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THE REPUBLIC OF PERU



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Inclusive and Sustainable Industrial Development

LDC Ministerial Conference 2013

**From the Istanbul Programme of Action to the world we want in 2015 and beyond:
Implementing the UNIDO Operational Strategy**

**30 November – 1 December 2013
At Westin Lima Hotel, Convention Center, Lima, Peru
Conference Rooms: Limatambo 4 & 5**

Concept Paper

***Converting commodities into products:
The role of women in Least Developed Countries (LDCs)***

Least Developed Countries
MINISTERIAL CONFERENCE
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INDUSTRIAL DEVELOPMENT ORGANIZATION UN-DEBILIS
United Nations Office of Development
Cooperation for
Least Developed Countries, Landlocked Developing
Countries and Small Island Developing States

Summary

Nowadays, it is widely documented that women and men experience the same circumstances in different ways and that development interventions impact their lives differently. This is due to the specific roles and status socially assigned to women and men, which ultimately determine their differentiated access to resources, technology and markets. In Least Developed Countries (LDCs), women bear the heaviest burden of poverty. According to the most recent Human Development Report (HDR, 2013), all LDCs rank below the global median in the Gender Inequality Index (GII), the index that measures inequality in achievements between women and men in reproductive health, empowerment and the labour market. GII data reflect that LDCs are not only characterized by constraints, such as low per capita income, low level of human development and social and economic vulnerability, but that all of these constraints disproportionately affect more women than men.

During the last years, LDCs have taken steps forward to address the need of empowering women through several mechanisms. The mid-term evaluation of the Brussels Programme of Action (UN, 2006) found significant progress in this direction, particularly in the social and political sphere. At the same time, it concluded that there are large variations between countries and that the tasks facing LDCs in attaining gender equality is still considerable. LDCs renewed their commitment to gender equality in the subsequent Istanbul Programme of Action for the decade 2001–2010 (IPoA) by setting explicit principles, objectives and actions to empower women while overcoming their structural challenges. Following the Istanbul Summit, the UNIDO operational strategy 2011–2020, which centres specifically on the agribusiness sector, was adopted by the high level Ministerial Conference of November 2011 in Vienna. The strategy has set out gender-focussing and social inclusion as cross-cutting issues in all its three objectives: converting commodities into products, targeting communities, and thinking globally and acting regionally for value chain development.

Role of women in agricultural value chains in LDCs. Academics and development practitioners outline that women's participation in agricultural value chains is overwhelmingly concentrated as work force at the producer and processing levels. As producers, women have weak property and contractual rights to land, water, forest services and other natural resources. Many countries still hold legal restrictions on women's equal rights to own, control and inherit property, but even when legal frameworks ensuring women's rights are in place, social constraints and bureaucratic resistance often prevent them from being applied. Insecure access to land has several consequences for female producers because it impedes their access to water, extension services, credit and productive inputs. Studies suggest that it is the lack of labour and fertilizers, and the low substitutability of factors of production in women's plots that explain lower productivity, rather than the owner being male or female. In the labour market, female workers are generally segregated in certain nodes of the chain—either as own account workers or as contributing family workers—characterized by lower wages and limited opportunities to acquire new technical and entrepreneurial skills. Both men and women face market risks, such as high transaction costs and asymmetric information, and are particularly vulnerable when poverty hinders them from saving for their own protection and responding against contingencies. Women are further constrained by higher incidence of illiteracy and innumeracy, as well as by cultural norms that restrict modes of transportation and mobility. Competing demands on women's time also play a role in widening the gap between women and markets as they have less time to invest in high-quality products. As entrepreneurs, women as much as men may face complex, time consuming and expensive processes in setting up a business. Women often face these challenges equipped with poorer skills, lower mobility and more vulnerability, as they are considered soft targets for bribes and harassment. Chain supporters—individuals and

organizations that support the main chain actors providing them with services—play a relevant role in enabling women to join value chains. Among them are examples of committed financial institutions that provide credit while overcoming the need for collateral through group lending and provide access to saving opportunities. Moreover, good practices and innovative practices, such as biometric smart cards, have allowed women to keep their assets against discriminatory social practices. Several dimensions of women's empowerment in agricultural value chains also require an enabling context comprised of a gender-aware legislation, the enforcement of law, legal services, communication processes and adequate transport networks and infrastructure.

Key challenges and opportunities for women's economic empowerment in the agricultural value chains. The development of agricultural value chains present several challenges and many opportunities for women in LDCs. Among the main challenges are the need for better infrastructure, appropriate technology, financial services and conditions for mobility along the value chain. Lack of sex-disaggregated and reliable data and insufficient field research and documentation on inclusive businesses are still pervasive challenges in LDCs. The biggest challenge, however, remains the need to overcome resistance to change based on cultural or religious norms, which perpetuate women's subordinated position.

Opportunities for women's economic empowerment are framed, among others, by modest progress in increasing women's freedom to participate in income-generating activities, experiences of ethical and social responsible business in LDCs, and an increasing number of local renewable energy projects and labour-saving technologies with the potential to alleviate women's burdens in the reproductive and productive spheres. Importantly, strengthened South-South cooperation for appropriate technology development and common positioning on innovative, inclusive business solutions represent an opportunity for a great leap forward.

Key policy issues for empowering women while converting commodities into products. Given the complexity of roots, practices and mechanisms that perpetuate inequality against women, a combination of measures should be taken if women's empowerment is going to be achieved. While the participation of several actors—governments, international agencies, private sector, NGOs and social organizations—is required, national policies are critical to pave the way for all these actors to succeed in enabling inclusive growth and development.

- **Legal framework:** Ratification and full enforcement of international mechanisms against women's discrimination, reform or implementation of laws aimed at ensuring women's access to land, and the harmonization of conflicting legislation and legal procedures that on the one hand endorse social equity and economic rights and, on the other hand, provide room for the predominance of discriminatory customs.
- **Social services for economic empowerment:** Provision of education, health and child-care services, particularly in rural areas, is necessary to provide women with better abilities and more time to position themselves in the value chain. The provision of social services must contribute to transform gender stereotypes in the private and public spheres.
- **Value chains:** Promotion of niche markets for women-dominated commodities, technologies and commodities requiring lower amount of resources, and the empowerment of women in commodities where they share responsibilities but not rewards. Support to training and extension services that work for women and support to local initiatives aimed at organizing women in cooperatives or associations that improve their access to capital, transportation, markets and technology.

- Production and dissemination of information: Collection, processing and publishing of sex-disaggregated data periodically, production of empirical evidence on issues related to value chains and gender from LDC's perspectives and systematic dissemination of information on universal economic rights, existing laws and mechanisms supporting women's empowerment.
- Partnerships: Exploring and establishing partnerships within the IPoA and UNIDO LDC strategy frameworks that result in their more effective implementation, ensuring that all partnerships and agreements include gender equality and women's empowerment principles and actions, and encouraging private sector initiatives aimed at increasing corporate social responsibility and certifying ethical behaviour, fair trade or environmental protection.
- Comprehensive monitoring: Measures such as female representation at all levels during regular country reviews of the IPoA and participation of representatives of gender and women's organizations and institutions in the design, implementation and monitoring of value chains must be encouraged.
- Gender mainstreaming: Integrate gender sensitive goals into planning processes in different sectors: finances, transport, agriculture and industry. Public policy mechanisms addressing value chains must include gender-related considerations and specific measures, such as gender-monitoring indicators and gender-responsive budgeting. Take partnership opportunities to promote dialogue and awareness on the gender dimensions of value chains. Pay attention to the role of men in empowering women along the process.

Conclusions. Advancement on gender equality and women's economic empowerment in LDCs is slow and sparse. The road taken by LDCs through the Brussels Programme and the IPoA has the potential to dramatically improve gender equality and women's empowerment, as evident from the moderate gains reported. LDC's political will and the implementation of the IPoA will open up new possibilities for women's economic empowerment and the strengthening of value chains as management tools to promote competitiveness and implement public policy. LDC's good practices, knowledge and experience on creating gender responsive value chains must be a source of common progress. Evidence that gender equality promotes economic growth and has positive outcomes for all household members is a strong argument to mainstreaming it in the development process, similar to other issues, such as environmental sustainability or technological innovation, even more when it is about the lives of half of the population. The LDC Ministerial Conference brings about a renewed opportunity to strengthen partnerships, and it must be taken in order to delineate joint action and commitments towards acting regionally for strengthening women's economic position, particularly in products and processes that are already part of regional integration and South-South cooperation.

Issues for discussion

- What are the opportunities within the LDCs to enhance women's position in the agricultural value chain development processes? What are good practices at the national or regional level with respect to gender policies/strategies?
- How are LDC governments dealing specifically with women's unequal access to land, credit, training and business opportunities?
- Are value chain contexts at national level—including the legal systems, financial and extension services and transport networks— appropriate for women to take advantage of the opportunities provided? What are the main constraints for women?
- Taking into account that gender equality promotes economic growth, how are LDC governments fulfilling their commitments to eliminate all forms of discrimination against women, particularly in overcoming resistance to change based on cultural obstacles that prevent women from engaging in agricultural value chains? What needs to be done?
- How can the role of women in the agricultural value chain be promoted through South-South cooperation?