CHAPTER 5

Third World Women and Global Restructuring

JEAN L. PYLE

1. INTRODUCTION

This chapter surveys the status of women in Third World nations and the impact that global economic restructuring has had on their lives. It shows that there are systemic links among the forms of economic restructuring, increases in informal sector employment, rising poverty, and the continued disadvantaged economic status of women relative to men. It argues that these linkages result from characteristics of the global market system as a whole and the traditional theoretical approach (neoclassical economics) upon which the market system and much of the global restructuring is based. Understanding the overall effects and the relationships among these phenomena is critical for developing policies to enhance the well-being of women.

2. WOMEN'S STATUS IN THIRD WORLD COUNTRIES

Although women have experienced improvements in some dimensions of their lives (such as in labor force participation levels and access to education in some countries), they are at distinct economic disadvantage relative to men in almost all regards. Several publica-

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JEAN L. PYLE • Department of Regional Economic and Social Development, University of Massachusetts at Lowell, Lowell, Massachusetts 01854

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tions in the last few years provide a great range of data by region of the world and by categories of information (Seager, 1997; UN 1995b; UNDP, 1995); however, in this chapter I can only briefly allude to the highlights of this wealth of information.

A disproportionate number of the poor are women. United Nations (UN) agencies estimate that 70% of the 1.3 billion poor are women (UNDP, 1995) and more than one half a billion women in rural areas, 60% of the world's rural population, live below the poverty line (UN, 1995a). It links this to unequal treatment in the labor market, their position in the family, and their treatment by the government (UNDP, 1995). Higher rates of poverty, together with the fact that women spend more hours a week working than men in almost all areas of the world, when household duties are included, reduce their quality of life (UN, 1991b, 1995b; UNDP, 1995). Much of women's work, particularly that in the home, has been undercounted and undervalued. It is estimated to be worth $11 trillion (UNDP, 1995).

From 1970 to 1990 the female share of the labor force increased in most regions except sub-Sahara Africa (UN, 1995b). However, there is considerable variation in female labor force participation among regions, ranging from 21% in North Africa to 43% in the Caribbean (UN, 1995b). Although women's share of the labor force has been increasing, it is widely documented that occupational segregation and discrimination "persist almost everywhere," a large earnings gap exists between men and women, and women "have less access to training and capital" (UN, 1991b, p. 81). Women have higher rates of unemployment in most areas of the world (UNDP, 1995). They are constrained in obtaining ownership of property in sizable areas of the world (Seager, 1997). Further, because they therefore have little collateral, it is generally very hard for women to obtain credit. Widespread labor market and societal discrimination against women have caused much of this.

According to the International Labour Organization (ILO) (1995), in many regions of the world, the informal sector labor force is growing faster than the labor force as a whole. Such employment has become the only option for many people because of stagnation or cutbacks in formal sector employment, high rates of unemployment, and the falling incomes and higher prices resulting from many structural adjustment programs. Increases are often correlated with economic crisis, but, as I will show later, as part of the trend toward more "flexible" production that gives firms more leeway to lay off workers, informal networks of production tend to grow.

The informal sector spans a wide range of small scale economic activities in agriculture, industry, and services and generally involves simple technologies, small amounts of capital, few employees if any, and little to no regulation or record keeping. In comparison to formal sector activities, informal sector activities bring lower pay, no benefits, poorer working conditions, no job security, higher prices for borrowing money and buying materials, and limited access to markets.

Women, in particular, must resort to income-generating activities in the informal sector because of economic crisis, limited access to formal sector jobs in many areas, or because informal sector jobs are easier to combine with child-care and home responsibilities. For example, as women's employment in formal sector or wage work decreased in the 1970s and 1980s in Latin America and the Caribbean, and remained very low in Africa, many women were forced to seek opportunities in the informal sector.

There was no recommended definition of the informal sector until 1993 (UN 1995b), and because of the widespread nature of the activities it encompasses and problems with data collection, data on women's participation are at best general estimates. Women's participation varies greatly between and within regions, and according to sector. To provide an example, the percentage of women in the informal sector (as approximated by self-employment) ranged from 25% in Latin America and the Caribbean to almost 60% in sub-Sahara Africa in 1985 (UN, 1991b).

In light of their disadvantaged status, women have been active in organizing, often through nongovernmental organizations (NGOs), to improve all dimensions of their lives. In addition, four major UN conferences on women have been held, in 1975, 1980, 1985, and 1995. The UN conferences assess women's progress, or lack of it, and formulate strategies to improve their status. Unfortunately, these conferences do not have the power to implement their plans but must rely on people working within their home countries to promote the goals adopted at the conferences. For example, The Nairobi Strategies, developed at the Third UN World Conference on Women in 1985, demand that governments: play key roles in ensuring that both men and women enjoy equal rights in such areas as education, training, and employment; act to remove negative stereotypes and perceptions of women; disseminate information to women about their rights and entitlements; collect timely and accurate statistics on women and monitor their situation; and encourage the sharing and support of domestic responsibilities (UN, 1991b). Two of the ten objectives for Beijing, 1995, were to address the "inequality in women's access to and participation in the definition of economic structures and policies and the productive process itself" and "the persistent and growing burden of poverty on women."

3. GLOBAL RESTRUCTURING

Global economic restructuring includes a number of different types of changes in the world economy. It may refer to any of the following:

- increased globalization of economic activities and a deliberate selection of a more market-oriented approach by many countries;
- adoption of an export-oriented development strategy;
- expanded role for multinational corporations (MNCs);
- structural adjustment programs (SAPs) advocated by the World Bank and International Monetary Fund; and
- repositioning of the relative power of major global institutions.

Given this wide scope, global restructuring includes a variety of factors that impinge on women's lives in the workplace and in the household (if the two sites differ). Global restructuring affects women in the formal sector as well as in the informal and household sectors in both rural and urban areas. The impact of global restructuring on women is a worldwide issue, affecting women in industrialized countries in many of the same ways as in developing countries. Although there have been some perceived benefits for women in industry, the overall effect has been largely negative.

Many of the types of global restructuring listed previously overlap. I will discuss each separately before exploring the linkages between them.

3.1. Globalization of Economic Activity, Increased Market Orientation of Most Economies, and Counterforces

Increasingly, many dimensions of economic activity have become global phenomena: the production and trading of goods and services, financial flows (including foreign direct investment, portfolio investment, and aid), and the movement of people in search of income-earning opportunities. This has been facilitated by rapid changes in the technologies of communication and transportation, as well as by the liberalization of trade and capital flows that have occurred.[1]

How a nation is integrated into the global economy and the way international events impact on it can have a dramatic effect on the economic roles of its women. For example, an increase in a country's trade and/or in the amount of foreign direct investment (FDI) in its consumer goods or service sectors can correspond, at least in the short term, with an increase in women's access to jobs. This occurred in some Asian countries that began industrialization in the late 1960s and early 1970s (UN, 1995a). However, it is also the case that a particular trade policy can benefit one group of women while having an adverse impact on another group of women. This happened, for example, when the terms of the North American Free Trade Agreement (NAFTA) caused some garment production done by women in the Caribbean to be shifted to women in export industries in Mexico (Joekes & Weston, 1994).

In addition to these general trends, many countries have *deliberately* chosen to become more market oriented, further augmenting international flows of goods and services, financial capital, and labor. The decision to become more market oriented or "liberalized," with a putatively reduced role for the government in their economies, may apply to internal and/or external economic activities and may be voluntary or involuntary. This renewed movement toward market orientation was begun in the early 1980s by capitalist industrialized countries, such as the United States and Great Britain, that chose to move further in the direction of market coordination of economic activities. It was followed in the early 1990s by many previously socialist countries, particularly the former USSR and the countries of Eastern Europe, that have increasingly allowed markets rather than planners to make most of their economic decisions. Formerly communist countries in Southeast Asia, such as Vietnam, have also begun this transition. Simultaneously, many Third World countries have been pressured by the International Monetary Fund (IMF) and the World Bank (WB) into more market oriented approaches as a condition for loans or as part of a structural adjustment program. The IMF and the WB argue that market orientation is the appropriate means to achieve rapid growth and development and is the way to increase revenues to pay off a country's international debt.

Although these trends toward globalization and increased market orientation offer enhanced opportunities for some women, at least in the short term, this is not the case for many women for several reasons. First, the processes of globalization have occurred very unevenly. Developing countries' share of world trade actually fell from 1980 to 1992, from 29% to 24% (Joekes & Weston, 1994). In addition, Third World countries' share of foreign direct investment has been extremely volatile, falling from 24% in 1985 to 13% in 1989, only to rise to 32% during the years 1992–94 (*Finance & Development,* 1992; Panagariya, 1995). Only a small number of developing economies are significantly involved. Two thirds of the flow of FDI to developing countries during the late 1980s went to a few countries in East Asia (China, Malaysia, and Thailand) and Latin America (Brazil, Argentina, Mexico, and Colombia) (*Finance & Development,* 1992). Integration between developed and developing countries is therefore skewed and benefits to most Third World countries are limited; many countries are left out of this type of global change and their per capita income remains at low levels. Women in these marginalized coun-

[1] For example, with the passage of the Uruguay Round of GATT and the establishment of the World Trade Organization, the WTO.

tries have little to no chance of participating in the economic growth and the rising standards of living that are occurring in some other countries.

Second, as a result of increased market orientation, inequalities are often widened between men and women within an economy. Increasing market orientation typically involves reduced support for social services (health or housing and food subsidies) and less regulation in hiring, wages, working conditions (health, safety, and the right to unionize), environmental conditions, and standards for products sold locally. These types of changes result in increasingly adverse conditions, particularly for women. This is the case because, almost universally, women are largely responsible for family well being and because they tend to be in jobs considered lower skilled, of lower value, and with poorer working conditions (UN, 1995b). Reduction in social services makes it much harder for women to maintain a standard of living in the household. With relaxation of regulation, any existing standards that might improve job conditions are reduced or eliminated. Such effects hold true for women in all countries moving toward increased market orientation, but particularly so for women in transitional economies. Seager (1997) points out that in 1995 women's wages in Russia were 40% of men's, whereas they had been 70%. She also states that women in Eastern Europe experienced higher unemployment rates and decreased support for child and healthcare as transition proceeded. In addition, globally, with decreased regulation there is often an increase in "flexible" forms of work–part time or outwork that entails no benefits and can be terminated almost instantaneously.

Third, because of globalization and increasing market orientation of many countries, events in some nations increasingly impact on the economies of others in ways the latter cannot control. For example, increases in the interest rate in the United States in the early 1980s (as part of the monetarist approach to macromanaging the United States economy) triggered an international debt crisis. Years of reduced or stagnating growth of output and employment ensued in much of Latin America and Africa, with particularly adverse impacts on women (ILO, 1995). Similarly, the collapse of the peso in Mexico in late 1994 and the increasing poverty and social unrest there are linked to changes in the monetary policy of the United States. Even more recently, the financial crisis affecting many countries in Asia since the summer of 1997 was triggered by devaluation of the Thai baht; the crisis in Brazil in 1998 occurred immediately after the collapse of the Russian economy in August 1998. Much social unrest has accompanied these crises. Because women are largely responsible for family welfare, the effects fall heavily on them.

In short, although these dimensions of global restructuring—increasing globalization of economic activity and the shift toward market economies by many countries—seem to draw the world together, the widening inequality within and between countries that is characteristic of more market-oriented capitalism becomes a countervailing force that is divisive.

In addition, although economic globalization has been accompanied and facilitated by the end of the Cold War and the disbanding of the major political camps into which countries were divided, there are newly arising political and religious forces that are divisive and have different economic effects by gender. On a relatively benign level, changes in the global political economy include the rise of regional trade blocks that can put countries outside the block at a competitive disadvantage, and affect the women in each accordingly. On a more violent level, political forces—increased nationalism, ethnic rivalries, and escalating conflicts often bordering on genocidal—divide countries from one another (e.g., in the Middle East), disrupt internal workings (e.g., in Sri Lanka, South Africa, Somalia, Sudan, Rwanda) or splinter countries (e.g., the former USSR and former Yugoslavia). Such political and military conflicts have had a particularly adverse impact on women's economic roles. Heyzer (1995) states that women and children are 75% of those affected or displaced in war-ravaged areas. When the Gulf War began in the early 1990s, for example, large numbers of South and East Asian women who had migrated to the Middle East for work had to return to their home countries, losing their jobs and incomes. Further, many women in war-torn countries such as Rwanda or the former Yugoslavia have been murdered. Surviving women find it extremely difficult to provide for their families during ongoing strife and its aftermath, when they must pursue their activities in devastated economies on land that is often heavily mined. In countries such as Somalia and Rwanda, they live in constant fear of being raped (Dirasse, 1995).

In addition, fundamentalism has been growing throughout much of the world in Muslim, Protestant, Catholic, Jewish, and Hindu religions and has led to more restrictions on women's legal, social, and economic roles in many areas (Seager, 1997). Christian and Muslim fundamentalism both view women's major role as being in the home. This compounds the effects of preexisting sociocultural systems that give men the more powerful positions in society, the workplace, and the household. For example, the Taliban, strict interpreters of Islam who took control in Afganistan in 1996, have prohibited women from working and closed girls' schools, severely restricting women's opportunities relative to men (Seager, 1997).

3.2 Export-Led Development Strategy

This type of global restructuring is based on the idea that high growth rates can be generated by production of manufactured goods or service activities for export. It is also referred to as the export-oriented or outward-looking strategy. In many countries it replaces an import-substitution strategy (ISI) that focused on domestic production of most producer and consumer goods needed in the country. ISI emphasized heavy industry and employed largely male workforces, whereas export-led development relies heavily on women.

Export-led development was perceived as successful in the NICs—the newly industrialized countries of Hong Kong, Taiwan, South Korea, and Singapore that adopted this strategy in the late 1960s. Because they achieved high growth rates and rising standards of living (from the late 1960s until the financial crisis in Asia in 1997) many other countries adopted this type of development approach. In addition, export-led development has been widely promoted, even pushed, by the WB and the IMF in Latin American and even in Africa.

Export-led development often involves the attraction of multinational corporations (MNCs) and sometimes includes the use of export processing zones (EPZs) to ensure high rates of production for export. Increasingly, it encompasses enlarged networks of indigenous subcontractors, varying greatly in size, and other peripheral workers in small informal workshops or engaged in home-based work. Export-led development has relied heavily on sectors such as textiles and garments, shoes, toys, athletic wear, and electronics to generate export revenues and employment.[2] It now involves service sector work,

[2] The establishment of an export-led development strategy requires trade liberalization, exchange rates favorable for selling exports, and incentives to attract foreign investment or MNCs (as sole owners or in joint ventures). Incentives can be in the form of lower taxes or complete tax holidays, freedom to repatriate profits, subsidies (for credit, labor training, or export), decreased (or eliminated) environmental restrictions, reduced import duties, low wages, maintaining a docile labor force (even if it means suppression of labor). Also needed are an adequate infrastructure, political stability, an adequately educated labor force, and access to markets. It is often referred to as a free-market strategy; however, as just described, it actually involves comprehensive sets of distinct policies tailored and implemented by the government in ways to benefit corporations.

such as office administration and offshore data entry and processing, word processing, and invoicing for the travel and finance industries.[3] Export-led development has been linked with the feminization of the workforce in manufacturing and in some modern service sectors (Joekes & Weston, 1994; Standing, 1989), although decreases over time in the percentage of women in the export sector workforce may modify the extent to which this can be argued.

Over the past three decades, such industries in East and Southeast Asia have been heavily based upon female labor, providing alternative types of employment for some women. Women are favored because they typically can be paid less than men and, given the level of technology, are generally considered more productive workers because of their abilities and willingness to work hard, their patience in tolerating repetitive and monotonous tasks, and their reluctance to unionize or resist (Lim, 1996). Women were lower-cost employees than men in the Asian NICs. For example, in 1982 women's earnings as a percentage of men's in manufacturing were 45% in South Korea, 63% in Singapore, and 78% in Hong Kong. In 1987, the ratios were 50% in South Korea, 58% in Singapore, and 76% in Hong Kong (Pyle & Dawson, 1990). In 1994, women still earned only 58% of men's wages in manufacturing in South Korea (Kim & Kim, 1995).

The use of women workers in export-oriented development has been most carefully examined in the case of EPZs because these are self-contained areas that are relatively easier to study than women's roles in export production in general. Broader export production includes subcontracting networks that are very fluid, with contracts initiated or terminated in rapid response to changes in demand. These networks are amorphous, hard to trace, and difficult to research. Although women comprise the larger proportion of workers in subcontracting, informal, and home-based economic activities (Joekes & Weston, 1994), comprehensive data are not available. Therefore, although EPZs hire only a small proportion of the total number of women employed worldwide, analysis of their operations sheds light on the use of women in wider export sectors.

It has been estimated that, in the early 1990s, 4 million people were employed globally in EPZs, with 70% to 80% of these women (Joekes & Weston, 1994; Lim, 1996). Although EPZs are present in over 65 countries (Seager, 1997), they are concentrated in only a few countries—Mexico, Dominican Republic, Brazil, Malaysia, Tunisia, Mauritius, Taiwan, Sri Lanka, and Guatemala (Joekes & Weston, 1994).[4] The results of studies of conditions in EPZs vary—with some suggesting that wages are somewhat better than for similar jobs locally, others finding that the pay is even worse (Joekes & Weston, 1994). The hazards to which women are exposed are typically substantial.

Two recent studies, in Sri Lanka and Malaysia, carefully document the economic and social impact of these zones on the female workers involved (Abeywardene, de Alwis, Jayasena, Jayaweera, & Sanmugam, 1994; Sivalingam, 1994). The Sri Lankan study reveals that 85% of the workers in the EPZs are women, most of them young, unmarried, and from low-income families. Women are allocated the unskilled, routine work and constitute the preponderance of production workers, whereas men hold the technical and administrative jobs. Eighty percent of the workers interviewed reported that, if possible, they would leave their jobs in EPZs because of their dissatisfaction with working conditions. The wages for women were below those for men for the same work. For example, female packers earned 1525 Sri Lankan Rupees (Rs.) a month, whereas male packers made 1800 Rs. Further, female operatives made 2000 Rs. a month while men operating

[3] These occur in Jamaica, Barbados, the Philippines, and China (Joekes & Weston, 1994).

[4] The sizable Special Economic Zones of China are not strictly comparable with EPZs.

the same machine earned 2500 Rs. a month. In addition, hours were often long, safety gear was rarely used, dismissals were arbitrary, and, although wages might be slightly higher than in comparable jobs outside the zones, housing accommodations were of poor quality and expensive, taking up to 50% of the monthly wage (Abeywardene et al., 1994).

The Malaysian study points out that production in EPZs is largely by foreign firms that recruit young, rural Malay women, aged 16–21, for semiskilled and unskilled production work. They don't hire women older than 23 because they fear the "older" women will demand higher wages and leave for marriage. Women comprised more than 70% of production workers in the electronics plants surveyed in 1990 and 80% of production workers in textiles/garments. However, they constituted a low percentage of the managerial and professional workers. Thus, women represented 57% of the workforce in EPZ textile/garment and electronic plants and 53% of the total workers in EPZs in 1990. Women's wages were 90% of men's in electronics and 80% in textiles/garments. Women face exposure to "excessive" (p. 43) heat and noise in textile production. In electronics, although the clean room concept makes it appear that women are working in a clean environment, they are exposed to toxic waste and hazardous chemicals. They are required to operate machines that were designed for a body larger than that of the typical woman, leading to accidents. They suffer eyestrain and deteriorating eyesight over a few years. Female electronics workers often have production standards that are excessively high, producing considerable stress. A larger percentage of the female workers are not permanent. For example, in the electronics plants, 30% of the female workforce was temporary and 20% were on probation as new employees. Turnover is high, particularly in the textile industry, because of the poor working conditions and the lack of upward job mobility (Sivalingam, 1994).

Women are also affected by export-oriented agricultural activities. However, even though large percentages of women are engaged in agriculture globally, such activities have been studied much less than those in the export manufacturing sector. Women may be included or excluded from export agricultural activities. In either case, their lives are precarious. On the one hand, women employed by agro-industry often have only seasonal work, and their income depends on the vagaries of the agricultural export markets (unpredictable supplies and varying demand). This places them in a vulnerable position. On the other hand, women may be excluded from becoming producers themselves for the export market, because, as women, they are denied access to credit, technological developments, and information. In some cases, changes in women's and men's agricultural roles are complexly related to global changes in product demand, pricing, and migratory labor. Wee and Heyzer (1995) tell how women initially replaced Malaysian men as rubber tappers but then were replaced themselves by low-wage illegal male migrants from surrounding countries that were economically more disadvantaged.

It has been widely noted that the number of women employed in industry increased during 1970–1990 in countries that adopted export-oriented development and had rapid growth in manufactured exports (Joekes & Weston, 1994; UN, 1991b, 1995a). In addition, as discussed, increasing numbers of women in some countries are being employed in export-oriented service sectors and some may be involved in agricultural endeavors. However, it should not be concluded that export orientation is necessarily the way to increase female employment. The employment effects may be rather short lived and the percentage of women in export manufacturing may decrease as the technology involved in production advances. For example, women's 53% share of Malaysian EPZ employment in 1990 cited previously was a reduction from their 70% share in 1985. Similarly, women had comprised 78% of workers in Mexico's maquiladora industries in 1975, but were only 59% in 1993 (Cardero, 1994).

In addition to the largely adverse effects on women documented previously, export-led development is a precarious strategy for maintaining or augmenting female employment for several reasons. First, this strategy involves increased competition with other countries. Not all countries can be successful in export-oriented manufacturing. Some will be more competitive than others. Although apparently successful in some areas in Southeast Asia, the strategy has been devastating in other areas, such as the Caribbean (McAfee, 1991). Its noted success in increasing female participation is limited to the eight Asian countries (Hong Kong, Indonesia, Singapore, Taiwan, China, Malaysia, Philippines, and Thailand) from which 80% of the increase in manufactured exports from developing countries came (UN, 1991b).

Second, the success of an export-oriented strategy is highly dependent on viable markets in other countries. The export-oriented country is therefore vulnerable to recessions that curtail demand in the countries to which they export. Fluctuations in demand directly impact on the female production workers involved. To illustrate, during the 1974–75 downturn, 50% of those laid off in Singapore were women, even though they were only 30% of the labor force at the time. In the 1985 recession, 60% of those laid off were women, although only 35% of the Singaporean labor force. The reason for these disparities is that 90% of the layoffs involved production workers, who were largely female (Pyle, 1994). More recently, the financial crises beginning in the summer of 1997 have reduced demand in areas ranging from Asia to Russia and Brazil, with serious effects on other nations that export to them. Many workers in the countries involved have lost their jobs. An article in *Finance & Development,* a publication of the IMF, reports that the total loss of jobs will be large (*Finance & Development,* 1998). Complete data by gender is not yet available because of the recentness of the events. Anecdotal news reports suggest that women's jobs have been heavily hit.

Last, in opening its economy to the rest of the world, the country pursuing export oriented development based largely on low-cost female labor not only exposes the women involved to the conditions (whether advantageous or disadvantageous) of this type of work, but also gives up much sovereign control. National economic outcomes now become heavily influenced by external forces, such as flows of capital, the existence of markets, or deliberate legislation passed in the importing country. The way export-oriented development operates can be for the benefit of corporations based in other countries rather than citizens of the export-oriented country. For example, Safa (1995) shows how the United States (U.S.) government shaped export-oriented development in the Caribbean in the 1980s to provide sites with low-cost labor for U.S. industry. The U.S. government established carefully tailored trade legislation that specified only assembly could occur in these areas, used U.S. Agency for International Development (USAID) financing, and heavily advertised the special zones as sites for U.S. firms to use for production. The workers involved were chiefly low-wage women. This did not lead to sustainable development in the Dominican Republic because industrial activities were limited to assembly operations performed by foreign rather than indigenous firms.

3.3 The Spread of MNCs and Their Cost-Cutting Strategies

Corporations have become much more global in terms of function, origin, and location since the early 1980s. MNCs are present internationally in sectors ranging from heavy industry (petrochemicals, automobiles) to consumer goods (shoes and clothing, electronics, toys, athletic goods) to services (hotel and airline reservations, claims processing). It is the consumer goods and some service sectors that employ large numbers of women.

MNCs now originate from increasingly diverse home countries: industrialized countries other than the United States, particularly Japan and Western Europe; the newly industrializing countries of South Korea, Taiwan, Hong Kong, and Singapore; and even other developing countries. They have expanded the areas in which they locate production to include additional tiers of developing countries (such as Bangladesh and Sri Lanka), as well as formerly socialist economies in Eastern Europe and Asia (Vietnam and China). Although FDI by multinational corporations has grown faster than world output, world trade, and domestic investment (ILO, 1995), and although flows to developing countries have increased particularly rapidly, global distribution has been skewed, affecting the economic roles of women in Third World countries accordingly. The spread of MNCs has largely been into other industrialized countries. In the developing world, just 10 countries have more than three quarters of the stock of FDI in the Third World, while the 47 least-developed nations have less than 1%.[5] Because MNCs are motivated chiefly to seek profits, among the key factors they consider in selecting a foreign location are lower-cost production opportunities (e.g., regarding wages or regulatory costs), accessibility to markets or resources, appropriately skilled (or unskilled) workers, and political stability. Competition for FDI is often very keen and many nations have little chance in the rivalry.

MNCs have a growing impact on women not only because of their increased direct presence globally but also because of the wider spheres of influence associated with their increased use of subcontracting and homework networks of production. They are the most dynamic segment of business internationally, continually increasing their geographic spread and altering their cost-cutting strategies in ways that affect growing numbers of people. In industrial sectors in which wages are a substantial portion of total costs—such as garments and textiles, electronics, toys, shoes, athletic gear—MNCs employ largely female production workers in their formal and informal networks.[6] For similar reasons, women are employed in service sector activities run by MNCs. Therefore, when these sectors expand (or contract) job opportunities are created (or diminished) for women.

It is estimated that, in 1993, MNCs directly employed 11 million people in developing countries, with a high percentage of women in the sectors just described. In addition, because the indirect networks are thought to add a multiple of between one and two, the total employment in the larger networks may be 20 to 30 million in developing countries (Joekes & Weston, 1994). MNCs provide more than 20% of manufacturing employment in Asian countries such as Singapore, Indonesia, Sri Lanka, and the Philippines. They provide more than one fifth in Latin American countries of Argentina, Mexico, Barbados, and in the African countries of Botswana and Mauritius (Joekes & Weston, 1994).

3.3.1. General Effects of MNCs. Earlier debates over whether women benefited from or were disadvantaged by employment in MNCs have been replaced by a more complex analysis that addresses the dynamics and contradictions involved with female MNC employment. In the very short term, employment in MNCs may appear to provide

[5] The 10 largest host countries in the developing world in 1988–89 were Argentina, Brazil, China, Columbia, Egypt, Hong Kong, Malaysia, Mexico, Singapore, and Thailand.

[6] For the reasons cited before—because women are lower cost workers, are considered dexterous, are often willing to work long hours at very repetitive tasks, and are generally compliant.

greater material benefit to the women and their families than existing income-earning alternatives. There is also evidence that, although wages are low in MNCs relative to industrialized countries, and working conditions more adverse, MNCs in many areas offer conditions and pay that are slightly better than those of other local, domestically owned employers (Joekes & Weston, 1994; Sivalingam, 1994; Todaro, 1997). However, negative aspects are often obvious in the short term in the form of long hours, forced overtime, increased production quotas or speedups, poor working conditions or housing, stress, and harassment from management. The adverse impact is more clear in the longer term, when these women experience work-related deterioration of health, the lack of benefits, the absence of opportunities to gain skills and advance in the job hierarchy, and loss of jobs due to their health, work-related stress, or strategies of automation, retrenchment, or relocation of the MNCs (discussed later).

These general effects vary according to how long the country has been pursuing export-oriented growth and the particular corporate cost-cutting strategies adopted (discussed in the next section). Countries that utilized this strategy in earlier decades have been consciously moving from labor-intense sectors to more high-tech industries. For women employed in MNCs in the NICs, such as Singapore or Hong Kong, who have escaped loss of jobs due to strategies discussed just below, working conditions and absolute wage levels have improved somewhat over time as a result of worker resistance. Nonetheless, conditions of female employment in MNCs vary even within the NICs. For example, in Singapore there has been a dramatic increase in female employment and a narrowing of the male/female wage gap since the 1960s; in South Korea women remained a more peripheral workforce, with relatively short working lives. The difference may be due to the tighter labor market in Singapore and state support (Phongpaichit, 1988).

However, although conditions (regarding wages and perhaps health and safety standards) may have improved in some NICs, adverse conditions persist in most other developing countries. Conditions are the worst in the latest group of countries to adopt export-oriented growth—the second tier of countries to follow the NICs (Thailand, Malaysia, Indonesia, or the Philippines) or the third tier (Sri Lanka, Bangladesh, areas of China and India). As the MNCs move into the latest tier of countries that are pursuing export-led development, where local working conditions are often even worse, they adopt the same patterns regarding pay, hours, and working conditions as when they established operations in the NICs. Women often earn very low wages with no benefits and work long hours that can be increased at the will of the employer. They are often exposed to health and safety hazards (because of exposure to toxic chemicals or lint and dust and due to lack of enforcement of standards), may have limited access to sanitary facilities, and may be verbally or sexually abused.

In addition, patterns of women's participation in MNC employment networks differ by factors such as age, marital status, race/ethnicity, class, culture, and the design of state policy as well as by gender (Blumberg, Rakowski, Tinker, & Monteon, 1995; Pyle, 1998; Rakowski, 1995; Ward, 1990; Ward & Pyle, 1995). For example, age and cultural conventions interact to shape where women are employed in the greater MNC production networks. Direct employment in MNCs in labor-intensive industries in Asia typically involves young unmarried women. The subcontracting networks in Hong Kong and South Korea, however, often utilize married women who are older (Pun, 1995), as does the garment homework sector in the Philippines (Ofreneo, 1994). State policy also affects women's employment in MNCs. State policy during export-led development in Singapore was designed to bring women into the labor force and provide a workforce for MNCs; in the Republic of Ireland, another small island economy pursuing the same development strategy, state policy was explicitly designed to pursue firms that would employ larger proportions of males (Pyle, 1990, 1994).

3.3.2. Effects of Cost-Cutting Strategies of MNCs. MNCs have used four types of global cost-cutting strategies in the past decade at an accelerated pace in both industrialized and developing countries. They are particularly intensified when competition increases. These strategies affect all industries—heavy industry that hires largely males as well as light industries that hire larger percentages of women. Although they affect both male and female workers internationally, the focus here is on the effects on the female workforces in lighter industry.

As costs have risen in specific areas in which MNCs have been producing, they have chosen one or more of the following responses: to suppress labor demands; to automate; to increase the use of homeworking or subcontracting to other businesses within the country; or to move to another tier of low-cost countries. Each of these strategies has had largely adverse effects on the women and children involved as workers in the original location.

First, although a few MNCs pay wages in some developing countries that are attractive locally, there is considerable evidence that they actively suppress workers' demands for higher wages and desires to improve other job conditions. When such refusal to negotiate leads to worker efforts to unionize, MNCs counter these activities via threats or dismissals (Safa, 1994) and some workers turn up missing, presumed dead (Ofreneo, 1994. They often quell labor unrest with the assistance of the police or the military, as recently exemplified in Indonesia, the Philippines, and South Korea. In addition, MNCs derail some management-labor conflicts via programs (such as quality circles) that appear to give workers some input into the decision-making and labor process, while not transferring effective power. Such actions harm women physically and psychologically, and tend to reinforce their subordinate status.

Second, MNCs may automate or adopt more advanced technologies. It is largely female jobs that are replaced by machines. For example, a study of the semiconductor industry in Malaysia revealed that although net employment increased between 1977 and 1984, the proportion of female workers fell. This occurred because the industry became more technical, hiring more skilled labor, technicians, and engineers, most of whom were males (Salih & Young, 1989). In addition, it is likely that as computerized processes become more viable in the garment industry, and as text and voice recognition systems are implemented in computer work, it is chiefly female employment that will drop.

Third, MNCs often relocate to lower-wage countries or areas within a country. MNCs move into a new country as direct producers, via subcontracting, or in joint ventures where a MNC and a local enterprise jointly own the business. As MNCs in labor-intensive industries relocate, women in the new location gain employment while women at the original site lose their jobs. The newly unemployed are often unable to find other employment, particularly if they gained no new marketable skills at these jobs. For example, a company closure in South Korea's Masan Free Export Zone (Mafez), where the workforce was 75% female, focused attention on what has been called an industrial ghetto for women. These women left school early to work in the MNC and had few skills transferable to more high-tech jobs when companies closed. The paradox was that, at the time, South Korea had a shortage of labor. Such misuse of female labor is inefficient, in addition to inequitable. It is widely expected to be the trend, however, throughout the labor-intensive industries in garments, footwear, and toys in South Korea and other NICs.

Fourth, under the innocuous rubric of augmenting "flexibility," corporations increasingly contract work out to subcontracting and/or homework networks throughout the industrialized and developing world. In contrast to workers in factories, workers in such networks cost MNCs substantially less because they work for significantly lower pay, can be easily terminated, have no benefits, require little to no fixed capital, and are less likely to organize or unionize. As MNCs increase the use of subcontracting and homework networks, it is often women who are employed. This type of work involves contradictions for women. On the one hand, it allows women who are married or household heads the flexibility to combine paid work with household duties. On the other hand, the women are even more vulnerable economically because they are paid less, have no benefits, and can be terminated immediately in the event of an economic downturn.

Subcontracting networks often involve informal sector jobs, illustrating how increased MNC production affects women in the informal sector as well as the formal sector. Beneria and Roldan (1987) were among the first to extend the analysis of the effect of MNCs on women beyond formal employment (paid labor in MNC factories) to the informal sector. They examined the layers of subcontracting and homework arrangements that were developed by MNCs in Mexico City and examined the blurred line between formal and informal work. This has also been studied in South Korea and the Philippines (Lee & Song, 1994; Ofreneo, 1994). Further, just as MNC networks have increasingly encompassed informal sector employment, indigenous industrial firms do so also, thereby increasing the adverse conditions for women.

Although the effects of employment in MNCs on women are somewhat contradictory, they are largely negative. This is compounded by the fact that activities in the subcontracting networks often associated with MNCs are typically more hidden from public view, providing them the opportunity to treat workers even less favorably. Additional inequities and worker abuses are rife. In spite of the visibility of a few prominent cases in recent years, these subcontracting networks are harder to influence. In addition, it is feared that MNCs originating from Asian countries (such as South Korea or Taiwan) that move production into other countries in the region will be less responsible because of their high degree of anonymity internationally. They often produce components, products that will be used to assemble other final goods, and are therefore isolated from consumer awareness; they have displayed little concern for social or environmental concerns.

3.4. Structural Adjustment Programs (SAPs)

The role of structural adjustment policies (SAPs) has been prominent and controversial for the past twenty years. In the early 1980s many developing countries encountered serious economic problems. The 1979 oil crisis, with the accompanying rapid increases in the price of oil, began a set of global recessions. Rising interest rates in the United States precipitated the international debt crisis that severely affected many countries in the developing world. With the exception of some countries in Asia, most of the developing world was engulfed in widespread stagnation or recession for the next few years. SAPs, designed to stabilize and restructure an economy, were required as a condition of borrowing from the IMF and the WB and, in turn, to obtain loans from private commercial banks in developed countries (banks required IMF backing). SAPs were established throughout Latin America and in over thirty countries in Africa during the 1980s (Haddad, Brown, Richter, & Smith, 1995). Many countries borrowed heavily from the IMF and

WB.[7] However, these programs brought hardship to people in much of the developing world, with particularly adverse impact on women (Lim, 1996; UN, 1995b). More recently, SAPs have been an integral part of financial bailout packages arranged by the IMF for many countries involved in the financial crises arising since July (for example, Thailand, Indonesia, South Korea, and Russia). The stringency of the policies required, their recessionary impact, and the way they distribute the impact of the crises on lower-income peoples have fostered considerable controversy and unrest.

SAPs are based upon traditional neoclassical economic theory—a model that is critiqued from a variety of points of view, including its failure to systematically include gender as an integral component of the analysis. SAPs have been conceptualized as having two components: one a stabilization phase (designed to stabilize key economic indicators, such as inflation rates, government budget deficits, or trade deficits), the other a restructuring or structural adjustment phase (intended to make the stabilized economy more competitive by moving toward a more market-oriented economy with less government intervention). The stabilization component was to be relatively short term and lay the foundation for enhanced economic growth, which would be encouraged over a longer term through the restructuring phase. Policies for both phases have been implemented together. Both can have unfavorable effects on women, although there is at least the possibility that the restructuring component could open up opportunities for some women.

Accomplishing these main goals involves a myriad of other deliberate economic policy changes, most of which negatively impact women. For example, according to traditional neoclassical economic theory, stabilizing prices requires contractionary fiscal policies (reducing government spending or increasing taxes) or restrictive monetary policy (higher interest rates). It can also involve wage freezes. Stabilization policies are designed to attain price stability and assist in reducing deficits; they are *not* focused on stability in employment. In addition, policies to make an economy more competitive domestically and internationally involve privatizing state-owned enterprises, devaluation of the exchange rate (to make exports more price competitive abroad), and a host of specific policies to promote export-oriented development. Opening a country to MNCs is often part of the agenda.[8]

In general, stabilization and SAPs required by the IMF and WB promote market orientation, establish policies favorable for corporations, and implicitly reinforce the lack of concern for employment, income inequality, and fair treatment for all. SAPS enacted in the 1980s and early 1990s have resulted in rising unemployment, falling incomes and standards of living, worsening income distribution, increasing poverty, deteriorating working conditions, and environmental degradation. These factors, in turn, undermine long-term growth rates, one of the goals of the SAPs in the first place (UN, 1991b).[9]

[7] The biggest borrowers from the IMF 1980–1992 were Mexico, Brazil, Venezuela, Argentina, the former Yugoslavia, the Philippines, Morocco, Ghana, Bangladesh, and Bolivia.

[8] This may involve tax holidays, free repatriation of profits, subsidies on worker training and interest rates, reduced import duties, deregulation of environmental standards and labor conditions standards regarding minimum wage, rights to form unions, and working conditions. As discussed earlier, such policies typically benefit corporations, often based in other countries.

[9] As a UN (1991b) publication states, "Although mainstream economists generally regard structural adjustment policies as necessary to lay the groundwork for steady economic growth, these policies are often criticized for failing to accomplish economic restructuring without adversely impacting long-term growth prospects and poverty and environmental sustainability concerns and for not taking account of the country-specific circumstances of economic reform" (p. 14). In the early 1990s, the IMF reevaluated to try to lessen the adverse impacts of the policies. However, because of the nature of the market system and the ideology of the prevailing orthodoxy, it is difficult to diminish the adverse effects.

It is widely concluded that the earlier rounds of SAPs have a gender bias that is unfavorable for women (Aslanbeigui, Pressman, & Summerfield, 1994; Bakker, 1994; Rakowski, 1995; Sparr, 1994; Thomas-Emeagwali, 1995; UN, 1991b, 1995a). The stabilization phase, thought to be short term, has had distinctly adverse effects on all people, but more so on women. Evaluating the effects of the restructuring phase, however, is considered more difficult because of the problems of assessing the effects of particular policy changes in a social environment where so much is changing over the medium to longer term. If women are able to benefit from changes in the incentive structure that restructuring establishes (i.e., it favors the tradable goods sectors), they can benefit from adjustment. However, women are at a distinct disadvantage because of their limited access to resources and the constraints on their ability to reallocate resources (including their own labor) in line with changes in adjustment incentives (Haddad et al., 1995).

To illustrate, government spending can be reduced in several different ways, each of which affects women adversely. It can be curtailed by cutting public sector employment (including in publicly owned industries). Because women often are employed in the public sector, this hits them disproportionately hard (UN, 1991b). Government budgets can also be reduced by curtailing spending on social services (such as health care, family planning, education, and training) and removing subsidies for basic needs, such as foodstuffs and transportation. Cuts in education and training budgets often harm women, because, in many societies, women have less access to education than men and government programs have helped to alleviate this inequity. In addition, because women are overwhelmingly responsible for family well-being, they are dramatically affected by reduction in spending on health care and family planning as well as on subsidies (UN, 1995b). They find themselves with significantly fewer resources to provide for the needs of the household. As government social services are eliminated, these formerly free goods must be paid for. Prices of needed household items also rise when subsidies on food and transportation are reduced or eliminated (UN, 1995b).

If curtailing the country's federal budget involves increases in taxes, they are typically of the type that fall regressively on the poor, of which women are a disproportionate number (UN, 1995b). In addition, contractionary fiscal policies usually result in recessions in which layoffs are widespread; as shown earlier, women's jobs are typically the most vulnerable in a recession. Restrictive monetary policies entail higher interest rates which make it even harder for women to obtain funds for entrepreneurial activity (UN, 1991b). Wage freezes unmatched by price freezes cause a decline in real purchasing power. This lowers the standard of living and increases poverty, making it harder for women to meet the needs of their families.

As women lose jobs in the formal sector and find household resources drastically squeezed by stabilization and structural adjustment policies, they are typically forced into informal sector employment, which pays less and is much more precarious (UN, 1995b). They often must work longer hours and make sacrifices in consumption and healthcare. As regulations regarding the environment and conditions at the workplace are eliminated or left unenforced, the environmental quality of worklife, as well as life in general, diminishes. As people must competitively scramble into the informal sector to eke out a living, further environmental damage occurs. Some are forced into taking part-time work (which may combine better with home duties) and others may set up an informal sector business. However, preexisting inequalities in many countries largely keep women from participating in many entrepreneurial activities. Women are typically discriminated against by formal lending agencies because they lack collateral. They must utilize informal sector money lenders, who charge much higher interest rates (UN, 1991b).

These structural adjustment programs have affected women and men throughout the world. If countries were able to recover from the contractionary stabilization policies and restructure, those who were able to move into sectors that were favored by the programs (chiefly the tradable goods sectors) could benefit (Haddad et al., 1995). The effects of these earlier rounds of SAPs on women in Asia were contradictory. It was here that women were able to achieve some benefit from structural adjustments that opened their economies to trade and possibly foreign investment. Many women gained jobs as a result of the restructuring. However, as documented earlier in the sections on export-led development and MNCs, this was not completely beneficial. Although many women had jobs that were possibly better than the alternatives they faced, we have seen how many of the conditions surrounding work (such as wages, hours, health and safety, or treatment by management) were distinctly unfavorable.

During the 1980s, many countries in Latin America, the Caribbean, and Africa initiated SAPs and opted for more market orientation and export-led development. They did so either because they were pressured by the IMF and the WB as a condition for loans or because they were suffering from recessions or stagnation and wanted to replicate the success of the NICs. SAPs particularly worsened the socioeconomic position of women in these areas. With women's wage employment falling in Latin America and unemployment rising, women were forced into the informal sector. Government cutbacks in health care were severe, as were cuts in education and training. As health deteriorates, women are less able to work; as educational opportunities decrease, women are less able to attain needed skills. In many developing countries women worked long hours to maintain even meager living standards.

Often the lower and middle income people affected by such increasing deprivation become frustrated and angry. Many demonstrations have occurred to protest the SAPs, often organized and led by women. In addition, concerns have erupted into revolt, fighting, disorder, and deaths which clearly disrupt economic and social life. SAPs contain within them seeds of their own and social destruction. Others have linked the frustrations generated by the worsening income distribution that SAPs create to the rise of "fundamentalism, fascism, and ethnic conflicts" (Sen, 1995, p. 11), which as we have seen in Section 3.1, greatly constrains women's opportunities and, in some cases, subjects them to violence ranging from beating, rape, to death.

The newest rounds of SAPs, required as conditions for IMF financial assistance designed to address the financial crises that began in 1997, appear to affect inhabitants of recipient countries in similar ways. An article in *Finance & Development* (an IMF publication) indicates that poverty will increase in Indonesia, South Korea, and Thailand through price increases and loss of jobs (*Finance & Development,* 1998). There are news reports that people in the broader group of countries affected are experiencing severe hardship and deprivation, unrest and resistance, and death. There are indications of their particularly adverse impact on women—in terms of loss of jobs and in providing for household needs. More aggregate country-wide data is now emerging in government statistics that can provide a broader basis on which to evaluate the impact of these policies by class and gender.

3.5. Institutional Restructuring

Another way to understand global restructuring is to consider changes in major institutions in the global political economy and shifts in the balance of power among them. The major institutions in the macro global economy are: MNCs and their production networks, international organizations (such as the WB, the IMF, the UN, and the ILO), national governments, and nongovernmental organizations (NGOs) or grassroots organizations concerned with gender issues. These institutions, and changes in them, shape the power structure within which women live and work.

As discussed previously, the structural changes in MNCs—their countries of origin, the areas into which they have spread, and their four-pronged cost-cutting strategies—have had a dramatic effect on women in industry. They are motivated to seek profits and increase markets, rather than by concerns for equity. They are not concerned with alleviating rising income inequality, reducing unemployment, treating women/people equally, or preserving the environment.

Among the international organizations are the IMF, and the WB, and numerous UN organizations. On the one hand, as shown previously, there is widespread documentation that the SAPs required by the WB and the IMF have hurt most women. These two institutions are motivated to loan money according to the standards of the prevailing neoclassical economic paradigm and to ensure that borrowers are able to repay loans and funds are not lost. Because they hold the pursestrings and their approval is often necessary for additional private loans, they have considerable power to enforce their view.

On the other hand, many UN organizations are motivated to improve the socioeconomic status of women, but they have limited funds and little power. The UN agencies have produced increasing amounts of information that is the basis for a better understanding of the status of women globally and their importance to development and family well-being, and for the development of strategies to improve women's lives. Among the more comprehensive recent publications in terms of data and policy recommendations are *The World's Women 1995: Trends and Statistics* (co-sponsored by 11 UN partner organizations) and the *Human Development Report 1995* of the UN Development Programme (UNDP). The latter focuses on gender disparities and, not only provides extensive data, but also develops two new measures of the development status of countries that incorporate gender: the Gender Development Index (GDI) and the Gender Empowerment Measure (GEM). The GDI considers inequalities between men and women in longevity, literacy, and standard of living whereas the GEM includes women's share of parliamentary positions, managerial and professional jobs, and income, as well as their labor force participation rates.

UNIFEM (the United Nations Development Fund for Women) had its roots in the First UN conference on Women in 1975 and is focused on promoting the economic and political empowerment of women. Its activities range from funding capacity building among women in Third World countries to reexamination of development models and formation of gender sensitive macro-models. It is designed to ensure that women and their concerns are included in mainstream development planning, to support experimental programs to benefit women and their country's overall priorities, and to be a catalyst for these concerns throughout the greater UN system (UNIFEM, 1995).

Similarly, the ILO has tried to set and increase standards in the workplace; however, it lacks enforcement powers. It published an extensive follow-up to the Fourth World Conference on Women (1995) and the World Summit for Social Development (1995) that outlines plans to implement the declarations of these two summits regarding equality of opportunity for women in employment and qualitative improvements in working conditions (see Lim, 1996, *More and Better Jobs for Women: An Action Guide, 1996*). It addresses inequalities by gender in hiring, pay, occupations, decision making, unemployment, access to training, promotions and resources, and in family responsibilities. Again, it has no authority to execute these ideas.

National governments are another set of players on the macro global scene. Most do not incorporate women into development planning. An INSTRAW study revealed that only six of 96 countries surveyed mentioned women's issues in their development plans (Vickers, 1991). National governments are interested in growth rates, price stability, and surviving financial, political, or military crises. Provision of stable levels of high employment is essentially not on their agendas. Many governments have restructured their economies, as required by the SAPs or to pursue export-led growth; many have sought to attract MNCs and FDI. There is intense international competition for FDI, and, as each country seeks to make itself an attractive location, it often further weakens any existing labor standards (regarding wages, hours, benefits, working conditions, and rights to unionize) by failing to enforce them or by deregulation. Rather than devoting substantial attention to human development or sustainable development, they take an immediate and short-run perspective that perpetuates the institutions in power. These are typically the same institutions that have resulted in past and present inequality. The effects on women have been documented throughout this chapter, particularly in the sections on export-oriented development, MNCs, and structural adjustment policies.

There are many NGOs working on gender and development issues. Chen (1995) documents the dramatic increases in women's NGOs in the past two decades and their increasing importance at the various world conferences held regarding women (1975, 1980, 1985, 1995) or the conferences on human rights (1993) and population and development (1994). These NGOs have arisen in a great number of countries; many have built large and sophisticated alliances among themselves on critical issues. They range from small grassroots organizations to coalitions that span major regions of the world, and often bridge the North–South gap that is said to exist between women and countries in general. However, it is difficult for the few international organizations that have human development as their agenda and the myriad of NGOs to stand up successfully against the corporations, the WB and IMF, national governments, and patriarchal cultural restraints. There is no major institutional grouping with the power to blunt the negative impact of the global market system on women.

4. EFFECTS OF GLOBAL RESTRUCTURING ON WOMEN IN INDUSTRY: ANALYTICAL LINKAGES

There are clear analytical linkages between the continuation of women's disadvantaged status and the various types of global restructuring—the increasing globalization and market orientation of the world's economy, export-oriented development strategies advocated by the WB and the IMF, changing corporate strategies of MNCs and their networks, and SAPs.

There are causal links, for example, between the spread of MNCs and the use of SAPs, on the one hand, and increases in women's participation in the informal sector on the other. As discussed previously, these two global phenomena have drawn increasing numbers of women into informal sector activities simply so the women could survive. When SAPs have been implemented in many countries, women have lost jobs in the formal sector and, in a variety of ways, have lost resources to provide for their families as governments cut back expenses. For both reasons women have been increasingly forced into informal sector employment. In addition, MNCs have increasingly utilized cost-cutting strategies (automation, relocation, increased subcontracting) that force many women into informal sector work. Women are often involved in informal industrial work because they can combine it with home duties. However, such employment pays much less, is very unstable, and conditions are even worse than in formal sector jobs.

Because of the characteristics of informal sector employment, poverty increases. Income is lower and women are forced to work longer hours. This trend is particularly devastating for households headed by women (up to 30% in some areas) and for immigrant women who are especially vulnerable (UN, 1991b). As poverty and inequality increase, in turn additional crises of unemployment, inflation, even famine or political upheaval result. Without some significant change, this chain of events will be perpetuated.

This dynamic and the analytic linkages between women's continued disadvantaged status and these forms of global restructuring, result from several characteristics of the global market system as a whole and the traditional neoclassical approach to economics (the prevailing orthodoxy) upon which the market system and much of the global restructuring is based: (1) gender is not a variable of analysis, resulting in a misspecified basis for policy making; (2) in addition, markets do not consider equity as a goal, which can undermine the market goals of efficiency and long-term growth; and (3) the notion that these forms of global restructuring are a move toward free markets is a myth obscuring the reality that the global economy is dominated a few powerful institutions, none of which govern or monitor it with the primary goal of human development or gender equity in mind.

First, traditional economic analysis, and the policies constructed upon its view of the socioeconomy and enacted worldwide, have not included gender as a variable of analysis. They are not, however, gender-neutral in their impact because women and men have distinctly different occupations and responsibilities in the economies of most countries. Women are largely responsible for housework (which has been invisible in national income accounts until recently) and men and women typically fill different types of jobs in the paid labor force, with women in the lower-paid jobs with less responsibility.

On the microeconomic level, according to neoclassical economic theory, the perfectly competitive economy has a large number of small actors (firms, workers, consumers), none of whom have control over prices. Forces of supply and demand interact in free markets with perfect information and therefore outcomes are fairly determined. This microeconomic approach assumes that everyone has the same opportunities. If someone is in a disadvantaged position in the labor market, for example, it is thought to be because they chose this position or because they did not acquire sufficient human capital (education, training, or experience). Any possible discrimination against particular groups (such as women) would simply be a short-term phenomenon that firms would find it profitable to eradicate (i.e., if women were paid lower wages, capitalists would make more money by hiring them, thus driving up their wages relative to those of men). Feminist economists, and others, have for years documented the fact that such variables cannot statistically account for the major proportion of the wage gap that exists between men and women.

Macroeconomic theory is even more removed from gender. It focuses on such variables as output, growth rates, prices, unemployment, interest rates, money supply, government spending, taxation, and exchange rates. People are not mentioned other than in employment/unemployment figures. Further, the focus of macroeconomic policy makers in developed countries has been on price rather than on employment variables. Traditional economics has defined work as tasks that are valued by and paid for through markets, thus making the vast amount of economic activity that women perform unpaid in households invisible. The value of these activities has been estimated at $11 trillion. To provide context for their importance, official global output is estimated at $23 trillion

(UNDP, 1995). Feminist economists have spearheaded an effort to revise systems of national accounting to incorporate women's work in the household, giving it proper visibility and respect. They have also been increasingly urging an engendering of macroeconomic policy (see for example, Bakker, 1994; Beneria, 1995; Elson, 1995; and the entire special issue of *World Development,* Nov., 1995).

The failure to include gender as a variable of analysis results in incomplete characterizations of economic life and a faulty basis for constructing policies for future growth. Omitting women from the analysis and policy prescriptions can undermine the attainment of goals, as shown directly below.

Second, in accordance with prevailing economic theory, markets are driven by concerns about efficiency and profits in the short term and are not motivated to provide equitable opportunities or outcomes, particularly by gender. This can undermine their goals for profitable growth. In most areas of the world, industries deal with issues regarding production, finance, and marketing, with little concern about fair relations with workers and income distribution in society. Workers are largely considered expendable and replaceable.[10] Others are seen as consumers at best. In many countries increased global competition leads to deteriorating labor conditions, as well as environmental and health conditions, as deregulated markets determine the quality of life. Social conditions may also deteriorate in many areas as they seek to attract corporations. I have shown above that these trends adversely affect women in particular.

Increases in inequality generated by market-oriented economies not only violate concerns of equity and fairness, but can also undermine economic growth and markets in a number of ways. In particular, inequality for women can undermine not only present growth but also future growth since women are largely in charge of providing for and raising the next generation. Women's contributions to economic development are handicapped when they have unequal access to jobs, credit, resources, markets, and the process of planning itself. In addition, when women do not have access to adequate health care and education, their capabilities as workers are impaired, as is their ability to provide an adequate standard of living for the next generation. This results in lowered productivity of future workers. Further, as inequality rises, there may be a deficiency in purchasing power to buy the goods and services produced, which undermines growth rates and can cause a contractionary cycle. In a worst case scenario, increased inequality and deprivation can cause social upheavals. As stated in a Report by the World Resources Institute in collaboration with the United Nations Environment Programme and the United Nations Development Programme (1994),

> Traditional market-oriented development policies that have failed to consider equity, the environment, human development, and women's roles in society are believed by a growing number of experts to have contributed to poverty, an increase in economic and gender inequities, and environmental degradation. Such policies, by often overlooking or even undermining women's well-being and participation in their communities, have not only hurt women but also hindered the achievement of broad sustainable development goals. (World Resources Institute, p. 57)

Neoclassical economic theory does recognize that markets can fail in a variety of ways, necessitating a role for government. For example, markets can fail to provide desired amounts of public goods, environmental protection, or education. Market-oriented systems do not provide socially optimal outcomes in these arenas of life unless they are

[10] It is only in some industrialized countries that organizations have been forced to recognize the dual roles of their workers (in the household as well as the workplace) and the need for policies that facilitate combining these roles.

modified by state, corporate, or NGO policies. However, what this approach does not recognize is that the failure of markets to be concerned with equity (particularly gender equity, given the importance of women in the workplace and the household) as well as short-term efficiency will eventually undermine efficiency and growth. Efficiency and growth are impaired when the health and education levels of the work force are diminished; they are also damaged by social upheavals that can erupt as a reaction to inequality.

Third, these forms of global restructuring—the move toward more market-oriented economies, export-led development, the behavior of the MNCs, and the structural adjustment policies—are all couched in the language of liberalization and free markets. This perpetuates the myth that the subsequent economic outcomes are the result of the operation of competitive markets, where everyone has similar opportunities and the role of government is minimal. However, there is a big difference between rhetoric and reality. As shown throughout Sections 3.1 to 3.4, these forms of global restructuring are based on *deliberate* interventions by government and are not "free market" strategies. All nations and all people do not have the same opportunities; overwhelming amounts of research have shown this.

The structure of the global economy is not that assumed in the traditional economic model in which most development economists receive training. The model of the perfectly competitive economy with a large number of small actors, none of whom have control over variables such as price, ignores the reality of powerful institutions. As outlined in Section 3.5, there are some major institutions acting in the global economy that have significant power. They have distinct goals and agendas that they seek to achieve using their power and resources. Gender equity is not one of them and I have shown the differential impact by gender of these forms of global restructuring, with the largely negative impact on women's lives. Although changes can occur over time (in terms of which country is preeminent, which corporations most influential), the existence of such a framework of powerful institutions creates an environment in which it is very difficult for those with less power and a different set of goals (such as governments, trade unions, or NGO groups organizing to improve women's position) to achieve any significant gains.

In spite of the myth, these countries are not purely market-oriented, efficiency-based economies. Quite the contrary, policies are often expressly tailored to the advantage of corporations or to meet conditions of large commercial banks and attract foreign corporations. The myth remains, however, in spite of evidence to the contrary such as this quote from an article in *Finance and Development* (a journal of the WB and IMF), in which Arvind Panagariya (1995) says,

> Successful export expansion, in turn, depends on the policy package, which conveys a message in no uncertain terms that the country will give priority to export-oriented activities. . . . In efficiency terms, virtually all policies—geographical targeting, preferential treatment of foreign investment in general and in export sectors in particular, and discriminatory exchange retention rights—were highly distortionary (p. 32).

In spite of the fact there are powerful actors in the global economy, there are essentially *no* effective international bodies to globally manage macroeconomic stability (which I would like to redefine broadly to include employment, gender equity as well as fairness in general, and environmental sustainability, in addition to prices and exchange rates). The G-7 (United States, United Kingdom, Germany, France, Italy, Japan, and Canada) is widely considered ineffective in influencing events—even in shaping exchange rates, which it considers its responsibility. The extremely large flows of funds from corporate financial institutions are often speculative and can easily shift, as in several Asian countries in 1997, leaving particular nations in severe economic distress. This leaves institutions such as the UN (with all its difficulties in establishing policies and affecting change), the IMF and the WB (which work on a country-by-country basis to provide funds and ensure their repayment, according to strict economic policies), and a plethora of other organizations that have been created to advance a variety of issues—women's, labor, environmental, and peace. Currently, none of them have either the power or the inclination to oversee the stability of the global economy.

Not only is there no effective international institution to stabilize the world economy, but, with globalization, national governments have reduced control over their own macroeconomic outcomes. Increasing globalization leaves countries more exposed to recessions and crises than before nations were so economically interlinked. It leads to rising vulnerability, particularly of members of society with less power, such as women. Recessions, in turn, prompt corporations to restructure further and increase their "flexibility" to relocate, automate, and retrench workers, which I have shown affects Third World women negatively. Poverty rises; inequality increases between countries; social and economic stability can be undermined.

These three characteristics of the global economy—that markets and traditional economic theory do not systematically include gender as a critical variable of analysis, nor equity as a goal, and that the language of liberalization and free markets is a myth obscuring domination of the global economy by powerful institutions—help perpetuate the dynamic wherein the effects of global restructuring on women in industry are largely negative.

5. CONCLUSIONS

The macro perspective of this chapter points out that there are several powerful global forces shaping women's roles that must be considered in analyses of the status of women and their importance to the development process and in planning for changes to improve their circumstances. They include: (1) the dynamics of the increasingly market-oriented global system; (2) the increasing adoption of export-led development strategies; (3) the spread and changing cost-cutting strategies of MNCs; (4) the effects of stabilization and structural adjustment policies (SAPs) required by the IMF and WB; and (5) inequities in the relative power of the major global institutions. The effect of these forces on women are compounded by preexisting systems of discrimination that subordinate women in the household, workplace (via lack of equal access to all jobs, and lack of resources for own businesses), political sphere, and religious institutions. This chapter has shown that there are analytical linkages between women's disadvantaged status and global restructuring. The problems that ensue for women are systemic and integral to the structure of the largely market-oriented international economy and the prevailing economic theories upon which policies for global restructuring are based. They must be addressed with this realization in mind.

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