



Gender and Trade Workshop Expectations:

Objective One: Examine impact of trade liberalization in Mekong countries with a gender emphasis

Expectations:

- *Understanding the concept and definition of trade liberalization in Mekong countries with a gender emphasis*
- *To understand similarities and differences between countries more and less advanced in the trade liberalization process*
- *What, specifically, are the procedures by which the policies are created, set-up, passed, etc.*
- *To have a summary of the most recent information about the situation in the Mekong countries to be able to have a clear picture/link of the impact*

- Determine ways/means how the people in these countries are coping and the critical roles that govt., NGOs, the private sector and others are playing
- Use a lot of case studies and field research as basis to better understand what the impacts and what the causes are.
- Impact of trade liberalization on urban vs. rural, and on different industries, such as agriculture, manufacturing, etc.

Objective Two - Understanding how the new international economic order is affecting third world countries's ability to develop

Expectations:

- What is the characteristic of new international economic order?
- To become aware of the extent that the new international economic order has affected other countries, with an emphasis on women.
- To get more information and ideas on the international economic order
- Sustainable development versus non-sustainable development
- How to empower third world countries to develop in a sustainable way

Objective Three: Examining the links between the IMF/WB policies and prescriptions; the WTO rules and regulations, and the struggle to maintain sovereignty for nation states.

Expectations:

- *What are the links between the IMF/WB policies?*
- *What are the IMF/WB policies and prescriptions?*
- *What are the WTO rules and regulations?*
- *Learning more about how to struggle against IMF/WB policies and make the policies benefit the poor*
- *Examining possible forms of organization and alternative policies that may facilitate the poor in resisting the impacts of the new international economic order.*
- *Learn more advocacy tools and methodologies that could be employed*
- *Increase skills at analyzing IMF/WB and WTO policies and prescriptions*
- *Develop proposals for action/recommendation*
- *Learn about objectives of IMF/WTO versus objectives of 3rd world countries in maintaining their sovereignty*

OTHER Expectations:

- *For us participants to establish and continue with our linkage even after the workshops*
- *To have a directory of participants complete with contact addresses*



Discussion:

Observation 1: The economic growth of a country and the people's wealth and incomes are not directly related.

- Historically, economic development of a country is often achieved through the exploitation of women. Therefore, it is important to consider the role of women when evaluating the economic growth of a nation. The following, provided by participants, are examples of economic problems in various countries:
- Vietnam: In central highlands of Vietnam, there has been massive expansion of the coffee industry, but at the same time there is also massive poverty.

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This poverty was exacerbated by the coffee crash, which caused the price of coffee to drop dramatically.

- **Australia:** in Australia, economic growth is higher than ever, but Australians are being told they cannot have things they used to have, like free university education. The distribution of the wealth is what is at issue.
- **China:** China has 7-8% growth a year, but farmers' income in rural areas can't cover production costs for next year b/c agricultural input prices are so high. Plus, local officials demand "taxes" (sometimes bribes). And, China has reduced its commitment to public education, so families must pay for that as well.
- **U.S.:** The United States has the 2nd highest GDP in the world (After Luxembourg), but over 16% of the population lives below the poverty line.
- **Bangladesh:** Micro-credit systems adopted by many countries, originated in Bangladesh (Grameen Bank). The bank gives out small loans to poor women at 8% interest per month. (That's about 96% a year) Some women have fled the country because they couldn't pay back the loans. Grameen Bank is now the most cash-rich bank in Bangladesh. This is wealth that has been built on the backs of poor women.

- Argentina: Argentina produces twice as much food as it needs to feed its people, but people are starving because Argentina exports its food



The misleading use of Gross Domestic Product (GDP) as an indicator of the wealth of a country:

- Economic growth is measured by GDP. GDP doesn't really measure well being of the population. It doesn't measure quality of education, nor does it include the exploitation of natural resources, even when that action results in a loss of income for the local population.
- The rate of poor people is increasing even when GDP is increasing.

- Even when a country is experiencing economic growth, as measured by GDP, much of the increase in growth is going to pay of loans.
- Must look at how economic growth affects the cultural and social fabric of a country. If there aren't policies to bring the benefits of growth to people who are poor, especially women, growth can negatively impact culture and society.
- An example of places with small GDP that have low infant mortality, high literacy, excellent health care, and other positive social benefits: Cuba, Kerala (in India)

The example of Thailand best illustrates this point:

- In eastern Thailand, the region is being targeted for development, primarily for Eucalyptus plantations. Certain poor areas are targeted to promote growth, but the benefits go to families and companies outside of that area or country. The people who actually lived there have been driven off their land. Daughters of families in this region have left for Bangkok to work as household servants or to become sex workers.

Observation 2: Poverty is not a natural phenomenon. Poverty is the result of inequality and lack of wealth

distribution. (Wealth includes access to critical services, such as competent health care.)

Causes of Poverty:

- Inequality and lack of wealth is one cause. Another cause is lack of education, which prevents people from moving into ~~the~~ higher socio-economic brackets
- Lack of access to basic social services (health care, education, legal services, etc.), but this is also a form of inequality.
- Natural disasters can cause poverty, sometimes massive poverty. But, on other hand, some natural disasters are caused or exacerbated by non-natural elements (logging, development, etc.). Also, natural disasters are a regular part of human life. As a result, most societies are capable of preparing for such disasters, such as setting aside savings to have funds in times of crisis. So, the fact that communities can't rebound after a natural disaster suggests that there is something else going on.



Examples:

- The issue of HIV/AIDS on a global scale is also an example of inequality. In wealthy countries, AIDS is mostly under control. And, those who are infected can usually access medicine and healthy diets. But in countries like Cambodia, the AIDS epidemic is out of control and residents of Cambodia cannot access health care and drugs to keep them alive. Plus, global trade agreements like TRIPPS prevent poor countries from producing generic drugs that are more affordable.
- African cotton farmers are being financially ruined by the high cotton subsidies in western countries, which keep their prices below the market cost.

- In Lijiang, China, farmers are being forced off their land into urban areas as part of a “modernization” drive. As a result, the government doesn’t have to subsidize the farmers anymore because, theoretically, they will find jobs in the urban areas. But, there are no jobs. And once they’ve been forced off their land, the farmers no longer have any bargaining power.

The common theme in these examples is the lack of control and lack of power leading to poverty.

However, solidarity among people can help prevent poverty, when they work together to find solutions.

- For example, in Botswana, 47% of the population lives under the poverty line. But this is largely caused by the AIDS crisis. Despite this crisis, people in Botswana still believe in government because govt. in Botswana works for its people. For example, the govt. spends lots of its budget on trying to solve the AIDS crisis.

Observation 3: It is not possible for the underdeveloped countries to repeat the experience of development of the “wealthy” nations.

- It might be possible, under different policies, but how?

- It's not impossible, but we must learn from other countries. We also need to focus on creating good jobs, like technology jobs, not just cheap labour. However, increasingly, technology transfer is very difficult. TRIPPS makes it harder to get good technology jobs.
- We need to relate this back to questions one and two. If lack of health care, lack of access to education, etc., are the cause of and lead to an increase of poverty, then maybe this is what we need to focus on to create good development.
- In what context should we conceive of development? The world now is very different than 100 years ago and different in different countries. For example, the World Bank and IMF tells Vietnam that it should try to be more like Singapore, but Singapore is an island with a very different economy, government, resources, culture and society. Development needs to be tailored to the individual needs of each country. This is one of the big problems with using international development "consultants". Maybe they've worked in one country, but they know nothing about another country. Then, they go to that new country and try to make policy without knowing anything about the situation of that specific country.
- Western countries achieved development by doing the opposite of what developing countries are being told

- to do. For example, Britain and United States fiercely protected their local economies by imposing tariffs, etc. Furthermore, when the English textile industry was at its height, it also controlled other markets, like India, by invading them militarily.
- Currently, jasmine rice in Thailand is now being grown in America. TRIPPS can be used to protect rice in Thailand. But, the patent law that is the problem to begin with is a part of GATT. Though TRIPPS could be used to help fight against absurd patent claims, the better solution would be to get rid of the patent agreements in GATT, because the procedure of litigating the claims takes an excessively long period of time and the decision is left up to the WTO dispute court.
 - On the question of patents, communal knowledge within a country that has been around for thousands of years should not be able to be patented.



QUESTION: Does the WTO serve equally as a forum for poor countries equally as it serves rich countries' business interests?

- What is the WTO system? On one hand, WTO creates a system that is stacked against the poor and in favour of the rich. But, on the other hand, within that system, it's true that poor countries can sometimes use the rules in their favour to win cases.
- What is WTO? It is a set of rules prohibiting trade restrictions, restrictions on investment,

prohibiting restrictions on the amount of imports. As a result, poor countries aren't able to develop their own industries because they can't acquire the income necessary to develop high-tech industry because they cannot tax imports. Also, rich countries also produce agricultural products, lowering the price of goods on the market, resulting in a loss of income for the already economically depressed nations.

- Vietnam: There is the example of Vietnam's cotton, corn and soybean industries. Once the U.S. products come into Vietnam under the recent bilateral agreements, Vietnam's production of these products will likely be destroyed.
- China: One of the main reasons that China wanted to open its markets was to acquire technology transfers. But U.S. and other western countries keep very tight control over their Research and Development of technology and prevent its transfer to other countries. The irony is that many of the people developing technology in the U.S. are actually immigrants from Eastern, South, South-Eastern Asian countries.
- The argument was contended that WTO can be a good thing for poor countries, if you can manage it

well. It can bring in products like moto-bikes, tvs, etc.

- Counter-argument is that under WTO rules, you are not allowed to control or manage the system. In addition, most people won't be able to buy those products even without the additional cost of tariffs. Furthermore, if they don't have money to buy food, how will they have money to buy products like TVs and moto-bikes?
- Cambodia: In Cambodia, if you look at people in the city, many have TV's, and other luxury items, but people in the rural areas don't. They don't have the money to buy these things. They have to try to earn money to eat and support their families.
- Clarification: It is not that trade and imports are bad. Imports are often good. However, the question is whether sovereign nations have the right to protect their country's industries.
- Cambodia is rich in natural resources. But these resources are being auctioned off to private companies by the government at the urging of the Asian Development Bank, the IMF and World Bank. As a result, villagers no longer have access to fishing and other communal resources. Private companies then extract resources, like fish, and local people can't survive.

- In another example, Cambodia has started to import timber, which makes it impossible for villagers to be able to sell their wood and at the same time, Cambodia has auctioned off large sections of forest to private companies for logging, reducing the price of wood and driving the villagers out of business.
- When discussing with the IMF and the WB the benefits of "Free Trade", they give you the allure of the moto-bikes and technology coming into the country, but they don't tell people about the sacrifices that Cambodian people will have to make.
- China's experience has stirred a big debate about whether WTO membership will actually increase employment or whether it will increase unemployment.
- An example of this is when a Multi-National Corporation came to China and bought the rights to a number of well-known Chinese brands. They then stopped use of these brands and only promoted their own brands.



Observation 4: Trade does not automatically benefit both sides.

- Comparative advantage example: England and Portugal and their production of grain and wine. England will produce grain because it does that better than wine, but when the market is at capacity for grain, it will still produce wine in an attempt to make greater profits, regardless of the fact that Portugal is better at producing wine. This shows that the theoretical framework of the policies advanced by the WTO, WB and IMF are not quite as simple as they would have the world believe.

- *The Philippines: United States companies sell chicken legs at below cost due to strong subsidies (Dumping). As a result, the chicken leg industry has been destroyed in the Philippines.*
- *On the other hand, this is an "opportunity" to sell chicken breast to the U.S. But the problem with this is that when companies entice small farmers to produce chicken, leaving behind what they knew well, the companies then give small farmers start-up costs, but in exchange, farmers must buy from the company. As a result, these farmers are now deeply in debt.*
- *Quality control standards and food regulations in the western world have a negative impact on food exports of developing countries.*

Observation 5: *Export oriented growth benefits only a small minority.*

- *Are imports a necessary part of being able to export? We need to export, but it's a question of what we export. Now we are exporting products and in amounts that other countries and IMF/WB tell us to export. We need to have control over our own economies. We need to produce diverse crops, for example, so that we can export some crops and eat some crops. If*

we only grow and export one or two cash crops, then we are very vulnerable to economic crashes in those markets.

- *Vietnamese Shrimp Market: We need long term, sustainable planning in our economic, trade policies. Otherwise, we don't manage our resources well, and use up a resource in one generation, such as over-fishing of shrimp.*
- *Every country wants to export more than it imports. So, someone has to lose in this system. For example, the market for imports needs low prices for production, but still needs to be good quality, according to policies of other countries. An export-oriented economy only benefits a few countries, while hurting many others. Imports/exports aren't bad, but right now the system is inherently unfair.*
- *Small producers in the agricultural sector lose out because they can't provide the high productivity required by this economic system.*
- *In this system, capital and machinery and technology moves across borders very rapidly. The only thing that doesn't move quickly is labour. Maybe we should seek ways to export well-trained, highly-skilled labour.*

- When developing countries are forced to eliminate their trade barriers to other countries' imports, they must, as a result, increase their exports to compensate. As a result, crops that would stay in the country to feed people, are exported to other countries.
- Vietnamese pepper exports: Vietnam has difficulties with exporting because it is not a member of the pepper-producing trade association.
- African migration: Health professionals from poorer African countries are migrating to richer African countries to work for private clinics there. As a result, there is a "brain drain" of health professionals in some African countries, which severely curtails health care services.
- We also need to think about the environmental cost of increased exports. Right now, these costs aren't included in the calculation.



- *The Effect on Women:* Women are particularly affected by the impact of export policies. For example, in Rattankiri, women in an ethnic minority group were having trouble with production. Women are the main workers. If the forests are sold without their knowledge, they have to go elsewhere to collect food, often doubling the time involved.
- In addition, women are the main contributors of work in the household, everything from fishing, to housework, to collecting food, etc.
- There exist many problems with EPZs (Export Processing Zones) and there must be more research on the sexual, physical and psychological effects of this work on women.
- In China, for example, women workers all have to live in a female dormitory. Married women and women with partners must go somewhere else to be with their partners. On their return, gangsters often rape and brutalize women.
- Women are increasingly engaged in seasonal migration, including older women, such as women in their 50's. At the same time, their husbands are also migrating, looking for work. When husbands leave to look for work, they usually stay away longer. And as the statistics show, when they return, they often infect their wives with HIV.

Field Trip- Initial Observations:

- Things are getting harder for the villagers, not one interviewee has said that it is getting easier.
- Group loans can create friction or upset relationships in the village. Credit disenfranchises people as they are poor, lose face and stop participating in community activities.
- Importance of labouring to earn money. For example, a household headed by a woman needs to hire labour to do anything. Therefore, the situation for women is harder as they need to hire male labour.
- Health conditions are very poor
- Water is expensive
- No electricity in the village, with the exception of using car batteries.
- Transport is limited to using bicycles and some motos, as well as a large number of ponies, mules and horses for movement of goods.
- No social programs
- No subsidies
- No networks of support systems
- The activities of credit groups in villages are disheartening. They never have a group meeting and usually only one member goes to make payments.

Loans negotiated and credit approval through the village chief. The chief is co-opted by the organisation to work for them.

- Education is expensive. Pay every Monday for the examinations. Collision between the state unable to pay a living wage, and teachers forced to work as private tutors most of the time. The poor then cannot access full education and are denied access to the monetary wealth because they lack the requisite education, so they return to their fields and try to survive.
- Income from the selling of labour is decreasing, and there is a need to travel to perform harvesting. In addition, there has been an increase in the number of people in the labour market, so wages paid have become lower. A relevant example is that of ploughing. The payment used to be 10,000R for morning ploughing, now it is only 7,000R per morning. Transplanting was 3,000R, now it is 2,500R a day. People who have a machine can plough faster and people prefer the faster ploughing. Moreover, selling labour is possible only for a month or so a year.
- People in the village used to have land in the Kandal province, an average of 2Ha. The government wanted to redistribute the land to people in Kandal, not in this village. Government accused people of getting

- land without their approval, and therefore they had the right to take it and give it away.
- Why do the majority of people have no land? Either never had or have lost over time. Check the type of land that people have (where) and if people loan, mortgage or rent land.
 - Ask interviewees about who is the member of the credit group? Answer was normally the household head. If the husband is around and the wife only participates in the group under the husband's name. Only anomaly is if the husband has been away for a long time, then the woman's name can go on the list of participants.
 - Look at diversity within the category of Female HH; with or without children, land, etc.
 - Health centre, 8 staff, 6 male, 2 female. Government, small issues, pays all males only. Women are not paid by government, but receive daily income from the health centre fees. Prices at the front. In 1998 clinic opened. In this district only 2 villages like this with free/subsidised health service (district has 85 villages in 11 communes).
 - Government provided 20 condoms per family per month.
 - Roof repairs and house repairs, can be expensive and people can buy second hand. If close to the election, there may be an incentive to buy new.

- If looking at prices increasing, find out what prices. Migration is issue for all. All families have had permanent or semi-regular migration.
- Lack of social support or mass organisations. But good friends and neighbours are important, as it can be a channel for support. Also gives out credit and never gets money back or barter exchange for rice.
- Exchanging goods for rice can sometimes be a better option. At times, if given money, the husband uses it to buy rice wine and will get drunk and frequently beat his wife.
- Pig raising, which is distinct from owning, can garner profits when the pig is eventually sold by the owner.
- Tontine is a good local way of organising a credit group.
- Soldier demobilisation results in men without useful skills looking for work. Wants to start a carpentry business but there exists no reasonable credit.
- Natural resources are hard to get because of the increasing selling off of natural resources by the government to private corporations, which then limit access to. They also strip the land of resources, destroying the environment.



Fieldtrip Saturday Debrief Notes:

- *Lack of opportunities from web – example of selling sugar palm tree for 8,000R and the people who can afford to buy and cut and sell can ‘maintain power over us [the poor]’.*
- *Example of a woman who is not on the list for relief, and that the village chief is not putting them on the list, perhaps due to their Chinese ancestry? 56 years old, eldest in the family, family provides support for only boys and men. Very common that if the families have income they will support the boys to go to school. She was making palm thatch and has been making for the past 5 years. People in her village now prefer to purchase modern materials, and she has no money to get transportation to other villages to sell her thatching.*

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- Very common comment was that there are very few jobs that can be done, therefore lots and lots of people are trying to do the same things, oversupply of goods, less market per vendor. Less returns and wages are lower as the market is oversupplied with labour.
- Basic living conditions: Electricity People do not have light at night and have virtually no electricity outside of car batteries. For water, people are required to buy water from the wealthy people who own the pump since the water was privatized.
- Lack of social programs from the government to support the poor. The women in different households lack capital and technical skills. Many are in bad living conditions and lack any assets to improve their lives.
- Discrimination against women is frequent as shown through the favouritism of providing education for boys when the family doesn't have enough money for all children.
- The few families that have assets are able to take advantage of most families who have no assets
- One woman sold all their property to buy 300 ducks, but the business eventually flopped. They also lost their investment in the ducks. Right now they are not in debt, but they have nothing. The family is right on the edge of destitution and will go over the

edge if there were a crisis. This woman borrows rice from the shop owner. Her husband is an electrician. If the family cannot pay back the rice, the shop owner has a choice to receive free services from the husband as compensation.

- A general lack of information
- Lack of access to health care and lots of malnutrition. Also, the team saw several adults with goitres, but they weren't receiving treatment.
- One woman kicked her husband out of the house 20 years ago because he was gambling. She had three daughters, all of whom went to work in the garment factories. Two are still there, but one came back to the village and got married. Despite having three wonderful girls who help their family, this mother continued to want boys.



- In the last 3-5 years, we've seen the beginnings of a change in attitude towards girls, in large part because of the garment industry. Frequently, girls are supporting their families. Those families with 2 or 3 girls in the garment factories often start to improve

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their living situations. This often results in families increasing their respect for girls because they send money back regularly, while the boys don not. Yet, at the same time, girls are still heavily stigmatized, and don't have much of a life themselves. Thailand is another example of globalization being built on the backs of women. Girls in school often said they wanted to be prostitutes because that was the only way they saw to help their families.

- One estimate is that 40% of Thailand's GDP is from the sex industry (including hotels, tourism built to cater to the sex industry)
- Question: to what do people attribute changes, for better or worse, in their lives?
- Question: can we assess the long-term impact of economic and social changes?
- One observation: Among the poor, there seems to be a lack of thinking about the future. For example, when asked about the reason for the recent decline of fish in the river, people did not know why. People focus exclusively on surviving day-to-day, and do not have the luxury of planning for the future.
- On coping mechanisms: women, for example, accept jobs they can get, no matter how dangerous, because they need to support their families. One woman who was interviewed, worked in the rice paddy

fields during the flooding seasons, which is far more dangerous, as people can be swept away.

- On conflict: not that many examples, but one example: a couple had just married in their 40's and in the woman's case, she had been raped by the village chief. When she protested, she got a sack of rice as compensation. (Also, he was sacked as the village chief.) What she said about violence and poverty, "At that time, I was very poor. My house was on the ground (not on stilts), so it was insecure and easy to enter. Also, being very poor, she was discriminated against. This woman pretty clearly understood that her poverty was connected to her vulnerability and to violence against her."
- It was difficult to ask direct, sensitive, personal questions. But, the overall impression was that women are valued for the usefulness of their labour, but not for anything else.
- Also, birth control seemed to be exclusively the responsibility of the women. One woman who was interviewed was trained as a nurse. She makes some money by giving injections and charging a cheaper rate than the health clinic. Unclear was whether her business was mostly made up of women seeking birth control.
- We asked women if they had any aspirations in their lives, things they wanted to change. Though

most women just shook their heads, many became very emotional and started to cry. It was too painful to have dreams because they feel it is not possible to achieve them. Some women said that they just wanted to have enough money to feed their families.

- Another woman said that she was having trouble selling her cakes. But she understood that it was because her customers were becoming poorer. She had to sell more cakes on credit.
- Also, some markets just disappear completely as a result of development. For example, the woman who sold thatch for roofs can't make a living any more because the demand is now for tile or concrete roofs.
- There are different levels of understanding. Most villagers don't relate their problems to IMF. But many villagers do connect their problems to increasing gaps between rich and poor. For example, many families who were interviewed explained that they avoided using micro-credit at all costs because they knew they would never be able to pay it back.
- One woman who was interviewed was very aware of the long-term effect of fertilizer. At first you have higher yields, but eventually you are completely dependent on using fertilizer to have any yield at all, so she completely avoids it.

- Families are definitely aware of the dangers that exist, but often feel they have no choice. One woman explained that her husband broke his leg working as a moto-taxi driver in Phnom Penh. However, before her husband left for Phnom Penh, she talked to him about HIV/AIDS and the need to be faithful and use condoms.
- One enormous change is that many families have stopped forcing their daughters to get married because they are afraid of HIV/AIDS.
- The physician at the health clinic said that he knew of a few people who were HIV positive, but they never came to the clinic to get help. Those people he knew of generally kept quiet about their HIV status.
- ACLEDA: One family borrowed from ACLEDA at 4% per month. Because she could not pay back ACLEDA, she borrowed money from the moneylender at 20% interest a month in order to pay back ACLEDA. She still owes \$50 per month.
- All the groups found that credit was a common problem. One family said: if we compare two families, one that gets credit and one that doesn't, the family who gets credit is much worse off because they are always in debt.
- The World Bank and Asian Development Bank have pushed credit and micro-credit, ironically as 'poverty

alleviation'. In reality, it is about making it easier to privatize land.

- NGOs are using the local village chief to decide who is credit-worthy. Poor people must join a group in order to obtain credit from ACLEDA, (or other NGOs). Other group members then become responsible (like a co-signer) for the repayment of the debt of other members. Causes increased poverty and strife in the village.

