Research for Action

Gender and the Development Process in a Changing Global Environment

Valentine M. Moghadam
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Results of the UNU/WIDER Research Programme on Women and Development

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UNU World Institute for Development Economics Research (UNU/WIDER)
A research and training centre of the United Nations University

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Printed at Auranen Oy, 1993

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ISBN 952-9520-13-1
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Prior to the 1970s, the "problems of women", in the societies where their rights were recognized, were defined and dealt with by various movements and political groups in the context of moderating or eliminating legal and customary forms of discrimination. Another emphasis was on enforcing existing equal-rights legislation. Nevertheless, legal equality, constitutional safeguards for equal opportunities, and efforts towards more law enforcement were not sufficient to change the basic causes of gender inequality. In the industrialized world, the 'gender gap' in wages has narrowed, but only somewhat. In America, full-time female workers earned only 58% of full-time male workers' earnings in 1971, and 69% in 1988. The ratio of female to male hourly wages in the industrial sector was about 65-70% in the 1980s (it was 50% in Japan, and 80-90% in Australia, Denmark, Norway and Sweden). The gaps are much wider in most of the developing countries not only in wages but also in most areas of life. There are also societies where human rights are not honoured or where the unequal position of women has been determined by cultural traditions.

The limitations of the legal instruments and the strength of the cultural roots of gender inequalities reveal that the causes of inequalities are more widespread and much deeper. They are of a systemic nature, rooted in a patriarchal division of labour. The new women's movements have argued that major structural changes are needed in the inter-relationships between cultural, social, economic and institutional factors, and in the gender division of labour. Only those changes can secure the enlargement of women's choices and their full participation in society. The new understandings have also pointed to the need for an integrated framework for the study of gender relations and women's position — a framework that includes families and households, educational systems, employment structures, political institutions, and the world economy. UNU/WIDER's research work on gender issues has been carried out in this integrated framework from its inception. It has been focusing on those regions of the world where the problems were the most difficult and where the great majority of women are locked into the vicious circle of poverty, inequalities, unemployment and segregation. At the same time, it has been investigating changing patterns of female labour force participation, and the impact of economic restructuring on women's work and women's lives in developing countries and in the former state socialist countries.

This Research for Action booklet, *Gender and the Development Process in a Changing Global Environment*, is a synthesis of the ongoing research at UNU/WIDER on persistent gender inequalities, changing social relations, and employment patterns, as well as the different policy approaches in countries where the transformation process has resulted in a new socio-economic environment.

Mihály Simai
Director, UNU/WIDER
July 1993
What is the theoretical status of gender in the development process? What is the impact of economic restructuring on women's labour? What should be done to improve women's economic status? Why is it important to invest in women, and what are some of the costs of marginalizing women? This paper will address these issues with reference to developments in three geographic areas: structural adjustment and the feminization of labour in semi-peripheral (newly industrializing) countries, economic transformations in Eastern Europe and the former Soviet Union, and the rise of Islamist movements in the Middle East and North Africa. In all three areas, economic restructuring has entailed significant changes in patterns of labour force participation, and have had distinct implications for gender relations, female labour, and the status of women. Three premises guide this paper: (1) restructuring is a global phenomenon, a fundamental feature of the world-economy and not just of individual national economies; (2) marketization, structural adjustment, and Islamist movements are manifestations of the process of global restructuring; and (3) gender is an integral dimension of restructuring.

Beginning in the late 1980s, perestroika in the Soviet Union and economic reform in Eastern Europe were widely analyzed in terms of the profound economic and political changes they heralded for the system of state socialism. Although the wide-ranging discussions and prolific literature have drawn attention to interesting aspects of the problem, one category of analysis remains missing from all the accounts, even those that focused on the likely social consequences of the reforms: gender. This despite the fact that two decades of feminist scholarship, women-in-development (WID) research, and the more recent gender-and-development (GAD) perspective, have revealed the unique impact on women's roles and status of economic development, economic crisis, social breakdown, state formation, and juridical re-organization. Not only economists, but sociologists and political scientists studying the transformations in Eastern Europe and the former Soviet Union seemed unaware that these processes have gender-specific effects. Because men and women are differently situated within systems of production and reproduction, it is necessary to examine the gender dynamics of economic and political changes. In particular, it is important to examine emerging discourses, policies, laws, and institutions pertaining to women, work, and the family.

In addition to the theoretical lacunae, there has been a neglect of a comparative perspective with the result that certain outcomes of privatization and democratization which are regarded as "unexpected consequences" in fact could have been predicted. In particular, the Third World experience with structural adjustment offered significant clues as to the possible social, gender, and national developmental consequences of the prescribed economic reforms in Eastern Europe. Moreover, a study of previous revolutions which have resulted in a distinctly disadvantaged position for women, such as those of Algeria and Iran, is relevant to at least one case in Eastern Europe. In
comparing Algeria, Iran, and Poland, one finds that in all three cases, "revolution" is tied up with questions of cultural and religious identity; the new leadership seeks to design policy which is completely different from the policy and approach of the previous leadership; the family attachment of women is exalted; reproductive rights of women are denied. A comparative perspective is not only theoretically interesting and enriching, but could be useful to discern implications for policy and for political action.¹

Such was a rationale for the UNU/WIDER conference on: Gender and Restructuring: Perestroika, the 1989 Revolutions, and Women, which convened in Helsinki on 2-3 September 1991. The conference sought to fill the gap in existing knowledge and policy formulation by focusing on the gender dynamics of the transition to a market economy in the former state socialist societies.²

When the conference was being organized, marketization seemed to be weakening the position of the "vulnerable social groups". These vulnerable groups vary depending upon the type of society and economy, but generally they are migrants, rural and women workers, informal urban workers, those who frequently change jobs, the disabled, and pensioners. If one compares lists of vulnerable groups across countries, a common feature is that "women" and "women workers" are present. This is one reason for state involvement under capitalism — to alleviate the negative effects of the market and to provide welfare and security. In the former state socialist countries, a distinctive feature of the female labour force — apart from its high level of educational attainment and its high rate of salaried labour force participation — was that women workers benefited from an array of social policies, at various levels of generosity, intended to allow them to combine jobs and motherhood. It was therefore plausible to posit that from a market point of view, this would render women "expensive labour" rather than "cheap labour", and that women workers would be especially vulnerable to redundancy during restructuring. Previous forms of female disadvantage — their exclusion from elite politics, their lower income share, their double burden of productive and reproductive work — were likely to be intensified by the reforms and the new policies.

Unlike the study of economic transformation in the former centrally planned economies, the study of global restructuring and of structural adjustment has included a focus on gender and on women. WID and GAD researchers have analyzed the gender impacts of the globalization of manufacturing (export-oriented), of structural adjustment, and of what Standing calls "the feminization of labour". (See Standing 1989; Commonwealth Secretariat 1989; Elson 1991; Daines and Seddon 1991; Afshar 1992.) In a word, new labour markets have made it much easier to exploit the labour power of women on a part-time and temporary basis, and so to substitute lower-paid

¹ Issues of gender and national and cultural identity were the focus of the first UNU/WIDER research conference, "Women and Identity Politics". The conference proceedings have been compiled in V. M. Moghadam, ed., Identity Politics and Women: Cultural Reassertions and Feminisms in International Perspective (Westview Press, 1993). Another set of papers commissioned to address these issues will appear in V. M. Moghadam, ed., Gender and National Identity: Women and Politics in Muslim Societies (London: Zed Books, 1994).

female labour for that of more highly paid core male workers. Standing points out that
global feminization through flexible labour coincides with the decline of organized
labour and offers exploitative and unstable employment for women. Furthermore, sub-
contracting and the revival of homeworking and of domestic and family labour systems — features of global restructuring — permit a resurgence or intensification of patriarchal practices.

What is common to both the transformation of the centrally planned economies
and structural adjustment in developing countries is the shift from internally-oriented to
externally-oriented growth and trade; from import-substitution industrialization to
export-led manufacturing; from large public sectors and nationalized industries to
privatization of enterprises and a contraction of the public sector wage bill. The impact
on women ranges from retrenchment and mass unemployment (as in Moscow and most
parts of Eastern Europe during the present transition) to employment opportunities in
"flexible" labour markets (as in East Asian economies). In both cases, unstable
employment, low wages, and absence of social services and social security render
women's economic position precarious and could strengthen patriarchal concepts of
gender.²

The rise of Islamist movements is not usually examined in terms of global
economic processes, but rather in terms of intrinsic properties of Islam and of Muslim
societies. A macrosociological and GAD perspective permits a more robust explanation
of the causes and gender dynamics of Islamist movements in the Middle East and North
Africa.

This is an appropriate place to consider a theoretical framework. This paper
situates restructuring (economic reform and structural adjustment), state policies, and
discourses about women within a global economic context.

³ This was explored comparatively at the research programme's third UNU/WIDER conference,
Trajectories of Patriarchy and Development (Helsinki, 6-7 July 1992).
II THE WORLD-SYSTEM AND FEMALE LABOUR

The basic premise of world-system theory is that there exists a capitalist world-economy which has integrated a geographically vast set of production processes. The economic organization of the world-system consists of a single, worldwide division of labour that unifies the multiple cultural systems of the world's people into a single, integrated economic system. The economic zones of the world-system are the core, periphery, and semi-periphery. The political framework within which this division of labour has grown has been that of an interstate system. The driving force of this world-system is global accumulation. The capitalist world-economy functions by means of a pattern of cyclical rhythms (Kondratieff waves or long waves), a seemingly regular process of expansion and contraction of the world-economy as a whole. As Wallerstein explains it, over 400 years, successive expansions have transformed the capitalist world-economy from a system located primarily in Europe to one that covers the entire globe. (See Wallerstein 1984; Hopkins et al. 1982; Chase-Dunn 1984; Shannon 1989.)

In the modern world-system, social relationships develop, in part, along class lines. Following Marx, world-system theorists conceive of social classes as social groupings defined by their relationship to the means of production. According to Chase-Dunn: "The world class structure is composed of capitalists ... and propertyless workers. This class system also includes small commodity producers who control their own means of production but who do not employ the labour of others, and a growing middle class of skilled and/or professionally certified workers" (Chase-Dunn 1983: 73).

There has been less theorizing of the place of gender in world-system stratification. But there is no good theoretical reason why that should be so. Indeed, at a very general level of analysis, one may begin to explain gender hierarchies and positions of women across the globe and within societies in terms of core, periphery, and semi-periphery locations. For example, world-system theory explicitly claims that incorporation into the world-system has been the most important factor accounting for the social conditions in peripheral societies. Kathryn Ward (1985) applied this framework to her study of continuing high fertility in the periphery (see also Shannon 1989: 95). From the point of view of modernization theory, economic development would result in a steady decline in fertility. Ward found instead that economic development led to greater inequalities — between countries, between classes within countries, and between men and women. In peripheral countries, the limited number of jobs in the formal sector go largely to men. Similarly, men have been the primary workers in commerce, export agriculture, and other parts of the export economy, whereas women have been relegated to activities in the informal service sector of the urban economy and subsistence agriculture in the countryside. Thus, women's labour subsidizes the export sector by making super-exploitation of the mostly male workforce in that sector possible. Fertility increases because women's socioeconomic position vis-à-vis men is lower and they have less control over their fertility, or because children are
needed as labour inputs or for old-age security. Thus, what appears to be a puzzle for modernization theory becomes comprehensible by applying world-system theory.

If peripheral status in the world-system creates pressures for high fertility, a different logic may operate for women in the semi-periphery and for women in the core. Most countries within the semi-periphery, and especially in the newly-industrialized countries (NIC's), have seen dramatic declines in fertility, as more and more women have assumed non-agricultural employment. In core countries, too, mass education, female labour force attachment, and social security programmes have led to low birthrates. In turn, industrialization, capital accumulation, and the expansion of the public and private service sectors have been based on the utilization of female labour. In particular, rapid industrialization and economic growth in the NICs and in the former centrally planned economies were almost certainly made possible by the massive incorporation of women into the labour force and the development process. Thus, global accumulation as the driving force of the world-system not only hinges on class and regional differences, but is a gendered process as well.

Changes in labour-capital flows, or global restructuring, have distinct implications for women's status and for their position in the domestic labour force. Although the gender dynamics of restructuring have not been adequately theorized, an attempt to do so is made here.

Global restructuring refers to the emergence of the global assembly line in which research and management are controlled by the core or developed countries while assembly line work is relegated to semi-periphery or periphery countries that occupy less privileged positions in the global economy. Restructuring paradoxically concentrates control over increasingly dispersed production sites and decentralized organizations through sub-contracting and product differentiation. As one theorist explains, "The global assembly line approach to production is attractive to transnational corporations (TNCs) and to employers seeking greater access to markets, diffusion of political and economic costs, improved competitive abilities, and product diversity. Within developing countries, restructuring is marked by growth of the service sector and specialization in export industries such as electronics, garments, and pharmaceuticals as a development strategy. Restructuring is also marked by increasing use of female industrial workers in the informal sector" (Ward 1990: 1-2). In the advanced capitalist countries this process has taken the form of industrial restructuring and a shift from manufacturing to services (Bluestone and Harrison 1982; Harvey 1989).

The centre-piece of global restructuring is the growth in the number of informal sector workers and women workers. In contrast to the formal sector, the pay and working conditions in the informal sector are unregulated by labour legislation. The existence of this sector is functional for capital inasmuch as it provides an alternative, and cheap, source of labour. By subcontracting industrial production to informal factories or home-based workers, employers can minimize competitive risks, wages, and the threat of unionization, while maximizing their flexibility in hiring, their overhead costs, and their production processes (Ward 1990: 2). In the United States, the growth of informalization has paralleled the increasing use of immigrant labour (Portes and
Sassen-Koob 1987: 48), drawing especially large numbers of Hispanic women into formal and informal arrangements in the garment and electronics industries of New York and California (Sassen and Fernandez-Kelly 1992). Temporality, comparatively lower wages, and reduced membership in unions or other workers' organizations are additional characteristics of women's employment.4

In semi-periphery countries, the most important areas of activity for foreign investors in the export manufacturing sector has been the textiles and clothing and electronics industries. Five countries dominate in terms of the size of their export-processing zone (EPZ) operations: Hong Kong, South Korea, Puerto Rico, Singapore and Taiwan. Rather less important but still substantial are EPZs in Brazil, Haiti, Malaysia and Mexico (Joekes and Moayedi 1987: 21). Over the years a majority of jobs created in the export manufacturing sector has gone to women (Standing 1989). Indeed, Joekes and Moayedi note "the disproportionate access that women have to export manufacturing employment and their overwhelming importance as suppliers for the export manufacturing sector." Joekes (1987: 81) concludes that industrialization in the Third World has been as much female-led as export-led.

Guy Standing hypothesizes that the increasing globalization of production and the pursuit of flexible forms of labour to retain or increase competitiveness, as well as changing job structures in industrial enterprises, favour the feminization of employment, such that women are gaining an increasing share of many levels of job. Of course this coincides with the decline of the social power of labour; moreover, women are still disadvantaged in the new labour markets (in terms of wages, training, and occupational segregation); and non-regular employment is increasing.

In his very detailed study of Malaysia and the Philippines, Standing offers some very interesting findings.5 Women workers are still concentrated in textiles and electronics and "other manufacturing"; the men are concentrated in metals, minerals, and chemicals. However, some data suggest that sex-segregation may be declining in food processing, wood products, paper products, and chemicals sectors. Among managers there is a stated preference for men as production workers; women seem to have easier access to technical and professional categories. Women are better off in large firms than in small ones. Export-orientation and female employment are positively correlated. Pay is higher in foreign firms for both men and women. The smaller the firm

4 Data from the Women's Bureau of the U.S. Department of Labor (1991) show that 26 percent of women workers in the U.S. held part-time jobs in 1989. Median earnings for women who worked year round, full time in 1988 was $17,606, while the comparable figure for men was $26,656. Regarding unionization: U.S. workers have never been highly unionized compared to their counterparts in most West European countries. But between 1970 and 1985, the unionized share of the workforce plummeted in the U.S., while growing or remaining stable in most other Western countries (Dollars and Sense, Sept. 1988, p. 22). On the other hand, public sector unionization has been increasing in the U.S., and women workers have made their greatest progress, particularly in the areas of pay equity, sexual harassment, and fair-employment practices, in the public sector (WIN News 1991: 72).

the larger the male-female wage differential. In larger firms the greater pay differential may be due to the absence of women in the high-income high-status managerial and administrative posts. In Malaysia, the presence of a trade union is associated with higher relative wages of women, in all three skill categories. Certainly for countries like Malaysia and the Philippines, flexible labour markets and EOI will continue to rely on women workers, but women workers continue to face many barriers to equality within those labour markets.

Since the 1970s, and especially during the 1980s, global restructuring has been characterized by the shift from import-substitution industrialization to export-led growth, from state ownership to privatization, from government regulation of prices and trade to liberalization, from a stable and organized workforce to "flexible" labour, from formal employment to the proliferation and expansion of informal sectors. This process is likely to continue through the 1990s. During the 1980s, the worldwide economic crisis, and the requirements of structural adjustment programmes, contributed to these shifts in developing countries (see the essays in Standing and Tokman 1991). In the United States and Britain, international competition and declining profits in manufacturing led to a more combative stance on the part of capital, breaking the social pact with labour. In Britain, "flexible workers" increased by 16 percent to 8.1 million between 1981 and 1985 while permanent jobs decreased by 6 percent to 15.6 million. Over roughly the same period, nearly one third of the ten million new jobs created in the United States were thought to be in the "temporary" category (Harvey 1989: 152). Now, "flexibility" is the *sine qua non* of international economics. Although it may be advantageous to capital, employers and management, it is without a doubt an exploitative situation for labour.

A world-system phenomenon, economic restructuring had spread to the former socialist bloc by 1990. Chase-Dunn (1990) has argued that the simultaneity and broad similarities between Reagan/Thatcher deregulation and attack on the welfare state, austerity socialism in much of Europe, the policies of austerity and privatization in Brazil, Mexico, Argentina, and Chile, and marketization in the former socialist states "are all related to the B-phase downturn of the Kondratieff wave".
Restructuring in Eastern Europe and the former Soviet Union encompasses more than stabilization, price liberalization, and privatization. The scope of restructuring even exceeds the entire economy, as it entails political, juridical, and ideological changes. What is clear is that as economic reform entails changes in production and social reproduction, gender is embedded in the process and women are profoundly affected by it. The gender effects of economic processes are variable, mainly by social class, but also by economic sector, and could entail both setbacks and gains for women.

The gender dimension of restructuring in the former socialist countries lies most obviously in the changes to women's status as workers. In a region of the world which once enjoyed the distinction of the highest rates of female labour force participation and — most significantly — the largest female share of paid employment, women now face unemployment, marginalization from the productive process, loss of previous benefits and forms of social security — such as maternity leaves and childcare facilities. In the former German Democratic Republic women's employment was facilitated by State provision of childcare and maternity leave, and by a policy of positive discrimination. Prior to unification and restructuring, more than 90 percent of GDR women had a secure job; 92 percent had had at least one child by the time she turned twenty-three (Mussall 1991: 22). Privatization in what is now eastern Germany means that female employees are let go before male employees are; in the unprofitable companies, childcare is the first benefit to be cut. Writing about the Soviet Union, Guy Standing observed that "unemployment has already become a particularly severe prospect for women workers and for ethnic minorities in the various parts of the country" (Standing 1991: 10). In Moscow in 1992, fully 80 percent of the unemployed were females (Novikova, in Weir 1992).

Mass and long-term unemployment is indeed the spectre that is haunting Eastern Europe. In 1991 and 1992 unemployment grew from next to nothing to 10-15 percent of population in Poland, Bulgaria, Romania, Hungary, and Czechoslovakia. The reasons for this accelerating joblessness are: a constant fall in internal demand and real wages, the collapse of trade with the former Soviet Union, the closure of big state enterprises, and the sacking of thousands of civil servants. In Hungary, despite cautious and gradual privatization of the economy and the injection of foreign capital, unemployment increased five-fold in 1991. In all of Eastern Europe, young people are among the hardest hit, often at a time when they are seeking their first paid employment, as are women. In Poland, people aged 19-24 comprise 34.2 percent of the jobless, and among the jobless more than half are women. Throughout Eastern Europe, income inequalities are growing, with the sharpest differences along class, gender, and generational lines.6

Available evidence on re-employment possibilities in Hungary and Poland suggest that women are likely to remain unemployed for longer periods than men. If this pattern continues, the share of women among the unemployed can be expected to increase substantially in the future, as new unemployed are added to the pool of unemployed women and most remain there. In the former Czechoslovakia, the ILO found in 1991 and 1992 that women's unemployment was bigger than men's, it had grown faster, it was higher in every region of the country with one exception of eastern Slovakia, and the widening of the gap between male and female unemployment may continue. Women have been losing jobs in favour of men even in some formerly "female" branches. Another cause for concern is the lower integration of women in small business activities.

In the past, fairly extensive maternity and childcare leaves, return rights to employment after these, and company provision of creches and kindergartens have facilitated the employment of women with small children in most East European countries. In Hungary, mothers worked on the average 50 percent of the standard working hours due to their legal concessions and leave taken for children's illnesses. The direct cost of such provisions to the company in terms of direct expenditures, as well as indirect costs of, say, keeping employment open during childcare leaves or work lost to care for sick children, were of minor significance to a socialist enterprise. In post-reform conditions, however, such costs can no longer be borne by profit-maximizing enterprises, which will contract for the cheapest qualified labour.

With respect to Poland, Ciechocinska found a correlation between the large number of childcare institutions and the low numbers of mothers on childcare leaves. Conversely, cities and towns in Poland with the lowest number of childcare institutions had the highest percentages of women workers on childcare leaves. Thus one can easily predict a situation in which greater numbers and larger percentages of women will become "domesticated" as childcare institutions are either closed down or become prohibitively expensive as privatization proceeds. This is a major reason why, as Ciechocinska puts it, women "are paying a higher price for the transformations now taking place." The difficulties are also of a generational type, for older women are becoming redundant in the years prior to retirement. Those who are regarded to have the loosest attachment to the labour force are the most vulnerable. And it is invariably women, no matter what their stage in the life-course.

It is in the context of growing unemployment, higher prices, and falling investment, growth and output in Eastern Europe and the former Soviet Union that patriarchal discourses and policies have emerged with respect to women and to gender.

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7 This analysis is based on research findings of the UNU/WIDER Conference on Gender and Restructuring. In particular: Maria Ciechocinska, "Gender Aspects of Dismantling the Command Economy in Eastern Europe: A Case of Poland"; Liba Paukert, "The Changing Economic Status of Women in the Period of Transition to a Market Economy System: The Case of Czechoslovakia After 1989"; Monica Fong and Gillian Paull, "Women's Economic Status in the Restructuring of Eastern Europe". These are forthcoming in V.M. Moghadam, ed., Democratic Reform and the Position of Women in Transitional Economies (op. cit).
Whereas around the world the cult of domesticity and traditional concepts of "women's place" are on the decline, these phenomena have resurfaced in the former socialist countries. Of course, in these newly-privatizing countries, this (re)turn to domesticity may serve the function of legitimating unemployment and the privatization and increasing costs of social services.

If the costs of providing the social benefits for women workers once borne by the state or socialist enterprise are now to be assumed by private employers, this will likely have the effect of reducing the demand for female labour, limiting women's access to full-time employment, and reducing their earnings in the formal sector. Why? From a market point of view, female labour in Eastern Europe is more expensive than male labour — notwithstanding an earnings gap between men and women similar to that in Western countries — because of the costs involved in maternity and childcare provisions previously borne by enterprises. Certainly female labour in the socialist countries was of a different order from the "cheap and expendable female labour" of Third World industrializing countries, with their lax or non-existent labour codes. This economic rationale, as well as gender bias, explains what appears to be a concerted effort to remove women from the formal labour market in the context of economic restructuring and privatization. Although this may be profitable to employers, for women the consequences are dire. Withdrawal of state support for working mothers in the former socialist countries is likely to diminish the identification of women as both workers and reproducers and replace it with an exclusive ideology of reproduction (Pearson 1990). In this way, not only are women among the principal losers in the restructuring process in the short-term, but the longer-term impact may be a strengthening of patriarchal concepts concerning men's and women's roles.
Since the 1960s, state expansion, economic development, and oil wealth have combined to create educational and employment opportunities favourable to women in the Middle East. For about ten years after the oil price increases of the early 1970s, a massive investment programme by the oil-producing countries affected the structure of the labour force not only within the relevant countries, but throughout the region, as a result of labour migration, creating what may be called a regional oil economy. For the OPEC countries, foreign exchange from oil revenues constituted the accumulation of capital, although an industrial labour force in the manufacturing sector was also created. Oil revenues and the strategy of import-substitution industrialization (ISI) changed the structure of the labour force in Middle Eastern countries, leading to the expansion of non-agricultural employment. The urban areas began to see an expansion of the female labour force, as women occupied paid positions in factories and offices, as workers, administrators, and professionals. During this period, although all Third World regions saw a rise in the rates of female labour force participation, the largest increase was reported for the Middle East. Especially high increases were in Syria and Tunisia, where female labour increase topped that of men.

Increases in female labour force participation continued during the 1980s, especially in the non-oil economies such as Tunisia, Morocco, Syria, and Egypt. In most countries, the state or public sector has been an important source of women's livelihood. Women's entry into public life has been facilitated by state-sponsored education and by job opportunities in the expanding government sector and public services. In a few countries, notably Tunisia and Morocco, much of the increase in the female labour force was in the industrial sector.

Feminist concerns and women's movements also emerged, and by 1980 most Middle Eastern countries had women's organizations dealing with issues of literacy, education, employment, the law, and so on. These social changes have had a positive effect in reducing traditional sex segregation and female seclusion, in introducing changes in the structure of the Middle Eastern family, and in producing a generation of middle class women not dependent on family or marriage for survival and status. Increased educational attainment and labour force attachment has created a stratum of highly visible and increasingly vocal women in the public sphere.8

In the Middle East, the state and its policies have constituted an important factor in women's economic and social status. In some countries, conservative state managers have done little to promote female employment or even mass literacy, as gender equality and female empowerment rank low in their priorities. In other countries, state

8 For an elaboration, see Moghadam (1993).
policies have facilitated female integration into public life. An example of how state policies have affected women's economic and social status in a positive way is provided by Egypt. In the late 1950s and during the administration of Gamal Abdel Nasser, Egypt's public sector expanded significantly through a series of Egyptian nationalization decrees (1956-59) which gave the Government control of foreign-owned assets, such as the Suez Canal. This was followed in the early 1960s by the adoption of a highly centralized development policy approach and a massive wave of nationalizations of Egyptian-owned enterprises in industry, banking, trade and transport. At the same time, the Government embarked on an employment drive whereby state-owned enterprises were forced to include among their annual targets the creation of significant numbers of new jobs; the administrative apparatus of the state was also expanded rapidly both at the central and local government level. Equally important was the objective of spreading health and education services in urban and rural areas with a corresponding growth of government employment in these services (ILO 1990: 52). The state's guarantee of a job to all high school and university graduates encouraged women, including women from working class and lower middle class families, to take advantage of the government's free education policy.

A distinctive feature of the Nasserist state was its political support to the education of women and to their integration into national development. Labour Law 91 of 1954, over and above its guarantee of equal rights and equal wages, made special provisions for married women and mothers. Later, under Sadat, these provisions were expanded to facilitate women's labour market participation. This law was applied primarily in the public and government sectors, which made jobs in these areas particularly attractive to women. As a result, the state became the single most important employer of women (Hoodfar 1991).

An issue that has been raised time and again pertains to why the Middle East has a smaller female labour force than other regions. Usually "culture" or "Islam" is offered as an explanation. I believe the explanation lies in the region's political economy, its location within the world-system, and its function as an oil-producing and exporting region.

In the heyday of economic development, most of the large Arab countries such as Egypt, Tunisia, Syria, and Algeria embarked on the development strategy of ISI. This was associated with an economic system characterized by central planning and a large public sector. WID specialists have noted that during the period of ISI in Latin America and Southeast Asia, the bulk of the workforce, particularly in capital-intensive sectors such as steel, shipbuilding and heavy industry, was male (see Pearson 1992: 223). The significant rise in female employment occurred with the shift from ISI to export-oriented industrialization (EOI) — a pattern of industrialization which allowed Third World economies to compete in Western consumer-goods markets, and which was largely based on the availability of productive labour at cheap cost.

As argued by Mabro (1988) and Richards and Waterbury (1990), industrialization in the Middle East, in contrast to Latin America and Southeast Asia, has been fairly limited in the region. Mabro notes that unlike Latin America, ISI in the
Middle East did not evolve into manufacturing for export. Because of oil revenues, governments chose to extend the import-substitution process, moving into capital-intensive sectors involving sophisticated technology (Mabro 1988: 692). One might add that thus far, the function of the region within the world-system has been to guarantee a steady supply of oil for foreign, especially core country, markets, and to import industrial goods, especially armaments, mainly from core countries. One result has been limited industrialization and manufacturing for export. Another result has been limited employment opportunities for women in the formal industrial sector, as capital-intensive industries and technologies tend to favour male labour.

Notwithstanding the limitations imposed upon female employment derived from the region’s political economy and conservative state managers, there was a secular trend toward altering and improving women’s work and women’s lives. But this trend seems to have encountered an impasse in the 1980s, in the context of a global economic crisis and a regional crisis of political legitimacy.

During the 1970s and 1980s, a series of global recessions and the process of international restructuring affected the states of the Middle East and North Africa as much as any part of the world. At the same time, government policies of adjustment and austerity adopted to respond to the deepening economic crisis themselves generated new contradictions and conflicts. Growing import bills coupled with stagnant exports — resulting in part from the nationalist development strategy and in part from secular changes in the international terms of trade and protectionism by the advanced capitalist states — led to rapidly increasing trade and balance of payments deficits. On the whole, following the oil price increase of the mid 1970s, the oil exporting countries were in a better position to avoid large-scale external borrowing, but a significant number of oil importing states — Morocco, Tunisia, Egypt, Syria, Turkey — developed substantial "resource gaps" (investment minus domestic savings) and associated external debts. The major world recession of the late 1970s and early 1980s made these problems significantly worse, and the burden of debt undoubtedly increased the pressure to introduce economic reforms; the reforms, however, failed in most cases to resolve the problem of indebtedness, which continued to grow throughout the 1980s.

As Seddon explains, in countries where revenues from oil exports did not exist, or were insufficient to provide a cushion against the growing tensions in economy and society, governments were faced during the second half of the 1970s with the stark choice between attempting to maintain the nationalist development strategy by further external borrowing or implementing austerity measures as part of a programme aimed at liberalizing and internationalizing the economy. The second alternative risked domestic unrest in response to rising prices and declining real incomes and to the evident withdrawal of the state from its previous commitment to safeguard the citizens' basic economic and social welfare, but was increasingly being pressed on governments by the international financial institutions as a precondition for further lending or for debt rescheduling (Seddon 1992: 10-12). Government measures to promote economic reform, often adopted under the auspices of the IMF and World Bank, began to be implemented during the second half of the 1970s, although they were often less stringent that reforms in Latin America. During the 1980s the most active Arab
borrowers from the World Bank — Algeria, Egypt, Jordan, Morocco, Syria, Tunisia — had to impose austerities on their populations as a result of World Bank and IMF structural adjustment policy packages, and several experienced "IMF riots" (Niblock 1991; Seddon 1992; Önis 1991).

At the same time, the global oil market became very unstable, leading to fluctuating and declining prices. The near-collapse of prices in 1986 (from $28 per barrel to $7 per barrel) had repercussions throughout the Middle East: austerity measures were introduced, availability of development aid decreased, and major development projects were re-evaluated or suspended. The Iraqi invasion of Kuwait in August 1990 raised the price of oil again, but the damage had already been done. In the 1980s, Arab countries experienced low or negative economic growth rates, declining state revenues, and high levels of indebtedness to foreign creditors. In some cases (Egypt, Morocco, Algeria), debts became truly enormous in relation to the country's economic capacities.

During the late 1970s and early 1980s, economic and social problems became more acute, particularly in those states where increases in oil prices added to the difficulties. However, although the majority of Middle Eastern and North African states experiencing economic crisis and social unrest during the latter part of the 1970s and through the 1980s were not major oil exporters, the experience of Egypt, Iran and Algeria suggests that lack of oil resources alone cannot explain the rising tide of popular unrest (Seddon 1992: 12). Iran, for example, which enjoyed the benefits of a rapidly expanding oil sector and substantial oil revenues, also suffered the economic, social and, ultimately, political costs of rapid economic transformation, over-urbanisation, growing social inequality and authoritan rule.

Tough economic reforms, along with poverty, unemployment, and debt servicing — as well as political repression — have served to de-legitimize "Western-style" systems and revive questions of cultural identity, including renewed calls for greater control over female mobility. It is in this context of economic failures and political delegitimation that Islamist movements are presenting themselves as alternatives. The combination of Islamist movements and economic failures has distinct implications for women's legal status and employment opportunities.9

An illustration of the impact of the economic crisis on women's employment is once again provided by Egypt. By the mid-1980s, the Egyptian government was faced with the difficult issue of how to reduce its commitment to job creation in the face of severe recessionary conditions in the economy. This was in the context of a record level of 15.5 percent overall (open) unemployment, according to the 1986 population census (up from 7 percent in the 1976 census), and with poor prospects for either the domestic productive sectors or the Arab oil-rich markets to create significant job opportunities for Egyptian workers. Moreover, high inflation has effectively eroded the financial advantage of the white-collar work force (ILO 1990: 52). This has fueled social tensions — including the growth of Islamism, with its attendant ideological and social pressures

9 For an elaboration of socio-economic causes, see Chapters 1 and 5 in Moghadam (1993)
on women. Many employed women now feel compelled to appear in hijab at work (see Hoodfar 1991).

Thus, even though since Nasser's time, many women have entered into previously male strongholds — universities, the administration, professions, industry, the business world, diplomacy, politics, the economic crisis in Egypt, as well as rapid demographic growth, limit formal employment opportunities for women. The vast majority of Egyptian women are engaged in the informal sector, as street vendors and hawkers, selling food and other wares, working at home as seamstresses, generally engaged in a myriad of small-scale income-generating activities.

Another example of the gender effects of crisis is provided by Algeria. Between 1967 and 1978, the Algerian government invested some 300 billion dinars, creating over a million jobs and bringing down unemployment from 25 percent to 19 percent of the active population. As a result of two national development plans, an industrial base was created which rested primarily on hydrocarbons, chemical and petrochemical industries, smelting industries, and construction and mechanical industries. Non-agricultural employment grew from 28 percent to nearly 50 percent of the active population. However, in spite of its size and importance, the industrial base created in the 1970s employed only about 150,000 people, that is, about 4 percent of total employment or 11.6 percent of the active population. In the words of one analyst, "... the planners opted for frontline technologies that are not large employers" (Addi 1992: 2). Nor are these technologies known to employ women in large numbers. Algeria's female labour force is not only small by world standards, but is among the smallest in the Middle East.

In the 1980s, economic mismanagement — including ever growing importation of consumer goods — caught up with the Algerian government. The fall in the price of oil, from $30 a barrel in 1982 to $12 per barrel in 1988 led to a drastic reduction in state revenues, which were no longer large enough to service the debt and to import consumer goods and intermediate materials required by industry. One consequence was a sharp growth in unemployment — to an estimated 22 percent of the active population in 1989 (Addi 1992). In this context, the government decided to shift from an administered to a market economy in line with World Bank and IMF prescriptions. These policies have fuelled considerable social discontent, leading to the growth and popularity of an Islamist movement. Because this movement opposes the government's new economic policies, its "populism" has increased its social support. But on cultural and gender issues, the Islamists are extremely conservative. Algerian women, therefore, face uncertainties in their already fragile and limited employment situation as a result of structural adjustment. And they face the formidable cultural, ideological and political pressures of the Islamist movement.

Throughout the Third World, manufacturing for export, increased trade, and foreign investment have tended to encourage female employment. In Tunisia, Morocco, and Turkey, export-oriented garment industries contributed to the growth of the female labour force during the 1980s. But much of this employment is home-based or in small unregistered workshops where wages are low and social security non-existent. It is likely that as Middle Eastern countries continue to pursue economic liberalization,
women's employment will increase. However, the growth of small-scale manufacturing, as distinct from employment in large and modern firms or in the public sector, may not be in their best interests. Thus while middle class Middle Eastern women face ideological pressures from Islamist movements, working class women also face economic uncertainties and exploitative work conditions.\textsuperscript{10}

\textsuperscript{10} For an analysis of women's employment patterns, problems, and prospects in the Middle East and North Africa, see Chapter 2 of Moghadam (1993).
V  MAKING A CASE FOR INVESTING IN WOMEN

Research in the 1960s established that education contributes directly to the growth of national incomes by improving the productive capacities of the labour force. Increases in female secondary school enrollment have been associated with increased labour force participation. Women's earning capacity also increases with higher levels of education. Conversely, educational deficiencies sharply limit women's capacity to enter the workforce. Schultz (1989) has found that women's participation in taxable wage employment increases with education, and governments are able to recoup some of their expenditures on female education. Since men tend to work fewer taxable hours as their education increases, the return on investments in male education tends to be lower. Other studies have found that women's income is vital to the well-being of children: child nutrition has been shown to correlate positively with the size of the mother's income; this is not the case for the father's (Dwyer and Bruce, 1988: 6).

There is now much evidence that women worldwide make major contributions to the wealth of nations, and that the use and expansion of women's productive capacities is a necessary condition for social and economic progress. Women contribute to the economic and human resource "wealth" of nations in two crucial ways. First, through their productive activities, which, in many developing countries, contribute significantly to the food supply, the large informal sector, service and farm labour forces, and, in some, to the export manufacturing labour force. Second, through women's education, which can lead to lower fertility, better family health, reduced infant and child mortality, higher formal labour force participation, and greater economic growth. Blumberg (1989) provides the following examples of women's contributions to national economic growth: (a) The growing formal labour force participation and rising female/male earnings ratio of U.S. women between 1890 and 1980 were associated with a growth in national income per capita that exceeded the growth in male earnings by 28 percent. During this same period, women's teaching for low wages made possible the mass education that added another 12-23 percent to national income. (b) In the less developed countries specializing in export manufacturing, there is a strong relationship between increase in female industrial employment, the growth of manufactured exports, and national economic growth (Blumberg 1989: xv). I would add a third example: that of the massive participation of women in national development in the Soviet Union. There is no question that the high growth rates and rapid industrialization of the Soviet Union was made possible by the education and employment of women. A negative example is provided by the Middle East, where industrialization remains limited, as does female labour force participation and female education — though not fertility. But even there, empirical evidence supports the view that where the mother has some
schooling and earns some income the child is better off in terms of nutrition. The World Fertility Survey found a correlation between mother's education and the number and health of children. Thus investing in female human capital pays off, and the outcome is at least "good mothering".

There is also evidence of a gender pattern of income allocation. A great deal of data support the argument that the development impact of women's productive activities is heightened where they generate income under female control. Income under women's control is most often spent for children's nutrition and the family "basic human needs", especially among women with provider responsibilities. Joan Mencher's study of household expenditure patterns in Kerala and Tamil Nadu concludes that: "Women contribute proportionately more of their income to the household and withhold less for personal use than men" (Mencher 1988). Income-earning by women generally enhances their decision-making power within the household regarding childbearing, economic issues, and domestic/family welfare.

Female employment not only expands a government's tax base, it also provides social benefits, in that working women have been found to delay marriage and childbearing, which may have a favourable impact in lowering fertility rates. As mentioned above, the World Fertility Survey and many subsequent studies have shown that a mother's education is correlated with smaller family size (see Cleland and Hobcraft 1985). Research on the rate of use of prenatal care services, an indicator of mothers' and infants' health, shows a clear association between education and the use of professional prenatal care services (see LeVine, et al. 1991).

In the Islamic Republic of Iran, the 1986 Census on Population and Housing revealed that Iran had been having an annual population growth rate of 3.9 percent. This led authorities to reverse the pronatalist policy established in 1980 and initiate a national plan to lower fertility rates by setting up family planning centres throughout the country (Moghadam 1993, ch. 6). The government now plans to reduce the population growth rate to under 3 percent in the short term and 2.3 percent in the longer term, and to encourage couples to have no more than three children. And yet, as the experience of India shows, poor and rural people are unlikely to reduce family size when children are not only labour inputs but also represent a form of old age security. Only a concerted effort to eradicate illiteracy, raise female educational attachment, and generate employment for women will stabilize population growth in Iran. In sum, it makes good sense in national development terms to extend education, employment opportunities and social benefits to women, as this is likely to reduce fertility and stabilize population growth, as well as create a more competitive labour force and expand the tax base.

Stabilizing population growth is not a concern in Eastern Europe, where birthrates have been declining for years, a direct consequence of mass education and full employment of women. Neither is the expansion of the tax base a current concern. Privatization and marketization in Eastern Europe seem to have adversely affected
social welfare programmes, at least in the short-term. As Zsuzsa Ferge notes, the reconstruction of the market in Eastern Europe means the elimination of all those "social" elements which were built into the economic system and which clearly had a non-market, or anti-market character (cited in Kolberg 1993). This applies to labour market policy, wage and price policy, as well as occupational welfare (Kolberg 1993: 4). What is clear is that such changes affect men and women differently. Women are more likely to become "discouraged workers" and drop out of the labour market if the costs of childcare rise and if the former protective measures and privileges for working mothers are eliminated or reduced. If pensions are not indexed to the cost of living, then pensioners will be seriously affected as well. In Russia, there is evidence of widespread immiseration of pensioners — a large percentage of whom are women due to higher life expectancy of women.

If in developing countries one can make a case for policies to benefit women, in Eastern Europe there is at present a reluctance to design policies towards equal opportunities for women. In considering prospects for the retention of social policies for working women and mothers in Eastern Europe it should be noted that in the first democratically elected parliaments and governments of the former state socialist countries, the share of women representatives declined from an average 33 percent representation in pre-1989 state socialist parliaments to an average 10 percent of parliamentary seats.

The marginalization of women could have sizable costs to the economies of the region. According to Elias Tuma, discriminatory and exclusionary policies in the Middle East such as less education and training, restricted specialization, lower participation in the labour force, lower capital endowment, less access to land, restricted inheritance, and limited credit facilities lead not only to lower private benefits for women and households, but also to lower total output (Tuma 1990). The under-endowment and under-utilization of women is both discriminatory and economically unsound.
VI CONCLUSIONS

In post-Communist Eastern Europe, the former Soviet Union, and the Middle East, policymakers need to be made aware of the consequences for national development of marginalizing or ignoring women. They need to consider the benefits that accrue to women, their families, and ultimately their countries, as the result of women's productive activities — especially those that generate income under female control (Blumberg 1989, 1991). But "free market" ideology is a distorting lens and mitigates against such considerations.

Throughout Central and Eastern Europe, the transition to a market economy has caused much unemployment in a region where full employment was a central tenet of socialist doctrine. "Shock therapy" was applied in 1990 in Poland, with rather disastrous consequences — unemployment surged and output fell. The end of subsidies and price controls in Russia has resulted in severe hardships for citizens. As in developing countries undergoing IMF-prescribed stabilization and structural adjustment, restructuring in the former state socialist countries entails austerity measures and belt-tightening. A striking feature of nearly all countries undergoing "economic reform" is that most of the newly unemployed are female.

In the Middle East, global restructuring has led to increases in female industrial employment in some countries, especially in the non-oil economies which have increasingly turned from ISI to manufacturing for export. In other countries, however, female employment remains relatively low due to continuing reliance on oil revenues and due to patriarchal state managers and policies. Throughout the region, women have made steady progress in educational attainment, access to jobs and careers, especially in the public sector, and control over fertility.

In the context of the current economic crisis, however, women's employment situation, social positions, and legal status face deterioration. Job security is no longer guaranteed for either industrial workers or public sector employees; the real value of wages has declined in countries like Egypt; unemployment has grown; and Islamist movements are calling on women to revert to or remain in domestic roles.

Whether women will accommodate themselves to these developments or resist them remains to be seen. It should be noted that in the Islamic Republic of Iran, in the context of extraordinary ideological pressures on women to adhere to a conservative model of Islamic womanhood, about a million middle class and working class women resisted this clarion call and stayed in or joined the labour force, whether out of choice or economic necessity. Even Islamist women in public positions — university lecturers, leaders of Islamic women's organizations, members of parliament — must be seen as subverting the patriarchal order, however unconsciously, by virtue of their insistence on their right to be in the public sphere. No less can be expected of women in other Middle
Eastern countries. Their task will be made easier if it can be shown empirically that economic growth is spurred by women's participation, that household and community welfare are enhanced by women's access to and control over economic resources and income, and that women's empowerment and national development are complementary. This is a research area that is just emerging (see Tuma 1987, 1990; Khoury and Moghadam, and Contributors, forthcoming) and holds the promise of changing attitudes and policies in the region.
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