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THE WORLD BANK

**World Development Report: Gender
and Development, 2012**

The World Bank and its sister organization, The International Monetary Fund, were created by the United States and European Allies in 1944 as World War II was coming to an end. Its purpose was to

Source: The World Bank, *2012 World Development Report: Gender and Development*, chapter 6: "Globalization's impact on gender equality: What's happened and what's needed," 255-72.

promote international trade. In recent decades it has concentrated on problems of the developing countries, looking to finance projects to reduce poverty, child mortality, illiteracy, and gender inequality. In this regard, the bank issues reports like the one selected here from 2012.

What according to the authors is the relationship between globalization and gender inequality? In what ways does globalization improve the lives of women?

THINKING HISTORICALLY

For the purposes of this report, what does the World Bank mean by “globalization”? How does their definition correspond to, and differ from, others in this chapter?

The world is becoming more and more integrated. What started with greater trade openness is translating into growing global economic integration and interdependence, as transnational movements of people and capital accelerate and information becomes ever more accessible. Technological developments are rapidly changing the way people learn, work, and communicate. And the world population is concentrating in medium and large cities.

The new forces associated with globalization—understood as the combination of economic integration, technological diffusion, and greater access to information—have operated through markets, formal institutions, and informal institutions to lift some of the constraints to greater gender equality.

First, trade openness and the diffusion of new information and communication technologies (ICTs) have translated into more jobs and stronger connections to markets for many women, increasing their access to economic opportunities. In some countries and sectors, women’s wages have also increased relative to those of men.

Second, gender inequality has more costs in an integrated world. It can diminish countries’ ability to compete internationally—particularly for countries with export potential in goods and services with high female employment. And given growing global awareness of women’s rights, continued gender inequality can also hurt a country’s international standing. These factors strengthen the incentives for policy action toward gender equality around the world.

Third, greater access to information has allowed many in developing countries to learn about life and mores in other parts of the world, including those pertaining to the role of women, possibly affecting attitudes and behaviors. A shift toward more egalitarian gender roles and norms has also been facilitated and, in some cases, reinforced by women’s economic empowerment.

But in the absence of public policy, globalization alone cannot and will not reduce gender inequality. Despite significant increases in agency and in access to economic opportunities for many women in many countries, the rising tide has not lifted everybody. Those often left behind are women for whom the existing constraints are most binding. That is why public action aimed at closing existing gender gaps in endowments, agency, and access to economic opportunities is necessary for countries to fully capitalize on the potential of globalization as a force for development and greater gender equality. . . .

Female Workers Wanted

The early years of trade liberalization were mainly characterized by the move of textile and information technology manufacturing from developed to developing countries. New employment in manufacturing often consisted of labor-intensive assembly line jobs, and the initial gains in manufacturing employment were greatest in countries with abundant unskilled labor and a comparative advantage in producing basic manufactures.

This shift in geographic location of production promoted female labor force participation and the feminization of employment in manufacturing in developing countries—particularly in Asia and Central America. . . .

In the past 15 years, the spread of ICTs has expanded trade in services and has, to a lesser extent, promoted the growth of ICT sectors in developing countries. As a result employment shifted from manufacturing, where jobs could be automated, to services. In the process, demand for nimble fingers on the assembly line gave way to demand for computer literacy as the tasks became more sophisticated and direct interaction with clients and customers more common.

As technology advanced, low-skilled women in light manufacturing were often displaced by men. . . .

New ICT-enabled jobs in services—particularly information processing in banking, insurance, printing, and publishing—were mainly taken up by women, but not the same women who lost their manufacturing jobs, because the new jobs required a different set of skills, including keyboarding, English, and sometimes French. Female employment in data entry and processing was initially highest in Barbados, Jamaica, and the Philippines. Later, ICT-related jobs were concentrated in software, call centers, and geographical information systems, and clustered in Malaysia and India, particularly in Delhi and Mumbai, where call centers employ more than 1 million people, most of them women.

In both manufacturing and service exports, growth in female employment was faster than ever before and faster than in other sectors. And although exports in many countries initially accounted for a small

fraction of total female employment, their importance grew over time as a result of rapid employment growth. . . .

But the feminization of employment through exports appears to be less common in agricultural economies. Growth in traditional agricultural exports has benefited men more than women because women are less likely to work on commercial crops and are crowded out of traditionally female-intensive crops when these crops become commercial. . . .

Higher female employment in exports has often (but not always) been accompanied by wage gains. Transnational and exporting companies may be able to pay higher wages than locally owned firms and firms producing for the domestic market. They also may be better able to insulate their workers from economic cycles—and their workers may be better protected by labor legislation and are more likely to be unionized and thus eligible for benefits. That is why female wages are frequently higher and the gender wage gap is lower in exports than in other sectors, even after controlling for worker characteristics. . . .

More Connected and Better Informed—ICTs Have Increased Women's Access to Markets

ICTs can improve access to markets and increase participation in market work by reducing transaction costs associated with time and mobility constraints. They facilitate the gathering and transmission of price and other information and increase the flexibility in where and when economic activities can occur. Because women often face more restrictions than men in their mobility and available time, they stand to benefit more from these developments. . . .

Cell phone access and use can alleviate time and mobility constraints for women by increasing the ability to coordinate their family and work lives, reducing the cost of money transfers, and cutting down the physical labor or travel required to discover information (including avoiding fruitless trips to get supplies or meet customers). In Senegal, female fishmongers report that access to cell phones facilitates communication with their clients and suppliers, reducing travel time and costs, and with their families while they are away from home. Similarly, 41 percent of women interviewed in Bolivia, the Arab Republic of Egypt, India, and Kenya declared that owning a mobile phone had increased their income and their access to economic opportunities. . . .

In many cases, women, particularly rural women, were willing to reduce expenditures on other items to have access to a mobile phone, suggesting that the perceived benefits outweighed the costs, which averaged 3.5 percent of household income among those surveyed. . . .

The picture is quite different for the Internet. Low private access in the developing world, especially in rural areas, has severely limited its impact on access to economic opportunities—beyond the impact of ICTs on outsourcing and service export employment discussed earlier. Governments and development agencies have set up village “telecenters” for public use, generally as a fee for service, to increase access to basic ICT services among underserved populations. These centers generally offer computers linked to the Internet and are available for word processing and graphics work, faxes, e-mail, photocopying, and phone lines. They may also feature training on the equipment, and some incorporate radio broadcasts or video resources. . . .

Adapt or Miss the Boat

Trade openness, technological diffusion, and access to information have fundamentally changed the way countries interact and compete with each other in the global economy. Because gender (and other) inequality has more costs in a globalized world, these changes could translate into stronger incentives for both firms and governments to move toward gender equality. Specifically in countries with a comparative advantage in female goods, gender differences in access to market work and persistent employment segregation by gender could severely undermine the country’s capacity to compete internationally and ultimately hamper economic growth.

Added to this economic reality is growing international pressure for countries to grant and enforce formal rights for women. International action in this area has translated into agreements sponsored by international organizations, primarily the International Labour Organization (ILO) and the United Nations (UN), followed by strong international pressure on countries to formally adhere to these agreements either directly or indirectly as part of broader trade and other economic agreements. . . .

Pressure from media and consumers in developed countries can also lead multinational firms to offer better working conditions to their workers in developing countries. For instance, both wages and nonwage working conditions (such as hours worked, accidents, contractual characteristics, work environment, and other benefits) among formal workers (most of them women) in the export textile and apparel industries in Cambodia, El Salvador, and Indonesia were found to be at or above the average in the rest of the economy. Similarly, antisweatshop campaigns in Indonesia led to large wage increases in foreign-owned and export firms, with some costs to the firms in the form of reduced investment, falling profits, and increased probability of closure for smaller plants, but no significant impact on employment. . . .

Globalization Could Also Promote More Egalitarian Gender Roles and Norms

The changes unleashed by globalization—especially the greater access to economic opportunities and information among women—could also influence existing gender roles and norms, ultimately promoting more egalitarian views. . . .

Women turned income earners may be able to leverage their new position to change gender roles in their households by influencing the allocation of time and resources among household members, shifting relative power within the households, and more broadly exercising stronger agency. In fact, women appear to gain more control over their income by working in export-oriented activities, although the impact on well-being and agency is more positive for women working in manufacturing and away from their male relatives than for those working in agriculture. Women in factories feel their status has improved. They are more likely to marry and have their first baby later than other women of similar socioeconomic status and to have better quality housing and access to modern infrastructure. They also report greater self-esteem and decision-making capacity, with benefits extending to other family members. In contrast, women in agriculture have not experienced significant changes in decision-making capacity or agency as a result of commercialization and higher export orientation, even when typical “women’s crops” are promoted.

Beyond the economic sphere, increased access to information, primarily through higher exposure to television and the Internet, has also exposed many in developing countries to the roles women play in other parts of the world, which may affect gender roles and outcomes. For instance, in Brazil, a country where soap opera watching is ubiquitous and cuts across social classes, the presence of the Globo signal (a television channel that offers many popular Brazilian soap operas) has led to lower fertility, measured as the number of live births for women ages 15–49. . . .

Access to economic opportunities has also brought change in the public sphere. In Bangladesh, the employment of hundreds of thousands of women in the ready-made garment industry feminized the urban public space, creating more gender-equitable norms for women’s public mobility and access to public institutions. In the process, Bangladeshi women had to redefine and negotiate the terms of *purdah*, typically reinterpreting it as a state of mind in contrast to its customary expression as physical absence from the public space, modest clothing, and quiet demeanor. . . .

Is The Glass Half Full or Half Empty? The Need for Public Action

What, then, are we to conclude from the discussion in this chapter? The evidence suggests that employment in the export sector represents an attractive option for a large number of women in the developing world. These jobs enable women to contribute to household income, increase their economic empowerment within the household, and allow for greater social participation. . . .

But persistent gender differences in endowments, time availability, access to productive inputs and agency, and pervasive employment segregation by gender, mean that not all women have fully benefited from the economic opportunities brought about by globalization. And even among women who did benefit, remaining gaps, primarily in wages and working conditions, still need to be closed.

As long as these differences persist, globalization alone cannot—and will not—make gender inequality go away. Public action to close gender gaps is therefore critical for countries to fully capitalize on the potential of globalization as a force for development and greater gender equality. Such action is also urgent in light of the rising costs of gender inequality in a globalized world.