

The Gender Impact of the WTO and Free Trade Agreements in Indian Agriculture

Over the past two decades, India has followed a policy of trade liberalisation which has picked up pace in recent times. Even then, India's agricultural trade has been relatively protected in comparison to other players and agricultural and food products account for a relatively small share of overall Indian trade; 12.15% of total exports and just 3.09% of total imports (2007–08). However, all that seems set to change soon. Agriculture now faces significant liberalisation with border duties and quantitative restrictions being eliminated over time. This has overlapped with significant policy neglect of agriculture characterised by low investment in the sector.

Agriculture supports a large number of India's population especially its poor and vulnerable. Women are particularly dependent on agriculture as they are unskilled, have limited access to productive resources, and are willing to be in the informal economy and earn zero or low wages that this sector offers. However, they still do not have much control over productive resources such as land, credit, water and their decision making powers are also limited. These factors determine the gender dynamics in the sector (Fig 1).

The global trading system assumes trade liberalisation is gender-neutral or that it does not create any differential impact on the basis of gender. However, it is increasingly evident that trade is not gender neutral and trade liberalization in agriculture may affect women in significantly different ways than men. This is because their economic and social positions are weaker, their rights are not well defined and a harshly competitive system hurts the weakest the most. The impact on women is partly general¹ and partly

gender specific, determined by the way they are integrated into the agriculture and food sector.

In order to comply with the new global trade rules, India has to follow not only those of the World Trade Organisation (WTO) but the rules set by an increasing number of bilateral (or sometimes plurilateral) free trade and investment agreements (FTAs) that India is signing. Since the FTAs generally include more than WTO provisions (WTO plus) even on agriculture, the current trade policy has great significance for this sector. Along with liberalisation of commodity trade and corresponding impact on tariffs and non tariff barriers, increasingly stricter intellectual property rights (IPRs) and more ambitious investment liberalisation are likely to affect agriculture and gender impacts within this sector through the joint processes of the WTO and the FTAs (see Fig. 3). This brief provides an outline of the likely gender impacts of India's trade policies in agriculture.

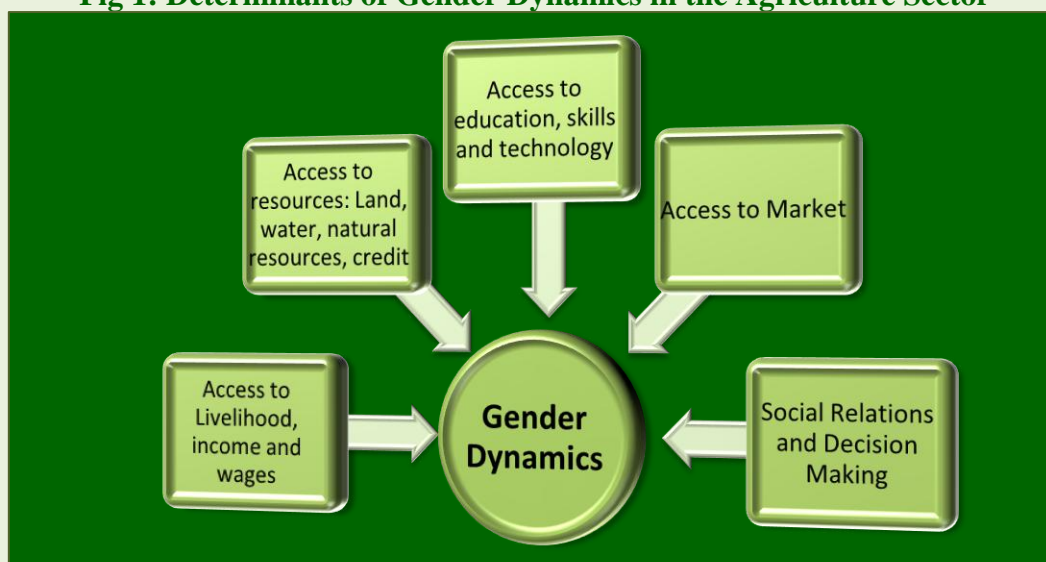
Women in Indian Agriculture

In India, agriculture is a highly gender sensitive sector and engaged 91,332 female workers or 75.38% of all female workers, including cultivators and agricultural labourers (2001 census). Within agriculture, 94% of women in crop cultivation are in cereal production and other crops, 1.4% in vegetable production and horticulture, while 3.72% are engaged in fruits, nuts, beverages, and spice crops.

Women's participation rate (% share in all workers) is high in labour intensive activities like cultivation of tea (47.08%), cotton (46.84%), oil seeds (45.43%) and vegetables (39.13%). Food-grain production (33%) and sugarcane & sugar beet (25.5%) also have high shares of women.

¹ The impact on poor rural women may be partly determined, for example, by the way all poorer farmers are affected.

Fig 1: Determinants of Gender Dynamics in the Agriculture Sector



Women are also significantly engaged in agriculture allied activities, for example, in animal husbandry (constitutes 7.03% of women engaged in agriculture & allied activities and 71.08% of women engaged in only agriculture allied activities), plantations and fisheries.

The agriculture sector, with its low skill requirement is an easy mainstay for women. However, women are confined to low end jobs like sowing, transplanting, weeding and harvesting which pay lower wages. In India, women earn only 70 percent of men’s wages, but also work as unpaid family labour. As much as 52-75 per cent of women engaged in agriculture are illiterate, which implies that they are less able to shift easily to skilled jobs in the formal sector, for example, in the services sector. This makes them dependent on agriculture and on its stable growth for survival either as workers or as small farmers. In fact, the increasing migration of men out of a stagnant agriculture has left women behind, leading to the increasing ‘feminisation of agriculture’.

The distribution of critical resources like land is also unevenly distributed across gender. Women seldom enjoy property ownership rights directly in their names or sometimes, actual control over land even when they own it. Decision making vis-a-vis cropping patterns, sale, mortgage & purchase of

land or the inputs of production remains in the hands of the men of the household. The access to other financial and human resources like credit and technical skills also aggravate this deep inequality, making women more vulnerable when faced with competition (Fig.1).

The WTO, Agreement on Agriculture (AoA) and Relevant Gender Issues in India

The World Trade Organisation (WTO), which emerged as the new forum for global multilateral trade liberalization in 1995, provides for trade liberalisation in agriculture by establishing a set of rules to reduce trade protection through the Agreement on Agriculture (AoA). Though currently stalled, the WTO is expected to be concluded sometime in the near future and members will have to fully implement mandated cuts in protection.

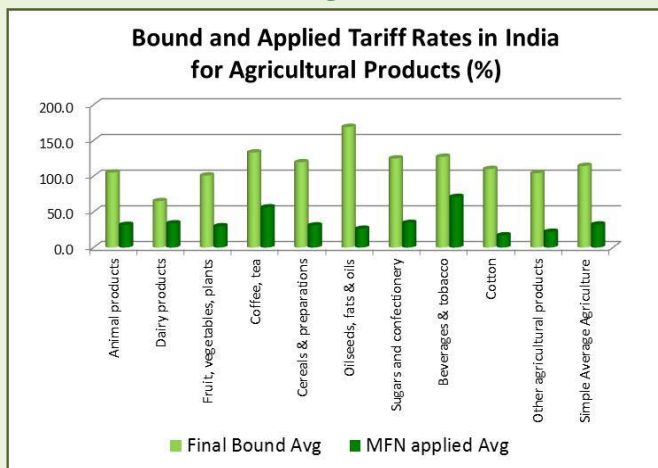
The Agreement on Agriculture (AoA) covers three areas for liberalization of agricultural trade: market access, domestic support and export competition. As a part of the market access, member countries have committed to reducing bound (maximum) tariff rates to allow free-er movement of goods. In addition, certain bands of tariffs are used for allowing import by quotas (i.e. up to a specified quantity). Barring a few

exceptions, restrictions on quantities or volumes of trade are generally banned. Under the other two pillars, government subsidies (support) to farmers either for exports or domestic production, that are seen to distort trade, are to be reduced. There are several implications of the AoA on Indian agriculture (Fig.3).

Tariff Protection Loss

Bound tariff reduction will mean a loss in flexibility to protect agriculture, especially small farmers and agricultural workers, in developing countries. India has been reducing its applied tariffs³ to prepare to comply with WTO standards and has exposed its farmers to global competition by lowering protection. Such liberalisation, along with domestic policy neglect, has contributed to the stagnation in agriculture and to the outmigration of men from rural areas, leaving women to bear the burden of cultivating and providing food. However, India still can increase applied tariffs (average rate is 32.2%), as its bound levels are considerably higher at an average of 114.2% (see Fig. 2), provided post WTO, the final cuts in bound tariffs still keep them above the current applied rates.

Fig.2



Subsidies

Theoretically, the AoA was to generate gains for developing countries and India’s agriculture, its farmers and therefore to women cultivators and

³ This refers to current applicable rates of tariff. This can be changed according to a country’s requirements. This rate is applicable to all WTO members by the MFN clause. A country is allowed to raise tariffs up to the committed bound rate.

workers. However, developed countries, the US and EU in particular, have continued to heavily subsidise their agricultural sectors through green box subsidies (those allowed under the WTO). Though export subsidies have been somewhat disciplined, domestic subsidies have continued systematically, resulting in price falls, over production and dumping of developed country agricultural products in global markets. This has denied Indian producers their legitimate share of the market. So while developing countries have provided market access (pillar 1), they do not get reciprocal access as cuts on domestic support in developed countries has been minimal.

Non Tariff Barriers (NTBs) and Technical Barriers to Trade (TBTs)

In addition to the subsidies, high standard for selling agricultural products in developed countries, e.g. Sanitary and Phyto Sanitary Measures (SPSMs), provide big barriers to trade. Standard requirements, notified to the WTO, have been going up instead of coming down. Conforming requires not only meeting just high quality standards themselves but complicated and specific lab testing and certification procedures as well. Similarly, technical barriers to trade (TBTs) have posed difficulties for Indian farmers and exporters by complicated requirements such as labelling. Given the lack of such labs & quality monitoring and certification apparatus, and the high cost of meeting such standards, complying with these norms is almost unimaginable for women and other small farmers.

Development Concessions and Gender Issues

Under the Doha Development Agenda (DDA), developing countries are allowed special concessions for development purposes in the form of the Special and Differential Treatment (S&DT). The Special Safeguard Mechanism or SSM (which allows countries to protect against import surges or sudden increase in imports) and Special Products (certain products can be exempted from liberalisation on grounds of food & livelihood security and rural development) are such instruments.

Fig 3: The Global Trade Liberalisation Framework and Eroding Protection for Women



However, in gender terms, the WTO has proved to be rather myopic and does not include specific provisions for gender. Gender activists and civil society organisations across the globe have made several demands for including gender specific protection mechanisms in its provisions.

The SP and SSM, in practice, can offer some protection to women (Column 2, Fig.3). In the field of agriculture, a key suggestion has been to include products with a high proportion of women workers in the definition of ‘Special Products’. The Special Safeguard Mechanism (SSM), though still highly debated, is also to offer relief to small farmers in developing countries in times of import surges. Though not specifically gender oriented, it could also provide some protection to women farmers since many fall under the category of small farmers. In reality though, these instruments are being severely restricted and rendered almost unusable by developed countries, and adding a gender criterion seems nearly impossible.

The third form of protection that can be of use to women farmers is the provision for giving input subsidies to ‘low income or resource poor farmers’. This can cover inputs like electricity and fertilizer. Apart from input subsidies, developing

country governments can also give subsidies in fields like extension services, inspection, marketing, and promotion services. These subsidies can be specifically used to balance traditional access inequalities for women farmers. However, the use of such subsidies has been increasingly reduced in India.

Global Market, Volatility, Livelihoods and Food Security

Attempts to liberalise agriculture to comply with the AoA has exposed Indian farmers to the global markets. Alarmingly, for the past several years, the global food market has witnessed increasing price volatility far in excess of the usual agricultural price fluctuations. This has hurt both producers as well as consumers. Part of this is due to natural causes creating supply shortfalls. However, speculation in commodity trading and the high concentration of the global food trade in the hands of a few multinationals have significantly aggravated this tendency. The transmission of the volatility in food prices to developing country markets, as well as the tendency of farmers to switch to expensive cash crops, have been a threat to food security in India. Women have been faced with the brunt of providing food, and supplementing incomes in a

scenario of increasing distress. Often, gains in the non-food segments have also not materialized for many reasons: seed quality leading to crop failure; lack of adequate and timely supply of inputs including water, marketing facilities and global competition. All this have increased farmers' distress, manifested in high farmers' suicides in India, often leaving women to bear the brunt.

Free Trade Agreements and Gender Impacts in Indian Agriculture

India has been increasingly engaged in bilateral or regional Free Trade Agreements (FTAs) which offer and receive tariff and various other concessions to partners. Currently, India is engaged in negotiating about 30 FTAs with both developed and developing countries. India has already joined SAFTA, and has FTAs (of different coverage) with ASEAN, Sri Lanka, South Korea, Thailand, Singapore, Malaysia and Japan. With its more recent FTAs, such as with Japan, India is moving from covering just goods (commodities) to WTO plus liberalisation of services, intellectual property rights (IPRs), investment, public procurement and competition policy. These are also part of India's FTA negotiations with other developed countries, such as the EU and EFTA. Negotiations with Australia, New Zealand and perhaps even the US are on the cards.

How are FTAs Different from the WTO?

There are many essential differences between the WTO framework and what FTAs cover, both in extensiveness and intensity. FTAs often go way beyond WTO commitments and India's FTAs therefore may have significant impact on gender relations in agriculture. Evidence is still limited as there has not been any major gender impact assessment of the earlier FTAs, for example, that with Sri Lanka, by the government or CSOs. Deductions can still be made and Table 1 provides a list of important provisions related to agricultural trade and production, compares WTO and FTA provisions and draws gender implications thereof.

Applied tariffs are to be cut with complete loss of actual protection as the FTAs will require India fully removes its applied tariff for at least 85-90% of its products in a period of 3-10 years. This is a substantial difference from the WTO where maximum tariffs are committed on (see Fig. 2, Page 2). India generally has higher tariffs compared to developed countries so cuts much more. The commodity specific impact within agriculture depends on the exact trade pattern between partner countries and how sensitive lists or negative lists⁴ are worked out. Since India does not have a list of gender sensitive products, those with high percentage of women may not get into the sensitive list. India is expected to run into a trade deficit in agriculture in most of its FTAs, creating livelihood losses for agricultural farmers and workers.

Export taxes on natural resource exports imposed by India may be completely removed if India signs an FTA with the EU, as EU demands zero export taxes in order to acquire raw material from its FTA partners. Increased trade and removal of export restrictions on natural resources, for example, forest products including wood, clearly endanger women's access. Women are heavy users and in turn, protectors of such resources.

High agricultural subsidies in developed countries represent an asymmetry in agricultural trade under FTAs as subsidies can only be negotiated under the WTO. So unfair competition generated by such subsidies will continue to threaten Indian farmers. After the North American Free Trade Agreement (NAFTA), Mexican agriculture and especially its women farmers were devastated by subsidised American corn and beans.

Non tariff barriers do not really ease and keep posing problems for smaller farmers in India. FTAs normally implement WTO standards

⁴ These are the list of products which are either excluded from tariff cuts, or have to make smaller cuts and/or are allowed longer periods of time.

Table 1: Provisions Related to Agriculture in the WTO and FTAs and Associated Gender Implications

Area/ Provision	WTO (AoA, TRIPS, Other)	FTAs	Gender Implications
Principle	Development Concession	Reciprocity	Often adverse as sp concessions are not allowed
Tariffs	From Bound Rates, loses flexibility	Actual Applied Rates, loses full protection	Developing ctys lose more under both
			FTA: Real Compet.n for all groups, small producers lose
Agricultural Subsidies in Developed countries	Being negotiated	No negotiations	Hurts all small farmers incl women
NTBs: Standards, TBTs	Agreement	Affirmation of WTO levels or often more	Women find it more difficult to meet
Special Products	Allowed, talks on	Often Limited or not allowed under some FTAs	SP could be used to protect gender sensitive products if allowed
Special Safeguard Mechanism	Allowed, talks on	Often Limited	Could protect small farmers including women farmers if allowed
Labour Standards	Out	In	May be good for women workers but controversial, less important for agriculture
Singapore Issues: Investment (Sensitive for developing ctys)	Out	In	Access to natural resources, energy, forest products critical issue for women
			Labour saving FDI can also affect women's labour
Singapore Issues: Public Procurement (Sensitive for developing ctys)	Out	In	Example: Cannot procure from women /small farmers on a preferential basis say for PDS
Intellectual Property	Yes	TRIPs Plus	Increased control of seeds, knowledge, technology

and very few FTAs actually reduce NTBs, and may just simplify procedures, if at all.

Special Products and Special Safeguard Mechanism are often even more restricted under North South FTAs denying vital protection to women and small farmers in developing countries. Meanwhile gender sensitivity criterion of SP is still not recognised in India.

Non Goods Trade Issues in FTAs and Gender Implications in Agriculture

Investment, Resources, Technology and Gender Roles

India’s FTAs with Singapore, South Korea, Japan, Malaysia, as well as future agreements with EU, EFTA, New Zealand and Australia, all have investment chapters. The definition of investment and its allowed scope is becoming more extensive especially under North-South FTAs. Women’s

already skewed access to land and natural resources may get further squeezed if foreign investors are allowed to acquire land under legally binding terms through FTAs. This may also affect women’s access to forest products, water, traditional plants and seeds and other natural sources of sustenance for them and their families.

On the other hand, increasing mechanization and increased use of fertilizers and pesticides associated with newer technologies and FDI, can leave many women farmers (given low access to land, technology and capital) less viable. Women workers have already been affected by mechanization that replaced processes like harvesting and threshing, and labour intensive segments in food processing. Cash crops such as coffee, cardamom, and tea are highly labour-intensive in developing countries. Agricultural FDI, until recently, was not allowed free access in India. The GOI recently announced 100% FDI in development and production of seeds and planting

material, floriculture, horticulture, and cultivation of vegetables and mushrooms under controlled conditions (effective from April 1, 2011). These segments may see foreign investments which specialize in labour-replacing mechanization. Committing under FTAs will, however, make such FDI irreversible.

Agriculture, IPRs and Gender Concerns

Intellectual Property Rights (IPRs) represent exclusive economic rights of an innovator over his/her ideas or 'creations of the mind' for a certain period; be it a technology, a product, a design and other forms of innovation. Surprisingly, though it is not a trade issue, IPRs have come to occupy a significant position in global trade agreements, both in the WTO and in FTAs. Traditional knowledge & medicines, seed and food, cultivation systems and bio diversity are all increasingly affected by such IPRs. These affect women much more compared to men, because women, not being so much integrated into the mainstream economic structure, sustain themselves and their families off natural systems. It is also obvious that IP on products and technologies that are imperative for basic sustenance, such as forest products, hits women more.

A major area of concern in agriculture is the impact of IPRs on seeds. Under TRIPS, countries must protect plant varieties (not plants and animals themselves) by their own indigenous system. Accordingly India passed its own Plant Varieties Protection (PVP) Act in 2001 which gave precedence to farmers' rights as opposed to breeders' rights and allowed farmers to freely save, use, and exchange seeds.

However, the FTAs that India is negotiating with developed countries, for example with the EU⁵, usually include a demand that India should join UPOV 1991, an international convention for plant

variety protection. It gives precedence to breeders' rights, and prevents farmers from saving, using and freely exchanging seeds, thus restricting a traditional practice by Indian farmers. It prevents use of protected varieties even for research. Women have traditionally played the role of 'seed keepers' in India and in other developing countries, and their ability to save, exchange and sustain production by saving seeds for future use can get undermined by such provisions.

Other IP provisions in North-South FTAs can also threaten agricultural practices in India such as benefit sharing provisions to compensate farmers for their innovations; traditional knowledge and bio diversity; allowing registration of micro organisms through the lax rules under Budapest Treaty; raise input costs by allowing patents plus data exclusivity and patent term extension for agro chemicals. Control over these products and practices by foreign entities can evict women from agriculture and threaten their sustenance based on such systems. Geographical Indications (GIs) are another form of IP protection, where products from a certain region get certain IP rights and cannot be produced and sold by other regions, which is being pushed through the FTAs by EU. It will widen EU's market control over not only products such as wines and spirits but meat and dairy products where women proliferate.

Services and Public Procurement

The liberalisation of retail services, which can now come in through the FTAs (if not unilaterally), can also put pressure on small farmers' and women farmers' livelihoods. Big supermarkets ask for very high standards and often reject produce on grounds of not meeting that quality. Meeting consistent quality standards can be problematic for smaller farmers. Sometimes farmers are initially given high prices but with increasing dependence on big buyers from retail chains, the prices come down. In addition, retail chains can gradually erode local markets, and farmer's access to these markets thereof. Women farmers and workers also often

⁵ Japan wanted this provision included in its CEPA with India but this was rejected by India.

act as local food vendors by selling produce in local or nearby markets and this livelihood option may be threatened by the entry of big retail. The developed countries have their giant retail chains like Carrefour, Walmart, and Tesco which eat up small vendors. While GOI still does not allow FDI in multibrand retail, this may be opened up through FTAs.

In addition, if government procurement is liberalised in India, as most developed countries want, special acquisition from farmers for the Public Distribution System (PDS) may also become difficult. This system gives essential price support to Indian farmers and ensures both fair price and a market. India has not given market access to foreign companies in any of its FTAs including with Japan, but EU has been pushing for liberalisation of this sector. If India yields on this, foreign producers will have to be given equal treatment and access to this mechanism.

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In conclusion, it is clear that a full liberalisation of the agriculture sector through multiple mechanisms will reduce protection for India's women farmers and workers. In addition, protective mechanisms such as sensitive products (using a gender criterion) and SSMs are being increasingly restricted. Women will also be hurt more as we liberalise investment, services, IP and public procurement. Their dependence on the resources threatened under these agreements is higher and their ability to shift out of agriculture is limited. Their role as food providers get severely undermined not only by losses in production and livelihoods, but also from threats to natural resources, markets and technologies which are important for direct access to food as well as instruments for sustaining production and sales. It is important that India's trade policy approach takes gender sensitivities into account in all aspects of its trade agreements, and combines it with a gender friendly development policy.

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