INFORMALISATION AND WOMEN’S WORKFORCE PARTICIPATION: A CONSIDERATION OF RECENT TRENDS IN ASIA

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Revised version 18-04-04

Prepared for the UNRISD report
Gender Equality: Striving for Justice in an Unequal World

DRAFT WORKING DOCUMENT
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I. Introduction: Concepts, issues and definitions

Work defines the conditions of human existence in many ways. It may be the case that this is even more true for women than for men, because the responsibility for social reproduction - which largely devolves upon women in most societies - ensures that the vast majority of women are inevitably involved in some kind of productive and/or reproductive activity. Despite this, in mainstream discussion, the importance of women's work generally receives marginal treatment simply because so much of the work regularly performed is "invisible" in terms of market criteria or even in terms of socially dominant perceptions of what constitutes "work". This obviously matters, because it leads to the social underestimation of women's productive contribution. Even more importantly, as a result, inadequate attention is typically devoted to the conditions of women's work and their implications for the general material conditions and well-being of women.

This is particularly true in developing countries, where patterns of market integration and the relatively high proportion of goods and services that are not marketed have implied that female contributions to productive activity extend well beyond those which are socially recognised, and that the conditions under which many of these contributions are made entail significant pressure on women in a variety of ways. In almost all societies, and particularly in developing countries, there remain essential but usually unpaid activities (such as housework and child care) which are seen as the responsibility of the women of the household. Several community-based activities outside the household also fall into this category. This social allocation tends to operate regardless of other work that women may perform. For working women in lower income groups, it is particularly difficult to find outside labour to substitute for household-based tasks, which therefore tend to devolve upon young girls and aged women within the household or to put further pressure on the workload of the women workers themselves. In fact, as Elson [1987] has pointed out, it is wrong to assume that unpaid tasks by women would continue regardless of the way resources and incomes are allocated. "Gender neutral" economic policies may thus imply possible breaking points within the household or the collapse of women's capacity. Social provision for at least a significant part of such services and tasks, or changes in the gender-wise division of labour with respect to household tasks, therefore become important considerations when women are otherwise employed.

This makes the consideration of work participation by women a more complex matter than is often recognised. Since most women are actually employed in some kind of productive/reproductive work, whether or not this is recognised and quantified by statistics, the issues relating to female employment are qualitatively different from those of male employment. Thus, the unemployment-poverty link which has been noted for men in developing countries is not so direct and evident for women: many women are fully employed and still remain poor in absolute terms, and adding to their workload will not necessarily improve their material conditions. Nor is the pressing policy concern that of simply increasing the volume of explicit female employment, since simply adding on recognised "jobs" may in fact lead to a double burden upon women whose household obligations still have to be fulfilled. Instead, concern has to be focused upon the quality, the recognition and the remuneration of women's work in developing countries, as well as the conditions facilitating it, such as alternative arrangements for household work and child care. All of these are critically affected by
broader economic policies as well as by government interventions at micro and meso levels, in ways that will be elaborated below. And it is these together which determine whether or not increased labour market activity by women is associated with genuine improvements in their economic circumstances.

The relative invisibility of much of women's work has been the focus of a substantial amount of discussion. Since many of the activities associated with household maintenance, provisioning and reproduction - which are typically performed by women or female children - are not subject to explicit market relations, there is an inherent tendency to ignore the actual productive contribution of these activities. Similarly, social norms, values and perceptions also operate to render most household-based activity "invisible".

This invisibility gets directly transferred to data inadequacies, making officially generated data in most countries (and particularly in developing countries) very rough and imprecise indicators of the actual productive contribution of women. Nuss et al [1989] have identified six major ways in which data limitations affect our knowledge of women's work:

1) Typically, the available data do not distinguish between factors that are especially important for women, such as: seasonal work versus usual or current work; full time versus part time work; paid versus unpaid activities; etc.
2) There is substantial undercounting of female work activity, especially the activities of unpaid family workers.
3) There tend to be arbitrary variations across countries with respect to the inclusion of subsistence activities in "economic activity".
4) In general, data on the informal sector are very imprecise, and this tends to be a significant if not primary source of female employment in developing countries.
5) The whole issue of household work remains one untouched by data. There are numerous problems in determining the ways in which household work should be incorporated into both national accounts data and statistics on economic activity, and these have meant that in general the issue is formally ignored.
6) There are also problems relating to the attitudes and values of respondents, and such social and cultural considerations may determine the extent of women's work that is actually reported.

All this means that the data on the labour force participation of women are notoriously inaccurate. Not only are the problems of undercounting and invisibility rife, but there are often substantial variations in data across countries which may not reflect actual differences but simply distinct methods of estimation. Further, even statistics over time for the same country may alter dramatically, as a result of changed definitions of what constitutes "economically active" or because of more probing questions put to women, or simply due to greater sensitivity on the part of the investigators. In India, for example, the sharp increase in female labour force participation rates evident in the 1991 Census (as in the 1961 Census before it) was related to the changed nature of the questions posed and the slightly different training given to enumerators, and the same holds true for the surveys conducted by the National Sample Survey Organisation in India over the 1990s. Such a shift is even
more marked for Bangladesh, where a change in definition was associated with an increase in female activity rates between 1983 and 1989 by 35 percentage points - an eightfold increase.

The impact of social structures is reflected not merely in the data, but in the actual determination of explicit labour market participation by women. Thus, in many Asian developing countries social norms determine the choice between participation in production and involvement in reproduction, and consequently inhibit the freedom of women to participate in the job market or engage in other forms of overt self-employment. The limitations on such freedom can take many forms. While the explicit social rules of some societies limit women's access to many areas of public life, the implicit pressures of other supposedly more emancipated societies may operate no less forcefully to direct women into certain prescribed occupational channels. It is also evident that, since the activities of reproduction and child nurture put so many and varied demands upon women's labour and time, combining these activities with other forms of productive work is only possible when other members of society (whether within the household or outside it) share the burden at least partially. The issue of social responsibility for such activities is therefore critical. Certainly, involving women in other forms of work without ensuring for the sharing of tasks and responsibilities associated with child-rearing and household work puts tremendous pressure on both mothers and children.

Notwithstanding these difficulties with the available data, there are some shifts in employment pattern that are so striking and substantial that they cannot be ignored. The most significant change that has occurred for women throughout the developing Asian region since the early 1980s has been the increase in labour force participation rates, which has only recently been followed by a decline in the early years of this century. This was similar to a world-wide pattern of increasing work participation of women, but the Asian experience was somewhat different, in that (unlike, say, Latin America) the increasing work participation of women was part of – and even led - the general employment boom created by export-led economic expansion. It has been suggested [Horton, ed., 1996] that over a longer period the pattern of labour force participation among women in various Asian countries shows a U-shaped curve, first decreasing with urbanisation (as women stop working on family farms and on other household production activities) and then rising again once the demographic transition is completed. Clearly, however, what happened in many countries of Asia was a sharper and more decisive process than this more gradual long-term tendency, and is discussed in more detail in the second section.

The informal sector has typically been categorised as a residual, catch-all sector, of all economic activities outside the “formal”, “organised” or “registered” sectors. The early perception of these activities was that they reflected the failure of the organised or formal sector to generate sufficient employment, and that those who could not find paid work in the formal sector were therefore forced into informal activities. However, from the 1970s, more positive definitions of the informal sector have emerged.

Among the first such was from the ILO, which in 1972 defined the main characteristics of the informal sector as ease of entry; reliance on local resources;
family ownership of enterprises; small-scale operations; labour-intensive work, using adaptive technologies; use of skills acquired outside school; an irregular and competitive market. The ILO discussion incorporated the idea – new for its time – that this informal sector had untapped development potential because of its flexibility and potential for creative responses to economic change. Subsequent discussions have tended to take this more positive angle, and have stressed the idea of the informal sector as opportunity rather than failure.

Despite this recent more positive spin, there is no question that typically work in the informal sector is less remunerative and under conditions which are inferior to organised sector work, even when it is home-based or in very small family-owned units. There is much greater vulnerability of workers who are outside the reach of labour legislation or trade union organisation, and within this, women workers are particularly vulnerable. It has been noted that the only real specificity of the informal sector is the absence of workers’ rights and social protection. In every other sense, formal and informal work form an integral whole, and much of what is the “formal” sector today relies on informal activities, through sub-contracting and related arrangements, simply so that employers can take advantage of the absence of workers’ rights to ensure much lower wage shares than would otherwise be the case.

More recent work by the ILO, especially in the context of its formulation of “decent work”, shares this perspective. In 2002, the ILO argued for defining the informal economy as “comprising the marginalised economic units and workers who are characterised by serious deficits in decent work - labour standard deficits, productivity and job quality deficits, and organisation and voice deficits. Reducing these deficits in the informal economy will promote the transition to recognised, protected, legal - and, therefore, 'formal' - activities and ensure decent work.”

The influential work of de Soto (2000) has paved the way for another slightly newer attitude to informal sector activities, which is that their expansion and development into formal activities are constrained by the lack of an adequate legal institutional framework for property rights. The non-recognition of some forms of property, which are effectively controlled if not formally owned, reduces access to institutional credit because it cannot be used as collateral. This perception is also evident in the Report of the World Commission on the Social Dimensions of Globalisation (2004), which argues that “the legalisation of de facto property rights is therefore a vital step in the transformation of the informal economy. To achieve this, governments need to

- identify the people and assets concerned;
- identify the practices and customs which govern the ownership, use and transfer of these assets, so as to root property law in the prevailing social context;
- identify administrative, bureaucratic and legal bottlenecks and obstacles to market access.”

The axiomatic understanding of such a position is that the informal economy is inherently vibrant, flexible and dynamic, and that it can effectively compete with

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larger units in the “formal sector” once constraints such as credit access are removed. Such an understanding assumes away a number of features and problems typically associated with informal sector activities. First, market access is not fundamentally dependent upon legal status; it does tend to be affected by size simply because of the organisational economies of scale involved, and increased access to markets by tiny and cottage units therefore has almost always required some degree of co-operation across units or involvement with a larger unit or public intervention through marketing bodies. Second, credit access is typically more difficult for all small units, even in the formal sector, not only because of the lack of collateral but because they are perceived to be inherently more risk-prone for a number of reasons. Third, recognition of *de facto* property rights (such as land which is squatted upon) is not only fraught with a number of problems, but typically has little or no meaning for a large number of informal sector workers who do not even have this kind of “property” and are engaged in informal activities only because they cannot find work in the formal sector. Most women workers would be in this category.

Fourth, and perhaps most crucially, it is a mistake to assume that all informal activity is effectively self-employment and that employer-workers relationships do not exist in this residual sector. In fact, one of the main attractions of the informal sector for employers is precisely the absence of labour regulation, which allows for more intensive exploitation of workers. This is true in a whole range of service activities, and also in manufacturing which relies on outsourcing to tiny and home-based units. Increasingly, there is tremendous dependence upon so-called “informal sector” production, by units in the so-called “formal sector” through subcontracting and other relationships, so much so that the line has become much harder to draw. This means that the most basic difference between formal and informal sectors is not the access to credit or markets, but the absence of labour protection in the informal sector.

Gothoskar (2003) points out that informal work is the product of a complex combination of historical, economic and social factors and processes which may change with circumstance and time. These include: the legacy of colonial exploitation and the consequent lack of capital in developing countries, which induces low rates of investment as well; faulty government policies as well as economic mismanagement including outright theft of public assets and other corrupt practices of authorities, which allow tax evasion as well as other practices encouraging informalisation; mismanagement by international financial institutions, especially the introduction of Structural Adjustment Policies of a ‘one-size-fits-all’ variety as conditions of government borrowing; the gender division of labour in the economy and in society at large, which encourages the use of women and child labour in particular ways; and finally, the inherent logic of capitalism, which implies the continuous search for means of cost reduction and more flexible use of labour.

It is frequently argued that women are found to be over-represented in the informal sector because the flexibilities of work involved in such activities, especially in home-based work, are advantageous to women workers given their other needs and the other demands upon their time in the form of unpaid labour. This is certainly the case to a significant extent, because much employment in the formal sector is based on the “male breadwinner” model that does not give adequate space or freedom to women who are also faced with substantial domestic responsibilities given the gender
construction of societies and the division of labour within households. However, these constraints upon women’s time and freedom to choose – which are imposed by society rather than self-created – are exploited by employers to ensure much more work for less pay being performed by women. Thus, home-based work or work in very small enterprises can be for long hours and very demanding in other ways, and with conditions of remuneration (such as piece-rate wages) that effectively ensure the maximum tendency for self-exploitation. In addition, other basic responsibilities of employers, such as minimum safety conditions at work, basic health care and pension provision, are all entirely missing, which is a massive reduction of the effective wage for employers and a substantial loss for workers.

The recent tendencies towards greater informalisation of women’s work must be viewed in this context. In general, these represent retrograde moves from the perspective of women’s empowerment in both economic and social terms, and reflect the worsened bargaining power of labour in general in recent years across Asia. This argument is developed in the following sections.

One of the major problems with studying informal sector employment of both men and women, is the sheer difficulty of defining, identifying and quantifying it. Because the sector is effectively defined as a residual, it becomes very difficult to piece together any estimates of aggregate employment, and much of the information is necessarily based on micro-level studies which can yield valuable qualitative data even if not much in terms of aggregate analysis. In the case of women workers, as noted above, the problem is further complicated by the fact that so much of their informal work is unrecognised and unpaid, and therefore does not enter many standard labour force and employment indicators.

II. Recent changes in the patterns of women’s work in Asia

There are at least six recent processes in the international economy that have a direct bearing upon labour markets and work conditions in countries across the world. The first, and possibly the most important, is the fact that the world economy is operating substantially below capacity. The global unemployment equilibrium is actually getting more severe, because of the deflationary impulse imparted by the domination of finance capital and the inadequate role played by the US as “leader” of the world economy.

Second, corporate globalisation has been marked by greatly increased disparities, both within countries and between countries. While there is – inevitably – a debate over this, most careful studies find increased inequality within and across regions ² as well as a stubborn persistence of poverty, and a marked absence of the “convergence” predicted by apologists of the system. In addition, the bulk of the people across the world find themselves in more fragile and vulnerable economic circumstances, in which many of the earlier welfare state provisions have been reduced or removed, public services have been privatised or made more expensive and therefore less accessible.

² Cornia, 2001; Milanovic 2002, etc. A more extensive survey of the literature on globalisation and inequality is available on www.networkideas.org.
Such inequalities are only likely to be intensified by the third process exemplified by recent patterns of international capital flows. For the last four years, there has been a net transfer of resources from the less developed countries to the developed North, and particularly to the United States. The fourth feature is also related to the mobility of capital and the domination of finance. Developing countries in general, and semi-industrial “emerging markets” in particular, experience much greater economic and financial volatility because of their exposure to boom-and-bust cycles created by rapid and unsustained capital flows of relatively large magnitudes.

The fifth feature is the growing concentration of ownership and control in the international production and distribution of goods and services, and also among the agents of international finance. Crises in emerging markets are typically associated with further concentration, as the attempt to resolve such crises within the basic neoliberal paradigm have involved further liberalisation and privatisation, thus allowing the sale of domestic business units to large multinationals. One very recent feature deserves to be noted: the apparent breakdown of multilateralism, and the growing reliance on bilateral and regional trade and investment agreements to direct world trade and investment.

These changes in the international economy have affected national and international labour markets. The most significant change is the increase in open unemployment rates across the world. By the turn of the century, unemployment rates in most industrial countries were higher than they had been at any time since the Great Depression of the 1930s. But even more significantly, open unemployment was very high in developing countries, and has continued to grow thereafter, as Table 1 indicates. This marks a change, because developing countries have typically have had lower open unemployment rates simply because of the lack of social security and unemployment benefits in most such societies, which usually ensures that people undertake some activity, however low paying, and usually in the form of self employment. Therefore disguised unemployment or underemployment has generally been the more prevalent phenomenon in developing societies. The recent emergence of high open unemployment rates therefore suggests that the problem of finding jobs has become so acute that it is now captured even in such data, and may also herald substantial social changes in the developing world.

<table>
<thead>
<tr>
<th>Table 1: Open unemployment rates (as per cent of labour force)</th>
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<tr>
<td><strong>Region</strong></td>
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<tr>
<td>----------------------------------------</td>
</tr>
<tr>
<td>Industrial countries</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
</tr>
<tr>
<td>Middle East and North Africa</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>Transition economies</td>
</tr>
<tr>
<td>Asia and the Pacific</td>
</tr>
<tr>
<td>Of which:</td>
</tr>
<tr>
<td>East Asia</td>
</tr>
<tr>
<td>Southeast Asia</td>
</tr>
<tr>
<td>South Asia</td>
</tr>
</tbody>
</table>

Source: Global Labour Trends 2003, ILO Geneva
The Asian region typically has the lowest rates of open unemployment in the world, but even here, as can be seen from Table 1, these rates have been historically high and rising, especially in Southeast Asia. This extensive slack in labour markets across the world is a direct reflection of the global recessionary tendency that has already been discussed above, and all the evidence suggests that this slack has been increasing in recent years, as economies even in the developing world continue to operate far below potential. Furthermore, in most Asian countries, youth unemployment is particularly high.

In many Asian economies, moreover, underemployment continues to be the most significant concern. This is especially true in Southeast and South Asia. In Nepal, underemployment is officially estimated to be as high as half of the workforce, while in Indonesia and the Philippines, disguised unemployment is high and rising, especially in the informal sector.

Another very significant change in the recent past is the decline in formal sector employment. Once again, this is a trend, which is spread across the globe and covers both developed and developing countries. In developing countries, this substantial reduction in the share of organised sector employment has been associated not only with increased open unemployment, but also the proliferation of workers crowded into the informal sector, and typically more in the low wage low productivity occupations that are characteristic of “refuge sectors” in labour markets. While there are also some high value added jobs increasingly in the informal sector (including, for example, computer professionals, and some high-end IT-enabled services) these are relatively small in number and certainly too few to make much of a dent in the overall trend, especially in countries where the vast bulk of the labour forces is unskilled or relatively less skilled. In turn, this has meant that the cycle of poverty-low employment generation-poverty has been accentuated because of the diminished willingness or ability of developing country governments to intervene positively for expanded employment generation.

The decline in employment elasticities of production is a tendency, which is especially marked in developing countries. To some extent this reflects the impact of international concentration of production and export orientation, as the necessity of making products that will be acceptable on world markets requires the use of new technologies developed in the North and inherently labour-saving in nature. But what is interesting is the extent to which declining employment elasticities in developing Asia have marked all the major productive sectors, including agriculture. This is evident from Table 2, which describes the employment elasticity of GDP growth in the major productive sectors over 1990-2000 in the major economies of Southeast and South Asia. Agriculture is clearly no longer a refuge sector for those unable to find employment elsewhere – the data indicate low or even negative employment elasticity in this sector, reflecting a combination of labour-saving technological changes such as greater use of threshers and harvesters, and changes in landholding patterns resulting in lower extents of the traditional small peasant farming, because of the reduced economic viability of smallholder cultivation across the region. The service sector, by contrast, seems to have emerged as the refuge sector in this region, except possibly in countries like Sri Lanka and India.
Table 2: Employment elasticities of GDP growth, 1990-2000

<table>
<thead>
<tr>
<th>Country</th>
<th>Agriculture</th>
<th>Industry</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>-0.43</td>
<td>0.76</td>
<td>1.23</td>
</tr>
<tr>
<td>Malaysia</td>
<td>-2.51</td>
<td>0.54</td>
<td>0.54</td>
</tr>
<tr>
<td>Philippines</td>
<td>0.04</td>
<td>0.57</td>
<td>0.9</td>
</tr>
<tr>
<td>Singapore</td>
<td>-</td>
<td>0</td>
<td>0.5</td>
</tr>
<tr>
<td>Thailand</td>
<td>-1.25</td>
<td>0.65</td>
<td>1.35</td>
</tr>
<tr>
<td>Vietnam</td>
<td>0.33</td>
<td>0.3</td>
<td>1.12</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>0.21</td>
<td>-0.5</td>
<td>1.94</td>
</tr>
<tr>
<td>India</td>
<td>0.02</td>
<td>0.29</td>
<td>0.76</td>
</tr>
<tr>
<td>Pakistan</td>
<td>0.36</td>
<td>0.22</td>
<td>1.08</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>-0.94</td>
<td>0.16</td>
<td>0.22</td>
</tr>
</tbody>
</table>

Source: Global Labour Trends 2003, ILO Geneva

The emergence of global production chains is another very important feature of the recent past. These are not entirely new, and even the current chains can be dated from at least the 1980s. However, two major sets of changes have dramatically increased the relocation possibilities in international production. The first set includes technological changes, which have allowed for different parts of the production process to be split and locationally separated, as well as created different types of requirement for labour involving a few highly skilled professional workers and a vast bulk of semi-skilled workers for whom burnout is more widely prevalent than learning by doing. The second set includes organisational changes which are associated with concentration of ownership and control but also with greater dispersion and more layers of outsourcing and subcontracting of particular activities and parts of the production process.

Therefore, we now have the emergence of international suppliers of goods who rely less and less on direct production within a specific location and more on subcontracting a greater part of their production activities. Thus, the recent period has seen the emergence and market domination of “manufacturers without factories”, as multinational firms such as Nike and Adidas effectively rely on a complex system of outsourced and subcontracted production based on centrally determined design and quality control. This has been strongly associated with the increase in export oriented production in manufacturing in a range of developing countries, especially in textiles and garments, computer hardware, consumer electronics and related sectors. It is true that the increasing use of outsourcing is not confined to export firms; however, because of the flexibility offered by subcontracting, it is clearly of even greater advantage in the intensely competitive exporting sectors and therefore tends to be even more widely used there.

Much of this outsourcing activity is based in Asia, although Latin America is also emerging as an important location once again. Such subcontracted producers in turn vary in size and manufacturing capacity, from medium-sized factories to pure middlemen collecting the output of home-based workers. The crucial role of women workers in such international production activity is now increasingly recognised, whether as wage labour in small factories and workshops run by subcontracting firms, or as piece-rate payment based homeworkers who deal with middlemen in a complex production chain. This is considered in more detail in Section III.
Finally, there is the very significant effect of international migration, in determining changes in both national labour markets and macroeconomic processes within home and host countries. In Latin America, migration is a response to the lack of productive employment opportunities within the country – at least 15 per cent of the labour force of most Central American countries (in particular El Salvador, Guatemala and Honduras) is estimated to be working in the United States, mostly in underpaid, oppressive and precarious jobs. Migration flows are especially marked for Asia over the past two decades, and within the broad Asian region. South Asian migrant workers in the Gulf and West Asia have contributed huge flows of remittance income, which have stabilised the current account in India and Bangladesh, for example. Within Southeast Asia, Thailand is host to approximately 890,000 migrant workers, while Malaysia is estimated to have more than 900,000 on official count. In Singapore, fully one quarter of the workforce is comprised of migrants. Typically of course, such migrants are used for the 3-D jobs (“difficult, dirty and dangerous”) as well as in mainly unskilled sectors. In Malaysia, for example, 70 per cent of the unskilled construction workers come from Indonesia. What is noteworthy about Asian migration is the significant role played by women migrants, especially from the Philippines but also from other parts of the continent. It should be noted, of course, that the line between voluntary migration and trafficking is often quite thin.

II. ii. Integration through trade, capital and labour flows, and women’s work in Asia

The Asian region as a whole is seen as the part of the world that has benefited the most from the process of globalisation. In terms of growth rates of aggregate GDP, as Chart 1 indicates, this region – and especially East Asia – far outperformed the rest of the world. High rates of growth in East Asia are of course dominated by the performance of China; however, in several countries of Southeast Asia such as Malaysia and South Korea, the relatively rapid recovery from the crisis of 1997-98 has added to the general perception of inherent economic dynamism in the region as a whole.
It is now commonplace to note that this economic expansion was fuelled by export growth. What is noteworthy is that until 1996, for most high-exporting economies except China, the rate of expansion of imports was even higher, and the period of high growth was therefore one of rapidly increasing trade-to-GDP ratios. For the whole of East and Southeast Asia and the Pacific, trade amounted to more than 60 per cent of GDP in the 1990s (Chart 2), which is historically unprecedented. Of course, Singapore and Hong Kong China have always had high trade-GDP ratios in excess of 200 per cent because of their status as entrepot nations, but even countries like Malaysia, Thailand and Vietnam have shown ratios greater than or approaching 100 per cent. Even the giant economy of the region, China, had a trade of GDP ratio of 44 per cent in 2001, and it is estimated to have increased further since then.
This very substantial degree of trade integration has several important macroeconomic implications. First, since these economies are heavily dependent upon exports as the engine of growth, they must rely either on rapid rates of growth of world trade which have not been forthcoming in the recent past) or increasing their shares of world markets. In the last decade the second feature has been more pronounced, but of course such a process has inevitable limits. (Ghosh and Chandrasekhar, eds., 2003) These limits can be set either by rising protectionist tendencies in the importing countries, or by the competitive pressures from other exporting countries which give rise to the fallacy of composition argument. It has been noted (UNCTAD 2003) that such tendencies remain strong and have adversely affected terms of trade of high-exporting developing countries over the past decade, indicating that rapid increases in the volume of exports have not been matched by commensurate increases in the value of exports. This is turn means that the search for newer or increased forms of cost-cutting or labour productivity increases is still very potent. This is one reason why employment elasticities of export production have been falling throughout the region, and have also affected women’s employment in these sectors.

Second, the high rates of growth are matched or exceeded by very high import growth in almost all the economies of the region, barring China and Taiwan China, which are still generating substantial trade surpluses. The net effect on manufacturing employment is typically negative. This is obvious if the economy has a manufacturing trade deficit, but it is also the case even with trade balance or with small manufacturing trade surpluses, if the export production is less employment-intensive than the local production that has been displaced by imports. This is why, barring China and Malaysia, all the economies in the region have experienced deceleration or even absolute declines in manufacturing employment despite the much-hyped perception of the North “exporting” jobs to the South.\(^3\) It should be noted that China, which accounted for more than 90 per

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\(^3\) This question has been considered in detail in Ghosh (2003a), which examines patterns of manufacturing employment in the most “dynamic” developing country exporters over the 1990s.
cent of the total increase in manufacturing employment in the region, could show such a trend because imports were still relatively controlled until 2001, and because state owned enterprises continued to play a significant role in total manufacturing employment.

This region also experienced the most capital flows in the developing world from the mid-1980s until 1997. Thereafter, as Table 3 indicates, the Southeast Asian financial crises put a sharp brake on such inflows, other than FDI. It is well known that the rapid inflows of relocative FDI into Southeast Asia, especially from Japan, were crucially associated with the export boom in those countries. But from the mid-1990s, the FDI inflow reduced quite sharply in most countries of the region other than China. China, of course, remains the most significant developing country recipient of FDI inflows, and in 2002 achieved first position in the world in this regard, beating the US economy to second place. However, much of this FDI (around 60 to 70 per cent according to some estimates) is effectively “round-tripping” as unrecorded capital outflows come back in the form of Non-Resident Chinese investment because of the constraints that were placed upon resident private investors. In the period 1992-93 to 1996-97, FDI was replaced by fairly substantial inflows of finance capital in the form of either external commercial borrowing or portfolio capital, which caused real exchange rates to appreciate, led to current account deficits and therefore created the conditions for the subsequent crisis of 1997-98.

### Table 3: Net capital flows into developing Asia

<table>
<thead>
<tr>
<th>Year</th>
<th>IIF estimates*</th>
<th>IMF estimates**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total $ bn</td>
<td>Per cent of total for all DCs</td>
</tr>
<tr>
<td>1998</td>
<td>0.2</td>
<td>0.1</td>
</tr>
<tr>
<td>1999</td>
<td>29.8</td>
<td>20.8</td>
</tr>
<tr>
<td>2000</td>
<td>66.9</td>
<td>39.6</td>
</tr>
<tr>
<td>2001</td>
<td>44.4</td>
<td>38.6</td>
</tr>
<tr>
<td>2002</td>
<td>53.1</td>
<td>36.8</td>
</tr>
</tbody>
</table>

* Institute for International Economics  
** International Monetary Fund  
Source: UNCTAD Trade and Development Report 2002

These other capital flows have been even more volatile and less reliable for Asia in the recent past. As Table 3 shows, net flows into the region have been negative or close to negative for the past four years. The huge build-up of foreign exchange reserves by the central banks of the Asian region over the first 9 months of 2003 (much of which is being held as securities or in safe deposits in the developed world, especially the US) suggests that net outflows in the current year are likely to be particularly large. So the East and Southeast Asian regions have
experienced very sharp and large swings in capital flows over the past decade, which have also been associated with relatively large swings in real economies. (Ghosh and Chandrasekhar, 2001) The current capital export is really the result of reserve build-up because of central banks in the region attempting to prevent currencies from appreciating, as some of the lessons from the 1997 crisis are still retained by policy makers in the region.

What this means, is that economies in the region are generally operating below the full macroeconomic potential, which in turn affects employment conditions, especially for women workers. In many countries of the region, as evident from Table 4, there has been a decline in female labour force participation rates since 1995. In some countries, such as Cambodia and Thailand, the decline has been quite drastic. Very few economies reported an increase (Philippines, Singapore, Hong Kong China), and these were relatively much less in magnitude. It is likely that reduced opportunities for productive employment have been responsible for the tendency for fewer women to report themselves as being part of the labour force, what is known in the developed countries as the “discouraged worker” effect. Further, the defeminisation of export-oriented production at the margin, a process that began even earlier than the Asian financial crisis, has continued. (This is considered in more detail in the following section.)

Table 4: Labour force participation rates

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Latest year</th>
<th>Women</th>
<th>Latest year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>88</td>
<td>1990</td>
<td>65.4</td>
<td>1990</td>
</tr>
<tr>
<td>China</td>
<td>85</td>
<td>1995</td>
<td>65.9</td>
<td>1995</td>
</tr>
<tr>
<td>Hong Kong</td>
<td></td>
<td></td>
<td>55.9</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>78.9</td>
<td>1990</td>
<td>46.6</td>
<td>1990</td>
</tr>
<tr>
<td>Cambodia</td>
<td>84.3</td>
<td>1995</td>
<td>47.6</td>
<td>1995</td>
</tr>
<tr>
<td>India</td>
<td>51.5</td>
<td>1990</td>
<td>48.5</td>
<td>1995</td>
</tr>
<tr>
<td>Indonesia</td>
<td>82.7</td>
<td>1990</td>
<td>52.8</td>
<td>1995</td>
</tr>
<tr>
<td>Malaysia</td>
<td>81.9</td>
<td>1995</td>
<td>48.9</td>
<td>1995</td>
</tr>
<tr>
<td>Pakistan</td>
<td>84.9</td>
<td>1995</td>
<td>44.7</td>
<td>1995</td>
</tr>
<tr>
<td>Philippines</td>
<td>81.8</td>
<td>1990</td>
<td>49</td>
<td>1990</td>
</tr>
<tr>
<td>Singapore</td>
<td>79.2</td>
<td>1990</td>
<td>50</td>
<td>1990</td>
</tr>
<tr>
<td>South Korea</td>
<td>74</td>
<td>1990</td>
<td>47</td>
<td>1990</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>77.9</td>
<td>1995</td>
<td>47.4</td>
<td>1995</td>
</tr>
<tr>
<td>Thailand</td>
<td>87.7</td>
<td>1995</td>
<td>73.5</td>
<td>1995</td>
</tr>
<tr>
<td>Vietnam</td>
<td>85.2</td>
<td>1995</td>
<td>74.6</td>
<td>1995</td>
</tr>
</tbody>
</table>

Notes: 1. The latest year varies according to country, from 1998 to 2001.
2. The data relate to population aged 15 years and above.
Source: ILO Key Indicators of the Labour Market, 2003
(Except for India, for which Census of India)

Table 4 points to some interesting variations across major Asian economies. Cambodia, Thailand and Sri Lanka show continuous and very sharp declines in female labour force participation rates since 1990, while male rates also declined, albeit less dramatically. In South Korea, Indonesia and Malaysia, female
labour force participation rates increased until 1995 and have declined thereafter. In East Asia, only China and the Philippines – the two economies whose manufacturing exports remained buoyant over the 1990s and subsequently - show rising rates of female labour force participation. In South Asia, the picture is more mixed. While women’s labour force participation appears to have been rising in India, this is mainly due to the increase in “marginal work” (defined in the Census as less than 183 days per year), while in Pakistan such rates have been increasing over a very low base. Overall, the picture across most of the Asian region is of reduced employment opportunities for women translating into reductions in labour force participation as well as higher rates of open unemployment.

In addition to these changes in labour force participation, evidence suggests that in general the paid work performed by women has become less permanent and more casual or part-time in nature. In South Korea, one of the few countries for which such data is available, the proportion of employed women with casual contracts nearly doubled between 1990 and 1999; over the 1990s, around 60 per cent of all casual jobs were held by women workers.

Not only have paid employment conditions for women workers deteriorated in the region, but unpaid homework also tended to involve longer hours as the post-crisis adjustment process led to cuts in the provision of and access to public services. Only in China did paid employment for women workers, including in manufacturing, continue to grow – but even in China, services employment dominated in total employment for women, at more than 35 per cent. Gender wage gaps have narrowed slightly in most countries in the region, but they remain very high compared to other regions of the world. Thus, in South Korea, the average female wage in manufacturing as a ratio of the male wage increased from 0.51 in 1985 to 0.58 in 1993 to 0.63 in 2002, but this is still below the ratio even in most other developing Asian countries. In other countries of the region, this ratio currently varies from 0.7 to 0.85.4

III. Trade liberalisation, export employment and women’s work

The relative increase in the share of women in total export employment, which was so marked for a period especially in the more dynamic economies of Asia, has turned out to be a rather short-lived phenomenon. Already by the mid 1990s, women’s share of manufacturing employment had peaked in most economies of the region, and in some countries it even declined in absolute numbers.5 Some of this reflected that fact that such export-oriented employment through relocative foreign investment simply moved to cheaper locations: from Malaysia to Indonesia and Vietnam; from Thailand to Cambodia and Myanmar, and so on. But even in the newer locations, the recent problems of the garments industry worldwide have meant that jobs (especially for women workers) were created and then lost within a space of a few years.

From the early 1980s onwards, the increasing importance of export-oriented manufacturing activities in many developed countries had been associated with a

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5 The discussion that follows is based on a more detailed consideration in Ghosh (2003b).
much greater reliance on women’s paid labour. This process was most marked over the period 1980 to 1995 in the high-exporting economies of East and Southeast Asia, where the share of female employment in total employment in the Export Processing Zones (EPZs) and export-oriented manufacturing industries typically exceeded 70 per cent. It was also observed in a number of other developing countries, for example in Latin America in certain types of export manufacturing.

Thus, the dramatic economic boom in East and Southeast Asia over the 1980s and first half of the 1990s, based on rapid export expansion, was itself based on the growing use of women as wage workers. Indeed, it is now widely appreciated that the Asian export boom was driven by the productive contributions of Asian women: 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 to public provision of goods and services to households (and thereby to women within households).

This trend towards feminisation of employment in Asian countries resulted from employers' needs for cheaper and more "flexible" sources of labour, and was also strongly associated with the moves towards casualisation of labour, shift to part-time work or piece-rate contracts, and insistence on greater freedom for hiring and firing over the economic cycle. All these aspects of what is now described as "labour market flexibility" became necessary once external competitiveness became the significant goal of domestic policy makers and defined the contours within which domestic and foreign employers in these economies operated.

Feminisation was also encouraged by the widespread conviction among employers in East and Southeast Asia that female employees are more tractable and subservient to managerial authority, less prone to organise into unions, more willing to accept lower wages because of their own lower reservation and aspiration wages, and easier to dismiss using life-cycle criteria such as marriage and childbirth. This was made more relevant because of technological changes which encouraged the use of labour which could be replaced at periodic intervals.

There were three main macro-economic factors which were widely seen as creating or contributing to these changes in work relations including the tendency towards feminisation:

- The liberalisation of trade, emphasis on export production and greater international mobility of capital, which created a new regional division of labour, which in turn led to the need for employers to achieve quick responses to uncertain markets. This necessarily required more flexibility in the labour market as well, and the more flexible contracts and lower wages under which women workers were typically employed rendered them more attractive than their male counterparts.
- Technological changes which allowed for a stratification of the work force into a small group of highly skilled and highly paid workers, and a large pool of low-to-medium skilled workers whose chances of upward mobility were low and whose possibilities of on-the-job training and learning by doing were far more restricted than before. This meant that there was less need for long-term implicit contracts between employer and employee. In fact, frequent
replacement of workers was not only less of a problem but was even seen to be desirable in certain types of activities (such as in the electronics sector) which create high worker burnout. Recent technological changes have also facilitated decentralisation even of very modern manufacturing work, through the miniaturisation and modularisation of products and processes, which reinforces these tendencies.

- Organisational changes in production, which were closely related to the above two features. There was a very substantial increase in subcontracting, in the growth of ancillary small-scale units, and in home-based manufacturing production which is effectively at the bottom of a complex production chain. Just-in-Time organisational methods, which at one time were spreading rapidly from Japan to the newer exporting industries in Southeast Asia, further strengthened these tendencies. The revival and expansion of putting-out arrangements in the 1990s, which essentially involved home-based women workers, throughout Southeast Asia and parts of South Asia, was evidence of this.

This was the received wisdom - at least until the crash of mid-1997 which dramatically altered both the potential for continued economic activity at the same rate, as well the conditions of employment in the 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. It also became clear, therefore, that 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. 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.

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

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. However, it has recently become 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. 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.6

Table 5: Trends in manufacturing employment and share of women workers before the East Asian crisis

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

Source: Ghosh (2003) based on ILO Yearbook of Labour Statistics, various issues

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

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6 This argument is provided in more detail in Ghosh “Export-oriented employment of women in India” in Razavi and Pearson (eds) Social policy and women’s export employment, Palgrave, forthcoming.
conditions of women’s work to enhance their export profitability. The rise in wages also tended to have the same effect. Thus, as the relative effective remuneration of women improved (in terms of the total package of wage and work and contract conditions), their attractiveness to employers decreased.

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. Thus, while female employment in manufacturing was important, the trend over the 1990s, even before the 1997-98 crisis, 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 had a tendency to stabilise or even fall. Thus, in Indonesia the share of women workers in all manufacturing sector workers increased from an admittedly high 45 per cent to as much as 47 per cent by 1993, and then fell to 44 per cent by 1997. In Malaysia the decline in female share was even sharper than in South Korea: from 47 per cent in 1992 to only 40 per cent in 1997. A slight decline was evident even in Thailand. (Ghosh, 1999b)

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 Joekes [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.

The evidence suggests 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.

In the subsequent period, manufacturing has tended to occupy a much less significant position in total employment of women. In Malaysia the share of women workers in manufacturing to all employed women fell from its peak of 31 per cent in 1992 to 26 per cent in 1999; in the Philippines from 13.3 per cent in 1991 to less than 12 per cent in 1999; in South Korea from its peak of 28 per cent in 1990 to 17 per cent in 2000; and in Hong Kong China from 32 per cent in 1990

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7 Such optimism was implicit or explicit in discussions such as those of Joekes and Weston (1994), Horton (1995), Heyzer (1998), Kibria (1995) Lim (1994, 1996) and even to some extent Wee (1998).
to 10 per cent in 1999. Recent evidence from India (Varma and Neetha, 2003) suggests that export oriented production does not always result in feminisation of the workforce, which is essentially dependent upon the relative inferiority of wages and work conditions of women. Where both male and female workers are forced by the state of the labour market to accept adverse low-paid and insecure work contracts, there appears to be little preference for young women workers as was previously observed.

In any case, the nature of such work has also changed in recent years. Most such work was already based on short-term contracts rather than permanent employment for women; now there is much greater reliance on women workers in very small units or even in home-based production, at the bottom of a complex subcontracting chain. (Harrison and Kelley, 1999) Already this was a prevalent tendency in the region. For example, labour flexibility surveys in the Philippines have shown that the greater is the degree of labour casualisation, the higher is the proportion of total employment consisting of women and the more vulnerable these women are to exploitative conditions. [ILO 1995] This became even more marked in the post-crisis adjustment phase. A study by Ofreneo et al [2002] suggests that the declining competitiveness of the garments industry of the Philippines has led to the develop of complex and demanding subcontracting arrangements involving more than 6 million home-based workers.

In Southeast Asia, women have made up a significant proportion of the informal manufacturing industry workforce, in garment workshops, shoe factories and craft industries. Many women also carry out informal activities as temporary workers in farming or in the building industry. In Malaysia, over a third of all electronics, textile and garments firms were found to use sub-contracting. In Thailand, it has been estimated that as many as 38 per cent of clothing workers are homeworkers and the figure is said to be 25-40 percent in the Philippines [Sethuraman 1998]. Home-based workers, working for their own account or on a subcontracting basis, have been found to make products ranging from clothing and footwear to artificial flowers, carpets, electronics and teleservices. [Carr and Chen, 1999; Lund and Srinivas 2000]

This is of course part of a wider international tendency of somewhat longer duration: the emergence of international suppliers of goods who rely less and less on direct production within a specific location and more on subcontracting a greater part of their production activities. Thus, the recent period has seen the emergence and market domination of “manufacturers without factories”, as multinational firms such as Nike and Adidas effectively rely on a complex system of outsourced and subcontracted production based on centrally determined design and quality control. It is true that the increasing use of outsourcing is not confined to export firms; however, because of the flexibility offered by subcontracting, it is clearly of even greater advantage in the intensely competitive exporting sectors and therefore tends to be even more widely used there. Much of this outsourcing activity is based in Asia, although Latin America is also emerging as an important location once again. [Bonacich et al., 1994] Such subcontracted producers in turn vary in size and manufacturing capacity, from medium-sized factories to pure

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8 Data from ILO: KILM 2002.
middlemen collecting the output of home-based workers. The crucial role of women workers in such international production activity is now increasingly recognised, whether as wage labour in small factories and workshops run by subcontracting firms, or as piece-rate payment based homeworkers who deal with middlemen in a complex production chain. [Beneria and Roldan, 1987; Mejia, 1997]

A substantial proportion of such subcontracting in fact extends down to home-based work. Thus, in the garments industry alone, the percentage of homeworkers to total workers was estimated at 38 per cent in Thailand, between 25-29 per cent in the Philippines, 30 per cent in one region of Mexico, between 30-60 per cent in Chile and 45 per cent in Venezuela. [Chen, Sebstad and O’Connell, 1998] Home-based work provides substantial opportunity for self-exploitation by workers, especially when payment is on a piece-rate basis; also these are areas typically left unprotected by labour laws and social welfare.

A study of women working in the garments industry in Sri Lanka brings this out very clearly. [TIE-Asia 2003] This sector is typically presented as the most dynamic export activity in Sri Lanka today, accounting for nearly 70 per cent of non-agricultural exports, and becoming the second largest source of foreign exchange after remittances from Sri Lankan workers abroad (again mainly women). The garments industry in Sri Lanka, like those in many other Asian countries, is involved in producing for international subcontracting chains organised and marketed by major multinational brand names. Of the women surveyed for this study, 24 per cent of those who worked in factories defined themselves as “self-employed”, since they had been instructed to do so by their employers, in order to avoid legal obligations of paying EPF and other employers’ responsibilities. The research team however found it very hard to find actual home-based workers for a number of reasons. These included the absence of such workers from official data; the atmosphere of anxiety and fear of management which made workers anxious to avoid identification and possible retribution; and the disinclination of subcontracting agencies such as factories and smaller agents to disclose the extent of dependence upon such work. Nevertheless, it appeared that more than half of the women workers involved in this sector were engaged in what is known as the “informal sector”, either through home-based work or in very small factories.

Very recent work by Mazumdar (2004a) indicates that even such home-based work may be experiencing some sort of crisis, as the textile and garments exports from developing countries face increasing difficulties in world markets and the pressure of competition forces exporters to seek further avenues of cost-cutting. The extreme volatility of employment that characterises factory-based export-oriented production has also become a feature of home-based work for export production

IV. Migration for work by Asian women

Asia has become one of the most significant regions in the world not only in terms of the cross-border movement of capital and goods, but also in terms of the
movement of people. Asian migration is not a new phenomenon, but the role of women in such migration is new. Historically, women in Asia did not migrate for work. If they did move, it was usually as part of families, which were economic migrants together, accompanying the male head of household. But the past two decades have seen an explosion in female migration for work, both within and across borders, and this is having profound effects on the economies and societies across the region.

Within the Asian region, there is a complex and changing mix of countries of origin, destination and those that are both. The dominantly labour-sending countries in all of Asia include Bangladesh, Cambodia, China, Indonesia, Myanmar, Nepal, Philippines, Sri Lanka and Vietnam. The countries that are mainly destinations of host countries for migrant labour include all of those in the Middle East, Hong Kong, South Korea, Singapore and Taiwan China. Some countries are both sending and receiving international migrants: India, Malaysia, Pakistan and Thailand. (Tullao and Cortez, 2003)

Obviously, migration is a multidimensional phenomenon, which can have many positive effects because it expands the opportunities for productive work and leads to a wider perspective on many social issues, among migrants and among the population of host countries. But it also has negative aspects, dominantly in the nature of work and work conditions and possibilities for abuse of migrant workers by employers and others. Migration has a complex and multi-layered relationship with human development: while conditions of human development in the home country determine both the need for and the nature of economic migration, the process itself generates many and often differing human development effects upon the home country and the host country.

There are several ways in which the domestic economic and social conditions affect patterns of migration. The most obvious is that the inadequacy of productive income opportunities for the available labour force gives rise to pressures for migration in search of work. So existing patterns of employment in the home country or region, both in terms of quantity and quality, are crucial. Higher wages and/or secure jobs at home quite clearly provide migrants with much greater bargaining power in destination countries. Wage differentials have traditionally provided the basis for the mainstream economic theories of labour migration, but other factors such as the quality of work and the extent of work security can also be significant among the economic causes. In addition, the level of the education and skills of the labour force determines the character of the economic migration.

The dominantly labour surplus economies of Asia tend to have an abundance of less skilled workers, but patterns of education vary substantially across the region, and where there is a sufficiently large pool of educated workers, there are also similar migration trajectories. One example is that of India, migrants from which country can be classified into unskilled, semi-skilled and knowledge-based professional workers. General social and cultural conditions often play a definitive role even in “economic” migration: social exclusion and lack of empowerment of particular groups can lead to pressures or incentives for the movement of labour. For women migrants, the nature of movement and the nature of the work in the destination country can often reflect the extent of patriarchy or gender discrimination in the home country; conversely, more
equality at home in terms of access to education and opportunities can help in making women migrants get better benefits.

In turn, the process of migration has varied effects on both home and host countries. In the home country, the most direct benefit comes from remittances and savings brought home by return migrants. However, while such remittance inflows are a definite boon to foreign exchange constrained economies, the overdependence on such inflows is also undesirable in the same way that dependence upon some major export commodity can be problematic. This is especially the case when migration and remittances are affected by business cycle, political and other phenomena in the host countries which can cause sharp changes in both the number of workers and the amount of remittances they are able to send home. In some smaller economies, remittance incomes have been crucial in smoothing consumption not only over the domestic business cycle, but also in response to unexpected shocks such as natural disasters. Temporary migration not only implies the diversification of income sources for poor households; it also has wider effects of reducing the vulnerability of poor communities in general from the impact of domestic economic crises.

In addition to the economic and social advantages of migration for host countries, there are social costs, which are often borne more directly by families or specific home bases of migrants. The absence of the migrant may have important negative effects upon the family, the separation and disruption of relationships and possible adverse effects on the education and socialisation of children. This may be especially true when women migrants have to leave young children behind. Conversely, remittance incomes provide crucial benefits, and typically enable families back home to lead better material lives than would otherwise have been possible, and may even contribute to expenses towards children’s education, better health care for the sick and elderly in the household, and so on. Migration can also be associated with increasing inequalities in the home country.

Depending upon the nature of the migration, and the type of work that is found, migration may be a source of empowerment for the migrant personally, or it may involve greater potential for exploitation in various ways, which obviously have completely different human development implications. Migrants are naturally more vulnerable than locally resident populations in the destination countries, and temporary migrants are often the most vulnerable, so that they can be subject to various forms of exploitation by employers and others. There is also the possibility of discrimination in host countries against migrant populations in various ways, which may operate to reduce the quality of life of migrants, independent of the income earned.

However, there is no question that the experience of travel and migration leads to certain kinds of exposure and therefore empowerment, even if the conditions of migration are less than ideal. There are clear positive effects of the spread of new ideas and knowledge of different places, customs and systems of organisation, of the independence and sense of control that result, especially on women migrants and men who were otherwise less empowered and more excluded in their home situations. Of course, such positive effects result dominantly from the voluntary movement of people in search of better lives.
In the host countries also, there are usually widely differing effects upon economy and society. Quite evidently, host countries gain from the presence of the additional labour force, which either provides more skilled work, or fill in for jobs which the local population is not willing or able to perform. In many parts of the world with some amount of labour shortage, unskilled migrant workers perform the 3-D jobs (Difficult, Dirty, Dangerous) or the low paid service sector activities which still remain crucial. It is possible in some cases that migrant workers can displace local workers – usually when this is sufficiently pronounced, it has some social/political fallout which then creates pressures for screening policies such as labour-needs tests. This is already evident in the reaction to workers of high or medium skill from abroad who are seen as displacing local workers, especially in the North. There are also social and cultural issues relating to integration in society, acceptance by the host population and possibilities of social tension., which should not be overlooked.

Table 5 describes the current migration status of Asian countries. It should be noted that at one level all of these countries send labour (of the highly skilled professional variety) to developed countries. But these are often relatively few in number, although they have been growing in significance in recent years. The table refers largely to the much larger flows of less skilled workers who constitute the bulk of the economic migrant population. It also does not include the cross-border shifts of neighbouring populations as part of seasonal movements, which are an old feature of Asian economies.

<table>
<thead>
<tr>
<th>Labour Sending</th>
<th>Bangladesh, Cambodia, China, Indonesia, Lao PDR, Myanmar, Nepal, Philippines, Sri Lanka, Vietnam</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour Sending and Receiving</td>
<td>India, Malaysia, Pakistan, Thailand</td>
</tr>
<tr>
<td>Labour Receiving</td>
<td>Brunei Darussalam, Hong Kong SAR, Japan, Middle East, Republic of Korea, Singapore, Taiwan China</td>
</tr>
</tbody>
</table>

Source: Wickramasekara 2002 (with additions)

Much of the migration within the Asian region has been relatively short-term and focused on filling particular labour shortages. This is a feature of much recent economic migration – that it has necessarily been short term in nature. While this may have implications in terms of human rights and social justice, the economic advantages of such short-term migration for the sending country are significant. Short-term migrants are far more likely to send regular remittances back home, and when they return, they typically bring with them not only their accumulated savings but also additional skills and work experience which can be usefully deployed in the country of origin. By contrast, long-term migrants, especially those professional workers who migrate to developed countries, are far less likely to send money home, and even when they do, it is typically in the form of far more expensive and debt-creating capital flows such as non-resident financial investment. These long-term migrants are also usually associated with a net brain drain and the loss of resources that the home countries have expended on their education and skill formation.
Cross-border migration in Asia is highly gendered, with women migrants largely found in the service sector, especially in the domestic and care sectors, as well as in entertainment work. (Malapit, 2001; Meng, 1998; Rayanakorn, 2002) Male migration by contrast tends to be more in response to the requirements of industrialisation, in construction and manufacturing, as well as in semi-skilled services. Economic considerations are of course the primary reason for migration by individuals, especially women; but when this is large enough in sheer numbers, it has a substantial macroeconomic impact. Remittance incomes from migrant workers have shored up the balance of payments over the past decade in India and Philippines, to name just two countries. It is worth noting that female migrant workers are less affected by business cycle phenomena in the host countries, because of the different nature of activities in which they tend to be employed (dominantly domestic work and care-giving activities). Therefore, both female migration and remittances from such migration have in general been more stable than the male versions in the recent period.

However, despite the growing significance of female migration in the region, there is little recognition by officialdom in the relevant Asian governments of this process, in terms of ensuring decent working conditions and remuneration for migrants.

Over the past decades, women migrants have come dominantly from three countries in Asia: the Philippines, Indonesia and Sri Lanka. In the Philippines, women migrants have outnumbered their male counterparts since 1992, and in all these countries women are between 60 to 80 per cent of all legal migrants for work. The majority are in services (typically low paid domestic service) or in entertainment work. While Filipino women tend to travel all over the world, women from the other two countries go dominantly to the Middle East and Gulf countries in search of employment. Around 56 per cent of the migrant workers from Sri Lanka are women employed as housemaids, who go to work dominantly in Saudi Arabia, Kuwait and the United Arab Emirates. Elsewhere in the region, restrictive regulations have reduced legal female emigration, but may have increased illegal migration, or trafficking.

Migrants typically tend to fill unskilled, labour-intensive and low-paid jobs, and are generally unprotected by labour laws. While male migrants in the region are usually (but not exclusively) in the 3-D occupations (difficult, dirty, dangerous), women migrant workers tend to be concentrated in the low paid sectors of the service industry, in semi-skilled or low-skilled activities ranging from nursing to domestic service, or in the entertainment, tourism and sex industries where they are highly vulnerable and subject to exploitation. (Asis, 2003) They rarely have access to education and other social services, have poor and inadequate housing and living conditions. When they are illegal or quasi-legal and dependent upon contractors, they also find it difficult to avail of existing facilities such as proper medical care and are almost never found to organise to struggle for better conditions. In general, host governments are less than sympathetic to the concerns of migrant workers, including women, despite the crucial role they may play in the host economy. Host country governments tend to view migrants as threats to political and social stability, additional burdens on constrained public budgets for social services and infrastructure, and potential eroders of local culture.
This is why there is so little attempt across the region to ensure decent conditions of migrants, even in terms of ensuring their basic safety and freedom from violence. This is an important issue for women migrants in particular, since they are specially vulnerable to sexual exploitation, not only when they are workers in the entertainment and sex industries, but also when they are employed in other service activities or in factories as cheap labour.

There is often a fine line between voluntary migration and trafficking in women (and girl children). Trafficking is a widespread problem, which is on the increase, not only because of growing demand, but also because of larger, and more varied sources of supply given the increasingly precarious livelihood conditions in many rural parts of Asia.

A substantial amount of trafficking of both women and children occurs not only for commercial sex work, but also for use as what is effectively slave labour in factories and other economic activities such as domestic or informal service sector work. It is true, of course that the worst and most abusive forms of trafficking are those, which relate to commercial sexual exploitation and child labour in economic activities. Nor is it the case that trafficking occurs mainly through coercion or deception: there is significant evidence to indicate voluntary movement by the women themselves, especially when home conditions are already oppressive or abusive, or at least voluntary sending by the households of such individuals, given the poverty and absence of economic opportunities in the home region. (ADB 2002) Traffickers throughout Asia lure their victims by means of attractive promises such as high paying jobs, glamorous employment options, prosperity and fraudulent marriages. When there is employment, however badly paid, precarious and in terrible conditions, it may still be preferred to very adverse home circumstances. This in turn means that those who are employed through trafficking may not always desire to return home, if the adverse economic and social conditions persist. Also, the possibilities of return to home communities with safety and dignity are often limited, given the possibilities of being stigmatised and not easily reintegrated into the home society.

All this makes the problem of dealing with trafficking much more complex than is generally appreciated. From the point of view of attacking the causes, it is important to address the issues of economic vulnerability, marginalization and attitudes to women, which encourage such movement. Environmental disasters and development-induced risks such as displacement are also known to play a role in increasing the incidence of trafficking.

Obviously, across the region there is need for more pro-active policies regarding migration. It is unfortunate that most government policies with respect to migration are designed with the male breadwinner model in mind, because this effectively excludes women, especially those who are trafficked, from the purview of regulation and protection by law. Very easy immigration policies can create routes for easier trafficking; but conversely, tough immigration policies can drive such activities underground and therefore make them even more exploitative of the women and children involved. The specificities and complexities of the trafficking processes, as well as the economic forces that are driving them, need to be borne in
mind continuously when designing the relevant policies. Across the region, there is hardly any host country legislation specifically designed to protect migrant workers, and little official recognition of the problems faced by women migrants in particular. The same is true for the sending countries, which accept the remittances sent by such migrants, but without much fanfare or gratitude, and will little attempt to improve the conditions of these workers in the employment abroad. Women migrants, who typically are drawn by the attraction of better incomes and living conditions or by very adverse material conditions at home, are therefore is a no-woman’s land characterised by a generalise lack of protection.

Recently there is also a trend for increased migration by more educated women workers, in the software and IT-enabled service sectors. While such female migration is still a very small part of the total, it is pointing to a different tendency with different implications both for work patterns and for gender relations in both sending and receiving countries.

Cross-border migration is only one of the important forms of economic migration: there is also migration within countries: across regions, from villages to urban areas, and across urban areas. However, the available secondary evidence suggests that when women move in such fashion, it is more likely to be part of the overall household movement than is the case with cross-border migration. In addition, of course, there is the effect of post-marriage residence patterns in determining migration. India, for example, virilocal residence patterns have accounted for more than 90 per cent of the recorded migration of women within the country. Usually this is within the same region or linguistic area. Where there is economic migration, much of it is permanent, from rural to urban areas, and as part of the household move.

A survey of migrant women workers in Greater Delhi (Neetha 2004) found that improved employment opportunities in the city for male household members was cited as the primary reason for moving. Only in less than 10 per cent of the cases (where export-oriented employment in a factory or domestic service were cited as causes) was the employment prospect of women seen as the chief reason for migration. Typically, therefore, women migrants tended to married and have moved with their husbands or families; single women migrants were found to be either divorced or widowed in the study. Such a pattern is very evident across South Asia, and unlike the evident pattern of cross-border migration, whereby both single and married women move alone in search of wage income to supplement household earnings. In Southeast Asia, especially in Thailand, the Philippines and now increasingly in Cambodia and Vietnam, as well as in China, the pattern is different, as in the past two decades especially, young women have moved from villages to cities and towns in search of employment in the export-oriented factories as well as in entertainment and “sex” industries. Data on such internal migration is typically not available from aggregate official statistics, but micro studies indicate that this trend was especially marked over the late 1980s and much of the 1990s, and has tended to taper off as such job opportunities for young women in the urban areas of these countries has become more limited over the past five years.
The picture of women’s migration in Asia today is complex, reflecting the apparent advantages to women of higher incomes and recognition of work, as well as the dangers and difficulties associated with migrating to new and unknown situations with the potential for various kinds of exploitation. The desperation that drives most such economic migration, and the exploitative conditions that it can result in, should not be underestimated. But it is also true that the sheer knowledge of conditions and possibilities elsewhere can have an important liberating effect upon women, which creates a momentum for positive social change and gender empowerment over time.

V. Service sector employment of women

Services constitute a very heterogenous economic category, which has become more difficult to define over time. Older definitions of services were based on the fact that services were often difficult, if not impossible, to separate from the service-provider and recipient, but more recent definitions have incorporated “business services” which also externalise part of R and D and management functions, and include activities like retailing, banking and insurance, and administration, as well as other arms-length transactions. There was an early literature which posited a clear association between a higher share for services in national income and higher economic growth in the long term (such as Kuznets and Clark) but it is now accepted that the relationship between economic growth and the share of services need not be so clear cut, especially in the short or medium term.

Thus, the recent slowdown in growth in the industrial economies has had no effect in terms of reducing the share of services. Rather, fears are now being expressed that the very nature of much service sector work – especially in the labour intensive and low productivity activities - allows for downgrading of wages and work conditions. If this happens, then the expansion of employment in this sector need not always be a sign of dynamism but may actually indicate increased “dualism” in the economy as a whole, with the sector an easy “residual sector” for those unable to find productive employment opportunities in the goods-producing sectors. So growth of the services sector, especially in developing countries, need not always be an indicator of healthy or buoyant overall economic growth.

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

The previous discussion of migration indicated how migrant women workers in and from Asia are dominantly employed in the service sector – especially in domestic service, care-giving and entertainment activities. Within national economies,
the paid employment of women in services has been most marked not only in these, but also in petty trading activities. Such work comes dominantly in the form of self-employment, and because most of it is conducted in the informal sector, it is extremely difficult to get reliable estimates of the extent of such employment or its remuneration. Table 6 provides such data as exist on the share of self-employment in all recognised work by women; note however, that this refers to all sectors, not only services.

Table 6: Self-employed women as per cent of all employed women

<table>
<thead>
<tr>
<th>Country</th>
<th>1990</th>
<th>1995</th>
<th>Latest year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>94.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td>76</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td>35.3</td>
<td>66.9</td>
<td>66.9</td>
</tr>
<tr>
<td>Pakistan</td>
<td>77.4</td>
<td>66.9</td>
<td></td>
</tr>
<tr>
<td>Philippines</td>
<td>58.8</td>
<td>8.5</td>
<td>8.5</td>
</tr>
<tr>
<td>Singapore</td>
<td>7.6</td>
<td>39.2</td>
<td>39.2</td>
</tr>
<tr>
<td>South Korea</td>
<td>36.9</td>
<td>39.2</td>
<td></td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>57.3</td>
<td>98.8</td>
<td>98.8</td>
</tr>
<tr>
<td>Thailand</td>
<td>99.4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: ILO KILM 2002.

Chen [2001] argues that the vast majority of women in the informal sector in developing countries are either home-based workers or street vendors. Even the home-based work may be part of service activities, rather than manufacturing, as in catering related activities, or in simple food processing activities as well as export-oriented work. She quotes data collated by Charmes [1998] to suggest that women traders make up 49.3 per cent of total informal trade employment in Indonesia and 72 per cent in the Philippines.

Across Asia, two types of work appear to dominate in the service sector employment of women: petty trade, as mentioned above typically as self-employment on the part of the individual woman or the household; and personal services, especially in what can be broadly described as the “care” industry, ranging from domestic service to skilled an unskilled activities in health care and related areas, as well as in the “entertainment” industries which can be seen as a catch-all for a very wide range of legal and illegal activities. Except for East Asia (China, Taiwan, South Korea) formal sector service employment of women remains quite limited.

One new area of service activity that is currently widely discussed relates to the new IT-enabled services, which have become quite important especially for educated workers in a number of Asian countries, especially India, China and the Philippines. Aside from software industries (in which the share of women remains quite small) the emergence of business process outsourcing has been seen as one of the most important future tendencies, which will affect not only domestic labour markets and the status of women workers, but also the possibilities of increased foreign exchange inflows through export of this type of resident labour.
It is possible that some of the optimism surrounding this new source of employment generation may be exaggerated, especially as far as women workers are concerned. Consider recent trends in India, where the buoyancy of IT-enabled services has already received much international attention. The micro evidence suggests that women workers are reasonably involved in this sector, and in particular activities their share of employment is much higher than that for the formal sector as a whole. A survey by Nagesh Kumar of 141 sample establishments in activities such as internet/email bureaus, data entry and processing services and software customisation and content development services, in Delhi, NOIDA and Hyderabad, also examined the gender aspect of employment. [Kumar 2001] It was found that 72 per cent of the establishments did not employ any women workers, but customisation services had a relatively large proportion of women, ranging from a quarter to half of the workforce. In the software industry as a whole the share of women workers is estimated to be 27 per cent. It is interesting that customisation services is the relatively more skill intensive of the activities covered in the survey, but Kumar notes that since back office work, voice mail etc., had been excluded from the survey, some of the activities in which women workers are more significant may have been excluded.

This sector shows clear signs of labour market segmentation by gender, caste and class. Since almost all of those involved are from the urban upper caste English-speaking elite of Indian society, it has been argued that the pattern of development of the software and IT-enabled services sector brings into sharp relief the tendency of the market to reinforce or aggravate existing socio-economic inequities. [Vijaybhaskar et al., 2000] While it will certainly draw more educated women into paid jobs and reduce the problem of educated unemployment to some extent, it would not bring about any major transformation in aggregate employment patterns in the near future.

Further, the nature of the work involved in BPO activities can be compared to export-oriented employment, with the difference that a greater degree of education and skill is required of the workers. Recent studies of call centres in Delhi and NOIDA (Mazumdar 2004b, Babu and Neetha 2004) point to the lack of opportunities for development and promotion in such activities, as well as the high degree of burnout, suggesting that absence of what could be called a “career track” in such work. It has been found that since the “productivity” of call centre workers is determined by the number of calls handled while maintaining appropriate “quality levels”, there is constant monitoring and supervision as well as a high premium placed in increasing productivity through intensification of the labour process. Even in a few years, there is evidence of a downward trend in wages in such activities, even though the wages in these call centres remain higher than the average wages of private sector clerks, teacher and nurses. On average, female call centre workers are young and do not last in this activity beyond a few years because of the sheer pressure of the work.

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

VI. Issues of public policy

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

Recent reversals in the feminisation of employment also point to the possibility of regression in terms of social effects as well. Already, we have seen the rise of revivalist and fundamentalist movements across the Asian region, which seek to put constraints upon the freedom of women to participate actively in public life. This process is not new to capitalism: in the United States, women were actively encouraged to participate in paid to fill in for labour shortages created by the war during the second World War, only to be thrust back into unpaid household work almost immediately once the war was over. However, the speed and extent of the equivalent processes in Asia still have the capacity for creating major social changes, which can have destabilising effects on gender relations and on the possibilities for the empowerment of women generally. At the same time, advances in communication technology and the creation of the “global village” provide both threats and opportunities. They encourage adverse tendencies such as the commodification of women along the lines of the hegemonic culture portrayed in international mass media controlled by giant US-based corporations, and the reaction to that in the form of restrictive traditionalist tendencies.

In this context, there are important measures, which governments in the region can – and must – take in order to ensure that work processes do not add to the complex pattern of oppression of women that continues in Asian societies today. More stable and less exploitative conditions for work by women cannot be ensured without a revival of the role played by governments in terms of macroeconomic management for employment generation and provision of adequate labour protection for all workers. Changes in labour market regulation alone do little to change the broad context of employment generation and conditions of work, if the aggregate market conditions themselves are not conducive to such change. More direct employment generation through increased public investment and provision of public services is useful; in addition, indirect employment generation through encouraging the expansion of activities, which use female labour in stable and remunerative ways, should be encouraged through fiscal incentives and other means. Given that across the region, external competitive pressures are creating tendencies for more exploitative and volatile use of all labour including women’s labour, this has to be counteracted with pro-active countercyclical government spending policies.
In addition, the regulatory framework remains important essentially as a basic premise that can affect the bargaining position of workers. It is seen as a necessary condition (but not a sufficient one) for improving wages and conditions of work. That is why it is both important and necessary to ensure that are laws and provisions guaranteeing workers’ protection and safety, even if they are not enforced. These should be seen not as welfare measures granted by a benevolent state, but rather as government’s recognition of the basic socio-economic rights of workers as accepted under the Universal Declaration of Human Rights. While the existence of such laws does not ensure compliance, and indeed compliance or implementation is impossible to ensure for the whole population in the current circumstances in most Asian countries, it does provide a basis for workers themselves to bargain and combine collectively to try and ensure their enforcement. The regulation should also be such as to prevent employers from being vindictive or punitive towards workers who do organise and mobilise for better conditions of work and wages.

At the same time, of course, it is clear that such laws cannot be so rigid as to make it difficult for employers to respond effectively to what are much more fluid and volatile conditions of production and competition. In essence this means that the laws should be such as to allow for closures and job loss where these cannot be avoided. But these should always be with adequate compensation, and with encouragement and assistance for mobility of workers across activities and even if possible across regions. There should also be a greater attempt to make such laws applicable across all sectors of productive employment, including in agriculture, and to encourage the mobilisation and association of rural workers as well as urban.

In sum, therefore, the need is to ensure that legislation continues to ensure workers their basic rights and especially allows them the power to associate and bargain collectively in order to ensure that they do actually have what are recognised to be their socio-economic rights. But even more important than this, is the recognition from governments that a focus on macroeconomic policies for employment generation should dominate the overall economic strategy and determine specific policies as well.
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