



# BEYOND THE NEEDLE AND THREAD: WOMEN'S EMPOWERMENT THROUGH TEXTILE EXPORTS

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Women hold up half the sky, but whether they are compensated for this effort in Pakistan remains questionable. As of last year, Pakistan stood only above Afghanistan as the second-most unequal country along gender lines in the world (WEF, 2022). Women face disproportionately higher risks of poverty, financial and economic exclusion, and unemployment (PPAF, 2013). However, exports and economic growth offer a glimmer of hope in an otherwise bleak scenario. All evidence points to export-led growth, especially within textile and apparels, majorly aiding women's development too. Analysis of both historical trends and contemporary data reveals a nexus between gender, export growth, and economic development. After all, women comprise half of the population, and therefore failure to emancipate them leaves half of a nation's human capital and labour underutilised. Including women in development creates new opportunities for innovation and intellectual development, once their unique experiences are incorporated into workplaces and industry. All successful developed countries have valued women and their significant contributions. The argument that follows posits that it is necessary to include women in economic growth and export-led development is the most effective means to do so.

First, an illustration of women's economic situation in Pakistan will help to contextualise the need for development. Among numerous indices of gender inequality, such as the aforementioned Gender Gap Report from the World Economic Forum, Pakistan performs poorly. 33.6% of girls are out-of-school, and 46.5% of women are illiterate. Women make up 75% of the absolute poor in Pakistan, according to the Pakistan Poverty Alleviation Fund (PPAF). Despite this, they remain essential components of the nation's economy. In agriculture especially, where 76% of Pakistani women find employment, and female labour makes up a higher

proportion of the workforce than male labour. Additionally, 30% of industrial workers in textiles are women, with almost half of Faisalabad's 1.3 million workers being female labour (Ansari, 2023). A major driver of gender inequality has been Pakistan's protectionist structures. A World Bank study of 54 countries found that tariff protections depress the real incomes of women, and disproportionately hurt their consumption (Artuc et. al, 2021). This is because the majority of female-oriented and marketed products in Pakistan are imported, as well as because women spend more of their budget on agricultural products. Men also earn more income from agricultural labour as compared to women, even though women make up the majority of the labour force in agriculture. The study concluded that tariffs hurt women disproportionately more than men, and that lifting tariffs would raise real incomes for women by 2.5%.

Gender parity as a development goal is essential for four key reasons. Firstly, there is an undeniable moral component. Women comprise half the population and are equally deserving of inclusion in growth. One's capacity to innovate, be productive, and contribute to the economy has no correlation with one's gender. Secondly, gender gaps in the labour market (e.g wage differentials, discrimination in advancement, exclusion from specific sectors) and low female labour force participation rate result in total income losses as high as 27% of GDP (Cubenes and Teignier, 2012). Thirdly, the case studies of many countries have shown a strong link between a rise in female employment leading to a decrease in fertility rates. Pakistan is currently struggling with overpopulation, and women often find their capacity for work and education minimised once they have a child. Expansion of employment and education opportunities for women reduce these phenomena. Fourthly, a 20 year study in Bangladesh found that female employment

caused by export expansion generated a larger rise in educational enrollment than the Bangladeshi government's biggest education subsidy (Heath and Mobarak, 2012). Therefore, there is strong evidence to suggest that gender equity is a valuable goal, and exports are a means to achieving it.

Openness to trade has been particularly beneficial for women. Trade liberalisation is responsible for increasing female employment to 20% since 1991 (World Bank, 2020). Export growth has also aided female entrepreneurship, as approximately 50% of Pakistan's women-owned or women-managed companies are in the textile exporting sector (Lopez-Acevedo and Robertson, 2016). Women have been responsible for the introduction of several value-added textile products since 2015 which have benefited both the domestic and export market (Zahid and Kamarudin, 2019). Export-led growth has also created opportunities for advancement amongst women. For example, universities across Pakistan like NCA, Punjab University, and the Millenium Colleges have established departments specifically focused on textiles in response to the growth of that industry. These departments build various skills from design to management. A survey of these institutes found that 88% of textile design students are female, with some universities like Gujarat University having enrollment as high as 94% female students (Zahid and Kamarudin, 2019). These results show that women pursue skill acquisition given the conditions to do so, and textiles are an inclusive sector for their advancement. Within the industry, women have found success in positions as designers with 75.5% of designers in textiles being women (Zahid and Kamarudin, 2019). Out of the 15 surveyed producers in East Punjab, 11 producers had over 60% of their design and practitioner staff comprising women. These uptakes in female enrollment and employment coincided with the growth of the textile industry and exports post-2000. Pakistan's admission into the EU's General System of Preferences Plus (GSP+) also bodes well for gender parity, as ratifying conventions on equality is a requirement for membership.

Historical precedence explains the link between gender parity and export growth. In fact, despite the successes listed above, Pakistan is still an outlier compared to its South Asian competitors like Bangladesh, India, and Sri Lanka who have all seen greater gains for women coinciding with greater export growth (Lopez-Acevedo and Robertson, 2016). Pakistan has failed to fully harness its export potential and therefore has stunted its women's potential too. A study in 2022 explored the experience of Bangladeshi women employed in the textile export sector, using interviews and statistical data on income growth and financial asset growth. It found that women attained financial independence, empowerment, and social mobility due to paid employment (Mamun and Hoque, 2022). The proportion of bank accounts opened in a woman's name rather than joint accounts opened under a husband's name also grew in Bangladesh as exports expanded. This implies a growing level of financial literacy, allowing many women to buy plots of land, and begin schooling for themselves or their children.

Furthermore, their contribution to household budgets gave women the leverage to negotiate greater respect and autonomy amongst their communities (Mamun and Hoque, 2023). In Pakistan, only 13% of women have bank accounts, which aggravates poverty and maintains cycles of dependency between women and men (Joles, 2023).

Empirical research into labour market trends among South Asian exports also explains why textile exports are specifically good for women. Firstly, textile and apparel exporters have more elasticity with regards to exports than other sectors. This implies that textile and apparel have a larger potential for generating employment in response to a rise in exports than other sectors. Much of this is due to the labour-intensive nature of this industry, paired with low-skill requirements for labour to find employment in it (Lopez-Acevedo and Robertson, 2016). Meaning that women without education or only agricultural work experience are still able to find work in textiles. Second, the export elasticity for labour demand across South Asia was higher for female workers compared to their male counterparts. Thus implying that female workers are more likely to benefit from the employment generated by textile export growth (Lopez-Acevedo and Robertson, 2016). With an abundance of historical, theoretical, and empirical evidence to support the pursuit of exports as a means to gender parity, Pakistan must orient itself towards export-led growth.

Unfortunately, the nation's export industry is witnessing a reversal of gains. Surveys show that the number of female employees in the exporting sector has been falling due to a contraction of the industry and its export potential (Zahid and Kamarudin, 2019). Similar problems are faced by women workers in Faisalabad's textile industry. The 'Manchester of Pakistan' provides jobs for hundreds of thousands of women, many of whom travel from rural areas because they lack other sources of income (Ansari, 2023). The reversal of the Regionally Competitive Export Tariff (RCET) paired with withdrawn exemptions on gas and electricity bills, has placed a massive cost burden on exporters, who must make difficult decisions between layoffs, shutdowns, or decreasing capacity in order to sustain themselves. Women workers suffer in this scenario, as factory closures cause unemployment and threaten to return them to poverty.

To harness the potential of both growth and gender parity, Pakistan must prioritise exports and address the challenges faced by its textile sector. Evidence shows that export-led development offers a solution to Pakistan's numerous crises, from its imbalanced Balance of Payments, to unemployment, and gender inequality. The current supply-side initiatives are not enough to address these concerns, and measures like increased tariffs and taxes are actually driving women further into poverty rather than helping them. It is therefore imperative for Pakistan to motivate export growth and use it as a tool for addressing its internal issues rather than wasting its potential and sacrificing the livelihoods of its people.

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