

# Gender and Free Trade: Peruvian Alternative Trade Organizations and Women's Projects

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## Abstract

*Trade policies affect alternative trade organizations (ATOs), including those that work with Peruvian women's projects to assist their traditional and poorer communities. Over the last 30 years, Peru has been increasingly a signatory of regional free trade agreements. New agreements would indicate that the amounts charged on small-scale products to leave or enter Peru are affected, and labor and entrepreneurial conditions for women also altered. Such processes would not be unique to Peru and in fact increasingly occur in numerous regions and nations as a number of researchers and activists assert; meanwhile, the phenomena of free trade agreement effects are relatively recent, yet seem to exacerbate and continue long-standing relations among those involved and connect to both local as well as larger gendered and racialized inequities. Following from earlier research, I have initiated a study of responses among ATO members and workers within Lima and the Southern Highlands to changes in the trade regulations, with an interest in how new policies and laws might impact projects seeking to help low-income women and their families in Peru. This paper briefly introduces that research and concentrates at this stage of the study on connections to work conducted elsewhere.*

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## Introduction

This paper will review the issue of gender and trade within the global economy, and consider the general topic with specific concern for the case of alternative trade organizations (ATOs) set up to help women in Peru. Following from earlier research in both the United States and Peru on gender, work and poverty, I have begun a study of responses among ATO members and workers within Lima and the Southern Highlands to changes in the trade regulations, with a concern for how new policies and laws might be affecting projects seeking to help low-income women and their families in Peru. This paper is a preliminary part of that larger effort, delivered with the intention of sharing central points in the debate prior to returning to Peru for fieldwork next year, and with the hope of learning from subsequent discussion.

## Gendered Exchanges

Although researchers and activists have begun examining changes to trade and to trade policy, and their impact on gender, the subject demands more consideration. We particularly need to know more if we are to understand how a global shift is dragging women along behind it.

One helpful source about the general subject is the International Gender and Trade Network, or IGTN, which presents arguments and studies typically on its web site of the same name. IGTN, according to its site, is a group of feminists based in the global South who seek "to provide technical information on gender and trade issues to women's groups, NGOs, social movements and governments."<sup>1</sup> In a 2001 diagnosis about the relative lack of analyses on gender, trade and financing in comparison to studies of other aspects of the global economy, IGTN researcher Pamela Starr observed that the gap is due in part to the enormous difficulty identifying with certainty the causal relationships between trade and other phenomena.<sup>2</sup> Basically, trade is not a single event or set of events, and contemporary free trade agreements are themselves the expression rather than the source of economic and ideological turns

taking place within many regions and nations toward fewer shared responsibilities and greater individual burdens. These processes are relatively recent, yet seem to exacerbate and continue long-standing relations among those involved, linking to both local as well as larger gendered and racialized inequities.

In fact, trade and loan agreements are part of the phenomena that drive governmental and non-governmental reorganization and consequently impact individuals and their families around the world. These phenomena of neo-liberalizing practices over the past thirty years have had a harsh effect on those already vulnerable to economic change, simultaneously creating as well as ending jobs and contracts, for indigenous peoples and ethnic and racial minorities and for women of all social and economic identities. Certainly, trade agreements alone do not cause feminized poverty or workforces. Nevertheless, with attention now on the differentiation that develops both in the aftermath of free trade agreements despite imprecise claims to rising employment, and in the efforts made to prevent or at least modify new trade pacts regardless of assertions concerning the growth of civil society, general trends are notable about the association between trade and gender.

As Starr describes the growing effort to examine these trends:

*Activists and researchers are now gathering evidence to illustrate why international trade and investment policies and trends are not gender-neutral. We are looking at how the socially-constructed roles, expectations, skills and resources that come with being male and female affect how people react to certain trade and investment policies and developments. On the flip side of the coin, we will look at how policies and institutions make certain assumptions about gender roles, and why, therefore, consequences vary according to one's gender. We will also look at what this means for the balance of power between males and females in the household and society.*

She then describes as the basis for such study a rough division of the topic into sub-themes around the responsibilities held by women throughout the world, which can be described as reproduction of, and production within, both the household and the community. Trade agreements affect all of these arenas, typically challenging how women may spend their time, health, and money, particularly if those women are of poorer and minority groups within a region or nation.

In fact, many of the effects of trade and financing accords on these arenas have become somewhat well known but, as mentioned, remain difficult to definitively link to those policies: such as, the disproportionate hiring of women in export processing zones for large-scale manufacture, the violence women workers experience without legal protection, the diminishing of employment-related health benefits where those existed, the displacement of women's home-made or grown products by tariff free imports, and the combination of these pull and push factors leading to rising numbers of women migrants and immigrants.

Current research on free trade agreements indicates that they often stimulate new jobs that are without benefits or stability, as well as urban developments without environmental regulations; such reductions in employment and environment protections are well documented to hurt women disproportionately. Labor conditions in many nations alter with free trade agreements so that, as transnational corporations expand their operations, low-wage workers—particularly the women preferentially hired in this sector—initially can find themselves with greater choices in employment but with time find fewer as traditional income sources and local businesses give way to a small set of transnational enterprises. Meanwhile, women generally continue to receive lower wages than men for the same work in almost all nations, and where low-wages dominate are typically the preferred employee. Further compounding their increased jeopardy is the fact that women who have such low-income or irregular employment, and lack major financial assets, have less opportunity than others to participate in the free trade agreement and subsequent urban development process even in those regions and nations where that is

nominally encouraged, although activists across the planet constantly work to remove that barrier.<sup>3</sup>

As some analysts describe it, for women there remains in a number of areas of employment a glass ceiling, and now an increasingly widespread glass floor as well. Both of those allow discrimination in hiring and advancement and unjustified firing and displacement, and women might hit one sheet of glass or the other. Trade agreements appear to expand the glass floor and encourage it to crack, while overall beliefs concerning gender permit this to continue.

### **Trade and Women's Work**

In addition to their more direct interactions with women and gender, trade policies of any type of course also have an influence on trade organizations, their projects, and their profits regardless of the identities of those who work in these groups or of those served by them. In this manner, trade and finance accords have an indirect interaction with women and gender as well.

Although relatively a small part of many nations gross domestic product, the manufacture and sale, particularly through export, of handmade goods is often a large part of household and community economies. To assist with this form of economic development, local and international intermediaries and producers involved with making and selling handicrafts often are incorporated, at least in certain areas of activity, as non-governmental organizations, or NGOs and simultaneously as alternative trade organizations, or ATOs. As I have noted in prior publications on the topic, this allows these groups to benefit, from the protections offered such agencies in the form of support systems, donations, and tax exemptions, and to put their profits into social obligations rather than into business owners' bank accounts.<sup>4</sup>

A number of NGOs and ATOs currently undertake the small-scale and low-cost making and selling of Peruvian women's handicrafts in order to reinvest the profits in poorer communities and/or traditional art forms. At the same time, many international investors, evaluators, and planners also participate in this handicraft sector and can be incorporated with nonprofit and non-governmental status, but typically are based in more industrialized nations while Peruvian NGOs and ATOs are often local in their origins and operations. Trade policies and agreements affect all of these organizations that work with Peruvian women's projects in an effort to directly support women in various economic activities.

### **Peru and Trade Agreements**

Meanwhile, over the last 30 years, Peru has been a signatory of regional free trade agreements to an increasing level. Existing agreements include the regional Latin American Integration Association (LAIA/ALADI) since 1980, and multilateral General Agreement on Tariffs and Trade (GATT) since 1987. In addition, Peru has been an established member of the Andean Community, a pact renewed in 1998, and of the World Trade Organization since 1996, but in recent years Peru has agreed to a handful of other trade pacts as well.

With respect specifically to Peruvian agreements with the United States, the U.S. government announced in May 2004 that Peru and Ecuador would join Colombia to initiate an Andean Free Trade Agreement (AFTA), later to include Bolivia, which would serve as a critical piece of the long-planned Free Trade Agreement of the Americas (FTAA). The Free Trade Area of the Americas (FTAA) has been drafted largely based on the North America Free Trade Agreement (NAFTA) and World Trade Organization (WTO) negotiations; the FTAA would expand international free trade zones to include every country in North, South, and Central America, and the Caribbean other than Cuba. At this point in mid-2005, FTAA plans are derailed by protests and counter-negotiations, but Peru continues in its AFTA discussions with the other nations of Andean South America and in other talks over possible new agreements with the European Union.

Meanwhile, as a gesture toward Peru and Ecuador and connected to their cooperation with AFTA, the

U.S. federal government and the Overseas Private Investment Corporation (OPIC) that year approved a \$54 million loan for microfinancing for small businesses, specifically directed at women in those countries. Peru in particular is key to the formation of these U.S.-initiated trade agreements, and this loan reportedly indicates an expectation of alliance with certain free trade policies.

Most trade agreements between Peru and other nations primarily regulate or eliminate tariffs on manufacture and agriculture goods. However, the amounts charged on small-scale products to leave or enter Peru including the materials needed to make hand-made items, and the regulations circumscribing small business shipping and exportation including the transport of handicrafts, are altered. This in turn has gendered repercussions in the direct affect on opportunities and income for women in Peru.

In addition, the legal stipulations of many free trade agreements protect large, transnational corporations in opposition to individuals and even to regions or nations, thus reducing further the relative power of small-scale businesses of any type. One of the reasons that feminists are joined by other groups in campaigning against many if not all free trade agreements is that aspect of the treaties: the ensured right to an unlimited profit versus the total lack of guarantee of any other right, human or other.

Further, in those agreements made specifically with the U.S., a related feature that has a direct impact on women's health and life trajectories is the "global gag rule," which is the U.S. administration's requirement since 1984 that U.S. aid or financing can not be provided to any NGO "involved in voluntary abortion activities, even if these activities are undertaken with non-U.S. funds." A person who has studied this with respect to Peru is Marianne Møllmann, the 2004 Americas researcher for the Women's Rights Division at Human Rights Watch in New York and a legal expert for the women's rights program of the Centro de la Mujer Peruana Flora Tristán in Lima. Møllmann published in 2004 a paper with the Michigan State University Women and International Development series on what she asserts are the "criminal consequences" of the global gag rule. The regulation came to be known as the "gag rule" since it labels providing information about certain contraceptives, much less abortions, as abortion activity. Although the administration of the U.S. President Clinton first repealed the rule, then modified it after the U.S. Congress reinstated it, U.S. President G.W. Bush has reinstated it completely. While actual abortions are illegal in Peru, so in a sense the presence of the rule there is redundant, national efforts to stay in good form within Peru-U.S. relations apparently result in what Møllmann calls "self-gagging": the zealous over interpretation of the intent of the rule by local law enforcement and NGOs so that Peruvian women, notably those who are poorer, receive little to no family planning or sexual health guidance.<sup>5</sup>

## **Conclusion**

So, what should be our response to rules that do not allow women to own their own bodies or plan their families, and impede them from earning a living or career wage either through salary or entrepreneurial sales? Trade brings more opportunities for many women to have access to formal training and education as well as non-domestic employment; the opportunities nevertheless often are differentiated between women and men and among women, and remain circumscribed by accepted prejudice and practice.

Another organization dedicated to studying and providing access to information concerning the topic of women and international trade is that of the Women's Edge Coalition. This organization has a specific suggestion in response to the overall lack of awareness about the relationship between gender and trade in popular media as well as international policy: not just increased general knowledge but targeted evaluations of trade negotiations. According to the Coalition's web site, an assessment that involves examining both the agreements under discussion but also the reactions of affected women would be the best response to the current imbalance within the process and result. As the site states regarding its

developed assessment tool, named the Trade Impact Review (TIR):

The Women's Edge Coalition believes that trade can work for women but the proper procedures need to be put into place. Failure to examine how trade affects the poorest people can cause trade agreements to fail. An in-depth survey, the TIR would examine trade agreements to ensure that women from developing countries -- as well as women throughout the United States -- would have their voices heard in the negotiating process.

A third and very new group concerned with these issues formed in recent months following a dynamic symposium in March on issues of trade and social justice. The group, of which I am a co-founder, is tentatively named the North American Research and Action Network on Trade and consists at present of academics and activists concerned with the accelerating integration of Mexico, the United States and Canada. An additional catalyst for the creation of such the Network is the forthcoming construction of the NAFTA trade corridor of U.S. Interstate Highway 69 extending from Monterrey, Mexico to Toronto, Canada, with the group's site of Memphis, Tennessee at its mid-point. Already, the lack of power to influence the corridor's development has appeared as an issue in Memphis among communities of minorities and women working with a range of local NGOs; local residents express frustrations but some of them make plans in Memphis and other affected cities to present public protests, as noted on the web site of the Tennessee Independent Media Center.<sup>6</sup>

In 2001, activist and researcher Ann E. Kingsolver concluded her study of grassroots-level concern over free trade policy, entitled *NAFTA Stories: Fears and Hopes in Mexico and the United States*, with the suggestion that a helpful response to that concern "would be to construct multilocal understandings of what is glossed as 'globalization' by doing collaborative, activist, social documentation."<sup>7</sup> While such documentation regarding trade and finance policy is insufficient by itself, the act of acquiring and sharing the information through the multilocal participation of many individuals, particularly women of a range of identities, is a step these groups as well as this conference with its broad focus on globalization now undertake.

Whether we can move beyond collecting information and networking it, and even past protests and impediments to the free trade agreement process, to the level of engaged evaluation proscribed by Women's Edge and further to a more progressive and enlightened trade policy that assists rather than impedes women remains an unanswered question at this point. And, what small groups of women on their own behalf do within their households and communities around the world in response to the larger trends is important to know in producing such evaluations and changed policy; to that end, it is my hope that forthcoming research will contribute.

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<sup>1</sup> <http://www.igttn.org/>

<sup>2</sup> <http://www.50years.org/cms/ejn/story/113>

<sup>3</sup> <http://www.carleton.ca/polisci/Cnaps/trade.htm>,  
[http://www.womensedge.org/pages/referencematerials/reference\\_material.jsp?id=163](http://www.womensedge.org/pages/referencematerials/reference_material.jsp?id=163);

<sup>4</sup> "Non-governmental Organizations, 'Fair Trade,' and Craft Producers: Exchanges South and North," *Visual Anthropology*, 16(2/3), 2003

<sup>5</sup> <http://www.isp.msu.edu/wid> , Working Paper #279

<sup>6</sup> <http://www.tnimc.org/feature/display/4037/index.php>

<sup>7</sup> Lynne Rienner Publishers, p. 209

