UNIT 1 GLOBALIZATION AND ECONOMIC CHANGE

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1.1 INTRODUCTION

This is the first Unit of the Block on ‘Women and Globalisation’. Here, you will be introduced to the discourses, debates and impact of globalization on women workers. The Unit begins with a discussion on impact of globalization on women workers in different parts of the world, followed by how differently globalization affects the rich and the poor and lastly, how poverty is more of a feminine phenomenon. This section is followed by a discussion on women’s perplexing and difficult situation in the global macro-economic scenario, followed by analyzing women workers status in industry, service and agriculture sector and lastly in export manufacturing units. The last part of the Unit throws light on part time work for women and structural adjustment vis-à-vis women worker in developing countries and former Socialist Economies. Let us now cast a look on the objectives of reading this Unit.
1.2 OBJECTIVES

After reading this unit, you will be able to:

• Explain the impact of globalization on women’s economic profile in different countries through cross-country analysis and inter-sectoral comparisons;
• Examine women’s predicament in the global macro-economic framework and connect it with meso and micro economic realities in formal and informal sectors of the economy;
• Give a gendered analysis of women in industry, services and agriculture in the context of economic globalization;
• Provide an analysis of statutory provisions and labour legislations affecting working women; and
• Provide a comprehensive treatment to gender audit of budgets, new economic policy, stabilisation measures and Structural Adjustment Programmes.

1.3 IMPACT OF GLOBALIZATION ON WOMEN’S ECONOMIC PROFILE

Globalisation in the 19th and in the first half of the 20th century symbolized colonialism. In the later part of the 20th century, it symbolized neo-colonialism. It used slave and indentured labour to build the empires of today’s prosperous countries. In the 21st Century, Globalisation has been categorized as free trade, unfettered markets and integration of economies of the nation states in the world capitalism. Today’s Globalisation is driven by the enlightened self-interest of transnational corporations and multinational corporations.

Macroeconomic stabilization policies of all the low income countries in the 21st century are marked by Four ‘Ds’

• devaluation,
• deregulation,
• deflation and
• denationalisation.

The mainstream economists call this process as ‘economic reforms’. Withdrawal of state from social sector budgetary allocations and unleashing of blind forces of market has impacted the mass of toiling women workers in the rural and urban areas adversely, in terms of erosion of food security, health-care, education, employment and survival needs such as fuel, fodder, water and shelter (Human Development Report 1995, 1997 to 2011). Volatility
in agrarian sector due to liberalization has created price fluctuations resulting into distress among women farmers and cultivators. Moreover, the environmental issues have enhanced burden of poor and tribal women due to commercialization of natural resources. Globalisation has also escalated trafficking of women and children, has forced newer and varies forms of violence against women. It has also generated massive market for pornography and escalated complex dimensions of wars resulting into unprecedented vulnerability of women. (Patel, 2009)

Let us now review the situation in detail.

In Africa, Latin America and Asia, globalization of production has meant a feminization of the global labour force as well as increasing feminization of poverty. What then has happened to the contribution of the huge feminized labour force to economies? Is not globlisation riding piggyback on women and children’s labour? Perhaps it is no coincidence that of the 1.3 billion people living in poverty worldwide, 70 percent are women. Women constitute the bulk of the labour force in global production, economic activity rates of women rising over the past thirty years. Yet, they are still concentrated in low-paid positions at the lowest rungs of the occupational hierarchy. (Baud and Smyth, 1997)

Producers around the world have aimed to maximize their profits and have been introducing production techniques that change skill and job structures by ‘deskilling’ or ‘upgrading’. In other words, there has been a trend of skill polarization. In that sense, a minority of workers are required to possess specialist skills while the majority is required to possess minor training and skills. This has automatically led to fewer workers in progressive jobs, while more are in static jobs involving little upward occupational mobility (Indian Journal of Labour Economics, 1997).

Let us now see how has this trend shaped the gender division of labour? Women have a high labour turnover. If there were less benefit to enterprises from workers’ on-the-job experience, reason for discrimination would be removed. Indeed, for many monotonous jobs high labour turnover may have a positive value for employers, since maximum efficiency may be reached after only a few months, thereafter plateauing or declining. This may be one reason for resorting to casual or temporary labour.

Box No.1

The impact of globalization has been to marginalize women workers in the developing countries. (Kalapagam, 1994)

If one were to list the dominant themes of the 90’s, both ‘gender’ and ‘globalisation’ would be somewhere near the top. Naturally, the impact of structural adjustment on women or ‘gender-sensitive analysis of the
globalisation process’ is a widely researched area. Even then, one of the most brilliant expositions encapsulating the essence emerges from the quote of a slum dweller in Philippines, reported in the Human Development Report 1997. ‘Poverty is a squatter mother whose hut is being pulled down by the government for reasons she cannot understand’.

The simple quote illustrates the following aspects, discussed as 1.3.1, 1.3.2 and 1.3.3 in the following sections.

1.3.1 Poverty has a Woman’s Face

Poverty estimates are obtained on the basis of per capita household income (less than US $1 per day). One would expect that women would constitute 50% of the poor. But that is not so. Of the 1.3 billion people living in poverty, 70% are women. Since it cannot be that, that the poor households simply have more girls born into them, in fact, the disproportionate share of women in the poverty group has to be explained in terms of the differential earning capacities of men and women. Between two households with similar resource base and opportunity space, the one with more women, has a greater likelihood of falling into the poverty group. Superimposed on the fact that women cluster in the officially defined poverty group demonstrates discrimination against women within a household. Thus, many a time women who are not classified as poor live and work in conditions similar to or worse than those faced by women who are officially classified as poor.

Biologically, the female of the human species is sturdier and this results in a higher life expectancy of women and a higher female/male sex ratio. Yet, there are several countries where the female/male ratio is less than one. It has been estimated that there are more than 100 million women missing from this planet.

Research and shows gender differential impact is startling as 458 million women suffer from iron deficiency (anaemia) as against 238 million men. 450 million women are stunted by protein energy deficiency as against 400 million men. Evidence of nutritional deprivation among women appears most starkly in their reproductive years. It is a matter of great distress that 95% of adult women from low income groups weigh less than 50 kg. Nutritional deficiency and lack of medical facilities result in a higher incidence of maternal deaths. About half a million women die during child birth each year in the developing world. Among the world’s 900 million illiterate people, women outnumber men two to one. Girls constitute the majority of 130 million children without access to primary education. (Human Development Report, 1995).
1.3.2 Globalisation Enriches the Rich and Impoverishes the Poor

The capitalist world always has been an unequal one, with a small minority controlling the resources and the majority living in poverty and destitution. It can be a few nations in the world or a few people within a nation in this unequal world, globalisation which is supposed to integrate markets, production structure and culture has succeeded in further enhancing the polarisation.

Thus as per the estimates of world Development Report (1997),

- The per capita annual income of low income economies (LIE) was US $200, and that of high income economies (HIE) was US $3,040 in 1970 (the beginning of globalisation era). In 1990, the LIEs per capita income has increased to US $350, and that of the HIEs to US $19,700. The ratio between the two has increased from 1:25 to 1:56 in the two decades.

- The HIEs with a small share of the world population have accumulated a disproportionately large share of world resources. In 1993, the OECD economies with 15% of the world population controlled 80% of the resources. The LIEs with 56% of the world population received only 5% of the world’s income. The gross product of the entire sub-Saharan region was approximately half of the state of Texas.

The integrated world market equalises commodity prices, but not wages. The dollarisation of the domestic economy results in a sudden and drastic fall in the real incomes of the majority in the developing world. In Peru, the Fuji shock implemented by President Alberto Fujimori in August 1990 increased the fuel price by 31 times and the bread price by 12 times overnight. Compared to the level in the mid-1970’s the real minimum wage declined by 90%.

The average, however, do not give the true magnitude of inequalities because wide income disparities exist within nations. In many low and middle income developing countries, 70% of the rural households had a per capita income which was between 10 to 20% of the national average.


Again the true magnitude of disparities cannot be understood in terms of the magnitude of income and resource disparities alone. The technological gap, and correspondingly the life-style gap between the rich and the poor has widened by leaps and bounds. The progress in biotechnology and communication technology has opened up entirely new vistas for the rich. For example, an elite executive in any part of the world can now sit at his/her desk at home and communicate with the world. Billions of dollars are transferred from one end of the world to another with an electronic signal.
On the other hand, people continue to live at a sub-human level, without electricity or safe drinking water, medical aid, food, transport, and roof over their heads.

### 1.3.3 The Victims are Non-players

Unfortunately, the losers mostly have no active participation in the game. They have no say in the governmental policy decisions, no control over markets, or hope of making gains, and no capacity to offer resistance in the matter. Here is another example from the Philippines. (This is before the 1997 currency crisis which tore apart the entire social, economic, and political fabric of the successful economies of East Asia.) Under the 1994 agricultural agreement of the Uruguay round, the Philippines liberalised trade in a wide range of agricultural commodities. Tariffs were slashed and import quotas expanded. Unlike Peru, internationalisation in the Philippines meant a fall of 30% in the price of maize. The imported maize from the US was sold dirt cheap. This was possible because of the heavy subsidies given by the US to its farmers. The per capita annual subsidy to the US farmer in 1995 was around US $29,000, i.e. 100 times the total annual income of the average Philippine farmer, which did not exceed US $300. Maize being a prominent crop, the livelihoods of around 102 million farmers was disrupted as a result of it. *(Human Development Report, 1997)*

With whom should the poor farmer lodge her/his protest? The US farmer? The US government for giving subsidy? The WTO for bringing about an unequal regime of free and liberalised trade? Or the Philippine government which in 1994 was getting world-wide acclaim for efficient policy decisions?

Finally, the quote also tells us that **Women and men experience poverty differently**

Thus, the burden of impoverishment and marginalisation that results from the global integration process affects men and women differently. To understand this one must begin with the basic premise that men and women are situated differentially in the capitalist reproduction process. Women are at the lowest rung of the pyramid. In the ensuing section you will need about how women are placed in macro-economic framework, world over.

### 1.4 GLOBAL MACRO-ECONOMIC FRAMEWORK: WOMEN’S PREDICAMENT

In the post world war-II period, the industrialised capitalist countries evolved the welfare-state model based on the Keynesian framework of demand management through state expenditure. An elaborate legislative structure was erected guaranteeing employment security and benefits to workers. Most countries in the developing world launched ambitious industrial development programmes with the state playing the key role. Although the
majority of the workforce remained impoverished and marginalised, a small section that entered the organized sector availed of the employment security and benefits provided through legislation emulated from the industrialised world. The hope was that over a period of time, more and more of unorganized work force would be drawn into secure employment in the organised sector.

The post-war boom continued for a long period of more than two decades. It was only towards the beginning of the 1970’s that the capitalist accumulation entered a new phase of structural crisis, besides a slow-down in economic growth, additional disruption - like oil shocks by OPEC countries, and the breakdown of the Bretton Woods system. This required a major restructuring of the system. Capital accumulated at the centre, unable to find profitable investment avenues. The 1970’s was also the decade when the erstwhile socialist world reached a stagnation point and social, political and economic contradictions started surfacing. The ambitious programmes of industrial development in the developing world were aborted, and the hopes of catching up with the industrialised world were belied. (Bodrova and Richard, 1985)

Capital’s response to the crisis was to shift away from the extant activities - sectorally, geographically, and technologically. The restructured phase of capital accumulation which has evolved since then is characterized by three cardinal features:
1) mobility of capital across the national borders,
2) shift from productive activities to finance,
3) revolution in information and communication technology. The three are, of course, inter-related.

Thus, globalisation has changed labour-market context for women in the economy.

Take up the following exercise to assess what you have understood by reading the preceding two sections of the Unit.

**Check Your Progress:**

1) Write how

   a) Poverty has women’s face?

   b) Globalization has different effect on rich and poor people.
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2) What are the four ‘Ds’ of globalization?

Let us now read about the state of women workers in industrial and service sectors in post globalization scenario.

1.5 WOMEN IN INDUSTRY AND SERVICE SECTOR

Shift to finance and squeeze in manufacturing has been the distinguishing feature of the 21st century economic globalization. Idle capital in the metropolitan centre which did not find profitable avenues in productive activities, shifted to financial investments. Floating exchange rates, which introduced currency speculation and conferred high volatility on exchange rates, provided the requisite outlet. The debt crisis in the 1980’s unleashed a spate of corporate mergers, buyouts and bankruptcies. This facilitated consolidation of a new generation of financiers, clustered around merchant banks, institutional investors, stock brokerage firms and large insurance companies etc. Over the years, the financial structure has become massive in size and has acquired a high-degree of concentration, developing a number of sophisticated instruments. The daily turnover of exchange transactions is more than 1 trillion dollars a day, of which only 15% corresponds to actual commodity trade. Institutional speculators who are far removed from actual entrepreneurial activities are capable of not only precipitating bankruptcy in large industrial corporations, but they can drain off the exchange reserves of central banks and lead to the collapse of the economy of not one country or two countries but of the entire region.

In contrast, the capital available to the producers of goods and services has reduced drastically and the earnings in real economy have become vulnerable to the exigencies of finance. Squeeze on capital, and the falling profit rates in manufacturing induced the entrepreneurs to make a desperate bid to reduce labour costs. This was done in three ways.
1) Shifting investment from extant key sectors to a new branch, namely micro-electronics;

2) Shifting investment out of national boundaries, in search of cheap labour in developing economies; and

3) Changing the work organization in the existing plants by resorting to downsizing, subcontracting and other such measures.

In most developed countries, the share of employment in the secondary sector declined drastically during the 1980s and the 1990s. Within manufacturing, the blue collar workers, who constituted the elite of the working class, lost their jobs. Investment shifted from traditional branches like textiles, steel, shipbuilding and mining sectors to electronics.

**Microchip Production and Women’s Employment:**

Micro-electronics in the 1970’s occupied the place that belonged to the textile industry in the 19th century. It spearheaded the process of accumulation, particularly in Japan and the Newly Industrialised Countries (NIC) in East Asia, but also in Europe and the USA. Now they have moved to India.

We have already observed that the textile industry, after mechanisation, completely altered the required skill structure and enabled the capitalist to recruit the cheap labour of women and children; the micro-electronic industry followed the same pattern 100 years later. This new branch could make no use of miners and shipyard workers who had lost their jobs. The electronic companies which invested in the production of chips required workers with nimble fingers and good eyesight, who could perform minute and repetitive jobs, with dexterity and concentration. The most appropriate workers were young unmarried women with high school education or less. These women, taking up jobs for the first time, and very often having migrated from rural or semi-urban areas, were ready to work long hours with low wages. They did not normally engage in women’s union activities. After a few years of youthful diligence, when their productivity declined, they could be replaced by a new cohort, for most companies recruited women on a contract basis. When the contract expired, the worker could rejoin the reserve army and engage herself in domestic labour without being explicitly classified as unemployed. Seemingly, she would have just withdrawn herself from the workforce to take on new domestic responsibilities after marriage.

In the early 1970’s when the production of chips was labour intensive, the percentage of women workers in electronic units was anywhere in the range of 70% to 90%, whether in Scotland or in Silicon Valley in the USA or Kyushu in Japan. The production-line workers assembling and testing integrated circuits were exclusively women. The supervisory staff on the
other hand, comprised only of male workers maintaining the gender hierarchy in the workplace.

The picture subsequently changed in the 1980’s. A larger part of chip production shifted to lower-wage economies from Japan to NICs to Malaysia and Thailand, and from USA to the Caribbean. The developed countries moved on to concentrate on higher value-added products like computers and other complex components.

Secondly, the process of chip production became automated. In the automated production of chips, the skill demands of the factories got polarised. The factory now required, on the one hand, highly educated and skilled researchers and engineers and, on the other, a relatively large number of semi-skilled (unskilled) workers. The skilled highly-paid jobs were given out to men and the semi-skilled ones at the lower end to women. Women are employed to maintain quality-control. They are required to wear synthetic clothes, sit in dust-free rooms, and check through microscopes whether the thin ‘wires’ of the chips have been properly fixed to the tiny plates. The work is classified as semi-skilled. It is monotonous, requires enormous concentration, and puts tremendous strain on the eyes. The percentage of women in the industry has declined, but other things remain. Unmarried and young women are employed for relatively miserly wages. Working hours are long. In Kyushu, a women on an average performs 30 hours of overtime work per month. Occupational health problems are not the responsibility of the employers. If a woman complains of health problems or asks for an improvement in the working conditions, she is promptly dismissed. After all, sick or unfit workers cannot contribute to increasing productivity or efficiency.

In the end, women do not progress to skilled employment or to supervisory jobs, even in a branch where the lower-level jobs are exclusively performed by them. As permanent members of the reserve army, they are permanently debarred from the privilege of entering skilled employment.

In the following section you will read about the how part time jobs have increased in the industrialized world and what impact these have on women work force.

**1.6 PART-TIME WORKERS IN THE INDUSTRIALISED WORLD**

During both the world wars, women in large numbers were drafted into the labour force to take the place of men, who had gone to the front. On both occasions, they were sent back home when the war was over. In the restructured accumulation process, women in the industrialised world are
once again being recruited as wage labour on a massive scale. Only this
time the men are not at the front. They are very often at home as
unemployment in the industrialised world has acquired unprecedented
proportions, and continues to rise. After global recession, things have
worsened. Under the circumstances, the recruitment of women in large
numbers needs to be explained.

With the squeeze on the manufacturing sector, the share of employment in
the service sector has increased substantially over the past two decades.
In most countries, services now constitute 70% of the total employment.
Further jobs created in services are highly polarised. At one end, jobs have
been created in the knowledge and information intensive branches of finance,
insurance, and business. These jobs require professionals and technicians
who are highly educated and skilled. Not just a high level of skills is
required, but also the confidence and ability to absorb new development
and acquire new skills quickly - for skills in the information industry become
obsolete in a matter of weeks.

At the other end, a great many jobs are created in the labour intensive and
low-skilled areas. These include scientific and professional jobs at the
lowest rung, like data processing or nursing, services in distributive trade,
personal services, occupations like cleaning, unskilled catering, home-helping
and so on. Jobs at this end, with low skills and low wages, are created as
part-time jobs. Many of the jobs in the state health sector, education
sector, or social service sector have also been converted from full-time to
part-time mostly because they have been subcontracted to private agencies.

Part-time jobs have also been created in the manufacturing sector.
Manufacturing, in the industrialised world, has been transformed radically
in the past two decades. The revolution in information and communication
technology brought about far-reaching changes in the structure of the final
produce, in production processes, and in work organisation. The new
technology has been amenable to a new management model borrowed in
the West from Japan. Skill polarisation has taken place in manufacturing
also, with high-skilled professionals at one end and semi-skilled production
workers at the other. Like the blue collar craft workers, the white collar
supervisory staff has become increasingly redundant. The Japanese model
of management insists on quality circles where the workers collectively put
pressure on each other to increase work intensity. While quality circles
have subtle exploitative practices, the method has been generally acclaimed
as being modern and eliminating the workers’ alienation.

The other aspect of the Japanese management model is of subcontracting
of production to a very large extent. This keeps the mother plant small,
modern, and manageable. The subcontracted firms supply components of
the main product or supply specialised services to the mother company.
They work with meager capital and are completely dependent on the mother company, thus, having no choice but to agree to the terms dictated by it. The legal restrictions with regard to labour rights are mostly not applicable to these smaller units. They try to reduce labour costs to the minimum by making extensive use of part-time labour and contract workers. They force labour to put in many hours of unpaid overtime, and frequently resort to layoffs without notice or compensation. The new management model, thus, admits the most primitive labour relations, with the most modern production techniques.

The part-time jobs are created in large numbers both in the service sector and the manufacturing not because full-time workers are not available or because the work specifications suit only part-time jobs. In most cases, the employers prefer to create part-time jobs because it facilitates the reduction of labour costs to the minimum. The hourly wages offered in part-time jobs are much lower than what prevails for similar tasks in regular jobs. Sometimes it is as little as 50% of the wage rate in regular jobs. Moreover, part-time workers can be laid off instantaneously when not required. In Japan, the part-time women workers are referred to as ‘throw away material’, analogous to ‘throw away chop sticks’ used for eating meals. These are dead-end jobs. The employers do not have to offer any prospects for career promotion in the long-term or on-the-job training facilities. Employment-related benefits like paid leave, sick leave, maternity leave, pension or insurance etc. do not enter into part-time contracts. On the other hand, the work put in by part-timers is anything but casual. In Japan, especially, the hours of work per day of the part-timers are only marginally less than those in regular jobs. Many part-time jobs consist of as much as 7 and half hours a day. Even when the total hours are fewer, the work intensity in the case of part-timers is higher. As they are hired for the absolute minimum number of hours deemed necessary for the specific job, there is no possibility for a slack in their work time.

This, indeed, is a reasonably fair description of job opportunities available to a large section of women entering the labour market in the industrialised world. It is not just that the part-time jobs are exclusively taken up by women. Unfortunately, for most women, the labour market offers little else. In many of the OECD countries (Germany, UK, Japan) part-time employment constitutes as much as 45% of women’s total employment. In other countries, the percentage is anywhere between 35% and 45%. (World Employment Report 1998).

Even now, in the so-called most developed part of human civilization, only a handful of women acquire the requisite skills to join the high echelons of professional or other careers. It is true that job opportunities for women at the top have expanded, but for most women opportunities for skill acquisition and consequent occupational choices are limited.
Ostensibly, it is said that part-time jobs offer flexibility to women to balance their domestic responsibility and outside work. In actual practice, part-time jobs allow capital to avail of most flexible labour at the lowest possible cost. The middle-aged married women in industrialised countries, thus, constitute a large segment of exploited labour in the restructured capitalist production process.

A survey in the *Economist* (18-24 July, 1998) on ‘Women and Work’ proclaimed that women coming out to work in such large numbers is a definite progress toward their emancipation. It says, this time they have come out not to go back home. But, in the capitalist production system, any section of labour can be sent back home if the need arises. We shall elaborate on this while considering women’s employment in transition economies.

Here it is suggested to assess your understanding of the last two sections that you have just finished reading.

**Check Your Progress:**

1) Write a few lines about the status of women workers in industry and service sector.

2) Why do women get pushed to part time work even in industrialized countries?
In the following section you will read about the situation of women workers in developing countries.

1.7 STRUCTURAL ADJUSTMENT AND WOMEN’S EMPLOYMENT IN THE DEVELOPING WORLD

To facilitate the mobility of capital across national boundaries, the developing countries were forced to undertake structural adjustments of their economies. The prescription dictated by the International Monetary Fund (IMF), World Bank, and GATT (subsequently WTO) was uniform, despite widely varying economic, political, and cultural coordinates. In return for some paltry aid, the programme exacted the removal of barriers to:

• the inflow and outflow of capital and commodities,
• removal of exchange control and currency devaluation,
• withdrawal of the state from economic and social activities,
• strict control of fiscal deficits and, of course,
• removal of whatever little legal provisions existed for labour security.

As geographical, economic, political and cultural structures differed, the fall-out of this uniform prescription needs to be discussed separately for individual countries. Even then some common trends can be identified as the outcome of liberalisation-globalisation-adjustment programmes introduced in the developing world.

Over the past two decades, several countries went through a severe recession (actually negative growth rates in sub-Saharan Africa), hyper-inflation, deindustrialisation and famines (in Africa). In some conventional sense, success stories were available only in East Asia, where robust economic growth was sustained through the 1980’s and the early part of the 1990’s. Of course, the whole region exploded in the later part of the first decade of 21st century, sending tremors to the whole world. Many doubts are now raised on the continuance of the capital accumulation process in its present form.

The globalisation-liberalisation programme has sucked away surplus from the developing world through various means like exports of both manufactured and agricultural commodities, financial and real-estate speculations and, of course, debt repayments. The impact on labour has been severe, especially in sub-Saharan Africa and Latin America. There is no dearth of statistics on falling real wages, increasing poverty, recurrent epidemics, and famines.

In the developing world, regular wage employment was never a dominant mode of employment. The majority has been engaged in some form of self-
employment, or in casual employment. A large part of the employment is seasonal and intermittent in nature and fetches an income insufficient to stave off poverty.

In many countries, the state constituted (and still constitutes) the major provider of regular jobs, through public sector units in core industrial sectors and of course defense and administration. The withdrawal of the state from industrial activity and massive slashing of capital expenditure has caused severe industrial recession in most countries. Removal of barriers to the entry and exit of capital lent more fluidity to finance capital, and increased speculative activities. Foreign direct investments in productive activities were limited in comparison. Further, multinational companies subcontracted on a large scale, and indigenous companies soon followed suit. As a result, the already small share of regular wage employment came down further. Those losing regular jobs have taken recourse to whatever inferior employment is available or can be improvised in the informal sector. As a result, the urban informal sector expanded. Crowding in the informal sector was absorbed through a fall in income and increased underemployment.

The share of wages in value-added manufacturing had fallen substantially during the 1980’s in many developing countries. The share had gone down by as much as 16% in Mexico (from 36.7% to 19.61%), 12% in Sri Lanka (29.5% to 17.2%), 15% in Turkey (34.6% to 19.2%) and so on. (Source: World Employment Report. 1996-97)

*Export manufacturing and women workers*

The developing countries have been pushed into export-led industrialisation to generate foreign exchange. The foreign exchange earned is either repatriated abroad as MNC’s profits or used up for debt repayment, or appropriated by the local elite for expensive imports.

The traditional exports of the developing world comprising of raw materials with little processing, have been replaced by labour intensive manufactured exports of mostly electronic components and garments. As already mentioned, the electronic companies continuously shifted production of chips to lower wage economies - for instance from Japan to the Republic of Korea, Malaysia and Thailand. The manufacturing units are either directly owned by multinational companies abroad, or are subcontracted to local entrepreneurs. Local governments anxious to attract this new form of investment offer tax holidays, exemption from import duties, unrestricted profit repatriation, and special export processing zones with requisite infrastructural facilities to house those plants. A quiescent labour force is supplied by prohibiting unions and strikes in these zones.
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The workforce in these export units consists largely of young women who are single with no previous work-experience. In the East Asia and South East Asia and the Caribbean most women are not well educated and many have migrated from rural or semi-urban areas. (Custer, 2009)

The work conditions in export processing zones are abysmal by any standards. Women who come to work in these units accept wages much lower than the male industrial work force in the lowest rung. Further, the wage structure in the units is designed to increase work intensity to the maximum. The basic pay is scarce on which workers get allowances related to productivity, overtime, surrendering paid holidays and so on. Without the allowances, the workers cannot survive. So they are forced to increase their working hours and work intensity in order to merely survive.

There are other examples of getting long hours of work done without any additional benefits, for instance, in Malaysia a Japanese company chose 4 cohorts of workers working 3 shifts a day. Sunday is a normal working day. A cohort gets two days off after working non-stop for three weeks. In Bangladesh, in a garment unit, women work without a holiday and put in long hours of overtime without getting any compensation for it. Night work which is legally prohibited in Bangladesh is a common feature there.

Gender hierarchies are reproduced in workplaces with male owners, managers, and supervisors, and women assembly workers. Women complain of having restrictions regarding going to the toilet. There are many repeated cases of sexual harassment inside and outside the premises. Poor working conditions and long hours of work lead to occupational diseases which only mean loss of job for these women. No compensation is offered either by the state or by the employer.

The reason why women agree to work under such conditions is that they do not have better choices outside, while within the unit they cannot unionise and collectively demand a better bargain. If a woman begins union activity, very often she is not only thrown out of her present job, she is blacklisted for other units. Further, there is active state connivance for continuation of these conditions. (Moghadan, 2004)

The turnover in these units is high because young girls leave or are made to leave when they get married or have children. There is uncertainty in employment because the employer having invested little capital can shut down the unit anytime, or the subcontractor’s contract may be terminated as the multinational companies move over to greener pastures.

This is the new workforce being generated in the third world countries to replace the state employed or state protected labour force, which grew in the initial years of industrialisation of the post-colonial economies.
Any comment on women workers in the developing countries would be incomplete without a reference to women in agriculture. Many countries in Asia and Africa have more than two-thirds of their workforce engaged in agriculture and allied activities. The land-ownership pattern is extremely skewed. The majority of households are either landless or possess a very small piece of land. Women’s participation in earning activities in this section of the population is almost equal to men. They work either as wage labour or as household labour. Division of labour exists with men’s and women’s activities being distinctly defined. Of course, regional variations exist. For instance, in Bangladesh, in paddy cultivation, tasks performed in the field—like ploughing, transplanting and harvesting—have traditionally been men’s responsibility. Women would perform closer-to-home tasks like handling the seeds, winnowing, parboiling, and husking. A significant number of households also engage in what is described as subsistence labour to supplement their earnings. Most households survive at an extremely precarious equilibrium at low levels of consumption.

Globalisation has increasingly disrupted these households from their extant equilibrium. The developed countries are interested in exporting their cheap subsidised grains to the third world. In return they want exotic fruits, cut flowers, and other cash crops, for their agro-processing units, from tropical countries.

The Uruguay round of GATT forced the developing countries to lift barriers on import of grains. Seed patenting is another measure, negotiated at GATT, which will disrupt the farming practices in a bad way. Another development adversely affecting the vulnerable sections is massive cuts in state expenditure on rural infrastructure. On the other hand, agro-processing multinationals are directly acquiring land or subcontracting farmers to produce inputs for them.

The land use and land ownership pattern has already changed in some countries and is changing fairly rapidly in others. Whereas medium and large farms are getting mechanised and getting integrated into the world market and world production, the vulnerable sections have been dislodged from their extant activities. The small and marginal farmers are surrendering their land because it is no longer possible to fulfill subsistence needs through their resources. The incidence of landlessness is increasing.

Women, earlier engaged as household labour, are forced to enter wage labour. For instance, in Bangladesh, rural women who traditionally engaged themselves only in indoor agricultural tasks, ignored the rules of seclusion and purdah and came out in large numbers to take employment in food for work schemes during the famine in 1974. They accepted jobs requiring hard
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physical labour like digging and excavation of canals for drainage and irrigation, building of roads and flood embankment. Others joined production tasks in paddy fields. While the boundaries between men’s and women’s work are changing, the wages paid to women are often half of that paid to men. (Kalapagam, 1994)

Incidentally, in most places, women are preferred to men as wage labourers because their wages are lower, and also because mechanisation has taken over men’s jobs more than women’s. Even then there is a surplus of wage labour among both males and females because employment elasticity in agriculture reduces drastically with big capital entering the branch. In Mexico, 10 million males and females migrate in search of work from one place to another: they are called brigades of swallows.

In other cases when farmers have not surrendered their land and cattle, men have moved out, looking for work as agricultural wage labourers, in more prosperous regions, or into non-farm activities, women are left to manage the non-viable farms with more constraints than men. They don’t own the land they manage. Very often they are unable to take independent decisions. They have greater difficulty in getting credit and other inputs.

**Box No. 2**

*The changes in the third world agriculture have resulted in increasing the workload on women without adequately increasing the income available, or their control over resources. But once again the specific immiserisation of women is integrally related to impoverishment of the agricultural workforce as a whole.*

Let us review the situation of women workers in Eastern Europian Block

### 1.9 WOMEN IN THE FORMER SOCIALIST ECONOMIES

In that part of the world that was formerly socialist, the general trend observed everywhere else is reversed. The entry of private capital and market relations instead of drawing women into the social production sphere or making use of the existing female work force have engendered massive layoffs of women from their productive activities.

Discrimination against women has occurred during both the mass retrenchment of workers and in the recruitment of new workers. Employment in sectors where large numbers of women worked - like the public sector, textiles, and agriculture - have simply collapsed. New opportunities opened up in service industries such as catering, retailing, and the lower end of banking. The marginalisation of women from the labour market is, of course, accompanied by an increasing rhetoric of women’s primary attachment to domestic life and their reproductive roles, and polemics regarding appropriate and inappropriate occupations for women.
To explain this reverse trend in the erstwhile socialist world, it is essential to look into the manner in which women were integrated into the sphere of production and reproduction in the socialist economy and society.

**Box No. 3**

The number of women in the economically active population in the USSR and in the countries of Eastern Europe grew very rapidly. The labour participation rate for women ranged from 70 to 90%. An ILO study on female employment and fertility (Bodrova, Valentina and Anker, Richard) noted that women were present in virtually all occupations and industries except mining and transport. The sexual division of labour within the workplace was much more equal than in market economies.

A large percentage of women in industry were in engineering. In the USSR 40% of industrial engineers and 43% of engineers and architects in construction were women. Around 30% of agronomists, 55% of experts in animal husbandry, and 37.5% of veterinary surgeons working in state farms were women.

Special benefits were given to women in socialist countries to reduce the conflict between their roles as mothers and workers. Maternity leave in the socialist world ranged from two months in the USSR to six months in Czechoslovakia to one year in GDR. Mothers were allowed to take an extended period of unpaid child care leave when the child was young, while their employment status and all social insurance rights remained uninterrupted. In addition, the state provided creche facilities for pre-nursery children, and centers to take care of school children after school hours on nominal payment. Meals were provided to children in the schools or daycare centers, and to workers in their workplace. (Bodrova and Asker, 1985)

It is not that the socialist countries did not have gender related problems. Gender biases and inequalities did exist. There were inequalities in educational tracking, access to training, location in occupational structure and income levels. It is true that women rarely reached the highest levels of management authority and decision-making. Despite the fact that the occupational distribution was less segregated, women did concentrate on lower paid jobs. There were instances of gender based discrimination also. It is also true that the socialisation of housework was not adequate, and women in the socialist world did complain of double burden.

However, if one makes a relative assessment, comparing women in the socialist world with those in the developed capitalist world, it is clear that the advantages and benefits available in the socialist economies made a significant difference to women’s status. Reproduction of labour was explicitly recognized as a contribution to the economy and society. The state made
a substantial contribution towards the rearing of the young ones and care of the aged.

With this background the women in the socialist world did not constitute a cheaper source of labour. In fact, with maternity benefits and other family benefits, women became more expensive labour.

In the transition stage, the state, has not been able to completely abolish the special rights of women. Private capital, naturally, is not interested in women workers who will have to be given special concessions and benefits. Men without encumbrances are preferred. There is, of course, a move towards gradually withdrawing the special facilities given to women workers. Crèches have already become an unaffordably expensive facility in most countries. By the time the transition to market economy is complete, women would have lost both their jobs as well as their special status as workers and mothers.

1.10 LET US SUM UP

Recruitment of women into wage labour in the industrialised and developing world and their marginalisation in the ex-socialist economies are part of the same process: namely capital’s attempt to reduce the share of labour in the total production.

Unfortunately for capital, the restructuring undertaken to manage the crisis that emerged in the 1970’s has further deepened the crisis. The accumulation process has brought about serious environmental challenges for the sustenance of human civilization. It has brought about unemployment, impoverishment and concentration of wealth of such magnitude that civil societies are being torn apart with rampant corruption, increased crimes, and mindless ethnic or religious conflicts. Most important, the financial dynamism which overshadowed everything else in the recent past has reached a chaotic stage. The world financial structure and production structure is now far more closely knit than during the 1930’s, and therefore the threat of a breakdown looms larger.

So far as feminisation of the production process, or marginalisation of women in other parts, brings women together and strengthens the women’s movements, it enables them to contribute towards rejecting this unjust system altogether.

1.11 UNIT END QUESTIONS

1) Describe impact of globalization on women’s economic profile in different countries.
2) Explain women’s predicament in the global macro-economic framework of structural adjustment programme and economic reforms.

3) What has been impact of economic globalization on women in industry and service sector? Discuss with the help of examples.

1.12 REFERENCES


1.13 SUGGESTED READINGS

