



**United Nations Research Institute for
Social Development
(UNRISD)**

GLOBALISATION, EXPORT-ORIENTED EMPLOYMENT FOR WOMEN AND SOCIAL POLICY: A CASE STUDY OF INDIA

**Paper prepared for the UNRISD project on Globalization, Export-
Oriented Employment for Women and Social Policy**

******DRAFT NOT FOR CITATION******

Jayati Ghosh

Jawaharlal Nehru University
New Delhi

July 2001

The **United Nations Research Institute for Social Development (UNRISD)** is an autonomous agency engaging in multidisciplinary research on the social dimensions of contemporary problems affecting development. Its work is guided by the conviction that, for effective development policies to be formulated, an understanding of the social and political context is crucial. The Institute attempts to provide governments, development agencies, grassroots organizations and scholars with a better understanding of how development policies and processes of economic, social and environmental change affect different social groups. Working through an extensive network of national research centres, UNRISD aims to promote original research and strengthen research capacity in developing countries.

Current research programmes include: Civil Society and Social Movements; Democracy, Governance and Human Rights; Identities, Conflict and Cohesion; Social Policy and Development; and Technology, Business and Society.

A list of the Institute's free and priced publications can be obtained by contacting the Reference Centre.

UNRISD, Palais des Nations
1211 Geneva 10, Switzerland

Tel: (41 22) 9173020
Fax: (41 22) 9170650
E-mail: info@unrisd.org
Web: <http://www.unrisd.org>

Copyright © United Nations Research Institute for Social Development.

This is not a formal UNRISD publication. The responsibility for opinions expressed in signed studies rests solely with their author(s), and availability on the UNRISD Web site (<http://www.unrisd.org>) does not constitute an endorsement by UNRISD of the opinions expressed in them.

Content

I. WOMEN WORKERS AND EXPORT PRODUCTION IN ASIA: RECENT ISSUES AND TRENDS...	4
II. WOMEN'S EMPLOYMENT IN THE INDIAN MANUFACTURING SECTOR, INCLUDING IN EXPORT EMPLOYMENT	11
III. EXPORT PROCESSING ZONES	25
IV. MEASURES FOR SOCIAL PROTECTION OF WOMEN WORKERS	27
REFERENCES.....	32

This paper seeks to examine the Indian experience with respect to women's employment in export-oriented manufacturing industry in the era of globalisation. It also considers the role of social policy in providing work and survival security to women, by first evaluating the effects of state policy, and then considering other attempts to ensure minimum security to women workers. The first section sets out some of the issues with respect to the feminisation of labour in export-oriented employment, and situates the discussion in the context of the experience of the high-exporting East Asian economies in the 1990s. The evidence pointing to a fall in the share of women in export-oriented manufacturing employment even *before* the onset of the East Asian crisis is considered, and the possible reasons for it are discussed. With this background, the next section briefly highlights the important trends with respect to aggregate female employment in the Indian manufacturing sector over the 1990s. It is argued that much of the use of female labour in export production in India has been in informal and unorganised workplaces, including home-based work, with associated implications for pay, working conditions and consequently also for social policy. The cases of Export Oriented Units (EOUs) and Export Processing Zones (EPZs) are then taken up in the third section, with specific attention to what such employment has meant for job, material and social security. Issues relating to social protection of female labour through the agency of the state and other examples of attempts to provide social security are considered in the final section. In this section there is also an argument for the need to have a macroeconomic perspective on the conditions for improving employment conditions for women workers, which would have wider applicability to other developing countries as well.

I. Women workers and export production in Asia: Recent issues and trends

The link between export employment and the feminisation of employment is now well known. (See Horton [1995], Wee [1998] and Joeques [1999] for discussions of some of this literature). While feminisation of employment can refer to either the absolute or the relative increase in numbers of women employed, most of the literature on this process in export-oriented employment has tended to look at the share of women to total workers in particular sectors. This is because the absolute increase in such employment (or even an increase in the share of women so employed to total female labour force) could be part of a fairly standard development pattern whereby more and more people are drawn into labour markets determined by changing patterns of labour demand, but need not tell us anything about any particular preference for women workers. By contrast, the relative increase in the share of women in total export employment, which was so marked for a period in parts of Asia, is a qualitatively different phenomenon. Of course, such feminisation has obviously been reflected in more and more women being drawn into paid employment.

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 manufacture.

Women workers were preferred by employers in export activities primarily because of the inferior conditions of work and pay that they were usually willing to accept. Thus, women workers had lower reservation wages than their male counterparts, were more willing to accept longer hours and unpleasant and often unhealthy or hazardous factory conditions, typically did not unionise or engage in other forms of collective bargaining to improve conditions, and did not ask for permanent contracts. They were thus easier to hire and fire at will and according to external demand conditions, and also, life cycle changes such as marriage and childbirth could be used as proximate causes to terminate employment.

Another important reason for feminisation was the greater flexibility afforded by such labour for employers, in terms of less secure contracts. Further, in certain of the newer “sunrise” industries of the period such as the computer hardware and consumer electronics sectors, the nature of the assembly line work - repetitive and detailed, with an emphasis on manual dexterity and fineness of elaboration - was felt to be especially suited to women. The high “burnout” associated with some of these activities meant that employers preferred work-forces that could be periodically replaced, which was easier when the employed group consisted of young women who could move on to other phases of their life cycle.

The feminisation of such activities has 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. [Such positive effects are documented in Heyzer [1988], Joeques and Weston [1995] and Kibria [1995], inter alia.] 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. For example, without adequate socially provided crèche and child care facilities, or adequate and accessible medical care and hospitalisation, the job of looking after the young, the sick and the old, which is typically unpaid labour performed by women in a household, can devolve on girl children if the adult women are employed outside the home. Similarly the burden of regular housework typically continues even for women employed outside the home, except to the extent that these can be devolved to other household members or shifted to paid services.

Given these features, it has been fairly clear for some time now that the feminisation of work need not be a cause for unqualified celebration on the part of those interested in improving women’s material status. On the other hand, it is also well known that the very process of feminisation can also set in place social and political changes which improve the bargaining position of women not only within their own households, but also within the society and economy in general. The exposure to paid employment has also played a major role in encouraging greater social recognition of women’s unpaid work and led to greater social pressure for improving the conditions of all work performed by women in a number of countries. As more and more women get drawn into the paid work force, there is greater public and social pressure generally for improvement in their conditions of work and security of contract, for greater health and safety regulation in the workplace, and for improvement in relative wages. Thus there are several reasons why, despite the acknowledged inferior conditions of such work, such a process of feminisation in labour markets was generally welcomed by the women who were involved in it.

However, it is now becoming evident that the process of feminisation of labour in export-oriented industries may have been even more dependent upon the relative inferiority of remuneration and working conditions, than was generally supposed. This becomes very clear from a consideration of the pattern of female involvement in paid labour markets in East and Southeast Asia, and more specifically in the export industries, over the entire 1990s.

It is well known that the expansion in export production which fueled the economic boom in the East Asian region in the decade 1985 to 1995 was largely based on the growing use of women as wage workers. Indeed, the Asian export boom was driven by the productive contributions of Asian women in many different ways: in the form of paid labour in export-related activities and in services, through the remittances made by migrant women workers, and through the vast amounts of unpaid labour of women as liberalisation and government fiscal contraction transferred many areas of public provision of goods and services to households (and thereby to women within households).

Most countries of the region (barring a few important exceptions notably India) the period between 1985 and 1997 witnessed a massive increase in the labour force participation of women. This process was most marked in the Southeast Asian region which was also the most dynamic in terms of exporting. Throughout Asia, as a consequence, the gap between male and female labour force participation rates narrowed, suggesting that this period was one in which - at least in terms of quantitative involvement - the gender gap narrowed. Indeed, this narrowing of the gender gap was not confined to overall employment – it also extended into wage differentials and even working conditions as the proportion of women involved in such activities grew.

In the exporting economies of Southeast Asia, these pressures were quite apparent, even if not always effective, from the early 1990s onwards, and to some limited extent they did contribute to a slight narrowing of the wage gap. But it is now evident that, as this more positive process occurred, there was in fact *a decline in the share of women employed in the export manufacturing sectors*. 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. This is discussed in a little more detail below, and is based on a more extended discussion of the issue in Ghosh [1999b].

Most observers would not be surprised to find that the share of women in employment in the East Asian region has fallen in the very recent past, since this is after all a pattern well noted in economic downturns. It is obvious that the crash of mid-1997 dramatically altered both the potential for continued economic activity at the pre-crisis rate, as well the conditions of employment in the East and Southeast Asian region. When the export industries started to slow down from the middle of 1995, it became evident that continued growth of employment in these export-oriented industries could not be the same engine of expansion that they had served as over the previous decade. Obviously, therefore, there could be some setback to the feminisation of employment that had been occurring, since the export industries had become the most important employers of women at the margin, especially in the large employment sectors such as textiles. Indeed, the very features which had made women workers more attractive to employers - the flexibility of hiring and firing and the more casual, non-unionised nature of labour contracts - are precisely those which are likely to render them to be the first to lose their jobs in any recessionary phase.

But in fact the reduced role for women workers (at the margin) was something that was coming into play even before the effects of the economic crisis worked themselves through. It is now apparent that even the earlier common assessment of the feminisation of work in East Asia had been based on what was perhaps an overoptimistic expectation of expansion in female employment. Trends in aggregate manufacturing employment and female employment in the export manufacturing sector over the 1990s in some of the more important Southeast Asian countries, as described in Table 1, reveal at least two points of some significance. The first is that there is no clear picture of continuous employment in manufacturing industry over the decade even before the period of crisis. In several of these economies - South Korea, Singapore, Hong Kong China - aggregate manufacturing employment over the 1990s actually declined. Only in Malaysia, Indonesia and Thailand was there a definite upward trend to such employment.

Table 1: Trends in manufacturing employment and share of women workers

Country and Year	Total manufacturing employment, 000s	Women employed in manufacturing, 000s	Share of women workers, per cent
South Korea, 1992	4,828	1,931	40
South Korea, 1997	4,474	1,594	35
Malaysia, 1992	1,637	767	47
Malaysia, 1997	2,003	807	40
Indonesia, 1990	7,693	3,483	45
Indonesia, 1996	10,773	4,895	45
Thailand, 1990	3,133	1,564	50
Thailand, 1996	4,334	2,065	48
Singapore, 1991	423	189	44
Singapore, 1997	414	166	40
Hong Kong SAR, 1990	751	314	42
Hong Kong SAR, 1997	444	160	36

Source: ILO Yearbook of Labour Statistics, 1994 & 1998

Some may see the trend of reduction of manufacturing employment as a typical indication of a “mature” economy, that is one in which the service sectors are achieving greater dominance and therefore there is a shift of labour away from secondary activities and towards a range of services. But remember that these are economies whose economic dynamism was fundamentally based on the ability to push out ever increasing quantities of manufacturing exports. And this reliance on exports was such that it fed into expectations in the rest of the economy, most particularly in the financial sector, thus creating conditions which made the crash possible. More significantly, it is precisely the ability of the manufacturing sector to respond (either to renewed export demand or to increased domestic demand resulting from a positive fiscal stimulus) which has determined the ability of the Southeast Asian economies to recover from crisis (Ghosh and Chandrasekhar [2001]). Thus, South Korea and Malaysia experienced partial recoveries which allowed both the volume of economic activity and employment to rebound led by the recovery in manufacturing activity. However Thailand has still not recovered even to pre-crisis activity levels, essentially because manufacturing growth has not picked up sufficiently. The renewed fears of stagnation, recession and possibly another financial shock that became widespread in the region in mid-2001 were again based on the slowdown in manufacturing activity. All this clearly points to economies which are still very much dependent upon increased manufacturing output as the basic reflection of economic expansion, which is quite far from the “mature economy” situation.

The second point to emerge from the data over the 1990s is that, while they do show that female employment in manufacturing was important, the trend over the 1990s, even *before* the crash, was not necessarily upward. In most of the countries mentioned, there is a definite tendency towards a decline in the share of women workers in total manufacturing employment over the latter part of the 1990s. In Hong Kong and South Korea, the decline in female employment in manufacturing was even sharper than that in aggregate employment. Similarly, even in the countries in which aggregate manufacturing employment increases over the period 1990-97, the female share has a tendency to stabilise or even fall. Thus, in Indonesia the share of women workers in all manufacturing sector workers increases from an admittedly high 45 per cent to as much as 47 per cent by 1993, and then falls to 44 per cent by 1997. In Malaysia the decline in female share is even sharper than in South Korea: from 47 per cent in 1992 to only 40 per cent in 1997. A slight decline is evident even in Thailand.

This fall in women's share of employment is evident not just for total manufacturing but even for export-oriented manufacturing, and is corroborated by evidence from other sources. Thus Joeques [1999] shows that the share of women employed in EPZs declined even between 1980 and 1990 in

Malaysia, South Korea and the Philippines, with the decline being as sharp as more than 20 percentage points (from 75 per cent to only 54 per cent) in the case of Malaysia.

In other words, what the evidence suggests is that the process of feminisation of export employment really peaked somewhere in the early 1990s (if not earlier in some countries) and that thereafter the process was not only less marked, but may even have begun 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.

This is an important issue that clearly requires further investigation. The reversal of the process of feminisation of work has already been observed in other parts of the developing world, notably in Latin America. [ILO, 1998] Thus Ghiara [1999] points out that in Mexico, as the share of exports in the machinery sector increased between 1987 and 1993, the proportion of women employed fell from 38 per cent to 29 per cent. Quite often, such declines in female share of employment have been found to be 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.

In the East Asian case, until 1996 at least the first factor would not have been important, and while the second factor is certainly likely to have played a role, it would not have explained the entire shift that can be witnessed. Also, the shift towards more skilled activities was more marked in certain countries such as South Korea, Singapore and Malaysia, and less evident in others such as Thailand and the Philippines. But there may be another process which is associated with widespread feminisation of work, which creates conditions for its own unravelling over time. This relates to the relative cost of hiring women workers, and the relation to the perceived other advantages.

As mentioned above, one of the important reasons for preferring women workers in many export-related activities in particular, has been the lower reservation and offer wages of women. Throughout the East Asian region, women workers' wages have been consistently and significantly lower than male wages in the aggregate. The differentials have been particularly sharp in the case of South Korea, Malaysia and Singapore, where the average female wages were typically just above half those paid to male workers, as Table 2 indicates.

Table 2: Female wages as per cent of male wages in manufacturing work

Average	Per Cent
---------	----------

预览已结束，完整报告链接和二维码如下：

https://www.yunbaogao.cn/report/index/report?reportId=5_21548

