

Panel for UN Committee on Status of Women,
New York, 10 March 2005

Note on Gender and Macroeconomics

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The explicit aim of the Beijing Platform for Action was to "promote women's economic independence, including employment, and eradicate the persistent and increasing burden of poverty on women by addressing the structural causes of poverty through changes in economic structures, ensuring equal access for all women, including those in rural areas, as vital development agents, to productive resources, opportunities and public services". As a result of this platform for action, over the past decade numerous governments have attempted to incorporate concerns for gender equality through directed programmes, targeting certain measures specifically for women, and trying to design more gender-sensitive overall policies through various forms of gender auditing. There is no question that there is greater concern on the part of governments to address the issues of gender inequality and try to achieve the greater empowerment of women. However, the current picture reflects at best a mixed outcome in terms of achieving the stated goals. The experience of the past decade has suggested that targeted programmes for women can be less than effective in achieving desired goals, if the broader macroeconomic policies and processes are working in the opposite direction.

Consider the experience of developing Asia, for example. The past two decades have been momentous for the Asian region. This is now the most "globally integrated" region in the world, with the highest average ratios of trade to GDP, the largest absolute inflows of foreign direct investment, substantial financial capital flows and even significant movements of labour. These processes have in turn been associated with very rapid changes in forms of work and life, especially for women. Indeed, the changes have been seismic in their speed, intensity and effects upon economies and societies in the region, and particularly upon gender relations. The processes of rapid growth (and equally rapid and sudden declines in some economies) have been accompanied by major shifts in employment patterns and living standards, as familiar trends are replaced by social changes that are now extremely accelerated and intensified.

We have thus observed, in the space of less than one generation, massive shifts of women's labour into the paid workforce, especially in export-oriented employment, and then the subsequent ejection of older women and even younger counterparts, into more fragile and insecure forms of employment, or even back to unpaid housework. Women have moved – voluntarily or forcibly – in search of work across countries and regions, more than ever before, and the short-term economic migration of women in particular has had very substantial macroeconomic effects. Women's livelihoods in rural areas,

dominantly in agriculture, have been affected by the agrarian crisis that is now widespread in most developing countries. Meanwhile, across societies in the region, massive increases in the availability of different consumer goods, due to trade liberalisation, have accompanied declines in access to basic public goods and services. At the same time, technological changes have made communication and the transmission of cultural forms more extensive and rapid than could even have been imagined in the past. All these have had very substantial and complex effects upon the position of women and their ability to control their own lives, many of which we do not still adequately understand.

There have been some clear gains from the relatively short-lived process of using much more women's labour in the greater export-oriented production of the region. One important gain is the social recognition of women's work, and the acceptance of the need for greater social protection of women workers. The fact of greater entry into the paid work sphere may also provided greater recognition of women's unpaid household work. At the same time, however, unpaid work has tended to increase because of the reduction of government expenditure and support for many basic public services, especially in sanitation, health and care-giving sectors.

Recent reversals in the feminisation of employment also point to the possibility of regression in terms of social effects as well. Already, we have seen the rise of revivalist and fundamentalist movements across various parts of the world, which seek to put constraints upon the freedom of women to participate actively in public life. These can have destabilising effects on gender relations and on the possibilities for the empowerment of women generally. At the same time, advances in communication technology and the creation of the "global village" provide both threats and opportunities. They encourage adverse tendencies such as the commoditisation of women along the lines of the hegemonic culture portrayed in international mass media controlled by giant US-based corporations, and the reaction to that in the form of restrictive traditionalist tendencies.

In what follows, I consider six of the more significant emerging issues, which require urgent policy intervention at both national and international levels. These include the volatility of export-oriented employment, the changing nature of work, unpaid work; the significance of informal employment, the crisis of livelihoods in agriculture, and migration. Finally, some necessary macro policy measures are briefly discussed.

The volatility of export-oriented employment

From the early 1980s onwards, the increasing importance of export-oriented manufacturing activities in many developed countries had been associated with a much greater reliance on women's paid labour. This process was most marked over the period 1980 to 1995 in the high-exporting economies of East and Southeast Asia, where the share of female employment in total employment in the Export Processing Zones (EPZs) and export-oriented manufacturing industries typically exceeded 70 per cent. It was also

observed in a number of other developing countries, for example in Latin America in certain types of export manufacturing.

But the relative increase in the share of women in total export employment, which was so marked for a period especially in the more dynamic economies of Asia, has turned out to be a rather short-lived phenomenon. Already by the mid 1990s, women's share of manufacturing employment had peaked in most economies of the region, and in some countries it even declined in absolute numbers. Some of this reflected that fact that such export-oriented employment through relocative foreign investment simply moved to cheaper locations: from Malaysia to Indonesia and Vietnam; from Thailand to Cambodia and Myanmar, and so on. But even in the newer locations, the recent problems of the garments industry worldwide have meant that jobs (especially for women workers) were created and then lost within a space of a few years.

This trend towards feminisation of employment resulted from employers' needs for cheaper and more "flexible" sources of labour, and was also strongly associated with the moves towards casualisation of labour, shift to part-time work or piece-rate contracts, and insistence on greater freedom for hiring and firing over the economic cycle. All these aspects of what is now described as "labour market flexibility" became necessary once external competitiveness became the significant goal of domestic policy makers and defined the contours within which domestic and foreign employers in these economies operated. Feminisation was also encouraged by the widespread conviction among employers that female employees are more tractable and subservient to managerial authority, less prone to organise into unions, more willing to accept lower wages because of their own lower reservation and aspiration wages, and easier to dismiss using life-cycle criteria such as marriage and childbirth. This was made more relevant because of technological changes which encouraged the use of labour which could be replaced at periodic intervals.

The feminisation of such activities had both positive and negative effects for the women concerned. On the one hand, it definitely meant greater recognition and remuneration of women's work, and typically improved the relative status and bargaining power of women within households, as well as their own self-worth, thereby leading to empowerment. On the other hand, it is also true that most women are rarely if ever "unemployed" in their lives, in that they are almost continuously involved in various forms of productive or reproductive activities, even if they are not recognised as "working" or paid for such activities. This means that the increase in paid employment may lead to an onerous double burden of work *unless* other social policies and institutions emerge to deal with the work traditionally assigned to (unpaid) women.

However, the process of feminisation of export employment in most of the Asian region peaked somewhere in the early 1990s (and even earlier in some countries). Thereafter the process was not only less marked, and even began to peter out. This is significant because it refers very clearly to the period *before* the effects of the financial crisis began to make themselves felt on real economic activity, and even before the slowdown in the growth rate of export production. So, while the crisis may have hastened

the process whereby women workers are disproportionately prone to job loss because of the very nature of their employment contracts, in fact the marginal reliance on women workers in export manufacturing activity (or rather in the manufacturing sector in general) had already begun to reduce *before* the crisis.

The reversal of the process of feminisation of work has already been observed in other parts of the developing world, notably in Latin America. Quite often, such declines in female share of employment were associated with either one of two conditions : an overall decline in employment opportunities because of recession or structural adjustment measures, or a shift in the nature of the new employment generation towards more skilled or lucrative activities. There could be another factor. As women became an established part of the paid work force, and even the dominant part in certain sectors (as indeed they did become in the textiles, ready made garments and consumer electronics sectors of East Asia) it became more difficult to exercise the traditional type of gender discrimination at work. Not only was there an upward pressure on their wages, but there were other pressures for legislation which would improve their overall conditions of work. Social action and legislation designed to improve the conditions of women workers, tended to reduce the relative attractiveness of women workers for those employers who had earlier been relying on the inferior conditions of women's work to enhance their export profitability. The rise in wages also tended to have the same effect. Thus, as the relative effective remuneration of women improved (in terms of the total package of wage and work and contract conditions), their attractiveness to employers decreased.

In any case, the nature of such work has also changed in recent years. Most such work was already based on short-term contracts rather than permanent employment for women; now there is much greater reliance on women workers in very small units or even in home-based production, at the bottom of a complex subcontracting chain. Very recent evidence indicates that even such home-based work may be experiencing some sort of crisis, as the textile and garments exports from developing countries face increasing difficulties in world markets and the pressure of competition forces exporters to seek further avenues of cost-cutting. The extreme volatility of employment that characterises factory-based export-oriented production has also become a feature of home-based work for export production.

Changes in the nature of women's work

There is growing evidence that much of the paid work performed by women is increasingly under casual contracts and in the non-formal sector. It is frequently argued that women are found to be over-represented in the informal sector because the flexibilities of work involved in such activities, especially in home-based work, are advantageous to women workers given their other needs and the other demands upon their time in the form of unpaid labour. This is certainly the case to a significant extent, because much employment in the formal sector is based on the "male breadwinner" model that does not give adequate space or freedom to women who are also faced with substantial domestic responsibilities given the gender construction of societies and the division of labour within households. However, these constraints upon women's time and freedom to choose – which are imposed by society rather than self-created – are exploited

by employers to ensure much more work for less pay being performed by women. Thus, home-based work or work in very small enterprises can be for long hours and very demanding in other ways, and with conditions of remuneration (such as piece-rate wages) that effectively ensure the maximum tendency for self-exploitation. In addition, other basic responsibilities of employers, such as minimum safety conditions at work, basic health care and pension provision, are all entirely missing, which is a massive reduction of the effective wage for employers and a substantial loss for workers.

The recent tendencies towards greater informalisation of women's work must be viewed in this context. In general, these represent retrograde moves from the perspective of women's empowerment in both economic and social terms, and reflect the worsened bargaining power of labour in general in recent years.

Women have always been major sources of service sector work, but they have not always been classified as engaged in service sector employment, because much of the work they typically perform comes into the category of unpaid labour, performed within the household or local community. The care economy dominates in such work: thus, all activities such as cooking and cleaning for household members, care of the young, the old and the sick, provisioning of necessary goods (such as fetching water and fuel wood in rural areas) are typically seen as the responsibility of women members of the household. It is only recently that women's involvement in paid services has increased. While there has been some increase in women's share of paid employment in the formal sector (especially in public employment) in general, women workers tend to be concentrated into the lower paid and more informal types of service activity.

One new area of service activity that is currently widely discussed relates to the new IT-enabled services, which have become quite important especially for educated workers in a number of countries such as India, China and the Philippines. Aside from software industries (in which the share of women remains quite small) the emergence of business process outsourcing has been seen as one of the most important future tendencies, which will affect not only domestic labour markets and the status of women workers, but also the possibilities of increased foreign exchange inflows through export of this type of resident labour.

It is possible that some of the optimism surrounding this new source of employment generation may be exaggerated, especially as far as women workers are concerned. Consider recent trends in India, where the buoyancy of IT-enabled services has already received much international attention. The micro evidence suggests that women workers are reasonably involved in this sector, and in particular activities their share of employment is much higher than that for the formal sector as a whole. In the software industry as a whole the share of women workers is estimated to be 27 per cent. However, this sector shows clear signs of labour market segmentation by gender, caste and class. Since almost all of those involved are from the urban upper caste English-speaking elite of Indian society, it has been argued that the pattern of development of the software and IT-enabled services sector brings into sharp relief the tendency of the market to reinforce or aggravate existing socio-economic inequities. While it will certainly draw more educated women into paid jobs and reduce the problem of educated

unemployment to some extent, it would not bring about any major transformation in aggregate employment patterns in the near future.

Further, the nature of the work involved in BPO activities can be compared to export-oriented employment, with the difference that a greater degree of education and skill is required of the workers. Recent studies of call centres in cities in India point to the lack of opportunities for development and promotion in such activities, as well as the high degree of burnout, suggesting that absence of what could be called a “career track” in such work. Even in a few years, there is evidence of a downward trend in wages in such activities, even though the wages in these call centres remain higher than the average wages of private sector clerks, teacher and nurses. On average, female call centre workers are young and do not last in this activity beyond a few years because of the sheer pressure of the work.

So even in this emerging sector, women’s work tends to be concentrated in the low end, repetitive activities with little chance of upward mobility, recreating the pattern already observed in export-oriented manufacturing production. And there are also possibilities of the future reversal of the process of feminisation of such work, in this case because changes in technology may require less of such work to be outsourced to developing countries in the first place. Such technological changes are likely to be accentuated by the protectionist pressures that are already being felt in the developed countries.

Unpaid work

One of the most important issues facing women in developing countries in particular is the change in relationship between paid and unpaid work, and the growing burden of unpaid work. The relationship between unpaid work and macroeconomic policies, especially fiscal policies which involve cutting down expenditure on social sectors such as health, childcare, nutrition, sanitation and so on is now well-known. What reduction in expenditure, and therefore deteriorating quality and quantity of public services and their effective privatisation effectively entail is a shift in the distribution of costs of such activities, from the public sphere to the household. And within households, the social construction of gender in most countries ensures that such now unpaid activities are therefore undertaken by women and girl children.

There is a dual process at work in most developing countries at the moment. At one level, as governments reduce their provision of various public goods and services, they become more expensive and therefore difficult to access for poor women, who are therefore driven to the labour market in order to increase household incomes. At another level, the same process also requires more and more women to be employed in care-giving and service sectors as other women need to farm out some of their previously unpaid domestic activities. This can be seen as part of the overall development process – certainly it is a trajectory that has been followed by other countries in the past, whether in western Europe or in northern America. What is different in the current context is that previously, government took up a substantial part of the costs for provision of such services, whereas now it is left to private markets. The functioning of such markets necessarily entails working conditions which are much inferior to public employment. At

the lower end of the spectrum, it involves not only a double burden of paid and unpaid work for women, but also substantial increases in the sheer volume of unpaid work. The problem is accentuated as rapid social change undermines traditional ties of family, kin and neighbourhood which allowed for greater sharing of such unpaid activities.

The crisis of livelihoods in agriculture

There is a crisis in developing country agriculture, spread across not only countries but even continents, which has continued for the past few years. This crisis reflects the combination of effects of trade liberalization which has exposed developing country farmers to unequal competition from highly subsidized northern exporters; reduced subsidies on inputs such as power and irrigation and increase role of private players in other input markets; the removal of state protection in a variety of ways; the decline in institutional credit to agriculture which has typically resulted from financial liberalisation measures. This crisis has definitely affected adversely the economic conditions of women, since agriculture remains the largest employer of women in many developing countries, and very large proportions of women are indirectly dependent upon the incomes from agriculture because of their family incomes and rural residence. In a number of countries it has been found that present distress has been associated not only with worsening health and demographic indicators, such as slowing down in rates of reduction of maternal and infant mortality, but also social regression such as the removal of girls from schooling. Therefore government policies designed to regenerate agriculture and the rural economy generally are absolutely crucial to improving the conditions of the bulk of women in the developing world.

Women's migration for work

In many parts of the developing world, there has been an explosion in short-term migration for work, not only across countries but also within countries, and often taking seasonal form. Cross-border migration results in remittance flows which have become the single most important (and most stable) source of foreign exchange for many smaller countries (Philippines, Sri Lanka, Central American countries) and are also extremely important even for relatively large economies (India, Mexico). The substantial movement of women as part of this process is relatively new, especially as women are increasingly moving on their own. Cross-border migration tends to be highly gendered, with women migrants largely found in the service sector, especially in the domestic and care sectors, as well as in entertainment work. Male migration by contrast tends to be more in response to the requirements of industrialisation, in construction and manufacturing, as well as in semi-skilled services.

Obviously, migration is a multidimensional phenomenon, which can have many positive effects because it expands the opportunities for productive work and leads to a wider perspective on many social issues, among migrants and among the population of host countries. But it also has negative aspects, dominantly in the nature of work and work conditions and possibilities for abuse of migrant workers by employers and others. In addition to the economic and social advantages of migration (remittance inflows,

training of workers, spread of knowledge and skills) for sending countries, there are social costs, which are often borne more directly by families or specific home bases of migrants. The absence of the migrant may have important negative effects upon the family, the separation and disruption of relationships and possible adverse effects on the education and socialisation of children, especially when women migrants have to leave young children behind. Conversely, remittance incomes provide crucial benefits, and typically enable families back home to lead better material lives than would otherwise have been possible, and may even contribute to expenses towards children's education, better health care for the sick and elderly in the household, and so on.

Women migrant workers tend to be concentrated in the low paid sectors of the service industry, in semi-skilled or low-skilled activities ranging from nursing to domestic service, or in the entertainment, tourism and sex industries where they are highly vulnerable and subject to exploitation. They rarely have access to education and other social services, have poor and inadequate housing and living conditions. When they are illegal or quasi-legal and dependent upon contractors, they also find it difficult to avail of existing facilities such as proper medical care and are almost never found to organise to struggle for better conditions. In general, host governments tend to be less than sympathetic to the concerns of migrant workers, including women, despite the crucial role they may play in the host economy. Host country governments tend to view migrants as threats to political and social stability, additional burdens on constrained public budgets for social services and infrastructure, and potential eroders of local culture. There is little recognition by officialdom, in terms of ensuring decent working conditions and remuneration for migrants, or safekeeping the health conditions. This is an important issue for women migrants in particular, since they are specially vulnerable to various forms of economic and sexual exploitation, not only when they are workers in the entertainment and sex industries, but also when they are employed in other service activities or in factories as cheap labour.

Policy measures

In this context, there are important measures which governments in the region can – and must – take in order to ensure that work processes do not add to the complex pattern of oppression of women that continues in Asian societies today. More stable and less exploitative conditions for work by women cannot be ensured without a revival of the role played by governments in terms of macroeconomic management for employment generation and provision of adequate labour protection for all workers. Changes in labour market regulation alone do little to change the broad context of employment generation and conditions of work, if the aggregate market conditions themselves are not conducive to such change. More direct employment generation through increased public investment and provision of public services is useful; in addition, indirect employment generation through encouraging the expansion of activities which use female labour in stable and remunerative ways should be encouraged through fiscal incentives and other means. Given that external competitive pressures are creating tendencies for more exploitative and volatile use of all labour including women's labour, this has to be counteracted with pro-active countercyclical government spending policies. The basic elements of a gender-

sensitive macroeconomic strategy would include: the focus on employment-led growth rather than growth-led employment; and to ensure the public provision of essential goods and social services of reasonable quality with universal access. In addition, it is evident that the strategies enumerated below require not only national level action but also regional and international co-operation and assistance.

1. Fiscal policies

Fiscal policies have to be non-deflationary, have to allow for countercyclical expansion in particular, and have to be designed to ensure that important areas of public spending (such as on nutrition, health, sanitation and education) are never cut but rather are increased in per capita terms. This is more important for the overall conditions of women than simply increasing expenditure on women-targeted programmes as is common through gender budgeting exercises.

2. Financial and monetary policies

It is important to note that it is extremely difficult for a country to embark on any gender-sensitive macroeconomic strategy as long as rapidly moving capital flows can create destabilising effects and even seek to indirectly put pressure on the policies themselves. There, some degree of control on capital flows is absolutely necessary even to contemplate the other elements of the policy. Monetary policies should focus not only on inflation targeting but more crucially on employment targeting. Banking policies have to ensure greater provision of credit to small producers in all sectors, including agriculture, through some measures for directed credit.

3. Trade policies

Trade policies that encourage export-oriented employment must also be conscious of the problems of volatility of such employment and competitive pressures leading to reduced wages and working conditions in such sectors. This may call for specific forms of protection for producers and workers in trade-related sectors.

4. Public provision of services

There must be substantial increases in the public provision of basic goods and services in most countries, especially in the developing world. Such provision must ensure universal access at reasonable quality.

5. Employment programmes and labour market regulation

There is a case for public employment programmes (which must be designed to ensure the maximum participation of women workers) which would also contribute to the public provision of goods and services described above.

6. Food and nutrition

There is some evidence of stagnation and/or deterioration in nutrition indicators of women and girls in several parts of the world, and increasing gender gap in such indicators. Reversing this and reducing the gap requires a proactive strategy of public intervention and ensuring basic food security among the population.

7. Policies towards agriculture

The crisis in agriculture needs to be addressed on a priority basis, with government strategies for redirecting public investment to rural areas, providing some degree of protection from input and output price volatility to farmers, ensuring access to institutional credit, and so on.

8. Policies towards migration

Both host and home countries need to be more sensitive to the specific concerns and needs of women migrants, and to formulate policies to ensure basic workers rights and protection from exploitation of such migrant workers. Such policies may also have to be developed at regional level or through bilateral agreements between sending and receiving countries.