

# FINAL REPORT

## THE EMPLOYMENT OF RURAL WOMEN IN MULTINATIONAL AGRIBUSINESS: THREE CASE STUDIES AND SOME LESSONS LEARNED

Kathleen Cloud  
The Gender and Agribusiness Project (GAP)  
University of Illinois  
k-cloud@uiuc.edu

This study was made possible through support provided by the U.S. Agency for International Development, Office of Women in Development (G/WID), Global, under Award No. LAG-G-00-98-00062-00. The opinions expressed herein are those of the author and do not necessarily reflect the views of the U.S. Agency for International Development. Further information on this study, as well as additional case and research tools are available on the GAP webpage at <http://www.ips.uiuc.edu/gap>.

August 2001

This is the final report on the USAID-funded Gender and Agribusiness Project (GAP) to document the best practices of multinational agribusinesses in the employment of poor rural women in developing countries and to disseminate our findings within the agribusiness community as a way of improving these conditions of employment more widely. In order to accomplish our objectives, we created partnerships with Cargill and Land O'Lakes to document their best practices in selected sites. We studied two Cargill operations: cotton purchasing and ginning in Zimbabwe (Appendix XX) and chicken production, processing, and freezing in Thailand (Appendix YY). We have also done a case study of the Land O'Lakes dairy operation in Poland (Appendix ZZ). In the process we talked to a range of people in other companies and located a number of groups working on issues of equity in global employment.

## REPORT SUMMARY

In our explorations we found a substantial number of possible gendered issues in employment. These included:

Hiring	Health and Safety
Retention	Sexual Harassment
Training	Management Style
Promotion	Worker Representation
Working Conditions	Work/Family Issues
Transportation	Pregnancy Policies

Among the three case studies we found best practices in all these areas. Among the best practices were the following:

- Transparency and equal opportunity hiring for both office jobs and manual labor. (Zimbabwe).
- Equal pay for women and men at each job grade. (Zimbabwe, Thailand)
- Raises for experience. (Zimbabwe, Thailand)
- Equal access to training. (Thailand, Poland, Zimbabwe)
- Equal access to promotion to supervisor. (Thailand, Poland)
- Protection from sexual harassment. ( Zimbabwe, Thailand )
- Bonuses for high worker attendance. (Thailand)
- Flexibility in leaves for family needs. ( Thailand, Poland)
- Pregnancy reassignments to lighter work. ( Thailand)
- Free transport to and from work. (Thailand)
- Tuition assistance to workers and/or their children. (Poland, Thailand)
- Partial health care. (Thailand, Poland, some workers in Zimbabwe)
- Equal access to company housing for women and men employees. (Zimbabwe)

Through our focus group discussions with women workers, we gained a much fuller picture of their views on the problems and opportunities related to their employment. These findings are discussed more fully in the concluding section of the report. We also made an unexpected finding: the increasing use of company codes of conduct provides a substantial opportunity for improvement in the working conditions of women in many sectors of third world employment. These opportunities are also discussed more fully in the concluding section.

### Dissemination

To assure the widest possible dissemination of our findings, each study is written as a teaching case, on the same gender training model as the earlier collections of cases on farming systems (Feldstein and Poats, 1989) and donor projects (Overholt et al, 1985). Our website, <http://www.ips.uiuc.edu/gap>, includes the full text of all cases in teachable format, as well as other resources on this topic. The University will continue to maintain this site for the foreseeable future.

In order to draw attention to the website, we have created a brochure which gives brief summaries of each case and the lessons learned. The brochure will be widely disseminated to our partnership companies, to university agribusiness management programs, and to business associations such as the U.S. Chamber of Commerce and the Conference Board where we have established relationships. We have also entered the GAP site with the major web search engines, and we anticipate substantial worldwide use of the materials, which are all formatted for easy downloading.

The cases have already been used in a variety of contexts including classes in labor and industrial relations, agribusiness management, and gender and development. Presentations to professional groups have included panels at the International Agribusiness Management Association Conference in Chicago, the International Association of Feminist Economics in Istanbul, and several business management groups in China and Thailand. Doing the Thai case has inspired Professor Lawler to locate other funding for a study of the views of both male and female employees on "the usefulness and importance of family supportive practices" in Kenya, India, and China as well as the United States.

Cargill has disseminated the findings from the case studies to the U.S. Chamber of Commerce and included them in their report on corporate citizenship as well as their external website. They are currently considering a plan to disseminate the brochure outlining best practices to managers of all their Asian operations as a way of recommending such practices more widely. We are also in dialogue with the Cargill training office on possible ways of using the cases in their in-house management training. Discussions with Land O'Lakes are in an earlier stage because our partnership is more recent.

## DISCUSSION

### Multinational Direct Investment and Women's Employment

Multinational agribusiness is one sector in the rapidly expanding globalization of business activities throughout the world. Direct foreign investment is increasing rapidly in developing countries at the same time that bilateral and multilateral official assistance flows are dropping. According to the World Bank, (2000) between 1990 and 1998, direct foreign investment in developing countries increased from 20 billion US dollars to nearly \$145 billion, while official flows dropped from US\$ 57 billion to \$49 billion.

Global trade is not a new phenomenon; it has been expanding for centuries. Historically, the trade of agricultural products has been a major engine of economic development. The woolen trade was the basis of early English wealth, while grain from the Ukraine, and the New World fed much of Europe during the eighteenth and nineteenth centuries. Fortunes were made and lost on trade in grains and textiles. Gradually, as the world economy widened and deepened, processed foods also began to move through international markets. With the advent of refrigeration and freezing techniques, fruits, vegetables, flowers, and seafood joined the flow of products from south to north. Over the past three decades, the growth of agribusiness production and processing has grown exponentially in developing countries, providing substantial new employment opportunities in farming, processing, transportation, and marketing.

With the rapid growth of a middle class in many countries, the operation of Engel's law increases demand for a wider range of foods (Timmer et al, 1983; Mellor, 1966). Domestic markets for agribusiness products have grown to respond to this demand. Many governments also encourage multinational companies to operate in their country, buying and often processing products for sale both domestically and internationally. Today, the worldwide agribusiness sector is a mix of small, mid-size, and very large companies selling to domestic and international markets. Some companies are locally owned; others are large multinationals such as Cargill, Quaker Oats, Kelloggs, Cadbury, Nestles, and Novartis.

Developing countries have generally welcomed this growth, which provides not only employment, but also taxable exports. Some have tried to capture the full benefits by creating parastatal companies, owned by the government, which purchase products from farmers, and sell them on the world market. Over the past decade under pressure from the IMF and the World Bank, many national parastatals have been privatized as it has become clearer that this is not usually an effective business strategy. Yet privatization has also generated a range of outcomes, both good and bad (Beneria, 2000; Elson and Catagay, 2000; Grown et al, 2001).

Rapidly growing populations in much of the developing world have increased the pressure for jobs to support new workers. The International Labor Organization (ILO, 2000) has identified the worldwide need for decent jobs as a top development priority. The creation of millions of small businesses in the informal sector is one response to this need. Larger local businesses have also grown and multiplied. However, in situations of high unemployment, wages are often low,

and working conditions less than ideal. Although the labor laws may be relatively good, they are often not vigorously enforced.

Not surprisingly, as multinational direct investment in developing countries has increased, it has been accompanied by controversy about issues of fair labor practices and environmental impacts (Braunstein, 2000; UN, 1995). In the home countries of some multinationals there have been strenuous efforts to make companies accountable on these issues. Efforts have included not only political pressure from unions in industrial countries but also consumer boycotts and demonstrations such as those in Seattle during the World Trade Organization meetings. There is pressure for accountability on these issues from church groups as well as pension funds whose large number of shares entitles them to seats on some company boards (Elson, 2000). Recent revelations in the garment industry, sporting goods, and toy manufacturers have created pressures on many multinational companies to improve their practices and to submit to outside monitoring to document their improvement (Council on Economic Priorities, 2000; Berenbeim, 1999). To date, there has been very limited attention to agribusiness employment practices (Orton et al, 2000), but because of their direct dependence on the good will of the consumer, they are very vulnerable to such pressures.

Many of the workers employed by the multinationals are women. With longer life, better education, and fewer children, women are entering the labor force in large numbers all over the world (UN, 1995, 1999). According to the World Bank (2000), there were 880 million women in the formal labor force in 1995, double the number in 1950. Our knowledge of the situation of women workers in the developing world is focused on the working conditions of urban women and those in enterprise development zones. In both local and multinational firms, conditions are often not good; long hours, low pay and poor working conditions are common.

For the eighty percent of women in developing countries who live in rural areas, less is known about their opportunities for formal employment. In rural areas, life-shaping changes come more slowly, and women's access to schooling, health care, and paid employment have been more limited. Because traditional rural labor markets discriminate against women, most have worked in household production, agriculture, and the informal sector. Thirty years of research have given us a solid understanding of women's work in these areas (Feldstein and Poats, 1989; Gladwin, 1991; Cloud, 1988; Binswanger et al, 1980; Quisumbing et al, 1995; World Bank, 1996), but the literature on the formal employment of rural women is still small and scattered (Davis, 1979; Alberni, 1999; Orton et al, 2000).

Yet we know that many multinational agribusinesses are now present in rural areas around the world, employing both men and women in the production and processing of a variety of crops; some exported to the industrialized countries, some sold in local and regional markets. (Idowu and Guyer, 1991; Nigro and Miles, 1999; Orton et al, 2000; USAID, 1999; Williams and Karen, 1985). In many rural areas there are also increasing numbers of younger women with substantial education who are having fewer children and having them later (UN, 1995). Such younger women, rather than their often illiterate mothers, present an attractive labor pool, and it appears that many companies are employing them in substantial numbers. Those with less education may

do field work, pick and pack crops, or work in food processing factories. Those with more education may serve as clerks, office staff, computer operators, or managers.

Why are the companies hiring women? There are a variety of reasons. The simplest is location. The companies are in rural areas, and so are the women. Women are often more willing to accept the seasonal work characteristic of agribusiness because it permits them to fulfill other family responsibilities and still generate cash income. In many areas, there is substantial male out-migration to urban areas, leaving women behind to care for the household. For some types of production, women are seen as better workers, more careful in picking and packing delicate crops. For many multinational companies, equal opportunity employment is company policy, and hiring women is simply a routine part of business.

### Our Methodology

The GAP project has been an attempt to draw a clear and detailed picture of the employment practices of a small number of multinational operations. Because we wanted to document best practices we approached companies with a reputation for good practices and created formal partnership agreements for each case study. We asked companies to designate a site where they felt that their employment of women exhibited company values. One or two UIUC team members then traveled to the site for data collection.

The case studies were shaped by the analytic framework and matching data collection guide which outline the major issues of concern (Appendix DD). This framework reflects the interdisciplinary approach of the project by drawing on the expertise of faculty from several disciplines (agricultural economics, labor and industrial relations, human and community development, labor economics, journalism, and public policy).

At each site the team interviewed company management, reviewed company documents, visited company sites and went onto the work floors, and then held focus groups discussions with at least 100 women employees in each Cargill company and some 50 at Land O'Lakes. On each group we utilized women native speakers as co-investigators. We also interviewed local women's NGOs and government officials to gain a better feeling for the context and to cross check the information gained from the company.

Upon our return we created a series of case drafts, asking our company partners for additional information as needed. Then we submitted a next-to-final draft for company feedback and then final signoff. When these were received, we did a final editing and began to circulate the cases for teaching. As the case studies were completed, we began to synthesize the lessons learned into brief reports and discussion papers and to present them in professional and business conferences and publications. A major element in distribution of the cases and lessons learned has been our website, <http://www.ips.uiuc.edu/gap>, which makes the cases available to trainers and researchers worldwide. The site also contains research tools, project reports, and discussion of lessons learned, as well as hot links to other relevant sites.

This report gives a short summary of each case, together with a summary of best practices, lessons learned, and directions for further activity.

## THE CASES

### Cargill

Cargill is a privately held international marketer, processor, and distributor of agricultural, food, financial, and industrial products. The company, headquartered in Minneapolis, has more than 80,600 employees in 65 countries and business activities in 130 more. Because Illinois is one of five Universities with a special relationship with Cargill, we began by contacting Bonnie Raquet, Cargill's worldwide public affairs director. She gave us her support and referred us to regional directors and company managers in Zimbabwe and Thailand. In each case, planning was done by e-mail, and the site visit was followed by continuing contact with the company over time.

### CARGILL ZIMBABWE

(The full case is in Appendix XX)

Author: Kathleen Cloud, Human and Community Development, k-cloud@uiuc.edu

In the early 1990s, during privatization of the Government's cotton marketing board, Cargill purchased twenty percent of the operations. The company buys high quality cotton from small holder farmers at thirteen stations in the communal areas, gins it, moves it twelve hundred miles by truck to the port of Durban and sells it around the world.

The company employs some 2,000 workers; a small proportion are permanent, the rest are seasonal contract workers with more limited benefits and rights. By law, all workers are unionized. Salaries and working conditions are negotiated for the entire sector at one time by the companies and the unions. Labor laws are favorable to workers, but enforcement is lax. Cargill pays slightly more than union negotiated minimum wages, and pays serious attention to worker health and safety issues.

Cargill's company code of conduct also commits them to equal opportunity employment. Although the marketing board limited women's employment to a few office jobs, Cargill also employed women as laborers. In 1999 with half the nation's work force unemployed, nearly 15 % of Cargill's contract workers and 20% of the permanent workers were women. These women were young and educated, most through O level (7 years). Workers lived with their families in nearby areas. About half of the women had one or two children. Most contract workers also farm, and engage in the informal sector during other times of the year.

### Best Practices

Equal opportunity policies included:

- transparency in hiring for both office jobs and manual labor.
- equal pay for men and women at each job grade.
- equal access to training.
- equal access to promotion.

Protection from sexual harassment.

Free condoms and company workshops on AIDS prevention.

For women farmers, Cargill's policy of immediate cash payment at point of sale gave them more control over the proceeds. Because the marketing board had paid several months later in larger towns far from the farms, husbands usually collected the proceeds, even if they did little of the farming. Historically, female suicide rates were highest right after cotton payments were issued.

### CARGILL, SUN VALLEY THAILAND (SVT)

(Full case in Appendix YY)

Authors: John Lawler, Institute of Labor and Industrial Relations,  
j-lawler@uiuc.edu, with Vinita Atmiyanandana

Sun Valley Thailand (SVT), begun in 1990, is a fully integrated poultry production system which raises, slaughters, and processes chicken products for both domestic consumption and export. Operations are in a peri-urban area, and the work force, which is 80 % female, is primarily rural in origin. Most of the women are young, have 6 or more years of education, and many have one or two children. Workers in the processing plant are organized in teams of 30/40 members, with one or more supervisors. Floor workers received minimum wage, with some premium for experience, while supervisors received somewhat higher pay. Pay for women and men at each job grade was equal.

Because chickens are vulnerable to disease, and food safety is crucial to product acceptance, the farms, the processing plants and the workers themselves were subjected to a rigorous regimen of disinfectants and cleanliness. The processing rooms are kept very cool, and processing is not intrinsically pleasant work. Many women faced family demands for help during harvest, or care of sick children. For all these reasons, by 1995, SVT was facing an employee turnover rate of 100% per year, and high work absences. Because it takes six months for a worker to develop full productivity, the high turnover was constraining profitability.

Over the next five years SVT instituted a series of policies which reduced the turnover rate to 20% annually, and substantially reduced absenteeism. The fundamental change was to develop a company culture based on Thai ideas of family, and to emphasize the pi-none relationships of big sister/brother and little sister/brother who take care of one another. Flexibility in meeting the family needs of the workers was particularly stressed.

In addition to equal employment opportunity practices, policies to promote retention included:

- bonuses for high group attendance, and for low poultry mortality rates.
- raises for experience.
- flexibility in leaves for family needs.
- pregnancy reassignments to lighter work.
- free transport to and from work.
- tuition assistance for children, and some scholarships.
- partial health care.
- monthly parties with major door prizes. ( refrigerators, TVs, etc.)
- on-site classes for completion of high school and junior high together with overtime payment for attendance.

## LAND O'LAKES, POLAND

(Full case in Appendix ZZ)

Author: Hamish Gow, Agricultural Economics, hgow@uiuc.edu

ICC- Paslek is a Polish dairy company owned jointly by OSM, an 800-member Polish dairy cooperative, and Land O' Lakes, a very large American dairy co-op. Since its founding in 1990 the business has grown to include production of butter, cheese, and calf- replacement formula for sale both in Poland and the European Union. The firm has had a bumpy ride. The shift to a western orientation of the Polish economy has meant the introduction of tougher food quality grades in order to qualify for export certification. Most Polish farms and dairy herds are very small, and can't afford the cost of on-farm milking and cooling technologies which improve milk quality. Buying from many small farms also increases the costs of milk collection. As government subsidies have been cut, increasing numbers of farmers with very small herds are no longer selling to the co-op. Nevertheless, the co-op produces enough high quality milk products for the joint venture to compete successfully for market share in all three products, although profitability is still intermittent.

Women's labor force participation rates are historically very high in Poland, and since 1990 their unemployment rates have consistently been higher than men's. They are actively involved in dairy production on Polish farms, as well as in the joint venture. Of the 243 employees, 101 are women and 142 are men, with 26 additional women employed as short-term contract workers. Given their socialist history Polish employment policies are very protective of workers; policies on wages, dismissals, health insurance, maternity leave, and social security are nationally mandated, and two unions represent differing segments of the work force.

The best practices of OSM Paslek include:

- Equal opportunity employment, albeit with some gender sorting by job type.
- Management includes both women and men in substantial numbers.
- Two active unions represent workers.
- Good health and safety practices.
- Health insurance and paid sick leave.
- Paid maternity leave of 140 days.
- Prompt salary payments, no arrears.
- Employee tuition payments for work related classes.

## LESSONS LEARNED

### What We Learned About Women Workers

There is an interaction between traditional gender norms and equal opportunity policies.

Just as in the industrialized north, there was substantial gendered occupational segregation (Reskin and Hartman, 1986), but the degree and type of segregation varied. Jobs that were seen as "women's jobs" seemed to promote the hiring of women in both Thailand and Poland. New types of work that involve technology often go to men, but both cheese production in Poland and chicken processing in Thailand, which are quite highly mechanized, went to women. In Zimbabwe, highly desirable permanent computer jobs went to women because computer skills are taught in secretarial schools which are dominated by women.

Just as in the north, pay scales for jobs of comparable worth varied (England, 1992). In Poland, women in cheese production were sure they were underpaid relative to men in comparable jobs. In Zimbabwe the pay scales by job grades were clearly equitable, and in Thailand they appeared to be relatively equal.

Women appeared to have good access to supervisor's jobs in all three companies. Those promoted to supervisor were usually older and/or more educated than their fellow workers. There were substantial numbers of women in management jobs in Poland and Zimbabwe, most in staff jobs seen as appropriate for women such as human resources, accounting, and computers (Ferber and Blau, 1998).

### Gendered Responsibilities

Whether single or married, the women who talked with us carried major responsibilities for family economic support, as well as for health care and children's education. Confirming many other studies, the income of these women was going to meet family responsibilities (Cloud and Garrett 1994; Ferber and Nelson, 1993; Folbre, 1994). In all three companies the focus groups agreed that women were more committed to their jobs, would take less desirable jobs and work harder than men in order to meet their responsibilities. These women saw men as less reliably committed to providing family support.

### Education

The case studies confirm the importance of women's education. None of the companies hired illiterate women and few were employed with less than six years of education. Women with higher levels of education had access to better jobs as clerks and supervisors, and in some cases, to management positions. In Zimbabwe, women who had one year in secretarial school after finishing high school had access to permanent, well-paid, computer operator positions which included full benefits. These policies tend to favor younger women, and reflect the increasing investment in rural schools in both countries over the past two decades (UN, 1995). This is not to say that more education guarantees women a better job, or indeed, any job at all. It is simply to

note that in both countries, most rural women in their thirties and beyond are effectively closed out of formal employment in multinational firms by their lack of education. The growth of women's education appears to be changing rural women's access to formal employment.

#### What Else We Learned from the Focus Groups with Women Workers

Most women felt they were treated by the companies with dignity and fairness. In Zimbabwe and Thailand this was very clearly stated, but the situation in Poland was more ambiguous. The women on cheese production line felt that they were not receiving sufficient respect for their skills, and that they were underpaid in relation to men with comparable jobs.

There was little sexual harassment, and what there was usually came from fellow workers or customers rather than superiors. In the few cases where there was serious harassment, most women felt the companies dealt with it fairly. However, channels for reporting harassment were not clearly understood in most workplaces.

Prompt company payment of wages as well as farm products was mentioned by many workers in Zimbabwe and Poland as a major benefit. Often in both rural areas, such payments are delayed by local companies and the delays are difficult for poor households to manage.

Company-supported health care was seen as a major benefit where ever and to whatever degree it existed.

Company support for education and training programs was also praised in Poland and Thailand.

#### Issues of concern raised by the women

Overtime was viewed as a mixed blessing because it generates additional income, but may interfere with household obligations, especially if it is unplanned.

The same thing is true of night shifts, or rotating shifts. Women in all three locations often find it helpful to change between day and night shifts so that they have time for errands and time to spend with their children, but if the shift changes are too close together, it disrupts their ability to adjust their sleeping patterns and is difficult to cope with. This appears to be a problem in Poland but not in Thailand and Zimbabwe.

Night travel is a problem in both Zimbabwe and Poland when women have to return home after dark due to overtime or late shifts. The Thai operation is large enough to provide bus transportation for all workers -- a policy that is greatly appreciated.

Contract (seasonal) work is also a mixed blessing for many women. They might prefer permanent work, but may also be responsible for labor on family farms which limits their ability to work year round. These women provide a convenient contract labor pool for agribusiness operations whose production is tied to agricultural cycles. Such short-term jobs usually carry few benefits, and there is no guarantee that workers will be rehired in succeeding seasons. The contract workers in Zimbabwe and Poland wanted two things, that contract workers be given

preference in rehiring, and that they be given higher wages with more years of experience. They also wanted fair access to permanent jobs as they became available.

For all these issues, as well as many smaller ones, systems of feedback up the line from women workers to management seems to be limited in both Zimbabwe and Poland. The lack of communications unnecessarily limits worker satisfaction, and sometimes deprives the company of useful information.

In Zimbabwe, for example, union offices are far away in Harare, and the company's elected worker committee has no women representatives. Every focus group identified a similar problem for women workers: They were issued the same one-piece overalls for work as the men, but using the squat toilets while wearing them created many accidents. Each worker got only one uniform which, when washed, didn't dry overnight. They wanted two-piece overalls to eliminate the problem, but the message had never reached management until we shared it. Management was happy to make the change.

The women were also unaware of Cargill's equal opportunity policies, and were very interested to understand that their equitable treatment was a result of company policy rather than simply the kindness of the manager. They were eager to have Cargill caps and T-shirts to wear in the community, where their good will can be very helpful in increasing the number of farmers willing to sell cotton to Cargill rather than COTCO, the more established company.

#### What We Learned About the Influence of the Company Context on Employment Practices

Each company's in-country history matters in shaping the conditions for women workers. The companies in Zimbabwe and Poland were created through purchase of previously state-owned businesses, and have struggled since to achieve profitability. Cargill seems committed to staying in Southern Africa for the long run, and is willing to absorb short-term losses for the sake of long-term access to market share. Thus they have a strong interest in farmer and worker satisfaction, and their behavior reflects this. By contrast, Land O'Lakes does not want to continue absorbing losses from the Polish operation, and is striving to make the company profitable so that they can sell it. As a result, personnel, wages, and benefits have been trimmed back as far as possible within Polish laws.

By contrast, Thailand was created from scratch with new technology and new personnel, and has been profitable almost since the beginning. With problems revolving around worker reliability, they have had the resources to institute a range of incentives and benefits for their workers, and they have been very clever in doing so.

It's clear that the nature of the production processes also influence employment practices. Some businesses such as cotton ginning experience high seasonal labor demand and use contract labor. Others, such as chicken processing, run year-round, and here the challenge is worker stability in rural areas with many other labor demands. The requirements of food safety and complexity of the technologies influence the need for educated workers. Certain types of agribusiness such as flower, vegetable and seed production may use sub-contractors, which increases the likelihood of poor employment conditions.

The labor laws of the country also influence company behavior, both directly, through enforcement, and indirectly, by influencing company policy. As former socialist countries, both Poland and Zimbabwe have very good labor laws and a history of union power. Clearly, these laws have influenced company behavior, although in the Zimbabwe case, enforcement is very weak. In Thailand, labor laws are less strong, but the practical demands of the situation, together with Cargill's company culture, have led to excellent labor practices.

## MORE GENERAL LESSONS

### Equity and Efficiency

We began the research with the idea we would use our research findings to build persuasive efficiency arguments about the efficiency effects of treating women workers well, and use these arguments to affect company policies in the wider business community. This argument is certainly true for both Cargill cases, where equity issues are intertwined with efficiency issues. Their employment practices tend to benefit both the company and the women. This, however, is not the whole story.

To our surprise, according to our industrial relations colleagues, most well managed multinationals have already accepted this argument (Brisco, 1985; Huselid, 1995). They now view their work force as their most valuable resource, and link their profitability and sustainability to a well-trained, energetic and equitably treated work force. At least they view their managers in these terms, and there is substantial literature to document the prevalence of this view (Jain, 1988; Mendennhall and Oddou, 1995; Rosenzweig and Nohria, 1994; Taylor et al, 1996). There is, however, very little literature on the degree to which this formulation extends in practice to less skilled laborers (Lawler, 1999).

### Codes of Conduct

Although Cargill is a privately-held company and is thus free from stockholder pressures and seldom subject to consumer pressure, they have had a series of explicit codes of conduct for all their international businesses going back well over sixty years. Recent versions include equal opportunity employment policies among other issues, and the code is taken very seriously within the corporate culture. During our research we kept bumping up against the code as the justification for whatever action was being explained. In Zimbabwe, for example, when we asked how they had decided to hire women for the manual labor jobs, and why, in an economy with 50% unemployment, the answer given by the black African human resource officer was, We didn't decide. That's just what we do. Cargill is an equal opportunity employer. End of discussion.

Back in the United States, when we questioned Bonnie Raquet, Cargill Corporate Vice President for Public Affairs, about the code, she told us that more than 400 multinationals now have such codes, most created in the past decade. Further exploration with the Conference Board and Business for Social Responsibility showed this to be a growing trend. Typically, the codes

address issues of transparency (lack of bribery) and adherence to local laws as well as environmental, health/safety, and employment issues.

Why? A survey by the Conference Board lists four reasons given by companies for developing such codes: for legal protection from prosecution, for public relations (to prevent boycotts), to make explicit the company's values, and because it is simply good business to behave ethically. They cite interesting national differences in the reasons given by companies for their commitment to the codes (Berenbeim, 1999).

Although some companies have had codes for years, many have developed them in the last decade, and are in the process of determining how the implementation of their code can be monitored credibly. Some companies monitor themselves; others pay someone, such as an accountancy firm, to monitor for them. But many companies are beginning to work with consumer groups or NGOs to monitor implementation in partnership with one company or a group in a particular industry, such as toys or sports equipment.

Many multinational companies do much of their actual production through sub-contractors, or joint venture firms which adhere to local norms in their employment practices. Multinationals have tended to keep an arm's distance from sub-contractor practices, but this distance is now diminishing, as companies such as Nike and Donna Karen are being held accountable for the behavior of their sub-contractors. According to Conference Board Research, in 1998, 86% of the companies they surveyed are committed to equal opportunity employment, 23% require it of their suppliers and vendors, and 22% require it of their joint venture partners (Berenbeim, 1999).

## FUTURE DIRECTIONS

There are major opportunities here for both women's groups and technically qualified women to participate in such monitoring, much as they have monitored the implementation of government policies over the last decade.

In England a group of NGOs, organized by Christian AID, <http://www.christian-aid.org.uk>, have worked with supermarket chains to assure that the African women who pick and pack fruits and vegetables are being fairly treated. The Institute for Development Studies at Sussex also maintains a website, <http://www.id21.org/society/index.html>, which tracks the latest developments on this issue. As yet, there is no comparable effort in the United States that is focused on gender issues.

AID/WID may wish to consider moving forward in this area. At least two possibilities merit further consideration. One would be to do a training workshop for NGOs on Codes of Conduct and how they can be used to the benefit of women workers. A second possibility would be to work in collaboration with one or more of the major business associations to survey the materials used for monitoring codes, in order to see how they are currently addressing issues of gender equity and to make whatever suggestions for improvement that seem warranted. There are undoubtedly other ways of moving forward on the issue of gender equitable rural employment, and we would be happy to discuss them with you further.