

# g l o b a l i s a t i o n a n d w o m e n ' s e m p l o y m e n t i n a s i a

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**G**lobalisation has been the clarion call of the last decade of this century, the most widely uttered buzzword that rapidly acquired the status of dogma. The essence of the idea in the economic realm is that the world economy is now more integrated than ever before, in terms of the greater extent and freedom of cross-border capital flows, greatly expanded trade in goods and services, and ease of communication and labour exchange. It was assumed that this process is a benevolent and progressive one, which implies that there will be a universal tendency towards material betterment in conditions of living, a general convergence of incomes and living standards. The most common conclusion was therefore that to gain from this process more rapidly and effectively, governments in developing countries in particular should seek to liberalise their domestic econo-

mies in order to integrate more completely with world capitalism.

#### FLAWED PERCEPTION

The last one year has witnessed a sea of change in attitudes towards globalisation, however, as the beneficial effects of this process in its most highly publicised success zone—East and Southeast Asia—have rapidly unravelled. And this has made more people all over the world receptive to the possibility that the earlier perception of globalisation is a flawed one, and that the process is at once less radical and more complex than is generally assumed. The ongoing economic devastation of Southeast Asia points to the need for a completely different approach both to the development paradigm involved, and to the required nature of international co-operation.

In particular, it is now clear that the effects of this process on working women can be

particularly harsh, in terms of large swings in wage employment (with rapid, huge increases followed by sudden collapses in job opportunities), reduced availability of public services, and often, higher prices of basic necessities. These tendencies have recently been most graphically illustrated in the countries of East and Southeast Asia which experienced a huge export boom from the mid-1980s to the mid-1990s, subsequently followed by severe economic crisis.

#### FEMINISATION OF EMPLOYMENT

The East Asian export boom of the period between 1980 and 1996 was fuelled by the productive contribution of women: in the form of paid labour in export-related activities and in services, through the remittances made by migrant women workers, and through the vast amount of unpaid labour of women. In this period women workers were frequently the main contributors to households income, rather than

subsidiary workers working for supplementary earnings. This dominant material contribution in the household reflected their substantial role in the aggregate national economies.

This trend towards feminisation of employment in Asian countries resulted from employers' needs for cheaper and more "flexible" sources of labour. It was strongly associated with the moves towards more casual labour, shift to part-time work or piece-rate contracts, and insistence on greater freedom for hiring and firing. All these aspects of what is now described as "labour market flexibility" became necessary once external competitiveness became the goal of domestic policy-makers and defined the contours within which domestic and foreign employers in these economies operated. Feminisation was also encouraged by the widespread conviction among employers in Southeast Asia that female employees are more tractable and subservient to managerial authority, less prone to organise into unions, more willing to accept lower wages, and easier to dismiss using life-cycle criteria such as marriage and childbirth.

#### **DOUBLE-EDGED PROCESS**

Such feminisation of paid employment can be a double-edged process. On the one hand, access to earned income substantially improves a woman's position within the household, gives her greater control over the distribution of such earnings and household resources, and generally improves her status and strength in society as well as her own self-esteem. In the broad social context of Asia, where women are typically denied the ownership of property and control over assets, the ability to earn outside income can become an important instru-

ment for the transformation of gender relations and can challenge many traditional patriarchal tendencies.

However, such employment does not necessarily improve the social and material conditions of women workers if it simply creates a double burden of paid and unpaid work with outside employment occurring under very inferior conditions. It is often argued that this can still be better than unpaid labour within the home, but the issue is more complex. Whether or not the conditions of women workers improve depends also upon the total incomes available in the household. If the male members of households are losing employment or earning less, while the women do low-paid outside work through casual contracts that are open to flexible hiring and firing arrangements, there are definite dangers that women will be more easily thrown out of employment. This could happen either because employers prefer a high turnover of relatively young women due to the high burnout associated with some tasks, or in the event of any recession in domestic industry or decline in export markets.

It is precisely this feature which is most in evidence in Southeast Asia today. The current process of retrenchment of workers, which has only just begun in East and Southeast Asian countries, is likely to have very important repercussions on the condition of women, not only because disproportionately more women workers than men are likely to lose their jobs, but because women are also strongly affected by the loss of their incomes within the household.

Reports suggests that the bulk of the new unemployed are women workers who had earlier found jobs in the burgeoning export manufacturing and services sectors. In South Korea and

Thailand, the contraction in the textile industry had already led to declines in employment generation and in the eviction of women workers in particular. Layoffs of women workers are also increasing in the computer-related industries and in the assembly of consumer electronic goods, sectors that dominantly employ women.

#### **FIRST TO BE LAID OFF**

In Thailand, women workers in the low-technology labour-intensive export industries like low-end garments, furniture and low-end plastics were the first to be laid off. While some were able to return home "to share the dwindling rice bowl" in rural areas, many others may no longer have a home to go to in the villages, and face a grim situation given the lack of unemployment benefits in Thailand. In Indonesia as well, there are large numbers of women previously employed. In both countries the rural areas can no longer support such women who migrated to towns to work.

The demand compression in the region is also affecting service employment, as domestic markets for services shrink under the pressure of reduced real incomes of workers. Of the 5,000 persons who are currently estimated to be losing their jobs daily in South Korea, the majority so far have been workers in the service sector, many of them women. In the near future, along with retrenchment by the industrial chaebols, jobs will also be cut in retail trade and distribution, as well as banking and finance, and here women's employment has been significant.

The question of large-scale unemployment is especially serious in the region because other than South Korea, no country has significant safety nets in the form of unemployment benefits

or insurance for the unemployed. Even in South Korea, unemployment benefits do not exist for workers in firms employing less than five workers, and for new entrants to the work force. This means that the newly unemployed throughout the region are being forced to turn for material protection to traditional sources like the family, in a context in which all workers' incomes are already being substantially squeezed.

In addition, other policies like cutting food subsidies have raised the prices of basic goods

some of the tendencies outlined for Southeast Asia, especially in the export-oriented industries such as garments and some types of consumer electronics. But these have been dominantly confined to the urban areas, and in the rural areas a rather different form of feminisation is occurring. This is the movement towards self-employment in agriculture, which is the only form of employment which has increased in the 1990s according to the data we have so far, and which really indicates the net decline of productive employment opportunities in all other sectors of the economy. Thus this type of feminisation indicates distress rather than boom, and is not likely to have involved better material conditions for women.

#### STRUCTURAL ADJUSTMENT PROGRAMMES

This process is likely to be made substantially worse by the structural adjustment programmes (often under IMF supervision) which are currently underway in large parts of Asia. Several countries in the region have undergone IMF-sponsored structural adjustment programmes in the recent past, with varying degrees of fiscal adjustment and differing effects of growth. The first phase of such adjustment programmes included the cases of India, Pakistan, and some of the other less dynamically expansionary countries of the region. The more recent phase has really just started, and the full effects of the adjustment processes are yet to work themselves through in countries like Indonesia, Thailand and South Korea. In addition, a number of countries have gone in for fiscal retrenchment in an internal adjustment effort and as part of the international trend towards rolling back on state expenditure and involvement.

Quite apart from the employment implications of such policies, which have already been discussed above, there are major effects on women in their roles as producers, mothers, household managers and community organisers. The implications have been typically negative, in terms of reduced real incomes and standard of living for most women, along with a greater burden of unpaid work.

While the exact composition of the adjustment has differed from country to country, most of them have included most of these following elements to varying degrees: (1) Reduction in the government fiscal deficit, in a context of simultaneous lowering of direct tax rates. This typically involves often large declines in public capital formation and in expenditure on social infrastructure and poverty alleviation schemes by the state. (2) Control over domestic credit expansion and liberalising interest rates, which typically causes them to rise in developing countries and leads to industrial recession, at least for a time. (3) Devaluation of the currency followed by moves to some sort of floating or market determination of the value of the exchange rate. (4) Liberalisation of external trade, with a move from quota controls to tariffs and a gradual reduction of tariff barriers, as well as the removal of restrictions on exports particularly of agricultural goods. (5) Easing of conditions for foreign capital inflow and incentive packages designed to attract more such inflow. (6) Domestic deregulation and freeing controls including those on prices of essential commodities and services. (7) Cuts in covert and overt subsidies by the state, both as part of the budgetary cuts and to bring domestic relative prices into line with international prices. (8) "Reform" of public sector enter-



courtesy of HomeNet

Homeworkers in Indonesia recycle waste yarn for export

and further exacerbated the problem of material survival for the unemployed. All these factors are likely to have serious negative repercussions for the social and material status of women. So there is a real possibility that the long march towards equality for women in this region may be halted or even reversed by the current economic turmoil.

The Indian pattern of feminisation of employment has shown

prises, typically implying rising output prices, closure of loss-making enterprises, disinvestment and full privatisation. (9) Liberalisation of financial markets, strengthening stock markets vis-à-vis banking intermediaries, and increasing the scope for financial innovation. (10) Labour market deregulation, directed towards increasing the insecurity of work contracts and doing away with protective legislation for workers that is supposed to make labour market structures “rigid” and “inflexible.”

#### **MATERIAL CONDITIONS OF WOMEN**

Such a package contains implications for the material conditions of women in terms of the following variables: access to basic needs (food, clothing and shelter), and to the provisioning of common property resources; access to education and skill formation which would allow women to move out of low-skill, low-productivity jobs; implications for total household incomes in different sectors and the gender-based distribution within households; access to the requirements for reproduction and nurture of the young (including health care and other social services, child care); access to productive employment outside the home and recognition of household work; control over the allocation of resources, both socially and within households.

In general, each of these is negatively affected not only by the reduction in government expenditure that comes as part of the “stabilisation” exercise, but also by the general withdrawal of the state from various aspects of the provisioning of goods and services and greater reliance on the market mechanism. Almost inevitably most of the cuts in public expenditure fall on the so-called “soft” social sectors such as education,

health, sanitation, etc., and on the public provision of infrastructure, food subsidies, basic services. Declines in real productive and infrastructural investment, which have been observed throughout South Asia and in some parts of Southeast Asia, affect not only growth prospects for the future but also general production conditions.

The current process of retrenchment of workers, which has only just begun in East and Southeast Asian countries, is likely to have very important repercussions on the condition of women, not only because disproportionately more women workers than men are likely to lose their jobs, but because women are also strongly affected by the loss of their incomes within the household.

Cuts in public expenditure have effectively reduced real incomes of working households as well as access to basic services.

The emphasis on market relationships rather than public and community provision of basic needs has had other adverse implications for women. The domination of market processes tends to undervalue everything which is not directly calculable in those terms, unpaid housework being a prime example. Simultaneously, the privatisation of common property resources—a notable feature throughout South and Southeast Asia—means that household-related work also has become more time-consuming and arduous especially in rural areas. The reduction of subsidies to energy sources and to basic amenities such as sanitation and

water supply, public health facilities and the like, has not only reduced wage-earners’ household incomes, but has put a special burden on women, who typically bear the responsibility for provisioning these within the household. The reduction of food subsidies has put pressure on the food security of poorer households, and women are typically the greater losers from this because of culturally determined intrahousehold distribution patterns.

In addition, the fact that many women have been forced in such circumstances to seek additional income outside the home, has put pressure on girl-children who have to take up some of the activities of housework and child care otherwise performed by their mothers. In extreme cases, this has even led to their withdrawal from schooling and other negative effects.

All this points to one very common gender-specific result of such policies: the increase in the unpaid labour of women. One of the basic inadequacies of structural adjustment programmes from the women’s perspective is that they emphasise price changes and market forces as the preferred instrument of resource allocation, but fail to consider explicitly the process of reallocation. Thus they implicitly rely upon a supply of extra unpaid labour, pushing the burden of adjustment from the paid to the unpaid segment of the economy, and ignore the fact that it is women who will have to supply that labour. This results both from the decline in public services and also in the reduced access to goods and services of basic household consumption for which the responsibility of provisioning belongs usually to the women of the household.

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