Liberation from Liberalization: Gender and Globalization in Southeast Asia

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This book is the result of a search that is both intellectual and personal. It reflects my intellectual concern about the deficiencies in academic treatments of economic development with respect to gender issues; and it reflects my commitment, based on personal experience, to the need to assure women adequate access to economic resources. During the seven years spent developing the arguments in this book, I incurred many debts. I wish to thank my doctoral supervisor, Professor Michael R. Smith. He was a source of intellectual support and someone who demonstrated by his example the importance of tolerance of other points of view in maintaining a strong and healthy academic climate. I also want to thank Professor Lillian Robinson, director of the Simone de Beauvoir Institute of Concordia University, who was my supervisor for much of my post-doctoral work, a truly resourceful supervisor who has proved to be of great inspiration and academic support. This book has benefited from the opportunities provided by two post-doctoral awards, first with the Globalism Project and then one granted by the Social Sciences and Humanities Research Council of Canada.

Many academics at McGill and Concordia, and at other universities in Canada as well as abroad, have been generous with their time and advice, including Professors Rashad Antonius, Marjory Cohen, Diane Elson, Homa Hoodfar, Gordon Laxer, Daniel Lev, Uli Locher, Roger Krohn, Thomas Naylor, Anthony Paré, Kari Polanyi-Levitt, Axel van den Berg and Don Von Eschen. Others have also provided a great deal of support and advice, by reading the manuscript on several occasions. I especially would like to thank Dr Eric Hooglund who has provided unique support for this project. I also want to thank Fred Reed and Farbod Honarpisheh for listening to my ideas patiently and providing
insightful feedback. I might never have thought of publishing this book if Dr Anthony Synnott, previous Chair of Concordia University’s Department of Sociology and Anthropology, had not kept encouraging me to seek its publication. I was extremely fortunate to meet Chris Corrin who gave me the confidence to publish my work and provided me with extremely important advice on how to approach various publishing houses.

I have also benefited from support from the Centre for Teaching and Research on Women of McGill University, under the directorship of Professor Shree Mulay, and from McGill’s Canada–Indonesia Project, who together financed a research trip to Indonesia to do fieldwork that would otherwise have been impossible.

On a more personal note, I thank my mother, Fatima Samady Haghighi, and my uncle, Behzad Farrahi, for being there when I needed them. Thanks, too, to many wonderful friends, including Susan Lafontaine, Dana Hearon, Nada Sofian, Parvin Saghafi and Farkhondeh Aghai, for their emotional support. I feel special gratitude to Farzaneh Khatir because of the supportive role she played during a very difficult time of my life, one which coincided with the last stages of turning the manuscript into a finished book.

Last but not least, my wonderful family has been a great source of strength. My children have filled my life with great personal satisfaction and gave me an invaluable opportunity to enjoy my life while busy writing a book. Raising my children gave me a chance to understand and gather first-hand experience on the very topic that I was writing about. Raising my family transformed me from being just an academic to someone who had the opportunity to be the subject as well as the object of her study. As my career proceeded I watched them grow from children into adults and they watched me patiently, giving me the courage and strength needed to be a working mother.
This book is dedicated to four wonderful individuals without whom my life would have been meaningless: Mahsan Sadegh, Arash Sadegh, Iman Sadegh and Atena Sadegh
Globalization of the economy refers to the process by which the forces of the market, including increasing flows of trade, investment and financial capital, expand beyond the powers of nation states. This is not a new phenomenon. It dates back to the beginning of coloniza-
tion, as pointed out by world-systems theory (Wallerstein 1974). Yet what is new about today’s globalization is an acceleration of market expansion prescribed by neo-classical economic policy since the 1980s. Such policies have aimed to abolish protectionist rules, tariffs and regulations to allow for the free flow of goods, services and capital around the globe. This is a process aimed at turning all countries of the world into one global market, and therefore limiting the role of the nation state as the major player in the economy. In order to expand the free market, neo-liberalism has called for deregulation and privatization, thereby limiting the role of the state in the economy as well as reducing the scope and size of the welfare state (Lal 1983). Neo-liberalism, also known as the Washington Consensus, has been adopted by the North and imposed on the South, through interna-
tional monetary organizations such as the International Monetary Fund (IMF) and the World Bank.

Neo-liberalism claims that its policy prescription will bring economic prosperity. This may be true purely in terms of GNP per capita and most countries’ balance of payments, by which measures economic prosperity in today’s world appears phenomenal. Yet it has created huge poverty and income disparity, the net wealth of ten billionaires being worth one and a half times the combined national
incomes of the 48 least developed nations. The expansion of the global market has also brought huge benefits to corporations. Half of the world’s 100 largest ‘economies’ are, in fact, not countries but corporations (UNDP 1997). The result of growing income disparity and poverty has taken its toll on vulnerable groups in general and on women from the South in particular.

At the World Conference on Women’s Beijing+5 session, held at the United Nations in New York during June of 2000, the following facts were presented. Out of the world’s 1.3 billion people living below the poverty line, some 70 per cent are women. During the past 21 years, in 41 developing countries, poverty for rural women has increased 17 per cent. Two thirds of the world’s 900 million illiterates are women, which has obvious implications for their employability and relative earnings. Similar disparities exist in health data, with similar consequences. In addition, in more than 90 countries of the world fewer than 10 per cent of parliamentarians are women. It would be a surprise if this political under-representation did not bear some relationship to the economic disparities. As UN Secretary-General Kofi Annan pointed out at the Beijing+5 conference:

the gender divide is still widening. Women earn less, are more often unemployed, and generally are poorer than men. Women’s work is still largely part-time, informal, unregulated and unstable. The fact that they have productive as well as reproductive roles is still too rarely recognized. (Annan 2000)

A massive increase in poverty is not alarming for the female population alone; it is a problem for society as a whole. Women’s economic disempowerment hinders their role as primary care giver of the family. Furthermore, as women typically are more concerned with issues related to the community than men, female poverty goes beyond the family and affects the community as well.

In spite of several decades of development effort and numerous projects that have aimed to empower women, there has been little gain and globally an overall loss, as indicated by the Beijing+5 conference. The obvious question is why so much effort has failed so badly? This leads us to look at the ways in which mainstream-inspired policy making has failed women. One of the major objectives of this book is precisely to examine mechanisms through which such a failure has taken place. This failure is particularly significant since
national governments and international agencies have adopted policies to increase the female employment ratio (FER – defined as the ratio of women working to the total number of women in the economically active age bracket), as an important part of the solution to the problem of growing global poverty. But increasing female employment alone will not address the issue of rising poverty as long as the role of the state remains limited and the welfare state deteriorates.

Throughout the world, expansion of the market economy has increased employment for women but this increase has exacerbated poverty rather than reducing it (Sen 1997). The proportion of women employed has steadily increased in the past few decades nearly everywhere. The proponents of mainstream economic development theory point to this fact and use it to legitimize their policies, ignoring the poverty that it has created and what a mixed blessing it is as a result.

It is only through a careful examination of the empirical situation of women that the issue of rising poverty in spite of increases in employment can be understood. One of the factors is increased inflation in the price of basic goods and services. Such increases in inflation resulting from globalization have disproportionately affected the real incomes of those who belong to the lower strata. Although inflation is a serious issue it is not the only one. Another factor is a decline in male employment, which has a negative impact on household income. Male unemployment has to some extent offset the gains of increased employment for women in terms of overall household income. Other important factors have been contributing to female poverty as well: for example, the nature of jobs and the working arrangements in the type of employment that has mainly recruited women have had an impact. With globalization there has been a change in the nature of employment and work – there has been a tendency towards less-skilled, low-waged jobs, increasingly with casual employment arrangements (Standing 1999). Since the 1980s these types of jobs have mainly employed women. In addition, deregulation and privatization have eroded the collective bargaining power of labour and, as a result, labour standards have been declining.

At another level, increased employment for women has created new problems regarding women’s role as caregivers. More paid work outside of the home and little increased participation of men in housework activities have led to a decrease in the level of care
provided for the family, particularly in developing countries. The phenomenon is not limited to developing countries, however: as Broomhill and Sharp (2002) point out, even in an industrialized country like Australia, few men share housework. This means that more women work outside their home for pay, while their labour inside the house remains the same. This phenomenon has been discussed in the literature and is referred to as the ‘double day’. Clearly, this is a situation where rising employment has reduced the quality of life.

Women’s role as the primary caregiver of the family is ignored in national economic calculations even though it is an important part of the social and economic life of societies. Women not only produce the future labour pool, but they take care of them. It is often overlooked that women invest their physical energy and their financial resources in their families (typically much more so than do men). Because this contribution has been overlooked, the decline in women’s resources and its impact on this aspect of their lives and on the lives of their dependents is also ignored. This is a huge problem, particularly in the context of the decline of the welfare state. As women have less time and energy to spend on their families and states are cutting down on public services such as health and education, many children are suffering. This has been translated into a declining quality of life for the working poor of the world. For the rich of the world, both from the South and the North, who can afford to purchase private care either institutionally or informally, this is not an issue. This is illustrated by increased private health care and education as well as by increasing employment of domestic workers, many of them from the poor households of the South. But as the trend towards income disparity between and within countries is accelerating, such options are not a viable solution for the masses of the working poor.

There is yet another aspect of women’s work, and that is their volunteer and community work. Since women, much more than men, identify with their families, they are much more concerned with their immediate communities and, as mentioned above, communities become an extension of the family, especially in the South. Women, then, are the dominant actors in the field of volunteer work and provide a whole range of community welfare services. The reduction of the role of the state has increased the burden for women as community care takers. This is much more critical in the context of
developing countries, where the welfare state was never as fully established as it was in the North. In addition, policies such as structural adjustment in the South have had disastrous effects and have forced many women to devote their time and energy to volunteer work, often through non-governmental organizations, to provide community care. This situation is likely to deteriorate even more, as many states in the South are forced to retreat from the global economy even further.

In fact a major feature of mainstream economic orthodoxy is to celebrate the impact of the cutbacks in stimulating growth, while ignoring the crucial role of women’s work in compensating for those cutbacks and cushioning the social repercussions. Ironically, many states in the developing world have been consciously using this aspect of women’s work precisely for such ends. Those states often go so far as to set up, or encourage the establishment of, women’s non-state organizations precisely as a vehicle to implement policy or to substitute for the lack of such policy. The book will examine a few cases where the state in the Philippines and Indonesia has used women’s organizations to deal with the issue of rising poverty. Though the book is mostly restricted to three case studies, these examples are fairly representative of a more general phenomenon.

Using women’s organizations to deal with issues of poverty resulting from cutbacks of the welfare state is not limited to nation states. In fact, the World Bank has been moving in the same direction. The case of Indonesia, where the World Bank has provided funds for women’s non-governmental organizations to support social safety net programmes, is a good example. The World Bank, a major agency enforcing neo-liberalism, has been giving aid to women’s organizations. In this sense, it has been acting as a state above the nation state, giving funds for welfare expenditures and thereby contradicting its own policy of enforcing welfare reductions. This is because the World Bank’s hands-on experience has given it a real taste of the results of its policies. The World Bank has realized that there has to be institutional support for those who cannot protect themselves against the forces of the market. Yet there is no indication that this practical experience will make the World Bank go against the gospel of the rules of the market.

This book argues that increased employment for women will not alleviate the problem of poverty either for women or for the society
as a whole unless there is a state policy to guarantee labour rights and provide basic welfare for all. But this requires a particular kind of state, one capable of resisting the rich and the powerful business interests that try to use and control it. Only such a state could be responsible to its citizens and be involved in the economy with policies aimed to empower those in the lowest social strata – women. Ideally, a state must operate and formulate economic policies based on the interests of its citizens, where citizens act and interact as members of society and not merely as consumers and producers for the market. But this will only be the case where there is a well-developed civil society to make sure that those in control of the state are in fact elected by the people to represent the interests of its citizens. A strong civil society, backed by grassroots women’s organizations, will support a state that accepts responsibility for its economic policies and is willing to take measures that will empower those who are economically disadvantaged.

Two of the case studies presented in this book, Indonesia and the Philippines, are examples of rentier states. These two states have acted to protect business interests at the expense of their citizens. In the third case, that of Taiwan, the state has acted as the main entrepreneur but at the same time it has committed itself to providing basic care for all and adopted policies of land redistribution and welfare provision. As a result, Taiwan experienced growth with far less poverty than has been experienced by many countries of the region. The case of Taiwan shows that a state policy of bringing women into the labour force, even when its primary motives were purely economic, if combined with a welfare state, can lead to poverty reduction. It illustrates that when a state is committed to welfare for all there is great potential for tackling the problem of poverty.

The impact of increased employment for women as a mechanism to reduce poverty is a very interesting issue and it is related to the fact that men and women participate differently in economic life. This distinction is an important one: cross-cultural studies show that women have a different expenditure pattern from men. They identify with their communities and are therefore more inclined to spend their time and energy with and for their families and their communities, helping both their households and their communities to improve collectively. Men, on the other hand, identify with their workplace and their peer groups, spending their time and energy on luxuries and
outside their household and immediate communities. As a result of women’s role as mothers and caregivers, their expenditure and saving patterns are different from those of men. They tend to be more inclined towards improving conditions economically as well as socially for their families, which makes it more efficient for developing countries to put money into women’s pockets rather than those of their husbands. This is crucial to bear in mind, since globalization has led to a disproportional increase in the level of female poverty.

Furthermore, an extremely important difference between male and female labour force participation lies in the indirect social consequences. Women are a vital part of the economy not simply because of their direct income-generating or income-spending behaviour, but also because giving more women economic resources by increasing the female employment ratio has a positive effect on such social variables as the fertility rate, literacy, infant mortality and life expectancy. The case studies will provide evidence for these assertions.

This is not to suggest that the state should attempt to replace men with women in the formal labour force as a means of addressing the current gender gap. Rather, the process of encouraging female employment should be incremental. The state should undertake measures that favour increasing participation for women in the formal economy and in the context of policies that raise the overall level of employment. Women’s role as economic agents complements their role as primary caregivers both in a family and in a community setting. Therefore each extra unit of female labour employed is likely to produce greater ‘externalities’ in terms of the success of social policy than would each extra unit of male labour employed. This is particularly important as the definition of economic well-being must move away from simple GNP per capita towards incorporating broader measures of the quality of life, including infant mortality, life expectancy and literacy rates, to name just a few. In addition, more intangible benefits such as greater social autonomy for women are a likely result of their having greater access to regular income in the formal sector and a chance to upgrade their skills and education. That, too, will have positive feedback effects in terms of the health and education of the next generation. And, certainly not least, any attempt to raise the female employment ratio in the modern, formal sector, which inevitably takes women away from their immediate and
traditional environment, will be a critical step in controlling fertility and population growth. Many studies show that when women have control over family planning and are economically independent they choose smaller families.

Granted, increasing female employment in the informal economy will also increase women’s immediate access to economic resources. In fact, with globalization, female employment in the informal economy has increased. But, to the extent it is possible to get a clear picture of an underground phenomenon, employment in the informal sector is irregular, unregulated, and usually at very low wages. In addition, it provides less opportunity for training and advancement. Hence any positive impact on the target social variables would be expected to be much less powerful (as well as, by definition, impossible to measure accurately).

All of these distinctions in gender-based economic performance, both in earning and in spending income as well as in their broader social consequences, are well substantiated by micro-studies of an anthropological nature cited throughout the three country case studies to follow. But how all these mechanisms fit into a more general picture of macro and structural analysis for the economy as a whole has been neither examined nor elaborated with much analytical clarity in the existing literature.

This book will contain quantitative analyses of the impact of female labour force participation rate on GNP per capita (and its rate of growth) as well as fertility rates. In addition, the effect of female employment on the Human Quality of Life Index – measuring infant mortality, life expectancy and education for the population as a whole – will be examined using national and international data. The analysis does not make specific reference to the impact of changes in relative participation on the difference between male and female longevity, educational attainment or other social variables. Rather, it focuses on the overall impact of increased female employment on the population as whole.

An important objective of this book is to demonstrate that the state should give strong priority to increasing female participation in the formal (as opposed to the informal) economy instead of leaving the economy to market forces alone. This is a significant point as the literature on women and development in general, and the works discussing gender issues in the context of globalization in particular,
focus on the nature of the problem but rarely on solutions. Increasing
the role of the state and implementing policies to promote the formal
employment of women will indirectly affect other critical social
variables. While this argument will be based partly on statistical
analyses, many of the possible feedback mechanisms, from policies to
increase female employment to reductions in the gender gap, will be
picked up in the actual case study analysis using micro data.

The main statistical analysis is not very meaningful unless put in a
context that will include factors not subject to simple quantitative
measure but, nonetheless, essential for capturing the nature of eco-
nomic growth. This context includes, as a central consideration, insti-
tutional factors related to the political climate in which economic
strategies are formulated, particularly the nature and ideological ori-
entation of the state. In addition, analysis of case studies allows us to
consider other factors such as colonial history, culture, economic
structure and so forth that are beyond simple statistical examination.
Included in this category is the role of women’s political organiza-
tions, which can, under certain circumstances, have a strong impact
on state policies and their effects.

In this book, I have combined qualitative and historical-compara-
tive methods with statistical analysis because those following a historical-
comparative approach often find themselves in ideological conflict
with those using more formal statistical-quantitative methods, seeing
the latter as implicitly loaded with free-market bias. In turn, those
preferring a quantitative approach often regard historical and institu-
tional studies as weak and inconclusive. In my view this methodo-
logical division is a serious mistake. Particularly in a context where
data are often poor and unreliable, and even definitions of what con-
stitutes ‘work’ are inconsistent, it is useful, sometimes critical, to assess
the quantitative data and attempt to flesh out their meaning by paying
attention to the political, social and historical context (Rueschemeyer,
Stephens and Stephens 1992). On the other hand, given the com-
plexities so often exhibited by developing societies, statistical data are
often essential to really make sense of trends and patterns. For this
reason I have used statistical analysis and comparative-historical
analysis, buttressed by anthropological field studies and on-site inter-
views, to reinforce each other for the purpose of increased credibility.

One of the advantages of the book is that it has used the type of
detailed, contextual data widely used in the feminist literature,
namely data of an anthropological and qualitative nature, but it does so in order to formulate a more general, theoretical and conceptual argument on the topic. Since the 1970s a huge literature on the field of women and development has emerged (later emphasizing gender and development) some of which is very relevant to the issue of globalization. But a gender perspective on globalization is still new. This relatively new area with important works (such as Connelly et al. 1995; Mitter and Rowbotham 1995; Sassen 1996; Sen 1997; Standing 1989; Beneria 2003) needs to be enriched by regional and case studies. Thus the current book aims to bridge the gap between general material on gender and globalization and detailed case studies.

The book is focused on Southeast Asia for two reasons. First, because neo-liberal economic theory has used the economic growth of this region as evidence of its validity. Mainstream economists had long predicted that Indonesia, the Philippines, Thailand and Malaysia would be the next Southeast Asian ‘miracles’ (Castells 1992). Second, a quantitative analysis of different regions of the South shows that this region has enjoyed both a high level of GNP per capita growth and an increased employment rate for women.

In Figures 0.1–0.5, GNP per capita growth rates in different regions of the world are charted alongside rates of female participation in the workforce. The results do not take into account the size of individual countries within each region: all countries, in other words, carry equal weight regardless of their size. Though this does present certain problems with regard to the relative weighting of some countries over others at the macro level, since the focus here is on regional trends, the size of each country is not as important as the region in which each is located.

In the Middle East and North Africa region (Figure 0.1), GNP per capita growth fluctuates a lot. This is because the region’s economy, tied as it is to oil, is so dependent on the constantly changing price of oil on the world market. Significantly, the level of female labour force participation is lower here than in other regions. In sub-Saharan Africa (Figure 0.2), GNP per capita growth is exceptionally low. Whilst the female labour force participation rate is generally high, this has shown a slight decline over the past few decades. From Figure 0.3, we can see that Latin America and the Caribbean have had fairly stable GNP per capita growth, accompanied by a rising employment rate for women. Noteworthy here, however, is that the region’s