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## **Globalisation and Women Labour**

### **1. Introduction**

Within the past two decades, globalization has created a tremendous impact on the lives of women in developing nations. Feminists and women's interest groups are concerned that globalization increases the existing economic disadvantage experienced by many women relative to men in most countries of the world (Afshar and Barrientos, 1999; Benería and Feldman, 1992; Çağatay, 1996; Elson and Pearson, 1989; Elson, 1999; Tinker, 1990; Visvanathan et al, 1997). Researchers in the fields of Sociology, Anthropology, and Economics have collected empirical data that shows the consequences of globalization on the lives of women and their families in developing nations.

However, given that there is wide-spread labour market segmentation and segregation in production by gender, including paid formal work and unpaid informal work, it is assumed that trade will have a differential impact on gender. With the establishment of international free trade policies, such as North America Free Trade Agreement (NAFTA) and GATT, transnational corporations are using the profit motive to guide their factories toward developing nations in search of "cheap" female labour. Corporations prefer female labour over male labour because women are considered to be "docile" workers, who are willing to obey production demands at any price. This high demand of employment opportunities for women in developing nations creates an instantaneous change within the social structure of these societies.

Globalization critics are concerned that increased trade openness and foreign direct investment exacerbate existing economic disadvantages of women Labour and foster conditions for women

exploitation. Defenders of globalization argue instead that as countries become more open and competition intensifies, discrimination against women becomes more difficult to sustain and is therefore likely to recede.

Existing studies on the effect of globalization on gender-related aspects of employment have either focused on the female employment share in the labour force or the wage gap between men and women. An increased share of female employment following trade liberalization did not lead to a decrease in discrimination as liberalized trade is likely to increase female employment in some countries and reduce it in others. But there are many forms of discrimination other than unequal pay for work of equal value, such as the right to work in specific circumstances, discrimination in hiring and promotion practices, freedom of choice of profession etc. (Eric Neumayer and Indra de Soysa, 2007)

## **2. The Gendered Impact of Trade Policy**

The rise in women's employment through the growth of the export manufacturing industry has had both positive and negative consequences for women. On the one hand, the increased income, autonomy, sense of community or collectivity, empowerment and a broader range of choices that paid work offers can have positive impact in a woman's life. Conversely, paid work can also compromise the amount of time a woman has to devote to her demanding informal work load. It can expose women to sexual exploitation and abuse (Fernandez-Kelly 1995, 203-216). As the demands on women's time and labour are increased, the time available to provide care decreases which, unless recognized and dealt with, can jeopardize human development in the long run. Although export processing zones undoubtedly create jobs for women, they are associated with low wages, poor working conditions, and long hours.

By examining the harsh working conditions for women in general and the socioeconomic context of the country in which they are employed highlights tensions between the opportunities and obstacles that

women working in trade-related employment must face. The employment opportunities provide women with a sense of achievement and the money they make may provide leverage and open up options in their lives. However, this employment is particularly exploitative of women and their position in society and the economy.

### **3. Economic Globalization**

Prior to development, men and women relied on agricultural production as their main source of occupation. After corporations have created there has been a sectoral shift in the labour force from the agricultural sector, to working in assembly production. Empirical evidence shows that there has been a significant decline in male agricultural work “from 62% to 14%... [and] a similar decline in agriculture [for women]” (Schultz 1990). Despite this trend, assembly production is dominated entirely by a female labour force. Corporations desire female labour for assembly production because women will “work in labour-intensive industries at wages lower than men would accept, and in conditions that unions would not permit” (Moghadam 1999). Females are attracted to assembly production because of the lack of opportunities for female employment in other industries. The main reason for this lack of employment is gender employment segregation, which subjects women to inferior employment positions than those held by men.

Corporations are reinforcing women’s subordinate economic position in society by offering them inferior employment positions and wages that sustain this position. It is also that wages earned in export factories are also usually higher than what they could earn as wage labourers in alternative low-skilled female occupations, such as farm labour and domestic service (Lim 1990). Therefore, the increase in factory wages over other forms of employment is a major influence on young females for choosing factory employment over the alternatives. This huge variation in the amount of wages earned between developed nations and developing nations has also created competition in developing nations.

#### **4. Women's Work**

Women's participation in paid employment has risen within the last two decades, due to trade liberalization. As economies have industrialized, women have often followed their 'traditional' tasks from the household into the public work sphere (Nisonoff 1997, 177-190). Stereotypes about women's 'natural' abilities, derived from the legacy of their traditional work duties, have been used to devalue the skills they bring to the workforce and to keep their wages low (Elson and Pearson 1997, 191-203). In semi-industrialized export-oriented countries, there has been a feminization of the labour force as firms prefer to hire women who will accept low wages and poor working conditions (for lack of other alternatives). Importantly, employers also prefer women because of the docility that comes with their disadvantage.

Employers take advantage of social norms that subordinate women and make them less likely to confront authority (Kabeer 2004, 14-15). These low-wage jobs draw almost exclusively on female labour, taking advantage of the cultural conception of women as 'nimble fingered,' 'docile', and unskilled and thus more suited to factory work (Elson and Pearson 1997, 191-203). Increased female participation in formal labour, however, does not necessarily translate into a decrease in their informal labour. By not including women's unpaid, informal labour in the global market, women's work is rendered invisible and devalued.

#### **5. Globalization, and Discrimination**

An extension to traditional Hecksher-Ohlin type trade theory predicts that trade liberalization will increase female employment in developing countries. Countries will expand the production of goods that are intensive in factors, which are abundantly available. In developing countries there is a large supply of relatively unskilled labourers. Partly because of prior discrimination in education and due to social and cultural restrictions on female employment opportunities, women represent the bulk of unskilled labourers. Traditional Hecksher-Ohlin trade theory takes factor supplies as fixed. Relaxing this

assumption, as developing countries expand their production of goods, women's participation in the work force is likely to increase. Globalization is certainly not the only factor behind the sharp rise in female employment in developing countries over the last several decades, but most studies agree that the increased integration of developing countries into the world economy has been an important factor (Fontana, Joekes and Masika, 1998; Tzannatos, 1999).

These effects of globalization on women's economic activity have not been entirely beneficial, however. First, trade theory predicts as well that developed countries will see a contraction of production in corresponding economic sectors, which likely affect women most due to the high share of female employment in these sectors. This is indeed what most empirical studies find, with the exception of few. (Wood ,1991; Kucera and Milberg, 2000).

Second, in developing country economies that are predominantly agrarian, globalization has often meant a shift toward cash crop production for exports together with increased competition for food crops, a shift that adversely affects women that are predominantly employed in small non-export oriented farms (Çağatay and Ertürk, 2004: 21). Also, a high rate of female participation in agriculture and household work need not go hand in hand with autonomy to choose professions (Morrisson and Jütting, 2005).

Third, without a more equal sharing of unpaid domestic work, women's overall work burden is likely to increase as they take up paid employment (Fontana and Wood, 2000).

Fourth, some argue that the female employment expansion was only possible because women took up low-paid, insecure, casual jobs with poor working conditions (Standing, 1999; Çağatay and Ertürk, 2004). Thus, more employment of women as a share of total labour in developing countries (Tzannatos 1999, p. 553) reports that the average developing country female participation rate rose from 35.9 % in early censuses from the 1950s and 1960s to 47.9 % cent in censuses of the 1980s and 1990s may not mean women's status or welfare improved in any meaningful way, either in absolute terms or relative to men (Elson 1999) for a general review of such arguments.

Due to the increase in the female employment share, traditional Stolper-Samuelson type trade theory would predict that women's wages would tend to go up in developing countries. This is because an increase in demand for goods intensive in unskilled labour will increase the remuneration to unskilled labour.

Modernization theorists similarly see greater contact between the rich and poor as beneficial for the poor since forces of modernization lead to the breakdown of traditional values and practices such as patriarchy and discrimination of women, leading to greater emancipation (Lerner, 1958; Inglehart, 1988). Since cultural values may hinder the emancipation of women, the education of girls, and affect fertility rates in particular, some societies are likely to remain trapped in a vicious cycle of poverty, which in turn induces further marginalization because these values hinder the globalization of these economies (Harrison and Huntington, 2000). Thus, modernization requires globalization and vice versa, which certain cultural traits in some societies may prevent, working particularly through the disempowering effects of culture on women's role in society (Donno and Russett, 2004).

Critics argue, however, that far from being an emancipatory force, globalization and economic discrimination of women go hand in hand. Dependency and world-systems theorists regard the contact between rich and poor as exploitative, reinforcing dependent patterns of development, both between countries and within. These theorists blame greater trade integration and the activities of MNCs that spread capitalist modes of production in 'peripheral countries' as a source of intensified exploitation of women. Women are subjected to greater subordination, increasing their overall burden with little rewards (Griffin and Gurley, 1985; Mies et al, 1988; Momsen, 1991; Ward 1984: 3),

Critics also argue that increased competition due to globalization will diminish the bargaining power of wage labourers. Following the path-breaking work of Becker (Becker, 1957), economists argue that a discrimination-based gender wage gap can exist if (predominantly male) employers have a taste for discrimination. However, since employers either fail to pay female employees their full marginal product or pay men more than their marginal product, satisfying their taste for discrimination will incur some economic cost on them. Becker argues that it becomes more difficult to indulge in tastes for

discrimination as competition increases, which punishes all forms of wasteful economic behaviour. In as much as trade liberalization and the entrance of foreign investors steps up the competitive pressure on firms, there would be a decrease in gender discrimination. Importantly, this should be the case in both developed and developing countries, even though it is expected to be stronger in countries (and within sectors) where globalization has led to sharper increases in competition. Critics claim that globalization favours capitalist classes over labour unions.

## **6. Conclusions**

Trade is far from being a mere economic tool, also affects people's lives, their livelihoods, and their daily wellbeing. For women, the poorest of the world and the caretakers of children, the impact of trade and the ways in which trade is conducted can be crucial. One of the largest gendered effects of trade is its disregard for women's unpaid, informal labour. The continued exploitation that results is counter to the objectives of free international trade which aims to encourage and stimulate growth to alleviate poverty.

This article discussed some of the ways in which trade affects women differently than men. Calling attention to the gendered aspects of trade policy provides an entry point to critique the current economic system and highlight the very gender-specific, and often unequal, aspects of economics that are realized through trade. If the gendered impacts of trade are not acknowledged and addressed trade policy can negatively affect women and, in the process, undermine development goals. In order to make trade more effective, women's roles in society and the economy must be understood and incorporated into trade policy

Existing studies, both qualitative and quantitative, have only addressed some aspect of discrimination and have often done so on a case study basis. Women in countries that are more open to trade enjoy better economic rights and there is less incidence of exploitation in countries, more integrated into global markets than in countries that are more closed.

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