the accessing of resources and services by women and men. And finally, multilateral trading rules may facilitate or constrain governments in applying policies or regulations that address gender inequality.

**Gendered Growth**

Conventional trade theory identifies trade as a catalyst for growth. It is also assumed that gender gaps in education have an impact on trade and growth performance. When less able boys are substituted for girls, this bias could lead to a misallocation of resources and lower economic growth. Deficits in female education also impose direct economic costs by lowering labor productivity (UNESCAP 2007). The empirical evidence regarding interactions between gender equality and growth remains ambiguous. Whereas Dollar and Gatti (1999) and Klasen (1999) find a negative impact of the gender gap in schooling on growth, Hill and King (1995) similarly found that a low female-male enrollment ratio is associated with a lower level of GDP per capita. Seguino’s (2000) results, confirmed by Busse and Spielmann (2005), support the opposite view. The huge numbers of unskilled female workers can explain this puzzling finding. Uneducated female factory workers—whose low wage
aspirations are rooted in their poor educational levels—have often sustained the high growth rates of semi-industrialised countries in Asia.

Dollar and Gatti (1999) identify a positive correlation between per capita income and measures of gender equality. This association was both held up and qualified by the United Nations (UN 1995). Whereas a strong positive correlation was observed between economic growth and women’s relative participation in the labor force between 1980 and 1990, this association in fact appears to take the form of an inverted “u.” This means that in a later stage of development, relative female employment would decrease as the economy grows. The emerging trend of defeminization (the decrease in the female share of the work force) that can be detected in some middle-income countries, such as South Korea and Mexico, is in line with such a nonlinear relationship. Mehra and Gammage (1999) relate this shift to a restructuring in the export sector of the countries in question, which is connected to a process of technologization.

According to mainstream frameworks for trade analysis, trade leads to an equalization of prices for production factors, such as capital goods and labor. This implies an erosion of gender wage differentials. On the other hand, non-neoclassical economists hold the view that competition is based on cost reduction and that firms will use wage disparities to boost product competitiveness (Seguino 2000). Skilled workers will be paid higher wages to attract them, whereas unskilled workers with lower bargaining power will be given lower wages. Given the concentration of male workers in skilled occupations and female workers in unskilled positions, trade expansion would thus lead to an increase in wage differentials. In practice, unlike other aspects of gender discrimination, the gap in wages does not narrow with economic progress (UNESCAP 2007). Increased openness to trade in India’s manufacturing industries has been associated with a widening of the wage gap, explained by female workers’ weak bargaining power and lower workplace status (Menon and van der Meulen Rodgers 2006). This is consistent with Berik et al.’s (2004) finding that increased trade openness is associated with higher residual wage gaps between men and women in two East Asian economies. The employment of large numbers of women in the low-value links of global production chains can thus be seen as a steppingstone for a systematic industrial strategy in several developing countries (Tran-Nguyen 2004).
The opening up of economies for international trade under the rules of the World Trade Organization (WTO) has been a powerful trigger for global economic integration. Trade policies and WTO rules are assumed to have gender-neutral effects. The evidence presented above has emphasized that this is an unrealistic assumption. It is the largely invisible social underpinning of the economy—that is, gender norms related to market and domestic work—that channel (and bias) the effects of trade on women’s and men’s lives.

The liberalization of agricultural trade, such as that aimed for in the WTO Agreement on Agriculture, tends to generate cheap agricultural products, which may result in lower farm gate prices. It is also accompanied by increased competition with foreign imports. Overall, the combination of these factors, plus the removal of subsidies in developing countries, may lead both to increased income (from the export sector), and to decreased income (in the import-competing sector). Given the greater importance for women of import-competing food production as compared to export crop cultivation, it is more likely that they are affected negatively in terms of access to food, income, and other resources such as land and bargaining power within the household. Heyzer (1989) observes that opportunities for increased exports of agricultural produce are more likely to be seized by men. Males have easier access than women to the best land reserved for export crops and to new technologies. On the other hand, women’s subsistence food production may suffer as land is diverted to cash crops. Increased export orientation in agriculture may therefore lead to the replacement of women’s agricultural work and endanger food security (Çagatay 2001).

In manufacturing, the Agreement on Textiles and Clothing (ATC) has been a test case for the gendered effects of liberalization under the WTO. In January 2005, the ATC expired. An agreement under the WTO, it was aimed at gradually phasing out the quota system that had governed trade in textiles and clothing (T&C) for more than 30 years. Under this arrangement, industrialized countries put upper limits on T&C imports from the countries producing these items. This system of quantitative restrictions has been perceived as distorting the free flow of trade. Since January 2005, buyers and sellers of T&C products no longer
rely on quotas in the main markets. The subsequent restructuring of the global market for T&C has had significant consequences for gender equality in employment. Tougher competition, especially in garment manufacturing, has led to a large number of job losses in this female-intensive subsector (see Box 1).

In the area of services, the General Agreement on Trade in Services (GATS) directly affects the supply of services that is essential for human well-being, such as the provision of schooling, health care, and drinking water. Often, these basic services are to a large extent directly provided or regulated by governments in order to guarantee affordability and equitable access. However, it is feared that the stipulations of the GATS reduce public financial support for basic services. The experience of structural adjustment measures since the 1980s has shown that women and girls are often the first victims of such increased commercialization of essential services. Girls are taken out of school first when school fees are introduced or raised, while healthcare for boys and men—who are regarded as families' actual or potential “breadwinners”—is prioritized. Also, when basic services are lacking, women's workloads increase because of their roles as those who haul water from communal taps or other common sources, and who provide informal care to the sick once the costs of water and health care rise.

The next section assesses the relevance of some of these assumptions and findings regarding the gender-trade interface from the perspective of Pakistan. The focus is on trade’s linkages with gendered employment in agriculture and manufacturing.

**Sectoral Images**

**Harvesting for the World Market**

Agriculture is Pakistan’s single largest sector, providing livelihoods for two-thirds of the country’s population. However, the period since the 1990s has been characterized by a decline in the share of agricultural raw materials in merchandise exports and a reverse movement, i.e. a steep rise of agricultural imports. Basmati rice and cotton are two major agricultural exports, but the share of cotton in agricultural exports has dropped. More and more cotton has been further processed into yarn,
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Manufactured exports as well as imports have almost tripled since 1990. Oscillating around two-thirds of Pakistan’s exports, textile manufactures have represented the bulk of industrial sales abroad. Since the 1990s, the
Box 1: Gendered Employment in the Post-Quota Era

The expiry of the quota regime in T&C trade after the full implementation of the ATC had given rise to hopes and fears alike. The T&C sector is of great macro-economic importance for Pakistan. It accounts for a tenth of the GDP and about 60 percent of the country’s exports. But China’s entry into the WTO in 2001 signalled that from then on, a great number of producers across Asia, Latin America, and Africa would have to compete with one huge, cost-efficient producer. It triggered fears of losses of market shares—and of millions of jobs. Additionally, in Pakistan, the T&C industry employs more than one-third of the industrial work force. In addition to being labor-intensive, this industry—and clothing producers in particular—is also a major employer of women. After agriculture, the largest number of Pakistani women are employed in the T&C industry.

Overall, T&C exports have increased during the first three years of freer trade in the industry. The rise and fall of sales are not just a numbers game. These fluctuations affect the livelihoods of a large number of workers and their families. Whereas overall employment has slightly increased in Pakistan after the quota expiry, sectoral variations do exist. Exporters of fabric and made-ups, such as towels and bed wear, created new jobs for both female and male workers. This reflects increased sales of these products abroad. In companies producing yarn and apparel, the total work force has shrunk. Male operators have lost their jobs and have been partially replaced by female workers. The lower wages paid to women workers may be part of the explanation. Women help companies survive in the harsher post-quota competition. But knitwear exporters have reduced their female as well as male work force. The intensified competition also puts pressure on wages and working conditions, which were not rosy even before the opening of the market. In response, Pakistan’s government has advocated a relaxation of labor-friendly legislation in order to reduce labor costs. The increase in daily working hours from 8 to 12 was one of several drastic measures taken in 2006.

This situation might further deteriorate in the mid term. Given the current skill and gender composition of employment, a further specialization in yarn, cloth, and made-ups as well as a move toward products with higher value added may imply a loss in unskilled and female workers, with the latter especially facing very few job alternatives.

Box 2: Weakest Link in the Textile Chain—Pakistan’s Cotton-Pickers After the Quota Expiry

In Pakistan, cotton provides livelihoods for millions of people engaged in its cultivation, industrial use, and trade. Cotton picking as one of the stages involved is a seasonal activity, representing by far the largest share of employment in cotton cultivation. About 2 million cotton-pickers are estimated to harvest the fuel for Pakistan’s export engine. Most of the pickers are women and girls. On the other hand, sprayers, tractor drivers, and other agricultural laborers are commonly men.

The fact that women face fewer choices for paid employment significantly reduces their bargaining power in negotiations with the growers. The laborers’ lack of bargaining power is reflected in the fact that often the harvest’s weight is reduced by those in charge of weighing. Most of the cotton-pickers are unable to check whether their harvest has been weighed correctly. Gender-based differences in schooling have a role to play. Female cotton-pickers are paid by the weight of their harvest. In such a piece-rate system, wages are paid per unit of output rather than per unit of time, as in the case of daily wage laborers. Overall, cotton-pickers’ earnings are lower than those of male agricultural workers. Picking rates of 50 to 80 Pakistani rupees per maund (a maund is equivalent to 40 kilograms) were reported to be common rates during the 2005-06 season (in 2005, one U.S. dollar equalled 62.12 rupees).

Apart from poor remuneration for hard work, cotton-pickers are exposed to serious health hazards. The most significant health risk they face is their chronic exposure to pesticide residuals in their working and living environment. Cotton is the crop in Pakistan on which most pesticides are applied. It is estimated that 80 percent of the total pesticides consumed in Pakistan are used for the protection of the cotton crop. During their work in the fields, cotton-pickers are exposed to residuals of these sprays. As a result, a majority of them are affected by chronic pesticide poisoning.

Pakistan’s export engine—cotton textiles—has relied on pickers’ poor pay for competitiveness. However, the significant restructuring of the global textile chain brought on by the end of the quota system (which had regulated trade in textiles and clothing for more than 30 years) brought no change to cotton-pickers’ bitter harvest. They did not benefit from higher quality demands regarding chemicals—including pesticides—found in apparel that customers purchase in the shopping malls of North America and Europe. Independent of the rise in Pakistani exports directly after the quota expiry, cotton-pickers’ employment opportunities shrunk with the drop in yield in the first post-quota harvest.

Source: Siegmann and Shaheen (forthcoming); Siegmann (2007a, b).
share of garments and home textiles herein has risen significantly, associated with more—mostly informal—employment opportunities for women. Their nimble fingers’ poorly paid work enhances the competitiveness of Pakistani garment exports. This was particularly relevant in the restructuring of global T&C markets that took place after the expiry of the quota system (see Box 1).

There is a strong negative correlation between women’s relative employment in the industrial sector and trade performance, whereas male industrial employment appears to be unrelated to trade performance. The increased feminization of agriculture that has paralleled trade development in Pakistan, as well as the greater capital and technology intensity of industrial production, are possible causes for these correlations. The latter explanation, as exemplified by investment totalling 5 billion U.S. dollars made in the T&C sector between 1999 and 2004, disadvantages female workers. The concentration of women in few, mostly unskilled, occupations as well as gender gaps in education and training make men the preferred work force in the fewer, more technology-intensive jobs.

**Linkages Between the World Market and Pakistani Stoves: Empowering or Marginalizing?**

The preceding sections have emphasized that trade flows have had different meanings for and impacts on women and men in Pakistan. Especially in the realm of employment, job opportunities for men in export-oriented sectors have often meant employment losses for women—and vice-versa. It has been highlighted that such dissimilar effects of trade are channelled by gender norms, which stipulate different economic and social roles for females and males. In this way, the world market is tied to Pakistani stoves. The stove is a major location of women’s work and thus symbolizes a gender division of work that puts women in charge of domestic chores. From the perspective of gender equality, a crucial question is whether trade-related opportunities for paid employment have strengthened women's weak economic and overall status.

In both the sector that employs the most women—agriculture and forestry, fishing, and hunting—and in the manufacturing
sector, labor-intensive subsectors (including garment and soccer-ball manufacturing as well as cotton picking) have been stimulated through trade, and women have been recruited on a preferential basis. This has provided women with employment and, thus, cash income in an environment that discourages women’s participation in the paid labor market. More generally, this has also allowed them access to productive resources. Their work is paid, yet precarious. The widespread informalization of women’s work as seasonal, contract, and piece-rate is associated with low social and economic status. Research on subcontracted employment in Pakistan’s manufacturing sector has shown that paid employment does not necessarily empower women workers economically—especially if their labor relations are informalized (Khattak and Sayeed 2000). The situation of cotton-pickers described above is a case in point. It is actually their poor bargaining power, rooted in prevailing gender norms, that keeps picking rates low and thus sustains Pakistan’s export successes. This mirrors the international experience of lower female wages being used to enhance export competitiveness (Menon and van der Meulen Rodgers 2006; Seguino 2000).

Prevailing gender gaps in schooling crucially influence the distribution of female and male workers across sectors and occupations and thus their ability to benefit from trade-related opportunities. This means that ongoing global moves toward more capital-intensive production, such as in T&C manufacturing, are likely to crowd out a largely unskilled female work force. Hence, gender gaps in wages and education provide women workers with a “competitive advantage” only in the short term. Such competitiveness that is based on women’s disadvantaged situation in both the labor market and in wider society is not sustainable in terms of workers’ employment, health, and well-being. And in the long term, it probably cannot guarantee the sustained competitiveness of raw materials and manufactures that emphasize cheap labor and, hence, low commodity prices that compromise on quality.

These factors provide entry points for action. Overall, one can say that economic globalization creates economic opportunities for those endowed with productive resources such as human and physical capital, access to formal employment, and geographical mobility. In order to benefit from such opportunities, women and girls must have better
land rights, access to capital and technology, support for unconstrained mobility—and above all, equal access to education.

Given the gender blindness of the policies and institutions governing trade at national, regional, and international levels, a conscious effort needs to be made to “engender” the globalization agenda. Potentially dissimilar impacts for women and men—and unfavorable consequences for gender equality—need to be recognized and investigated at national, sectoral, and regional levels before policymakers make liberalization decisions. A number of tools for such gender-sensitive trade assessments have been developed by international organizations (Randriamaro 2005).

Governments need to make use of existing maneuvering space within WTO rules, and in bilateral and regional trade agreements, to make sure trade liberalization is not clashing with national policy goals, such as the achievement of gender equality. Liberalization of trade without recognition of its potential gendered impact and without national policies in support of women’s empowerment carries the danger of further marginalizing Pakistani women.

REFERENCES


NOTES

1. This section is based on Siegmann (forthcoming).
2. The following discussion is based on Williams (2004).