

**Gendered Labour Markets
and Globalisation in Asia**

By

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Introduction

This paper argues that processes of economic globalisation have significantly transformed labour markets in Asia during the last three decades. A central feature of this transformation is the growing importance of female labour at the core of economic processes. This feature has been extensively discussed by feminist economists and anthropologists but received relatively little attention in macro-policy debates. At best, policies towards women workers are viewed as welfare measures of primary interest to the women themselves. The paper argues that such a view is short-sighted and its limitations are becoming evident in the context of the recent economic crisis.

Gender-biased or “gendered” labour markets, as we call them, are not only a problem for women workers. They also trap economies on the so-called low road of labour-intensive growth, making it difficult to garner the full fruits of growth, or to ensure its sustainability. Sustainable human development focussed on the conditions of women’s participation in labour markets can lay a firmer grounding for sustained increases in income per capita. Sustainability in the paper is viewed along three dimensions – human development, the gains from trade and integration into the global economy, and resilience in the face of economic shocks such as the recent crisis.

The paper is divided into three main sections.

- The implications of globalisation for the transformation of labour markets
- The micro and macro implications of gendered labour markets, and
- The policy implications of gendered labour markets under globalisation.

I. Globalisation and the Transformation of Labour Markets in Asia

The past three decades have witnessed major changes in Asian labour markets associated with globalisation processes and the associated liberalization and growing outward-orientation and integration of national economies into the international economy. Asia is of course a vast region with considerable differences and divergent trends in different sub-regions and countries within sub-regions. This paper does not attempt a comprehensive analysis of these differences but focuses on those aspects of labour market changes most closely linked to economic globalisation¹. The earliest globaliser in the region in this context was clearly Japan whose post-War emergence as the “classic” export-oriented fast-growth economy dates back to around the mid-1960s. Japan’s lead was followed rapidly by S Korea, Hong Kong and Taiwan, and in the 1970s by Singapore, Malaysia, Thailand and Indonesia. Although the economic growth and labour market experiences of these first three rounds of Asian globalisers had their specific features, they shared common characteristics: unprecedented high growth rates, export orientation, significant investments and achievements in health and education, and a striking reliance on female labour in new and fast growing manufactures and services.

¹ Accordingly, the data and analysis in this paper refer mainly to those countries that have been significantly affected by these processes. See Table 1 for a list of these countries.

(...) Not all of these features are to be found in the relative late-comers to globalisation in the region such as Sri Lanka, Bangladesh, Vietnam, China and most recently India. Despite this, the newer segments of the labour market in these countries also show a higher than previous employment (and in some cases a preponderance) of women workers. (...)

This regional “feminization” of the labour market has been commented on and analysed almost from its inception by economists and anthropologists working on women and development (Elson and Pearson, ...) and later by labour analysts at the ILO (Standing, ...) and elsewhere. With a few exceptions, however, (Amsden and van der Hoeven, Joekes ...), analysis of this feminisation process has been poorly linked to the discussion of macroeconomic issues including trade policies and globalisation. Yet, the phenomenon of feminisation has been significant enough in the region to make this a major lacuna in both analysis and policy discussions. This section of the paper provides an analysis of the dimensions of this transformation of labour markets examining both demand and supply sides.

1.1 Changes in the supply of labour

Two aspects of labour supply have been important – quantity as represented by population growth rates, rising female labour force participation rates, and migration, and quality as represented by education levels, and health status. Table 1 shows that while official labour force participation rates for women are still significantly below those for

men (except for the socialist economies), the share of women in the adult labour force has grown in all countries (with the exception of India) between 1970 and 1997. These increases have been particularly significant in countries such as Indonesia, South Korea, Malaysia, Singapore and Sri Lanka, ranging between 6 and 12 percentage points in these countries. Other countries have experienced smaller but still significant percentage increases. When combined with the fact that the annual growth rates for the total labour force have been over 2% during 1965-95 in almost all the countries under consideration, this points to quite a significant increase in the absolute and relative importance of women workers in the region.² Women workers have risen from around one-third to over two-fifths of the adult labour force in many of the countries considered. This increase in the female labour force has two components to it – the increase in the total labour force consequent on population growth and change in the age structure, and the increase in women’s labour force participation faster than that for men.

The share of women in work-related migration has also been increasing (Hugo, forthcoming). Although large scale migration data that are comparable across countries are difficult to come by, Hugo (forthcoming) argues plausibly that the “migration of women both within and between countries has increased exponentially over the last two decades... In considering migration of women we are no longer focusing on a small minority.” Traditionally female migration has tended to be heavily marriage – related and associational (with families), but recent decades have seen women migrating in larger numbers for work and by themselves, both domestically and internationally. At the

² Sharp increases in the share of women workers in the total labour force have also occurred in other developing countries, e.g., Latin America.

receiving end of these migrants (who tend more often to be young and single than before) are new factories and workshops associated with the global assembly line, as well as informal sector work such as petty trade and services, domestic service, sex work, and the entertainment industry (Hugo 1993). A number of the international migrant workers are undocumented and there has been an increase in trafficking in women migrants in the region.

Table 2 provides some surrogate indicators for labour force quality in these countries. The indicators provided include recent data on female literacy, infant and maternal mortality, female life expectancy, as well as the human and gender development indices. It is well known that such indicators are considerably better in the East and Southeast Asian countries than in South Asia (excepting Sri Lanka). Disparities in these indicators across the sub-regions existed at the start of the incorporation on the region's labour markets into the global economy (Table 3) and continue to exist today. Some have argued (Bagchi....) that these differences account for the much faster growth of GNP per capita in East and Southeast Asia. Be that as it may, one may hypothesise that labour force quality, as embodied in workers' health and education levels, will influence the sustainability of labour intensive growth as discussed in section III of the paper.

1.2 The demand for female labour

The phenomenon of high growth rates in the East and Southeast Asian region prior to the recent financial crisis is too well known to require repetition here. Interestingly, an examination of the changes in the structural composition of GDP during the period reveals some interesting ways in which the countries of the region have bucked global trends. As is well known, the global trend has been a decline in the shares of agriculture and manufacturing and an increase in the share of services. These patterns of course differ between high income economies and the others, particularly in the distribution within the service sector between corporate services and personal, informal-sector services. Table 4 reveals however that the average pattern of sectoral change for both low and middle income economies does not hold for a number of countries in our group

For low income economies in the world, on **average** the share of agriculture declined, that of industry remained stagnant, while the share of services increased. For the low income economies in our **group**, however, while the share of agriculture did decline, the share of industry actually increased (except for Sri Lanka where it increased between 1970 and 1980 and declined thereafter)

For middle income economies in the world on **average**, there was a smaller decline in agriculture, a significant decline in industry, and a corresponding increase in services. This pattern is like the known pattern of recent structural change for high income economies. Indeed, distinguishing between lower middle and higher middle income economies shows the change in the latter to be even more similar to that of the high income economies. In our **group** by contrast, while the share of agriculture fell and that

of services rose, the share of industry increased significantly for each country with the single exception of the Philippines where it rose between 1970 and 1980 and fell thereafter. Furthermore the percentage increase in the share of industry was significantly higher than that for the share of services in many countries. These data point to the importance of industrial growth in the growth performance of both the low and high income economies of the region, in addition to the growth in services, and contrary to the average pattern in the rest of the world.

Table 5 which shows the sectoral distribution of the labour force during the middle 1980s and 1990s indicates, however, that there has not been an equivalent structural shift in the distribution of employment. In a number of countries agriculture remains the repository of well over half of the total labour force, implying that the distribution of total GDP and income has shifted in favour of those in industry and services. A striking example of this is Thailand where agriculture still had 66% of the labour force in 1989 while its share in value added was only 23% in 1980 falling further to 11% by 1997. Similarly, 50 % of Indonesia's labour force was in agriculture in 1993 while only 16% of GDP was produced by agriculture in 1997. A similar pattern is true for India as well as other countries. While anti-poverty programmes and social safety nets might counter these effects, there is an inherent structural vulnerability here which is important to bear in mind particularly in the context of the current crisis

Returning to our discussion of the importance of industry in the growth performance of these countries, Table 6 shows that the share of women in all production workers and

among manufacturing workers more specifically at least held its own or increased in most countries. The exceptions to this appear to have been the high income countries in the group – Singapore, Hong Kong, and S Korea. Given our earlier point about the importance of industry to the growth of GDP in these countries, it is clear that the labour market has been distinctly feminised in Standing's (1989) sense. Even more striking is the share of women in EPZ industries as shown in Table 7. In all the countries in the table, the work force in EPZs has been overwhelmingly female.

The so-called global assembly line uses women workers in developing countries to produce exports in at least three distinct ways. The first and best known of these is in EPZs as mentioned above. The second of these is outside EPZs. Bhattacharya (1997) discusses the case of Bangladesh in the 1980s and 1990s. The number of garment factories grew from four in 1978 to 2400 by 1995 when 1.2 million workers were employed, of whom 90% were young women under age 25. The garment industry accounts for almost three-quarters of female wage employment in Bangladesh. Other countries have had similar experiences. The third way is through sub-contracted piece work in the home. Home work is used for finishing operations in garments, and is also used to supplement labour needs during peak seasons. Chen, Sebstad and O'Connell (1998) estimate that the percentage of homeworkers in garments range from 30 to 60% in different Latin American and Asian countries. The ultimate employers in all three cases may be multinationals or domestic firms of varying sizes; sub-contracting in particular sometimes involves a whole chain of intermediaries between the multinational buyer and the woman producer.

Some believe however that women workers are being pushed out of their dominant position in export production (Joekes, 1999). This phenomenon has been observed in as distant countries as Mexico, Mauritius and Malaysia, and may indicate that the phase of the global assembly line dependent heavily on female labour may be drawing to a close. It may be the case that the global assembly line is now dispersing more and higher-skilled jobs rather than only low-end labour-intensive assembly, and men are therefore being drawn in. An alternative hypothesis is that, given the growing rates of male unemployment in many regions during the last two decades, men are beginning to compete on comparable terms for women's jobs. The evidence for this is insufficient to know how deep or wide-spread such a reversal is or where its causes may lie. But this phenomenon would be in line with Standing's (1999) thesis about feminisation that it represents a convergence downwards between men's and women's work through processes of "flexibilisation" and casualisation of labour.

Although manufacturing is, as we have seen, an important site where women workers are located consequent on globalisation, services have also seen an increase in importance as absorbers of female labour in a number of countries. The growth of jobs in services has been documented to be of four types although aggregate data or distributions among these types are not available. Women with higher levels of education in countries such as Singapore have found employment as professionals in banks, finance and insurance firms, and other corporate service providers. Most similar to the global assembly line in manufacturing is data-entry work for service multinationals such as insurance firms,

airlines, mail order houses and credit card companies, as well as for health management organisations, police departments etc (Pearson and Mitter 1993). Taking advantage of time differences, the global management of data-dependent services is taking on the characteristics of a “24 hour economy” (Presser 1999). While Southeast Asian countries such as Malaysia have had such labour for quite some time, cheaper sources such as India are now coming into the market.³ A third form of service sector work for women is the growth of service work consequent on the growth of tourism and related services – maids, attendants, entertainers – in a number of countries. A fourth is the growth of similar jobs abroad which are increasingly serviced in a number of high income countries both within and outside the region by young women migrants.

Although the growth of high value horticulture has been slower in the region than in some others, women workers are to be found here as well (in India for instance) in the labour intensive jobs (especially harvesting) of fruits, vegetables and flowers produced for international and domestic markets. Women workers are also to be found in South Asia and elsewhere in the processing of shrimps for the international market.

Labour markets in Asia have been significantly transformed by processes of globalisation and integration of national economies into the international market⁴. These processes have turned out to be significant employers of young (and often unmarried) women workers even in countries such as Bangladesh where systems of purdah and restrictions

³ According to a personal communication from a software professional, traffic citations in New York City are now processed overnight in a town in Western India.

on the physical mobility of women have traditionally been prevalent. Women workers have been in the vanguard of the export production that has fueled rapid growth in the region. Such exports go far beyond manufactures into services at home and abroad and agriculture. The next section of the paper will examine the micro and macro implications of these gendered labour markets.

II. Gendered Labour Markets – Micro and Macro Implications

Labour markets may be thought of as being gendered in two senses. The **first** relates to the sex-based division of labour by which men and women not only do different kinds and amounts of paid and unpaid work but occupations are segregated by gender, male-female earnings differentials are significant, and there is a distinct hierarchy between women and men in relation to work overall. The **second** sense of “gendering” is the way in which gender roles, ideologies and norms shape the above sex-based division of labour, assign multiple work burdens and responsibilities to women, and determine workers’ vulnerability and bargaining strength. This second sense in which we use the concept of “gendering” may be seen to underpin the first, determining thereby both the division of labour and the hierarchy between female and male labour. Gendered labour markets typically exhibit significant sex-based differences in earnings and working conditions, in work-burdens, and in the returns to labour that accrue to the individual

⁴ Given its absolute size, India’s labour market has not been transformed as comprehensively as in some of the smaller countries. But the experience of China points to the fact that the potential for change can be quite significant.

worker. In this way they have crucial implications for human development and its sustainability.

Gendered labour markets also have important macro implications for the sustainability of export growth and of aggregate growth rates, which have thus far been poorly understood by policy. Cheap female labour has too often been viewed by policy makers as a costless public resource in the current phase of globalisation. It is believed that the benefits of this resource will continue indefinitely to accrue publicly in the form of export growth and increased competitiveness for the national economy in the international market, while its costs will be borne privately by the individual women workers. This section subjects this belief to scrutiny, and thereby lays the basis for policy action.

II.1 Occupational segregation

The Asian labour markets we are examining in this paper are gendered in both the senses used above. There is a significant amount of sex-based occupational segregation as well as differentials in earnings between women and men across the world in both high and low income economies (Anker, 1998). The picture for Asia when compared with the other regions appears better in terms of the extent of segregation.⁵ Table 8 presents data on the Duncan Index of Dissimilarity⁶ (ID) at 1-digit and 2-digit occupational

⁵ Anker's (1998) study examines occupational segregation in depth for 41 countries of which 6 were in Asia – China, Fiji, India, Japan, S Korea, and Malaysia. Thus 4 of the countries in our group are included in his data.

⁶ The Duncan Index of Dissimilarity (ID) is defined as $\frac{1}{2} \sum_i |F_i/F - M_i/M|$ where F_i and M_i are the number of female and male workers respectively in occupation i and F and M are the total number of female and male workers in all occupations. ID ranges between 0 (no segregation) and 1 (total segregation) and may be interpreted as “the sum of the minimum proportion of women plus the minimum of proportion

classification levels, as well as Representation Ratios for the 6 major occupational groups. While ID at 1- and 2-digit levels was on average 0.37 and 0.58 for all countries, it was only 0.22 and 0.45 respectively for the Asia-Pacific group. Anker (1998) suggests that this lower level of “horizontal” segregation may not be picking up a different kind of “vertical” segregation, i.e., men and women may be in the same occupational group but women may be in grades with less pay, status or promotion opportunities (pp 184 -5). An indication of this kind of segregation is obtained by comparing some typical female and male occupations – Table 9. Even a cursory glance at the table brings to light the striking differences between typically male and typically female occupations. The latter are clearly lower status jobs. Furthermore the male occupations have hardly any women workers, unlike a number of the occupations that are important for women and also hire large numbers of men.

Representation ratios for the six major occupational groups reveal some other differences between Asia and the other regions. In the other regions (OECD, LAC and Africa), women workers tend to be over-represented in the groups of Professional & Technical, Clerical, Sales, and Services, and significantly under-represented in Administrative & Managerial, and Production workers. By contrast, in the Asia/Pacific group of countries considered by Anker (1998), the representation ratio is close to 1 for both Clerical and Sales workers. Furthermore, although women are under-represented among Production workers in Asia, the ratio is about 50% higher than for the other regions. Unlike other

of men who would have to change their occupation in order for the proportion female to be identical in all occupations” (Anker, 1998, p 75). Representation ratio is defined as the percentage female in the occupational group divided by the percentage female of the non-agricultural labour force as a whole (p 162).

regions a relatively high proportion of the largest female-dominated occupations in Asia are in the Production group, especially in the textile sector. These include jobs such as spinners, weavers and knitters, fibre preparers, tailors and sewers, embroidery workers, textile machine operators, and sewing machine operators (p 283). In many regions including Asia, some occupational groups became even more feminised during this period, particularly in small export-oriented countries; e.g., in Hong Kong the % of women in the group of tailors, dressmakers, sewers etc rose from 64% to 73 % between 1971 and 1981.

On a positive note, over the past two decades, Anker (1998) found that occupational segregation decreased for the world as a whole and particularly in the OECD countries and a number of small developing countries. However this did not happen in large East Asian countries; in particular, occupational segregation actually increased in China between 1982 and 1990, and in Hong Kong between 1971 and 1991.⁷ (p 412). Moreover, men were able to hold their privileged position in the labour market by maintaining their hold over traditional male-dominated occupations in these same countries (p 414).

Overall therefore, one may conclude that the female labour-intensive, export-oriented integration into globalization in the countries of the region has increased women's representation among production workers above the world averages, and also kept "horizontal" occupational segregation lower than average. However, in absolute terms, segregation is still high and what is worse, shows little sign of decreasing unlike elsewhere in the world. Women workers are still crowded into a fairly narrow range of

occupations even within the export sector, and at the lower end of occupational hierarchies based on pay, status or advancement possibilities.

II.2 Earnings differentials

This crowding is partly responsible for significant earnings differentials between women and men workers in the region. Consistent and comparable data on earnings are not available for all the countries in our group. Table 10 puts together data for five countries. Although it is difficult to see any clear trends in the female-male wage ratios in manufacturing between 1980 and 1994, the more important feature is that, in some of the fastest growing economies of the region, women earn less than 2/3 of what men workers earn.⁸ This is true despite the fact that women's education levels have risen considerably in these countries and are sometimes greater than for men. Few studies have actually decomposed the factors behind earnings ratios. One of the few (Terrell, 1992) found that discrimination against women workers explained more than 2/3 of the differential in the countries studied while human capital endowments (including education) explained less than a third. In Malaysia in 1979, 86% of the differential was due to discrimination, and only 14% to human capital.

Gendered ideologies and norms are often used to justify both occupational segregation and pay discrimination. Anker (1998) identifies a number of common stereotypes about women and shows how they are used to keep women in low paying and low status jobs.

⁷ Occupational segregation did not improve in Japan during the 1980s and 1990s.

Women are believed to have a more caring nature, to be more skilled at household-related work, have “nimble fingers”, be more honest, more docile, more willing to take orders, more willing to accept lower wages, have less need for income, be more interested in working at home, have less physical strength and endurance, not like to supervise others, be less able to do science or math, be less willing to travel, face physical danger, or use physical force (Table 2.1). When willingness to do boring, repetitive jobs on an assembly line is added to this list, the combination translates into the places that women workers occupy in the new international division of labour. This is poignantly captured in the words of a Malaysian woman worker retrenched during the 1985 recession:

“After eleven years of working, I realize that I have learnt nothing that is of any use to me. The government has told me to find another job, not to be choosy. How can I be choosy? I have nothing anyone wants.” (Razavi, 1999)

II.3 Working conditions and work burdens

It is often argued that, when compared to the conditions faced by women workers in the informal sector (which is the major repository of female labour), work in the global assembly line is better. However, while earnings may be higher, working conditions on the global assembly line leave a great deal to be desired. Because the trend was set by EPZs where there are restrictions on freedom of association, workers are rarely able to complain or win redressal of grievances. Women work long hours in cramped, noisy and unsafe conditions, with few breaks, face sexual harassment and violence from male

⁸ A recent study by Tzannatos (1998) found that economy wide earnings ratios improved for women during the 1970s and 1980s in Philippines, Thailand, Indonesia, Malaysia, and S Korea.

supervisors and co-workers, and are exposed to a range of hazards. Women in microelectronics are exposed to dangerous chemicals with possible carcinogenic effects, while occupational safety standards are implemented in the breach in many units. Under the pressure of cost-cutting, speed and intensification of work, long hours, and forced overtime are the norm. Maternity is generally frowned upon and virginity tests and forced contraception / abortion are not unknown.

Ponniah and Van Heerden (1998) have analysed the factors that influence working conditions in EPZs and found that the tightness of the labour market, the origin of the foreign investment, government policies towards setting and enforcing standards, as well as the sector of manufacturing, the size of the unit, and consumer pressure can have an influence. As is obvious, many of the positive conditions are even less present when it comes to sub-contracted work in smaller units, or to home-work. However, in the case of home-work, control and work-intensity are usually ensured through the payment of piece-rates rather than through the direct physical control of the factory or sweatshop. The desperation, vulnerability, and fragmentation of home-based workers is usually greater even than of the young women in the factories and ensures docility and compliance. Home work does allow somewhat greater flexibility in combining domestic responsibilities and work with contracted labour, but the cost in terms of reduced earnings and risk of job loss is great.

Migrant workers, and especially international migrants, probably face the greatest risks and vulnerability, although the promise of reward is also greater. Although migrants

usually depend on social networks, they are extremely vulnerable to exploitation both in terms of broken promises regarding pay and conditions, and also sexual and other violence and abuse (Hugo, forthcoming). Trafficking in women, as mentioned earlier, is a major problem in the region and a serious violation of women's human rights.

II.4 Macro implications

Few authors have seriously considered the implications of the gendered labour market under globalisation for the returns from trade or the sustainability of growth. Joekes (1999) distinguishes between the potential effects of the so-called low and high roads to industrialisation. The low road depends on competition on the basis of cheap labour without significant investment in the productivity increases which characterise the high road. Low wages and low value added in exports can keep export prices low and weaken the terms of trade, resulting in a form of immiserising growth. The Singer – Prebisch thesis explaining the weak terms of trade for primary products may thus hold for manufactures as well. Thus, to the extent that gender inequalities and biases are allowed to keep wages perennially low, these can reinforce structural inequalities in global trade between South and North. This is an important hypothesis given the fact that the terms of trade appear to have turned against manufactures from low income countries in recent years. Much more analytical and empirical work needs to be done to further explore these ideas.

The implication of this argument is that the way forward is to make a transition from the low road (based only on cheap labour) to the high road (based on increased worker

productivity). This was beginning to happen in some countries in the region prior to the recent economic crisis. However, the effects of the crisis on this aspect are still not clear. Real wages have fallen dramatically and if restructuring of the economies hardest hit by the crisis begins from these levels, the incentive to move to the high road may be lost. Other implications of making such a transition will be discussed further in the policy section of the paper.

II.5 Key Questions

We end this section by posing three key questions as a transition to discussing policy issues and interventions. **The first is whether globalisation of labour markets has worked to empower women workers by breaking traditional roles and ideologies affecting women's work? In this sense, has it supported sustainable human development?** Almost from the beginning, there has been a serious debate among scholars and policy activists about how empowering such work is, and how the workers themselves view their situation (Lim 1990; Kabeer 1995; Sainsbury 1997; Beneria and Roldan 1987; Tiano and Fialo 1991). While early writers drew attention to the exploitative nature of working conditions and wages, others argued that given limited options for female employment and access to income, these jobs (especially under multinational firms) not only provided alternatives but also often paid higher than going wage rates. Despite the difficulties of the work, it has been argued, women and especially young girls come to be seen by their families as assets rather than liabilities,

and the workers themselves appreciate the improvement in their status and expanded options.

Drawing together the evidence and arguments to date, some tentative conclusions can be reached on whether or not the kinds of work we have been discussing are empowering or not for women. This depends on a number of factors: the worker's own characteristics (age, marital status, educational level, number of dependents); the rigidity of gender norms and practices in the community from which the worker comes; the conditions of the work itself (pay, working conditions, possibility of skill development and promotion); and gender norms and practices in the workplace and in the community in which the worker lives. It is obvious from this set of factors that there can be no simple answer to the question of empowerment, and there may well be contradictory tendencies. A young woman working in a garment factory in Bangladesh may find the work back-breaking and onerous, but may welcome the possibility it provides to support her and to make contributions to the family. An additional and often important if not critical factor is the freedom it can provide from traditional gender norms of seclusion and restrictions on mobility despite increased risks of abuse and violence. From the viewpoint of sustainable human development, the important question to ask therefore is not whether this work empowers women or not, but what policy interventions (positive and preventive) need to be undertaken to ensure that it does in all its different dimensions.

Our second question is whether the processes we have been discussing can improve the gains from trade and provide sustained competitive strength to low income

countries in the global economy? As discussed earlier, Joekees (1999) points to the way in which the gendered structure of labour markets, while supporting the low road to growth based on cheap labour, may act as a constraint to the sustainability of growth. The answer clearly is not to do away with female labour (1) but to remove the gender biases and barriers to increases in labour productivity. Without a clear vision in this area, countries will be condemned to perennial competition against cheaper and cheaper sources of female labour. The major beneficiaries from this competition will not in the end be the countries of the South.⁹

The third question (related to the previous two) is whether and how the recent economic crisis has affected the structure of labour markets and in particular their gendered features? There has been much excitement recently that the economic crisis is over in the region (with the possible exception of Indonesia), and that a new growth spurt is already beginning. Certainly foreign investors' confidence in the region (justifiably or not) has been growing. But one of the problems with the debate among economists that followed the crisis was its excessive focus on the financial sector and its need for reform. This is not to minimise the importance of financial regulations, although this paper does not enter into the debate around what and how much was needed. My point rather is that discussion about the deeper vulnerability of the real economies in the Southeast region has been quite weak. If indeed it was competition from China in recent years that was responsible for stagnation in the exports of some countries which then was transmitted to the financial sector, then the critical question is how the renewed basis for growth will be

⁹ To the extent that an important real cause of the recent economic crisis in the region was the relative stagnation of exports in recent years consequent on competition from China (Rakshit 1998), this point

laid.¹⁰ One way would be to attempt to out-compete China and this may indeed be possible for a time because of the decline in real wages. But this may trigger an even deeper crisis by making China more vulnerable, and may set off the kind of cut-throat competition from which none of the countries can benefit in the end. The alternative is to try to make a transition to the high road. However, whether this will be possible is not clear. Assuming it is (at least for some countries), this has immediate implications for gender policy, labour conditions, and regulatory frameworks for labour, not just for financial institutions.

III. Policy implications of gendered labour markets under globalisation

One way of viewing different economies in the Asian region is as a spectrum between the low and high roads to growth and poverty removal. Countries in South Asia (with the possible exception of Sri Lanka) may be seen as located nearer the low end of the road, still largely dependent on cheap, low-skilled, and low productivity labour. Many Southeast Asian economies such as Thailand and Malaysia are further along having successfully ensured improved labour quality through investments in education and health. But they have not yet made the transition to the high road of high productivity labour. Countries like Singapore, Hong Kong and S Korea have made the transition to the high road, and one might risk arguing (despite the effect of the recent crisis on S Korea)

becomes all the more crucial to address.

¹⁰ The temptation of making women the principal adjusters was one to which leaders across the region succumbed, calling on women to make disproportionate sacrifices in jobs and incomes, and referring to so-called “Asian values” to shore up patriarchal gender relations and norms.

that they are now at the other end of the spectrum.¹¹ However S Korea's labour market is still deeply gendered (like Japan's) and structurally dependent on the flexibility of its female labour force which bears the bulk of the costs of economic adjustment.

Given this enormous variability in conditions, no single set of policy prescriptions will be applicable to all countries. The suggestions made below should therefore be considered as appropriate to the particular country. All of them are based on the recognition that countries cannot remain stuck at the low end of the spectrum growth (or even in the middle) if growth is to be sustainable in itself and to support human development. This requires a change in the mindset of policy-makers away from the belief that the cheap labour of women can be relied on to forever sustain rapid growth of exports at favourable terms of trade.

III.1 Strengthening women's "capabilities"¹² and improving labour quality

As was seen in Table 2 and discussed in section I of the paper, there is enormous variability in women's capabilities in terms of basic requirements of health and education in the region. The South Asian sub-region in particular (with the exception of Sri Lanka) is seriously constrained by the consequent poor quality of its labour force. Female labour may be drawn nonetheless into new types of jobs but this is largely because of the absolute size of the labour market and the extreme cheapness of labour. These processes are unlikely to spread more widely as has happened in China unless a serious decision is

¹¹ For a discussion of S Korea's economic recovery, see Bagchi (1999).

¹² The term "capabilities" is used in the sense of Sen (1999).

taken at the highest level of government to do more than pay lip-service to the need to empower women and improve their capabilities.

While the Southeast Asian region is better than South Asia in this regard, many problems still remain. The infant mortality rate in Sri Lanka, a much poorer country, is lower than in Thailand or the Philippines. The maternal mortality rate is still high in Indonesia, and higher than warranted by the level of per capita income not only in Thailand but even in S Korea.¹³ Tackling the problem of maternal mortality with the same political commitment that governments and agencies have brought to bear on infant mortality in the last two decades is the critical need.

So far as education is concerned, it is true that the problem of basic female literacy, while urgent in South Asia, has largely been resolved in other sub-regions. However, upgrading of their skills and technical abilities across a wider range is essential in the other regions as well if the crowding of women into a few (relatively poorly paid) occupations is to end. As we have discussed, however, gender biases deny women workers higher end jobs with better pay and authority even when they are educationally qualified. A systematic tackling of gender bias at the highest policy level and through well-defined programmes for educating boys and men in communities, in bureaucracies, and in private firms is needed. All too often, political and policy pronouncements stress the sacrifices that women must make and the responsibilities they must bear (especially during crises), but

¹³ Maternal mortality rate data are of course are sometimes of dubious quality, and this must be kept in mind.

say little about women's rights or the responsibilities that men and societies have towards women.

One such social responsibility is that associated with the so-called "care economy".¹⁴ A prevalent myth in Asian societies is that joint family systems distribute the responsibilities and labour including responsibilities for child care. However, these systems are working less and less not only in urban areas, but also among the rural poor where the opportunity costs in terms of women's income earning are great. The repeated experience of organisations such as SEWA (Self Employed Women's Association) in India is that affordable child care is high on women's stated priorities for policy. Similarly also for access to clean water, and cheap fuel ensuring both of which often consumes a great deal of women's time and labour. These together with adequate sanitation are necessary ingredients of sustainable human development that recognises women's needs as well as the contribution that such improvements in capabilities can make to the macro economy

One area where there has been considerable discussion is that of maternity benefits. Discrimination against married women workers in both hiring practices and pay is often justified on this score. The current understanding among scholars appears to be that these benefits need to be paid for through either general public revenues or through social insurance in order to avoid the disincentive effects to individual employers. In the

¹⁴ The term "care economy" refers to all the usually unpaid labour that women typically undertake in order to ensure that household members can survive and even live well. Domestic work including the care of children is predominantly the responsibility of women in most societies, and women are not only not paid for it, but it constrains their participation in labour markets and entrepreneurship.

constrained circumstances that many public exchequers face currently, this appears infeasible. However, current discussions of health sector reform and sector-wide approaches (SWAPs) in health urgently need to consider this.

III.2 Improving working conditions and productivity

Switching from the low to the high road of labour intensive growth requires, as we have seen, a shift from taking advantage of cheap labour through intensified exploitation to undertaking the investments needed to increase labour productivity. World-wide the experience with industrialisation has been that intensified exploitation of cheap labour provides only a temporary competitive edge. Sustained advance requires ongoing investment in productivity improvement. Such improvements come in two ways – embodied in new equipment, production methods etc on the one side, and better working conditions that enhance worker’s job-satisfaction and creativity on the job on the other. A great deal needs to be done in this regard in both the EPZ and the non-EPZ production units. Effective regulation of hours of work including compulsory overtime, the provision of adequate breaks from work¹⁵, clean and safe work environments, and reduced noise levels have long been recognized as contributing positively to worker productivity. For women workers, in addition, freedom from the fear of sexual harassment by male co-workers or supervisors can be an essential requirement of effective production.

¹⁵ In many export units, the shortness of toilet breaks (sometimes as low as 3 minutes a break or 5 minutes as a total of all breaks in a day!) is a major complaint of women workers.

The problem here is the difficulties of enforcing standards in the large numbers of exporting units in the informal sector. However, the first step is to tackle conditions in Export Processing Zones which are far from satisfactory in this regard, often because governments are bending over backward to promise minimal regulation to potential investors. However authorities need to recognize that investors are often willing to allow better regulations in this regard, particularly in the face of pressure from consumer movements and labour organisations in the buying countries. For smaller units, certification systems organised through trade organisations may work better than those directly managed by the state which are often open to petty corruption.

In the face of consumer and union pressure, a number of multinational firms have begun voluntary processes of certification but these are often merely public relations exercises. The state can play a role in encouraging the development of independent certification bodies with credibility, i.e., do for working conditions what has long ago been done for ensuring product quality and standards.

Manufacturing workers are, however, only one of the types of worker to be drawn into the globalisation process. Agricultural workers (horticulture, fisheries), service workers, and among them, the particular category of migrant workers face some of the most difficult and hazardous working conditions. The problems encountered in improving working conditions in informal sector manufacturing are often compounded in these types of work by widespread physical dispersion and illegality. Despite this, the last decade has seen a significant increase in women's organisations focussing on ensuring the rights of migrant workers particularly across international boundaries. International

trafficking in migrants for work and sexual slavery is a major human rights problem in the region requiring effective and sensitive tackling by governments. Ensuring open information about work opportunities, having clear agreements between sending and receiving governments to minimise abuse, requiring that women's organisations and migrants' representatives be present on policy making bodies are some useful suggestions that have been made in this regard.

III.3 Broad Regulatory Instruments

Our argument in this paper is that an important lesson of the recent economic crisis in the necessity of effective regulatory frameworks not only for financial institutions and markets but also for labour and women's rights. Two important international instruments that countries in the region would do well to ratify and implement in this regard are the 1979 Convention on the Elimination of All Forms of Discrimination Against Women, and the 1996 ILO Convention on Home Work. The former is still the most encompassing umbrella for the rights of women workers at all levels. A number of countries have signed it with significant reservations but these often do not relate to work as such. However, few countries in the region have seriously implemented this Convention, even if they have signed and ratified it. To the extent this is due to the weakness of national institutions given the responsibility for promoting and protecting women's rights, it points in the direction that needs to be taken.¹⁶

¹⁶ A recent example of how CEDAW can work is the recent landmark judgement on sexual harassment in the workplace given by the Supreme Court of India in which CEDAW was explicitly cited.

The 1996 ILO Convention on Home Work is a landmark in recognising home-based workers as workers entitled to fair pay and setting standards for minimum payment and working conditions. As the first international convention for the informal sector, this Convention may also hopefully begin the reversal of a trend noted by Standing (1989) of countries de-ratifying previously signed ILO conventions in the bid to appear attractive to potential investors. Greater recognition of the importance of making the transition from the low to the high road, growing consumer movements in the North, and pressure from labour organisations may all be pointing in the same direction – sustainable human development far from being antithetical to rapid economic growth, may be its *sine qua non*.

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ABLE 1: INDICATORS OF FEMALE LABOUR SUPPLY

	LFPR (1995)		Avg. annual LF growth rate (1965-95)(a) %	Women's share of adult (15-64) labour force (%)			
	Men	% Women		1970 (b) %	1980© %	1990(b) %	1997© %
Bangladesh	84	8*	2.57	40	42	42	42
China	96	80	2.60	42	43	45	45
Hong Kong	86	50	2.55	35	34	37	38
India	90	31	2.09	34	34	31	32
Indonesia	85	38	2.48	30	35	39	40
S.Korea	76	41	2.48	32	39	39	41
Malaysia	91	52	3.49	31	34	36	37
Philippines	85	38	2.85	33	35	37	37
Singapore	84	53	1.82	26	35	38	38
Sri Lanka	82	30	1.93	25	27	34	36
Thailand	86	67	2.66	48	47	47	46
Vietnam	92	77	2.53	48	48	50	49
E.Asia Pacific					42		44
S.Asia					34		33
L.Am & Carib.					28		34
Sub-Sah. Africa					42		42

Source: a - WDR, 1995 - Table A-1

b - HDR, 1997 - Table 16

c - WDR, 1998/99 - Table 3

Note: * The LFPR for Bangladesh is inconsistent with women's share in the adult labour force.

TABLE 2: INDICATORS OF LABOUR FORCE QUALITY

	HDI 1994	GDI 1994	Female Adult literacy rate %	IMR 1994 (Per 1000 live births)	Female life expectancy at birth 1994	MMR 1990 (Per 1,00,000 live births)
Bangladesh	144	128	24	85	57	850
China	108	90	71	43	71	95
Hongkong	22	28	89	5	82	7
India	138	118	36	74	61	570
Indonesia	99	86	77	53	65	650
S.Korea	32	35	97	10	75	130
Malaysia	60	45	76	12	74	80
Philippines	98	81	94	36	69	280
Singapore	26	27	87	5	79	10
Sri Lanka	91	70	87	16	75	140
Thailand	59	39	91	29	72	200
Vietnam	121	101	90	41	68	160

Source: HDR, 1997 - Tables 1,2,12

TABLE 3: INDICATORS OF LABOUR FORCE QUALITY, CIRCA 1965

	Female enrolment in primary school (%)	IMR	Female life expectancy at birth
Bangladesh	31	153	44
China	NA	90	59
Hongkong	99	28	71
India	57	151	44
Indonesia	65	138	45
S.Korea	99	64	58
Malaysia	84	57	59
Philippines	111	73	57
Singapore	100	28	68
Sri Lanka	86	63	64
Thailand	74	90	58
Vietnam	NA	89	50

Source: WDR, 1986 - Tables 27, 29

TABLE 4: STRUCTURE OF GDP

Value added as % of GDP

	Agriculture			Industries			Services		
	1970	1980	1997	1970	1980	1997	1970	1980	1997
Bangladesh	55	50	30	9	16	17	37	34	53
China	34	30	20	38	49	51	28	21	29
Hongkong	2	1	0	36	32	15	62	67	84
India	45	38	27	22	26	30	33	36	43
Indonesia	45	24	16	19	42	42	36	34	41
S.Korea	25	15	6	29	40	43	46	45	51
Malaysia	29	22	13	25	38	46	46	40	41
Philippines	30	25	20	32	39	32	39	36	48
Singapore	2	1	0	30	38	36	68	61	64
Sri Lanka	28	28	22	24	30	26	48	43	52
Thailand	26	23	11	25	29	40	49	48	50
Vietnam	29	NA	27	28	NA	31	42	NA	42
Low income	37	35	31	28	26	27	33	38	42
Middle income	NA	15	12	NA	45	38	NA	40	50
Low middle income	NA	18	14	NA	45	40	NA	37	46
Upper middle income	NA	9	10	NA	46	34	NA	45	56

Source : WDR, 1996
WDR, 1998/99

TABLE: 5**LABOUR FORCE DISTRIBUTION (%)**

		Agriculture	Industry	Services
	Year			
Bangladesh	1989	66	16	20
China	1993	61	18	21
Hongkong	1991	1	35	64
India	1991	63	14	23
Indonesia	1993	50	16	34
Korea	1991	17	36	48
Malaysia	1988	31	23	47
Phillippines	1991	45	16	39
Singapore	1991	0	35	65
Sri Lanka	1986	49	18	33
Thailand	1989	66	12	22
Vietnam	NA	NA	NA	NA

Source: WDR, 1995 - Table A-2.

TABLE 6:

	% of women among manufacturing workers			% share of women in non- agricultural employment		
	1975	1980	1994	1975	1980	1994
China	NA	40	45	NA	NA	NA
Hongkong	52	50	44	40	39	42
India	9	10	NA	10	11	NA
Indonesia	NA	NA	NA	37	34	38 (1992)
Korea	45	NA	38	33	35	38 (1993)
Malaysia	NA	NA	NA	NA	30	35 (1993)
Philippines	NA	NA	NA	47	46	46
Singapore	41	47	44 (1993)	30	35	40
Sri Lanka	32	31	61 (1992)	18	18	29
Thailand	41	42	50 (1991)	42	42	45 (1991)

Source: Standing (1999) - Tables 3, 4.

TABLE: 7 Share of women in EPZ Industries (%)

	Early 1980's
Singapore	60
S. Korea	75
Hongkong	60
Malaysia	85
Philippines	74
Sri Lanka	88
India	80
Indonesia	90

Source: Joeques (1995) - Table 5.

TABLE 8: Occupational Segregation

	Year	Representation ratios						Index of Dissimilarity		
		Occupational groups						(1-digit)	(2-digit)	
		1	2	3	4	5	6	6 occupations		
China	1982	1.07	0.29	0.69	1.28	1.34	0.99	0.09	0.29	(38 occupations)
Hongkong	1991	1.20	0.71	1.68	0.97	1.13	0.62	NA	NA	
India	1981	1.69	0.19	0.53	0.55	1.48	1.06	0.17	0.46	(83 occupations)
S.Korea	1983	0.89	0.08	1.04	1.30	1.70	0.66	0.23	0.40	(56 occupations)
Malaysia	1980	1.35	0.29	1.53	0.88	1.13	0.76	0.19	0.49	(76 occupations)
Philippines	1990	1.40	0.61	1.20	1.44	1.28	0.44	NA	NA	
Thailand	1980	1.16	0.26	1.00	1.38	1.22	0.80	NA	NA	
Averages :										
Asia-Pacific		1.35	0.34	0.95	1.02	1.42	0.74	0.22	0.45	
All countries								0.37	0.58	
OECD		1.25	0.47	1.62	1.15	1.45	0.42	NA	NA	
LAC		1.21	0.58	1.37	1.25	1.53	0.43	NA	NA	
Africa		1.15	0.39	1.31	1.47	1.13	0.51	NA	NA	

Source: Anker (1998) - Table 6.3, Table 8.2

Notes:	Occupational groups:
1	Professional & Technical
2 -	Administration & Managerial
3 -	Clerical
4 -	Sales
5 -	Services
6 -	Production

TABLE 9: Typical Female & male occupations in the Asia/Pacific Region

Female	% female workers	Male	% male workers
Nurses	93.4	Architects, Engineers etc.	94.3
Teachers (all)	43.8	Legislators, Govt.administrators	87.4
Stenos, typists	80.4	Managers	89.8
Book keepers, cashiers, & related workers	52.6	Sales Supervisors, buyers	82.3
Sales persons etc.	42.4	Protective services	96.8
Cooks, waiters, bartenders etc.	42.3	Production supervisors and general foremen	92.5
Maids etc.	86.3	Blacksmiths, toolmakers etc.	88.9
Hairdressers, beauticians etc.	40.9	Bricklayers, carpenters & other construction workers	95.8
Tailors, dressmakers, sewers etc	65.2		
Non-agricultural labour force	30.1	Non-agricultural labour force	69.9

Source: Anker (1998) - Tables 11.3A, 11.3B

TABLE 10: Female - male wage ratios in manufacturing (%)

	1980	1990	1994
Hongkong	NA	69	68
S. Korea	45	50	NA
Malaysia	NA	50	NA
Singapore	62	55	57
Sri Lanka	81	66	86

Source: Anker (1996) - Table 2.2
Joeke (1999) - Table 2