CRITICAL ANALYSES OF INTERNATIONAL TRADE LIBERALIZATION AND LINKS BETWEEN INTERNATIONAL TRADE AND GENDER

Análise Crítica da Liberalização do Comércio Internacional e as ligações entre comércio internacional e gênero

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ABSTRACT

Based on a theoretical-exploratory research and focusing on the main arguments of the Trade and Gender Perspectives, this paper explains the different roles of woman in national economies from a critical viewpoint of the liberalization of international trade. It also discusses links between international trade and gender and how women and men are differently impacted by structural and conjuncture circumstances. These differences have defining repercussions to women and gender-differentiated distributional effects in domestic economies and in the global economy in the last four decades, which often reflect in disadvantages for women in the labor market compared with men. Lastly, the paper argues that the so called "feminization" of the workforce, as an important aspect of the globalization process. Countries and economic competition strategies take advantage of structural gender inequalities in countries of the Global South, concentrating investments in low-level tasks and encouraging hiring women in low-paid jobs.

Keywords: Trade; gender; inequalities.

RESUMO

Com base em uma pesquisa teórico-exploratória e com foco nos principais argumentos das Perspectivas Comércio e Gênero, este artigo explica os diferentes papeis da mulher nas economias nacionais, tomando um ponto de vista crítico sobre a liberalização do comércio internacional. Ele também discute os vínculos entre comércio internacional e gênero e como mulheres e homens são impactados de maneira diferente pelas circunstâncias estruturais e conjunturais. Essas diferenças têm repercussões definidoras para as mulheres e efeitos distributivos diferenciados por gênero na economia doméstica e global nas últimas quatro décadas, o que geralmente reflete em desvantagens para as mulheres no mercado de trabalho em comparação com os homens. Por fim, o artigo argumenta que a chamada "feminização" da força de trabalho, como um aspecto importante do processo de globalização. Os países e as estratégias de concorrência comercial se aproveitam das desigualdades estruturais entre homens e mulheres nos países do Sul Global, concentrando investimentos em tarefas de baixo nível e incentivando a contratação de mulheres em trabalhos mal remunerados.

Palavras-chave: Comércio; gênero; desigualdades.

INTRODUCTION

To fill the gap left by a few research of international trade liberalization that relate trade to gender, the purpose of this paper is to discuss the links between them in the context of the global changes and productive reconfiguration that are being experienced by national economies in the last four decades. Starting with a summary of the main arguments of critical analyses regarding the neoliberal trade practices, this work discusses how international and national, state and private organizations are getting more involved with this issue, along with the academic research that is being disseminated mainly by the School of Feminist Economics. Based on a theoretical-
exploratory research and focusing on the main arguments of Trade and Gender Perspectives, this paper explains the different roles of women in national economies, focusing on the process of the feminization of the workforce. It also examines how women and men are differently impacted by the economic and political choices and social, cultural besides historical conditions and specific conjuncture circumstances, which have defining repercussions to women and gender-differentiated distributional effects on trade liberalization in the domestic and the global economy in the last four decades. In most economies, trade liberalization often reflects in disadvantages to women in the labor market compared with men.

CRITICAL ANALYSES OF INTERNATIONAL TRADE LIBERALIZATION

The role of State, government institutions and public policies regarding the process of industrialization, social conflicts related to income distribution and working environment conditions and the disparate of domestic and worldwide production and consumption capacities of a country have been objects of critical analysis of the neoliberal practices and their effects on the international trade regime and trade liberalization in goods and services (along with opening to foreign direct investment, FDI) since the 1980s. The analytical list of topics also includes degrees of economic and technological dependence between nations and the role of knowledge in determining the patterns of international market openness.

Unlike orthodox approaches, critical trade analysis essentially argue that the global manufacturing industry has increased the dependence of least or non-industrialized economies on investments made by global companies, on financial capital, loans and technology from the industrialized developed nations in the last forty years (Rodrik, 2004; Barrientos, 2007). They also point out that international trade, based on comparative advantages and other assumptions of the neoliberal economic agenda, favors the formulation of policies that may cause price distortions and a subordinated and delayed integration of developing countries (DCs) and least developed countries (LDCs) into the global economy, since they have adopted a dependent-strategy from developed countries of external insertion from developed nations.

Some heterodox perspectives show that in countries with abundance of low-skilled labor, when their markets are open for trade, the average wage levels have not raised significantly or in the same path and not necessarily lead to improvement of working conditions in the last four decades (Rodriguez e Rodrick, 1999). Research along these lines also support that the average wage would have been even lower once the country takes part of the global value chains (GVC), that may generate inefficient effects in terms of income distribution in DCs and LDCs (Rodrik, 2016; Stiglitz, 2016).

Likewise, empirical studies have found that in some DCs and LDCs the conditions of the work environment have the propensity to worsen. In many cases, their arguments rest on the claim that the flexibilization of working hours and the weak of state regulation has resulted in greater vulnerability of workers, given the decrease in their social protection or the undermining of wage bargaining power of the labor force (Standing, 1999; Harvey, 1992), the elimination of
non-competitive sectors and the concentration of production in a few sectors and producers. Moreover, according to their arguments, integration of an economy in the GVC does not necessarily increases the productivity of non-tradable sectors, a decisive condition to DCs and LDs to overcome the so-called structural industrial heterogeneity. In fact, Research & Development and innovation strategies are functionally related to central corporate management as much as to financial corporations’ strategies (Chesnais, 1992), which are usually located in highly industrialized developed countries.

Other researchers state that social conflicts resulting from the low level of average income or wage inequalities generated after markets opening to trade create signs that increase uncertainties, which can inhibit other productive investments (Larrain e Vergara, 1998). There are also some analysts that highlight that in many DCs there is a propensity to increase per capita income of the wealthiest portion of the population in a much greater extent than that of the poorest, even though the economy shows significant rates of economic growth after the market openness to goods and services from abroad (Kratou e Goaied, 2016). As others conclude, there are evidences that suggest that the effects of trade liberalization are not symmetrical in terms of domestic economies and global income and positive spill-overs distribution (Rodrik, 2016). As reported by these critical analyses of neoliberal trade policies, the opening of a national economy alters the dynamics of international market frontiers, implying that goods and services could be produced and consumed anywhere in the world. However, this process has also resulted in global imbalances in the face of differences in terms of income, distribution and consumption between industrialized countries on the one side, and DCs and LDCs on the other (Dicken, 2011).

There are also research that conclude that the neoliberal agenda failed because it led to more social exclusion, poverty and crises and therefore have not necessarily increased the economic growth of most of the countries in the world (Stiglitz, 2002; Gatti et al., 2012) and restricted individual freedoms directly linked to the development of a nation (Sen, 2000).

In the spectrum of the critical analytical approaches of market openness to external flows of goods and services, perspectives about the conditions of women in different societies around the world have gained more space in the political and academic debate. They discuss and demonstrate how gender has become a defining element of political and economic decisions that influence the competitiveness of different sorts of economies at national and international levels. Theoretical and empirical research on gender inequalities and their relationship with international trade are numerous and that, in general, show that in the last four decades, especially in DCs and LDCs of the Global South, trade liberalization has different impact according to gender.

**EXPLAINING LINKS BETWEEN INTERNATIONAL TRADE AND GENDER**

In the same period that most DCs and LDCs have been opening their markets to international trade, the United Nations (UN), mainly through the UN Conference on Trade and Development (UNCTAD), launched the Millennium Development Goals in 2000. Achieving gender equality by 2015 was an aim which was then postponed within the UN 2030 Agenda for
Sustainable Development. Simultaneously, the UN Women and the International Labor Organization (ILO) have been dedicating themselves to think renewed analytical approaches and to do empirical work to link international trade to gender in order to advise national trade policies and other public policies of various countries in the world.

In addition to the UN System, the World Bank, the Organization for Economic Development Cooperation (OECD), and other international governmental organizations, such as the World Trade Organization (WTO) – that launched the Buenos Aires Declaration on Women´s Trade and Economic Empowerment to incorporate the topic of women inclusion in international trade negotiations in 2017 – share the concern of gender inequalities as a result of neoliberal policies. They are all engaged in outline actions to empower women through international trade, creating research tools to examine the roles of each player in the process of producing a commodity.

Non-governmental organizations, such as Oxfam and the Overseas Development Institute (ODI), and public official aid agencies for development cooperation, as the Canadian International Development Cooperation Agency (CIDA) or its German counterpart, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), also have been expanding their communications and content on discrimination against women related to economic decisions. At the macro level, women advocate in organizations like the International Gender and Trade Network (IGTN), Women in Development Europe (WIDE) and the Women’s Edge Coalition have been using impact analysis tools to lever gender considerations into trade agreements (Randriamaro, 2006).

The studies and disclosures made by all these institutions challenge traditional neoliberal economic models, paradigms and concepts, especially regarding international trade. They analytically incorporate inequalities between men and women, permeating societies, economies and political circles around the world and wish to take a critical look and develop trade-related capacity-building initiatives that include a gender component.

Disseminated by academic researchers within the field of studies of the School of Feminist Economics, these approaches usually intend to go beyond questioning the premises and conclusions of the mainstream of neoliberal economics and are dedicated to produce new methodologies and analyzes that incorporate empirical experiences from and about women to models and economic studies (Floro e Willoughby, 2016), absorbing elements from other areas, such as Sociology and Politics, seeking to add different concerns to the topics of the agenda, such as human rights, justice and public policy impacts (Van Staveren, 2005). As a discipline, the Feminist Economics are engaged in theoretical foundations and intellectual contributions to develop analytical understandings of gender issues with respect and links to economic processes and policies operating at macro and micro levels and women´s roles in the economy (workers, producers and traders, consumers, tax payers and unpaid workers) (UNCTAD, 2017, p. 53).

By focusing on gender as a unit of analysis, these critical analytical approaches emphasize that the availability, conditions and forms of participation of women in an economy and in a
society are structural, since they depend on the ongoing norms and culture in each nation (Fontana, 2003). These facts have direct impacts on the internal allocation of factors of production, on the formulation of industrial and trade policies of a country by the policy makers and on the specialization and production efficiency in the face of international competition and the choices of external insertion strategies made by each economy.

These analytical approaches assume that men and women have different access to resources, such as land, credit, technology and to inheritance, land, education and technical training (Unctad, 2014), so that the choice of macroeconomic, trade and industrial policies impact on gender in different and asymmetrical ways. This may happen even though social transformations are taking place in countries around the world, making room for women in the job market and in the society, mainly because they gradually become more employed in paid activities (Prasad, 2018). The relationship between growth, poverty reduction and gender equality cannot be generalized. They are key factors for considering the strategy of economic growth, the policy regime and the patterns of social relations and gender inequalities (Kabeer 2015).

Specifically concerning gender-trade changes, these approaches consider women’s roles in the economy. As reported by international trade analysts from this trade-gender stream, aspects related to gender inequalities are impacted by changes in international trade, and are associated with the ways of markets opening and related to domestic and foreign demand for labor (beyond public policies to attract FDI, lowering trade barriers to import inputs and to export final manufactured goods and services, subsidies and local labor training support). Foreign demand for labor, in turn, is related to the existing gender inequalities in every country in a specific period (Fontana, 2003). In other words, gender inequalities precede economic reforms and the formulation of industrial and trade policies in each one (Berik, 2011). Simultaneously, after choices are made by political and business leaders regarding trade-economic-policies and strategies, in most economies and societies in the world gender distinctions have consequences for women's well-being, employability, income, and, therefore, for their empowerment.

In summary, within the scope of the critical analysis of international market opening to trade based on the neoliberal agenda, the trade and gender perspectives assume specific circumstances and that economic choices of a country have definite repercussions and gender-differentiated distributional effects. In other words, concerning links between trade and gender, in accordance with structural economic and social conditions, the history and the momentum of every country, gender inequalities play an important role in productive specialization and income distribution within a nation and between nations, as well as in its technological and economic development of them. It is also a product of these national and global inequalities and imbalances. When projected to international level, these inequalities and imbalances influence other national policies choices, as well as the productive specialization, the international division of labor, the sharing of wealth and international trade patterns. They all could be positive or negative for women.
THE TRADE AND GENDER PERSPECTIVES

UNCTAD defines gender as “a system of norms and practices that determine particular roles, characteristics and behaviors of men and women based on their sex” (Unctad, 2014, p. 3). In the same line, the UN refers to gender as the “roles and attributes associated with being a man or a woman, which are constructed and learned through a socialization processes; they are specific and vary depending on the cultural and social context” (Unicef, 2017, p. 2). So, unlike sex, which is biological, gender refers to relations that are socially constructed because men and women are assigned to specific roles. These roles vary according to the context and, as such, determine the distribution of resources, wealth, opportunities and political empowerment between them (Britwum e Akorsu, 2016).

Taking into account that gender equality recognizes that interests, needs and priorities of men and women differ and the place that each occupy in society must be considered in the public policies formulation, gender inequalities imply in manifestations that create disadvantages or situations of subordination of women to men (regardless women are producers, consumers, entrepreneurs or they work at home). In the labor market, gender discrimination imply that women could have access to only a limited range of occupations and their wages often underestimate their productive and/or meritocratic capacity.

Considering gender differences, presented by systematic investigations carried out by UNCTAD (2014), for example, based on the conclusions of several other researchers and institutions that jointly work, it recognizes that, unlike neoliberal and also some heterodox economic approaches, roles of men and women are distinct in the economy, since they are part of a system of norms and relations in which the gender issue is circumscribed (Unctad, 2014, p. 3-4). Thus, socialization processes, division of family responsibilities, access and control of resources and participation in decision-making processes are directly linked to gender differences, and at the same time, are reinforced by the economic, political, cultural and social structure and determined by the current historical period (Razavi e Hassim, 2006). For this reason, in every country there are relations between social and power norms that vary according to different aspects, including gender.

Thereby, the perspectives on trade and gender, disseminated by UNCTAD and by several analysts of many institutions over the world is still relatively new, assume that: a) gender inequalities tend to influence the economies’ industrial competitiveness strategies – including the choices of governments and companies and industrial and trade policies’ instruments –, since a particular range of measures must be translated into the desired economic-trade performance (ex-ante); b) once the economies’ competitiveness strategies are defined, the distributive results of international trade vary according to each gender category within a country, that is, in the same country, men and women are affected by changes in policies and patterns of trade in different ways (ex-post).
In addition, from these perspectives, trade is an important aspect of the globalization process, which can provide growth and development to countries, but also can reverberate in both positive and negative impacts for gender equality (Fontana, 2003). They are related to job opportunities and professional growth, qualification of the workforce, level of wages, conditions and quality of work, rate of poverty, and access to basic public services, like education, health, pensions, among others. For example, in DCs and LDCs, where the informal labor market is often the main source of employment, social protection, such as the granting of maternity leave, is limited or not offered (OECD, 2019). Specially in patriarchal societies, customs and social norms there are family conflicts arising from female work outside the home, also prevent them from reconciling paid work with unpaid work.

Thus, among workers who receive wages, there is generally a greater tendency for women to be employed informally or underemployed and/or to be hired to perform less valued tasks and jobs than men, since usually women have fewer employment options and less power than men to negotiate their terms of work. In economies where infrastructure and technology are underdeveloped, women often are hired in heavy operation jobs that can submit many of them to suffer injuries, disabilities and other physical or mental damage. Consequently, there are elements that hinder gender equality in vertical terms, related to factors such as professional growth, and differences in horizontal terms, which vary within the same country and from country to country (Menzel e Woodruff, 2019). Beyond gender, horizontal elements are race, religion, ethnicity and age. Certainly, gender inequality contributes to an inferior position of women if compared to men in the labor market in many societies in the world (Tran-nguyen e Zampetti, 2004).

From this viewpoint, segregation by gender is reflected in the confluence of female labor in the provision of domestic services, in agricultural and food production, in household services and in homecare services of elderly people, both in their family nucleus, where they do not receive wages (as they are unpaid work), and outside it. ILO data from 2017 show that in all regions of the world, for different reasons, women constitute a larger share of workers who “contribute to families” (ILO, 2018) because often they perform proportionally more unpaid work (home working such as cooking, cleaning, looking after children and the elderly, taking care of sick and/or disabled people, household services, etc. without any payment) than men. Although gender differences in participation rates have been narrowing substantially in recent decades, a sample of 75 countries of a research conducted by ILO between 2008 and 2015 pointed out that without exception, women devote, on average, 3.2 times more time than men to carry out unpaid activities (Charmes, 2019, p. 17). The outbreak of Covid-19 crisis in 2020 have put increased demand for unpaid childcare and domestic work on women, which constrains their ability to carry out paid work, according to the UN (UN Women, 2020).

When women also do paid work outside the home, while men are not assigned to unpaid work at home in the same proportion, the result is the accumulation of tasks by women. In view of the difficulties in balancing their obligations, women are likely to be employed in more flexible
and therefore more precarious types of work than men because they need to handle all activities. For this reason, many of them are “pushed” into informal activities, whose income, in general, are lower than formal. Working conditions also tend to be worse than in activities formally performed by men and are considered less than minimum work conditions (Koggel, 2003). Hence, it is possible for women to be able to act in both spaces, but in this case, women would maintain their dependence on male figures (Higgins, 2012).

In almost every country in the world, this broad picture reflect in disadvantages for women in the labor market compared with men, as it is usual that employers to immediately think that women will have less time to devote to paid work when they need to take care of their family unit. If they only perform unpaid work, they are in an even greater situation of economic and social vulnerability, as they have no access to any autonomous source of income and depend on the income of a man, her father, brother or husband. Empirical evidences of Trade and Gender Perspectives show that women’s wellbeing is strongly influenced by their ability to earn income independently, to have rights of ownership, find employment outside the home, have political rights, access to healthcare, literacy and/or be educated and, finally, participate actively in decisions inside and outside their home (Sen, 2000, p. 91).

THE “FEMINIZATION” OF THE WORKFORCE

As already mentioned, the condition of women in society is a defining element of political and economic decisions that influence the competitiveness of economies (ex-ante). In the case of the process of internationalization of world production, the choice of competition strategies take advantage of structural inequalities between men and women (and all their respective consequences, such as wage inequality), concentrating investments in low-level tasks and encouraging hiring women in low-paid jobs and low-complexity sectors, which are mostly labor-intensive. In this set, business would explore the comparative advantages of female labor.

On the other hand, the condition of women and the political and economic choices of a country have specific repercussions and distributional impacts on differentiated by gender (ex-post). In accordance with structural economic and social conditions, gender inequalities play an important role in the distribution of income and wealth within a nation, as well as in its technological and economic development stage. If designed for the international level, these inequalities influence the international and gendered division of labor and the international pattern of trade.

It was believed by many that male bias and gender inequality would decline with the market opening to trade, since this was taken for granted as a symbol of woman’s empowerment in terms of increasing in number of they which are moving out from their private sphere to public space and would enhance the status of women both in workplace and their homes (Prasad, 2018, p. 12). Whereas there has been a large contingent of women willing to work in factories located in several DCs and LDCs of the Global South since the 1960s, the male workforce has been replaced
by women in several tasks. The increasing in the number of women participating in the labor force has gained more strength from the 1980s, when most of these economies underwent to neoliberal structural reforms (Standing, 1999). Therefore, female labor in the manufacturers located in these countries became most specialized in the production of textiles, clothing, foot and leatherwear and in assembly of equipment or electronics and other light consumer goods intended for export.

This phenomenon, called "feminization" of the workforce, as an important aspect of the globalization process, defines the increase in women´s employment with the expansion of the economy and trade liberalization in the framework of the globalization process (Çagatay e Ozler, 1995). As a concept "feminization" became popular in the 1980s (Prasard, 2019), when there has been an increase in demand for female labor that was an abundant and cheap factor of production. Mainly large global transnational companies hire or subcontract services from factories located in DCs or LDCs. In this way, business competitiveness strategies take advantages of situations of structural inequalities between gender, concentrating investments in low-complexity, labor-intensive industrial sectors. Every country becomes specialized in the production of a/set of good(s) or service(s). Hence, "feminization" of the workforce is a fundamental aspect of the global productive reconfiguration of the globalization process (Ghosh, 2002) and is based on the exploitation of differences and inequalities between men and women. These differences may often be increased or deepened by it.

The “feminization” of the workforce is also explained by the fact that many local entrepreneurs believe that women are more adaptable than men to perform some kinds of repetitive services. In several DCs and LDCs, business owners believe in naturally feminine docility that is suitable for repetitious, monotonous jobs and women can perform them with a high level of productivity than men (Seguino, 1997). As there are many factories which are part of the GVCs there, women predominate in the lowest-paying jobs, since they are considered a highly flexible workforce that absorbs the risks of changes in global demand more than men. Then, final prices fall responding to changes on the market costs (Barrientos, 2007).

The increasing employment fostered by exports promotions – often manufactured in the logical strategy by Special Processing Zones – establishes a strong connection between the formulation of a nation's industrial and trade policies and the average of wages paid. They impact on the amounts and volume exported, as the female workforce is taken as a key factor for increasing export competitiveness (Seguino, 2000). In national markets where labor supply is elastic, especially due to the large amount of female labor, average wages tend to be lower than those paid to men or women in other countries and are not even sufficient to cover basic expenses. Usually, in these economies, there is gender segregation in the labor market, and women’s wages remain low in absolute terms or increase proportionally less than industrial productivity.

In this background, the female workforce tends to be concentrated in a few sectors and have much more difficulties to ascend in the career than the male. Men are better distributed
among sectors, occupations and productive activities and are more likely to reach and fill high positions in the formal market, to carry out activities in capital-intensive areas or higher functions and complexity. They have more mobility in the labor market (horizontal and vertical) and are better-qualified than women. Consequently, they receive better payment.

CONCLUSION

Conclusions of empirical research on gender inequalities and the links between gender and trade are objects of the Trade and Gender Perspectives. As discussed above, these perspectives are numerous and are critical to the main neoliberal arguments on trade liberalization policies. The causal factors and the impacts of opening national markets to goods and services from abroad on women can be assessed according to the national industrial and trade policies. They are also related to several characteristics of a national economy and of the context of the global economy. "Feminization" of the workforce, a process that has been ongoing since the 1960s, is a fundamental aspect of the global productive reconfiguration regarding globalization, and there are empirical evidences that it may create even more disadvantages for women in the labor market, mainly in DCs and LDCs of the Global South. These critical perspectives also consider that the female workforce tends to be concentrated in a few sectors and that due economic and political choices and social, cultural besides structural and specific conjuncture circumstances. They also argue that generally women have much more difficulties to ascend in the career than men. Therefore, in summary, there are many clear links between trade and gender, a topic that is increasingly being more observed by research that argue that trade liberalization lead to different opportunities to men and women, since female workforce conditions are different than male. Moreover, they observe that in the last four decades there are gender-differentiated distributional effects in domestic economies and in the global economy.

REFERENCES


