Women's changing roles in the context of economic reform and globalization

Shahra Razavi
2003

This paper was commissioned by the Education for All Global Monitoring Report as background information to assist in drafting the 2003/4 report. It has not been edited by the team. The views and opinions expressed in this paper are those of the author(s) and should not be attributed to the EFA Global Monitoring Report or to UNESCO. The papers can be cited with the following reference: “Paper commissioned for the EFA Global Monitoring Report 2003/4, The Leap to Equality”. For further information, please contact efareport@unesco.org
Introduction
The 1980s and 1990s are frequently referred to as the era of globalization. While there is no consensus on what the term “globalization” means, for the purposes of this paper we use the term to refer to the greater openness of economies to international trade and finance, or external liberalization. The question that this paper will be tackling is how globalization has impacted on the growth of real economies in diverse regional contexts (Section One), their capacity to create employment (Section Two), and specifically how the new policy agenda has impacted on women’s labour force participation in diverse regional contexts and their enjoyment of social rights (Sections Three and Four). In addition to the available global data sets, the paper will be drawing on in-depth case studies from around the world in order to support the arguments that are being put forward.

1. International Economic Integration and Economic Growth
The purpose of this section is to look at the growth implications of globalization. However, to begin the discussion we need to clarify how the term globalization is understood in this paper. As Gerald Helleiner (2000) usefully points out, the term globalization as frequently used, confuses two different phenomena. The first is the shrinkage in space and in time that the world has experienced as a result of the technological revolutions in transport, communications and information processing. Globalization in this sense is equated with spatial transformation; and it is certainly true to argue that for a good number of people around the world, the world has become a much smaller place.

The second usage of the term, on the other hand, relates to matters of human policy choice: the degree to which national economies are opened up to external forces and made to rely on global “marketplace magic” (ibid.). Some proponents consider contemporary globalization, in this second sense of the term, to be without historical precedent, as well as being inevitable and, on the whole, desirable.

On the question globalization in history, it would be wrong to see contemporary processes as entirely new. In fact, the process of international economic integration from the last third of the nineteenth century until the outbreak of the First World War, surpassed many of the contemporary indices of globalization, albeit perhaps not at the same pace; and interestingly, globalization from the late nineteenth century involved far more trans-border labour flows and greater human migration than currently allowed by most national governments (Jomo 2003) (Hirst and Thompson 1994). This is not to suggest that there is nothing new about contemporary globalization; there have been both quantitative and qualitative changes in global connectivity that point to the significance of the monumental changes currently taking place (Scholte 2002).
The second, more controversial point, relates to the inevitability and desirability of globalization. It is now widely recognized that the policy agenda associated with “globalization” has been driven by a particular ideological disposition (namely neoliberal) which is deeply economistic in its worldview and dedicated to a particular kind of economic thinking, namely *laissez-faire* market economics (Scholte 2002). The neoliberal agenda, which can be described as an amalgam of neoclassical economics (providing most of its analytical tools) and the Austrian Libertarian tradition (providing its moral and political philosophy), began in the 1970s and rose to dominance from the early 1980s (Chang 2001). It presumes that the best way to give substance to human rights is to reduce the role of the state, liberate entrepreneurial energy, achieve economic efficiency and promote faster economic growth (Elson 2002). But as more than two decades of experimentation around the world has shown, the neoliberal policy agenda in its various dimensions involves political, economic and social *choices* (hence it is neither inevitable, nor automatic or natural in any sense), the effects of which have been neither uniform for all places and times nor uncontested.

The arguments for further globalization have been premised on the beneficial outcomes—in terms of economic growth, employment and human welfare—expected to flow from greater openness. In this section we look at the evidence on economic growth.

A comparison of regional growth rates for the period 1960-1980, when developing countries were pursuing *dirigiste* policies (import substitution industrialization, for example), with those for the 1980-2000 period, when they were enticed to open up to world markets, raises a number of important questions. In Latin America, for example, GDP per capita grew by 75 percent from 1960-1980, whereas in the subsequent period (1980-2000) it has only risen by 6 percent; the equivalent figures for sub-Saharan Africa are 36 percent and 15 percent respectively (Weisbrot et al. 2000). In fact, the only region that shows higher growth rates in the latter period is East Asia, which grew faster from 1980 to 1998 than in the previous two decades—explained by China’s quadrupling of GDP over the last 18 years (*ibid.*). But China has taken a far more gradualist approach to liberalization than is routinely advocated by the international financial and trade institutions. The lessons that may be legitimately drawn from the Chinese experience will not therefore provide categorical support for all-out global integration along the lines advocated by the mainstream institutions (Jomo 2003).

The disappointing growth record of the past two decades has been attributed to the recessionary (or deflationary) character of the macroeconomic policy agenda during this period, which has prioritized fiscal restraint and high interest rates. It is now more widely admitted that harsh stabilization policies that were routinely dictated to indebted developing countries by the international financial institutions may have dampened hyperinflation, but at a high social cost as incomes, wages and employment went into sharp decline. In some countries (e.g. Mexico, Russia, East Asia) these negative trends were aggravated by unregulated, short-term capital flows that left massive social and economic dislocation in their wake. These persistent “booms in busts” have been in response to the much greater cross-border capital flows relative to GDP compared to previous decades, at least for the OECD countries and the developing countries known as “emerging markets”. It is for the latter group of
countries that the strains caused by financial crises have been particularly high (given the weakness of their financial systems). For example, in the case of the Mexican crisis of 1994, uncontrolled capital flight led to the devaluation of the currency and the collapse of the economy that could only be halted by a $50 billion rescue package from the US. While the financial crisis was short-lived for investors, it had far-reaching effects on the Mexican banking system, interest rates and prospects for longer-term economic recovery; it also meant increased vulnerability and slow (or negative) growth for other countries in the region that have become highly dependent on short-term foreign investment (UNRISD 2000).

The point to retain from this brief discussion is that policies associated with globalization have not been uniformly associated with growth and accumulation. Quite contrary to what was often claimed and expected, for most developing countries the economic record of the past two decades has been marked by low rates of economic growth and recession. This section of the paper has considered some of the plausible explanations for the recessionary character of the 1980s and 1990s. But we know that economic growth is not in itself sufficient to achieve social goals. What matters—if the benefits are to be widely shared—is the quality of growth: whether it entails a more equal distribution of income, more and better jobs, rising wages, more gender equality and social inclusiveness (UNRISD 2000). In the following sections we will therefore be looking more specifically at social development, initially by focusing on the employment record.

However one point that can be said with confidence is that with very low or negative rates of growth it will be extremely difficult for countries to undertake policies that can significantly reduce poverty and inequality and enhance the standard of living—the fiscal resources needed to set up comprehensive social programs, for example, will be much more difficult to muster when growth is sluggish. These difficulties are compounded by the fact that redistributive policies (such as agrarian reform, progressive income taxation, and redistributive and comprehensive social policies) have become increasingly marginalized from the policy agenda under the new ideological hegemony.

2. International Economic Integration and Employment

Deciphering and assessing the employment record of the past two decades is a complex task due to data deficiencies for much of the informal economy which is hegemonic in many developing countries, as well as differing perspectives as to what constitutes “progress” and “regress” in this context. It is not surprising therefore that the literature has been sharply divided and the debate highly charged. This short section will present a brief assessment of the employment record based on the existing macro-level data sets produced by organizations such as the ILO and the World Bank, before turning to a more elaborate discussion of women’s employment in Section 3.

As was noted in Section 1, for many parts of the developing world, the 1980s and 1990s were marked by a deceleration in economic activity. With falling or stagnant growth, people tend to move out of the formal sector and crowd into the informal economy where rates of remuneration and working conditions tend to be worse. Such changes in employment status, however, are not necessarily captured through standard labour force statistics, especially in developing countries where unemployment is not
a serious option. In the absence of universal unemployment benefits the necessity of earning an income forces poor people to take up any work that they can find, regardless of the pay and the working conditions. Some of this work in the informal economy may show up as labour force participation in the “services” sector. In a recent paper that tries to understand the dynamics of contemporary capitalism by tracking the structure of the labour force, Terry Byres (Byres 2003) finds industrialization to be proceeding at a very slow pace in much of the developing world. Moreover, in those countries where industrialization is proceeding, he finds that the capacity of the manufacturing sector to absorb labour tends to be limited (hence the phenomenon of “jobless growth”), while a disproportionate section of the work force appears under the heterogeneous heading of “services”. This is how Byres explains his findings:

The shift to services suggests unfortunate implications, with the likelihood that real incomes there are likely to be significantly less than in manufacturing industry. Resort to “services” may simply reflect an inability to maintain employment in agriculture, allied to a lack of employment opportunities in industry and a desperate effort to turn to anything that might be available (which happens to fall into the “services” rubric). (Byres 2003: 200)

There are of course many well-known drawbacks in using macro-level statistical evidence. Nevertheless, the findings of this study are supported by other evidence, some of it based on in-depth survey research. For example, one of the unmistakable trends that has been taking place in many parts of the developing world over the past two decades is the diversification of livelihoods and the increasing importance of off-farm income sources (Ellis 1998). Moreover, such trends do not appear to be confined to the more urbanized societies of, for example, Latin America. They are also palpable in the more “agrarian” regions of the developing world, such as sub-Saharan Africa. Survey findings from a diverse range of African countries suggest a surge in non-agricultural income sources, coinciding with the demise of commercial agriculture, over the past fifteen years when structural adjustment policies have been implemented (a rather perverse outcome for policies that were supposed to end “urban bias” and “get prices right” for agriculture) as well as a proliferation of income earners within rural households (Bryceson 1999). These survey findings reveal that “the vast majority of households have one or more non-agricultural income sources, be it active participation in trade, service provisioning or craft work, or more passive receipt of a transfer payment in the form of a state pension or remittances from relations” (ibid: 11). Given the increasing importance of labour force participation outside agriculture, analysts underline the increasing importance of literacy, numeracy, knowledge of the national language and various occupational and computer skills to give people the means to command income and enhance labour productivity (ibid.)—in short the need for state policy to enhance people’s capabilities (Sen 1985).

Byres’ conclusions regarding the manufacturing sector in developing countries is interesting in view of the widespread perception—at least amongst the general public in the North—that processes of trade liberalization over the past two decades together with the relocation of capital from the North to the South (where labour is cheaper), have contributed to a significant North-South shift in the structure of global economy.

---

1 The paper draws on a variety of statistical sources, but mostly from the World Bank, and underlines the need for caution in interpreting the available data, as well as the clear lack of comparability.
manufacturing production. As Jayati Ghosh argues, the effects of such global integration on workers in the South have generally been taken to be unambiguously positive, in terms of increasing employment opportunities, especially for less-skilled workers (Ghosh 2003).

However, the existing empirical evidence indicates that for the vast majority of developing countries manufacturing employment has actually stagnated or declined over the past decade (UNCTAD 1999, UNCTAD 2001). Although important exceptions can be cited—such as China and some other East Asian countries—the employment situation has been worsening in many other parts of the developing world. A recent paper that uses both UNIDO and ILO datasets, and examines patterns of manufacturing employment expansion, indicates that with the exception of a handful of countries—namely, China, Malaysia, Indonesia, Thailand and Chile—many of the even supposedly “dynamic” developing countries in Asia and Latin America experienced only a low to moderate employment growth in manufacturing, and that for several countries (e.g. Argentina, Brazil, South Africa) such employment actually declined in absolute numbers over the said period (1985-1998) (Ghosh 2003). One of the tables from this paper is reproduced below.

Table 1: Growth rates of paid employment in manufacturing

<table>
<thead>
<tr>
<th>Country</th>
<th>Period</th>
<th>Annual rate of growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>China, People’s Rep</td>
<td>1985-94</td>
<td>4.8</td>
</tr>
<tr>
<td>Malaysia</td>
<td>1981-94</td>
<td>7.3</td>
</tr>
<tr>
<td>Indonesia</td>
<td>1980-89</td>
<td>9.8</td>
</tr>
<tr>
<td>Thailand</td>
<td>1981-93</td>
<td>7.3</td>
</tr>
<tr>
<td>Philippines</td>
<td>1981-93</td>
<td>0.9</td>
</tr>
<tr>
<td>South Korea</td>
<td>1980-90</td>
<td>4.4</td>
</tr>
<tr>
<td>India</td>
<td>1980-90</td>
<td>1.4</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>1980-97</td>
<td>2.8</td>
</tr>
<tr>
<td>Brazil</td>
<td>1985-98</td>
<td>-6.8</td>
</tr>
<tr>
<td>Colombia</td>
<td>1980-97</td>
<td>0.4</td>
</tr>
<tr>
<td>Mexico</td>
<td>1985-98</td>
<td>2.9</td>
</tr>
<tr>
<td>Kenya</td>
<td>1980-97</td>
<td>2.5</td>
</tr>
<tr>
<td>South Africa</td>
<td>1980-93</td>
<td>-0.1</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>1980-97</td>
<td>1.3</td>
</tr>
</tbody>
</table>

Source: Calculated from ILO, Yearbooks of Labour Statistics, cited in (Ghosh 2003)

The important point to note about the data cited above is that it refers to net job creation or destruction, and not just the employment created in the export-oriented manufacturing sub-sector. It thus includes any job loss as a result of import penetration. What the data on employment growth for even the more dynamic economies seems to be indicating is that the perception that the recent period has seen

Note that the data refer to the pre-crisis period in East Asia, and hence the Asian financial crisis and its recessionary aftermath are not responsible for these rates of growth in manufacturing employment.
a significant expansion of manufacturing employment in the South does not seem to be warranted.\(^3\)

An important factor contributing to this poor performance has been the trend towards import liberalization in many developing countries, which has facilitated a rapid surge in imports. Many of the newly deregulated imports into the South may have displaced the small-scale and highly employment-intensive domestic producers who are unable to compete in international markets (Ghosh 2003). In other words, in many developing countries, the consequent job losses (from import competition) may have been quite significant, and may not have been compensated by the expansion in export employment. Thus the net outcome in terms of employment has been low or even negative (ibid.).

Given this relatively poor employment record, it is not surprising to find micro-level research documenting increasing numbers of people—both men and women—crowding into the so-called informal economy. In India, for example, during the decade of the economic reforms (i.e. the 1990s) it is the informal economy that has grown fastest and absorbed most labour: in agriculture, manufacturing, construction, petty trade and services (Harriss-White 2000). Similarly in Africa there has been rapid growth in informal employment. It is estimated that well over half of the urban jobs in Africa and Asia are informal, while the figures for Latin America and the Caribbean could be around one quarter; it is also argued that the share of informal employment is higher for new jobs, with as many as 83 per cent of new jobs in Latin America and 93 per cent in Africa being informal (Charmes 1998). Women’s share of informal employment is typically higher than their share of formal employment.

The informal economy can best be understood as a heterogeneous construct that includes at one end of the spectrum, precarious forms of wage labour as well as self-employment in manufacturing, trade and services that offer low returns and poor long-term prospects (where the majority of people, especially women, are crowded), and at the other end, lucrative niches that provide an avenue for accumulation and growth. We will return to this issue in the following sections where we look at female employment in the era of globalization.

3. International Economic Integration and Female Employment
Women are certainly more likely to be working outside the home than ever before. Between the 1950s and the end of the 1990s, the proportion of women aged 20–59 who were in the labour force increased from around one-third to one-half. However, women’s participation in the labour force increased particularly in the 1980s and 1990s—the era of globalization.\(^4\) The current participation rates by region range from

---

\(^3\) The extent to which the more informal type of manufacturing labour (say, home-based work) is captured by these official statistics is not very clear (and probably varies from country to country); such biases may lead to an underestimation of labour forces engaged in manufacturing production.

\(^4\) But an important counter-trend has been taking place in the countries of East and Central Europe, where women’s formal employment has fallen since the on-set of economic reforms. The female labour force participation rate was lower in 1997 than in 1985 in all transition countries, and the drop in female employment was as drastic as 40% in Hungary UNIFEM. 2000. Progress of the World's Women 2000. New York: UNIFEM., although this may hide the increasing informalization of female labour not only in Hungary but also elsewhere in the region.
14 per cent in North Africa to 76 per cent in East and Central Europe. In many cases, women’s participation has increased at the expense of men’s. In half the developing countries for which data were available, over the period 1975–95 the female participation rate rose while the male rate fell. The global labour force has become more female—rising from 36 per cent in 1960 to 40 per cent by 1997.

To some extent the increase in women’s labour force participation rates is a statistical artefact—it reflects better ways of recording seasonal, unpaid, and casual wage labour, although it should be acknowledged that much of women’s work still goes unrecorded (Charmes 1998). But it also reflects a number of real changes. More women must now work to ensure family survival—in the face of declining real wages and the increased monetary cost of subsistence resulting from cutbacks in public services and subsidies (Pearson 1999). But a further cause of the increase in women’s labour force participation is that there has been greater demand for women workers in particular sectors of the economy, particularly in export sectors that have in some countries experienced considerable growth. Much of this has been in low-skilled manufacturing—notably in garments, footwear and electronic products. It is not therefore surprising to find that women’s participation rates were intensified in countries where structural adjustment programmes were introduced (Cagatay 1995).

So there seems to be a degree of consensus in the literature that globalization has coincided with the intensification of women’s labour force participation in the non-agricultural sectors. But there are radically different interpretations—even within the gender literature itself—of what this greater presence in the labour force means for the women concerned (in terms of well-being, autonomy, skill acquisition, and so on). The ambivalent nature of women’s increased labour force participation has been well captured by the phrase “feminization of employment”, which refers not only to the increases in women’s overall share of employment but also to the simultaneous deterioration in the labour market conditions. Before we look at the social conditions of women’s employment in the era of globalization (in section 4), the rest of this section will draw attention to some of the important labour market trends.

3.1 Trade-Related Employment: Are Women Still the Preferred Labour Force?

By the mid 1990s a clear consensus had emerged which considered the growth in international trade to be, on the whole, favourable to women’s participation in the paid labour force (Joekes 1995). The increased absorption of women workers into the manufacturing sector in developing countries, it was argued, was being driven by changes in trade performance in two senses. “On the one hand, women have been the actively preferred labour force in exporting industries, and on the other, the change in trade orientation has entailed the relative decline of privileged male employment in autarkic industry” (ibid: ii).

To some analysts at least (Lim 1990) this was an exciting development: women (many of them young) were finally able to escape the confines of “inferior employment” in family-based farming, domestic service and the informal sector, in

---

5 Women’s participation in the agricultural sector, as wage workers (often casual, part-time and seasonal) and as unpaid “family labour” was recognized in the gender literature (as well as in some of the mainstream literature), while most authors drew attention to the under-recording of such work in official labour force (and agricultural) statistics.
order to become paid factory workers (as men had traditionally been) in “modern”, export-oriented industries that were national growth poles. Others were more circumspect about the implications of these “new” forms of employment for women, and warned of the risks of double oppression (at home and in the factory) (Elson 1981). While this debate continues apace (Razavi 1999), a number of observations are important to bear in mind if a more nuanced analysis is to emerge.\(^6\)

First, an analysis that dichotomises the industrial strategy and the gender of the workforce—export-oriented/female versus import substituting/male—has many defects, including the homogenisation of the female work force. Such an analysis will tend to overlook the diversity of positions and interests that divide women workers, thereby underestimating the extent to which some groups of women may be adversely affected when the industrial sector is re-structured and trade is liberalized (while others may indeed emerge as “winners”). In the case of China, for example, while it is clear that the new export-processing industries depend heavily on female workers, many of whom are young, rural migrants, this does not mean that the state-owned enterprises (SOEs) were/are insignificant employers of women. The Chinese State Statistical Bureau figures for 1994 show that 39.3% of the workforce of SOEs and 50% of the workforce of urban collectives were women (Davin 2003). The numbers of women having lost jobs and welfare entitlements already, and those facing the risk of job loss in the near future as China further liberalizes its economy and restructures its SOEs are thus enormous.

Second, while many of the women involved in these export-oriented production processes are working under “modern” wage-based labour relations (earning a money wage, and so on), it is important to bear in mind that a significant number of workers are located in the less visible part of the so-called “global assembly line” (Sen 1999)—through sub-contracted piece rate work that takes place outside factory premises, in very small units as well as through home-based work. Dispersed across the urban and rural hinterland, it has been very difficult to reach any quantitative estimates of the numbers of workers thus engaged, but there are indications that this type of work may be on the rise in many parts of the world, and that the workforces involved are heavily feminized (Ghosh 2001). Indeed, some observers estimate that the percentage of home-workers in garments ranges from 30 to 60 percent in different Asian and Latin American countries (Chen, Sebstad, and O’Connell 1999). Hence the implicit dichotomy that is sometimes made between “modern” factory-based employment and “traditional” informal sector work seems highly dubious; a significant part of the female labour force engaged in export-oriented production processes works under labour relations and conditions that are characteristic of the informal economy (we will return to this point further below).

The third factor worth bearing in mind is the slow-down in the capacity of the export-oriented manufacturing industry in many countries to create employment in more recent years. I will not elaborate on this issue here, as it was already discussed in section 2. Suffice it to say that with a few notable exceptions—China, Malaysia and Chile—many of the even supposedly dynamic developing countries experienced only

---

\(^6\) Among those who provide a positive assessment of these new forms of work, Naila Kabeer’s analysis is one of the most persuasive Kabeer, N. 1995. "Necessary, Sufficient or Irrelevant? Women, Wages and Intra-Household Power Relations in Urban Bangladesh," in IDS Working Paper No.25. Brighton: Institute of Development Studies..
a low to moderate employment growth in manufacturing, and that for many other
countries such employment actually declined in absolute numbers from 1985 to 1998.
A related trend is that those countries that have accelerated their manufactured
exports, like Malaysia and Indonesia, have been facing what economists call
“diminishing terms of trade” (Jomo 2003). There thus appears to have been a relative
decline in the prices of manufactured exports from the South compared to
manufactured imports into the South (especially from the North). These trends have
been so worrying that observers warn that the “enhanced productivity and
competitiveness in East Asia may well have contributed to a variant of “immiserizing
growth”, i.e., of productivity gains that are less-than-proportionately reflected in
rising real incomes or living standards” (Jomo 2003). In other words, southern
manufacturing exports are exhibiting the same characteristics as the traditional
agricultural commodities (deteriorating terms of trade with the North): developing
countries need to push out more and more manufactured products in order to purchase
the same basket of imports from the North, with adverse implications for the wages
they can offer workers.

To obtain a better picture of what this can mean for the workers concerned a reference
to Mauritius will be helpful. A recent UNRISD case study on Mauritius found that
since the mid-1990s the Mauritian export-oriented industry (EOI)—which continues
to specialise in labour-intensive and low-skill products and has not been able to up-
grade itself to more skill- and capital-intensive production processes—has come under
severe international price pressure. As a result, the EOI is no longer able to hire the
indigenous female workforce that it has relied upon over the past two decades. Rates
of female unemployment have sky-rocketed, while the EOI increasingly resorts to
importing “cheaper” migrant female labour from China and elsewhere to confront
what is perceived as a growing lack of competitiveness (Bunwaree 2003).

The fourth important factor to take into account is the apparent defeminization of
employment in some sub-sectors of export-oriented manufacturing, apparently as
export production becomes more skill- and capital-intensive. In a recent issue of the
United Nations Report, The 1999 World Survey on the Role of Women in
Development (UNDESA 1999), it was argued that since the late 1980s in many
middle-income countries the demand for women’s labour in manufacturing has been
weakening, as export production became more skill- and capital-intensive. As
examples of this trend, the report cites Singapore, Taiwan, South Korea and the
maquiladoras in Mexico. In South Korea specifically, it notes that the composition of
the workforce in the electronics industry has changed in favour of male workers, as
production in this sector shifted to more sophisticated communication and computer
products. This finding is confirmed by a detailed case study of female employment in
South Korea [Hyoung, 2003 #552], which finds that since 1990 the absolute number
of women employed in the manufacturing sector has gradually declined; the paper
also finds that the female share of total manufacturing employment was 32.8 percent
in 1970, 41.5 percent in 1990 and 35.6 percent in 1997. How can the process of de-
feminization be explained? Is it because women with appropriate skills and education
levels are not available?

While the facts of de-feminization are more or less conclusive, the mechanisms
leading to it are far from clear. A number of different explanations have been offered.
Jayati Ghosh (Ghosh 1999), for example, argues that the observed de-feminization of
the manufacturing labour force in East Asia may be attributed to the narrowing of the gender wage gap in the region. The figures she cites show a gradual (and, one could say, rather marginal) rise in women’s wages compared to men’s wages. For example, in South Korea, the ratio of average female wages to male wages increased from 50 percent in 1990 to 56 percent in 1997, while in Malaysia it moved from 49 percent to 57 percent between 1990 and 1995. According to Ghosh, what this narrowing of the gender wage gap has meant is that “women became less cheap as labour in exporting industry”—a tendency that was reinforced by several legislative moves in the region towards protecting women workers’ rights and interests (such as more generous maternity benefits). In other words, as women workers have become less “cheap” and less “docile”—thanks to their struggles and to public policy responses to their demands—they may have lost their “comparative advantage” vis-à-vis men. But this hypothesis sits uneasily with the fact that Singapore—one of the countries where there has been significant de-feminization of employment—is also exceptional among the East Asian economies in being the only economy studied where the gender gap in manufacturing wages has actually widened in recent years (Jomo 2003).

Joekes (Joekes 1995) argues that the swing back from female intensity in Singapore’s manufacturing as it has pursued its goal of product up-grading, may be attributed, as a proximate cause, to the fact that women workers with the needed technical qualifications were not available in sufficient numbers for recruitment to new technical and other skilled grades. However, Jomo (Jomo 2003) notes in response, that it is not clear that this was necessarily a region-wide phenomenon since the facilities for pre-employment industrial vocational training in the rest of the region have been less well developed (though they are likely to be as gender-biased).

Given the fact that the precise mechanisms and relations are still poorly understood, it would be very difficult to reach any definitive conclusions about the causes and mechanisms behind de-feminization. What can be concluded with a sufficient degree of certainty (pace Jomo, 2003) is that there appears to have been in Asia at least a general regional pattern of increased female employment in manufacturing during the early period of rapid labour-intensive industrialization, probably accelerated by the availability of export markets. However, with full employment, more sophisticated or skill-intensive manufacturing and other related developments, both manufacturing growth and industrial employment growth appear to have tapered off, and the female share of such employment also appears to have declined, reflecting the gender preferences (or biases) of the new industrial employers, though the existing evidence does not allow a more careful and detailed examination of the processes at work. This is, however, clearly an area that requires far more empirical and analytical scrutiny.

I would like to end this section by drawing attention to an area of female employment in developing countries that has received relatively little attention in recent years, even within the gender literature, partly because it is not seen as “export-oriented” (and hence valuable according to the dominant neoliberal worldview), and partly because it is considered to be (and is) an area of traditional female work. This is female employment within the public service in general, and more specifically within the public welfare services, such as teaching and nursing. It is widely known that in the context of structural adjustment policies individuals and groups with fixed incomes—largely those in sectors that were highly import dependent, and those who worked in, and depended on, the public sector for wages and social protection—were
disadvantaged. The contractionary effects of adjustment in low-income countries encouraged multiple survival strategies on a large scale: government employees and teachers became small-scale entrepreneurs, selling their services in the over-crowded informal economy. Meanwhile the private commercial services—in health and possibly in education—have grown and been increasingly legitimized. It is very difficult to find reliable sex-disaggregated statistics to show how women have fared in this process and whether or not the new, more commercialized education and health services are better employers of women in the developing countries. There are, however, some excellent micro level studies on this subject; Deniz Kandiyoti’s [Kandiyoti, 2002 #512] work on Uzbekistan shows how large numbers of highly educated female teachers and nurses have reverted to working in the agricultural sector and/or in the over-crowded informal economy. Moreover, what likely affects the new conditions of female employment in teaching and nursing have on incentive structures for girls to complete secondary school and maybe even enter higher education? In the 1950s and 1960s the likelihood of finding a government job, with a descent wage and good welfare entitlements, for example, constituted a powerful set of incentives for young women to remain in secondary school. How have these incentive structures changed under the new policy dispensation which effectively de-legitimizes public service jobs while upholding the private, commercial sector as the way to go? I don’t think these questions have been adequately researched, but the policy implications are potentially profound.

3.2 The quality of employment in the era of globalization
The discussion so far has raised few questions about the quality of female employment in the export-oriented industries where women have made significant quantitative inroads in recent decades (recent setbacks notwithstanding). Needless to say, many of the same concerns about working conditions would apply forcefully, almost by definition, to the informal economy (of agriculture, manufacturing and services) where increasing numbers of women and men are concentrated (often as part of household survival strategies). However, even if the distinction between “formal” and “informal” sectors was useful or relevant in the 1960s and 1970s (many argued then that the distinction was dubious), it has become even less useful as a descriptive and analytical device in the present era.

As it is widely known, since the early 1980s labour markets around the world have undergone profound transformations. There has been a massive trend towards casualization of the labour force: trade unions have been sidelined and coerced in many contexts, and labour forces have been deliberately casualized through subcontracting arrangements and the like. At the same time there has been a continuing process of feminization of the labour force, where, as we noted earlier, feminization is understood to mean both an increase in women’s labour force participation, as well as a recognition of the fact that labour market conditions in general—for men as well as women—have deteriorated and become more like the precarious labour market conditions that have typically characterised many “women’s jobs” (Standing 1989). There has been a decline in the proportion of jobs that have security of employment, rights against unfair dismissal, pension rights, health insurance rights, maternity rights and the like, while there has been rapid growth in informal employment which lacks social protection (Elson 2002). In short, the increase in women’s economic participation in the global economy has coincided with a deregulation in the conditions of work and in work-related entitlements. This relationship must challenge
the view that increased participation in global markets brings those outside citizenship into a situation where their economic rights can be exercised and entitlements accessed through labour market activity (Pearson 1999).

Women in many economic sectors today therefore rarely enjoy the wide spectrum of social rights specified in national and international legislation, such as the right to favourable conditions of work, the right to equal pay for equal work, the right to social protection or the right to form and join trade unions—and increasingly the same description could apply to many male workers. The absence of many of these rights in export-oriented factories across the world is well-documented (UNDESA 1999) and does not require repetition here. What such evidence points to, however, is the questionable distinction between the “formal” and “informal” sectors when working conditions in much of the so-called formal sector barely differ from those found in the informal sector. The distinction between the two sectors is also ambiguous given the linkages between production processes in the two sectors (through sub-contracting and the like).

How has women’s intensified presence in the work force impacted on gender wage gaps? The availability, reliability and interpretability of the data on pay relativities by gender pose major problems. A UNIFEM report (UNIFEM 2000) made a heroic effort to tackle this question, but was constrained by the limited range of countries for which internationally comparable datasets were available (especially to assess change over time), as well as the incomplete coverage of different economic sectors, with a bias towards urban formal sectors. Despite such shortcomings, the report argued that in the late 1990s in the industrial and services sector, the gender gap in wages ranges from 53 percent to 97 percent, with a median of 78 percent; in the manufacturing sector the range is from 54 percent to 99 percent, with a median of 75 percent (see Table 4.2 in chapter 4 of the UNIFEM Report). As was noted above, in East Asia for which more reliable datasets are available, there is some evidence that the gender wage gaps narrowed in a number of countries during the 1980s and 1990s, but it must be underlined that even after some convergence the gender wage gaps in this region (the ratio of average female to male earnings in the manufacturing sector has risen from 47 percent in 1975 to 50.5 percent in 1990) (Seguino 1997) remains large by international standards (which according to the UNIFEM Report of 2000 stands at around 75 percent for the manufacturing sector). For many other developing countries the UNIFEM report cautions that data on the gender wage gaps is likely to reflect mainly the earnings of those in full-time formal employment, given the biases of statistical surveys in many countries.

One piece of research that is frequently cited is by Tzannatos (Tzannatos 1995). It asserts a positive correlation between trade liberalization and reduced gender wage gap, based on wage data for Cote d’Ivoire, Brazil, Colombia, Philippines, Thailand and Indonesia. The implicit assumption seems to be that with export growth (which is supposed to be facilitated by trade liberalization) the demand for female labour increases faster than for male labour, so that female wages also rise faster than male wages, and eventually converge. Leaving aside issues of statistical coverage and reliability, it is difficult to attribute the apparent closing of the gap in wages in these six countries to trade liberalization per se; the analysis, for example, does not take into account the rise in women’s educational attainment relative to men’s over the
same period (Joekes 1995). Evidence presented by Joekes for a number of other countries reveals no systematic divergence or convergence over time.

The other major problem with some of the evidence on wage convergence (including the study by Tzannatos) is that it does not make a distinction between convergence of male and female wages through a process of “harmonizing up” and “harmonizing down” (Elson 1999). In other words, is the gender gap in wages narrowing because women’s wages are catching up with men’s, or is it rather because men’s wages are being levelled down? In some contexts, such as in Singapore during the late 1970s, successful export-oriented industrialization did create a tight labour market for both men and women, and women’s wages in particular did rise somewhat faster than men’s. But as Phongpaichit (Phongpaichit 1988) rightly argues, Singapore’s population is small and hence its experience somewhat different from that of many Asian countries which rely on migrant labour from a much wider rural hinterland. In Bangladesh, for example, the availability of a generally elastic supply of unskilled female labour has meant that wage increases in the highly feminized garments manufacturing have been more or less the same as wage increases across a wide range of other sectors, despite a substantial rise in garments manufacturing profit margins and real value added over the same period so that there is little evidence of male and female wages converging (Bhattacharya and Rahman 2002).

Finally, it needs to be born in mind that the kinds of mechanisms that determine the value of labour in labour markets include important social and gender norms. This happens, for example, in how “skills” are defined and labour is categorised—processes which very often carry implicit gender biases. There is a real need for solid empirical work to fully quantify and understand the factors that contribute to wage differentials by gender. Based on macro-level data, a recent study on gender wage gaps in export manufacturing in Morocco found that education was neither valued nor rewarded in the female manufacturing labour force (women’s wages neither rose significantly with higher levels of education, nor did they suffer from lack of education) (Belghazi 2002). The lower wages that women often command in labour markets cannot be adequately accounted for simply in terms of workers’ experiences, skills and levels of education. There are both implicit and explicit exclusionary and discriminatory processes at work. The policy implication is that the norms and social mechanisms that shape and structure labour markets cannot be tackled through female education alone. There is clearly a need for gender-aware trade unions and women’s NGOs to contest the seemingly “objective” mechanisms through which women’s labour is devalued in labour markets.

The issue of gender wage gaps is clearly an important area of concern and a powerful indicator of gender inequality. However, monitoring and evaluating the broader conditions of employment is equally (if not more) crucial, especially from the point of view of women workers. The significance of this area stems from women’s centrality to the care economy, i.e. their socially-ascribed responsibilities for child care and elderly care, and how those prior obligations shape the kinds of work they are able to take up during different phases of their life cycle. Women’s groups have repeatedly emphasized the need to recognize that women stand at the crossroads between productive activities and the care of human beings. Subsidized childcare and elderly

7 Even the small rise in wages in the garments industry, the authors note, may have been eroded by the demand for longer working hours.
care facilities, public healthcare programmes, public transport and widely available and accessible piped water/electricity help women meet their dual responsibilities. As the literature on the gender impacts of structural adjustment has convincingly shown, when state resources are not channelled to such services, women must work more to compensate for the shortfall. In theory, women’s work in the care economy is central to economic activity and should therefore carry economic rights or entitlements. But attracting resources when there are many competing claims on budgets has been a major challenge for women’s movements worldwide. Thus, while young unmarried and childless women have been able to benefit from labour-intensive industrial strategies (albeit under working conditions that are far from ideal), in countries where those strategies have been successful (important qualification), these labour market opportunities have been far less open to older women with dependants. They have found it far more difficult to enter these industries in the absence of adequate social provision of childcare and other services.

4. Have Women Gained Welfare Entitlements Through Employment?  
To capture the diversity of gendered constructions of labour markets and social policy arrangements and how these are in turn shaped by both government policy and global forces operating in radically different ways (in different contexts and at different times), a recent UNRISD research project examined the female employment/social policy nexus across diverse regional contexts. This section draws some useful pointers from the case studies that were commissioned by UNRISD, and our analysis of their findings (Razavi and Pearson 2003).  

The two East Asian countries in this cluster—South Korea (Hyoung 2003) and China (Davin 2003)—have been, relatively speaking, in a better position to exploit the opportunities offered by global economic integration. South Korea, along with a handful of other countries, was a pioneer in nurturing labour-intensive, export-oriented manufacturing in the 1960s and 1970s, and today China seems to be following in its footsteps. In this process they have provided employment for a predominantly female workforce. While there are serious questions about the terms on which women were included in the labour force (to which we shall return further below), it is nevertheless true that in terms of sheer numbers of jobs provided these two countries have been in a much stronger position, than say Mexico, Mauritius and South Africa where export-oriented production processes remain weak and fragile.

And yet neither in the globally “successful” countries, nor elsewhere, have labour markets been a site of gender equality. The ways in which labour markets are socially constructed—the sectoral distribution of women’s employment, the nature/size of the firms in which they are employed, the occupations in which they are clustered, the nature of their contracts, the definitions of “skill” and so on—reproduce gender inequality and embed those inequalities in access to both direct and indirect benefits of employment, including welfare entitlements. And yet despite persistent gender inequalities, it is important to ask whether women have been able to register some gains through the labour route.

---

8 The case studies were on: South Korea, China, Mexico, Mauritius, South Africa.
In the case of South Korea, while labour markets and welfare entitlement remain unequal, it is nevertheless noteworthy that by the mid-1990s about 40 percent of female workers had obtained regular full-time jobs (even though more than 60 percent had temporary or daily work). While this record is far from ideal, the gains that women workers have registered are not negligible, especially in comparison to conditions prevailing in other countries. The serious challenge confronting Korean women workers is how to hold onto these gains in the face of increasing pressures for labour market flexibility. Ominously, the 1997 crisis represented a serious regression in gender equality: the ease with which enterprises rid themselves of regular workers during the crisis interrupted the slow progress that women in particular had made in accessing the more secure jobs so that by the end of 1999 women had a lower share of such jobs than in 1990.

The other encouraging development in South Korea—again in relative terms—is that rather than retrench the different social insurance programmes that are in place, serious efforts are being made to consolidate different groups of beneficiaries into a unified system to facilitate pooling and cross-subsidisation. Again, the extent to which women stand to gain in this process is an open question and much will depend on how strictly benefits are linked to labour market contributions. But the general direction in which social policy is moving seems to be far more enabling here than in countries like Mexico where there has been large-scale employment related welfare retrenchment, in favour of narrowly targeted poverty alleviation programmes.

The situation of Chinese women workers in the current era also looks less encouraging than their Korean counterparts (Davin 2003). In addition to the fact that large numbers of female employees from the SOE have lost their jobs and their work-related welfare entitlements, the largely migrant female work force that is now being recruited into the export oriented industries has little or no entitlement to social protection or welfare benefits in its place of work. This marks a serious regression as far as gender equality is concerned.

Developments in Mexico (Brachet-Marquez and de Oliveira 2003) have been highly contradictory. During the period of welfare state expansion women were largely excluded from labour-based welfare entitlements given their low levels of labour force participation. However, the period of economic crisis and welfare state retrenchment has coincided with women’s large-scale entry into the labour force in both export and non-export sectors with little or no welfare entitlements. Needless to say, in a period of economic stagnation and welfare retrenchment, labour force entry has neither facilitated accumulation nor acted as a conduit for welfare entitlements. As such it has tended to be of a “survivalist” nature.

A very different scenario emerges from Mauritius (Bunwaree 2003). Welfare entitlements in Mauritius were won through a non-labour route, and the welfare state was largely a response to divisive ethnic politics. This citizenship-based model facilitated women’s access to welfare entitlements. While wages in the EPZs where women are employed remain low, women workers are nevertheless able to enjoy certain social provisions thanks to the inclusive way in which the welfare state was constructed. While Mauritius seems to have maintained its welfare state relatively intact, it has been far less successful in coping with global competition. In recent
years levels of unemployment in the export-oriented manufacturing sector have soared as local women workers are displaced by more “flexible” migrant workers.

In South Africa (Hart 2002) too the export oriented manufacturing plants remain highly fragile under the dual pressure of global cost competitiveness on the one hand, and the locally and historically constructed system of labour reproduction marked by brutal processes of dispossession and commodification, on the other. This set of powerful constraints fuels intense labour unrest and conflict that threatens the viability of these export-oriented production processes. It is in such contexts of profound social inequalities that the contradictions of the neo-liberal project emerge most sharply.

So to answer the question posed in title of this sub-section—whether paid work can be the route to welfare entitlement for women in developing countries—we can say that in the five countries included in our cluster only Korea comes close to answering this question positively, and even so the answer must be qualified with the important proviso that while a section of the female work force has managed to attain welfare entitlements through the labour route, a larger proportion has not and many more women remain outside the formal labour force, as wives and mothers. In the other four countries a combination of factors—the powerful ways in which gender inequality is constantly embedded in labour markets as well as the global and local pressures for welfare retrenchment—have denied women industrial workers the opportunity to obtain welfare entitlements through the labour route. In places like Mauritius where inclusive welfare states have been constructed, women have been able to access certain welfare entitlements, almost by default rather than design. Elsewhere the pressures for labour market “flexibility” and fiscal restraint combine to deny vast numbers of women—regardless of their employment status—any meaningful access to welfare.
References:


