

2009 IWG-GEM

Paid Work, Labor Markets and Gender Inequalities

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Introductory remarks:

- Global Rules and Continuing Restructuring of DCs and LDCs Economies
- Tensions and contradictions:
 - Growing inequalities
 - Global financial crisis

Factors affecting Labor Market Trends

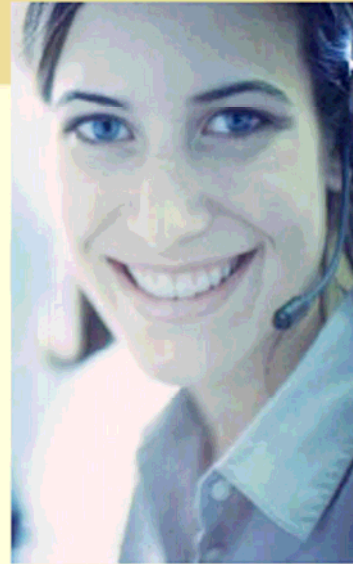
1) Firm Restructuring since the 1970s

- technological change
- cost saving and “lean manufacturing”
- employment shifts
- downsizing
- outsourcing/subcontracting
- mergers and acquisitions



Offshoring

- *Move entire businesses, factories, or operations to take advantage of lower costs*
- *Whirlpool, Proctor & Gamble, General Motors*



Supply Chaining

- *Continuous replenishment of product from raw material to consumer*
- *CPFR – collaborative planning, forecasting, and replenishment*
- *Wal Mart, Wal Mart, Wal Mart*



2 Neoliberal policies

- decline in public employment
- privatization
- low cost industrialization
- labor market deregulation
(removal of minimum wages, de-unionization, erosion of worker rights and protection).

3. Emphasis on Labor Flexibility amidst Globalization.

- Need to adapt rapidly to changing market conditions
- Development of labor hierarchy (skilled, semi-skilled, unskilled)
- Avoidance of attachment of firms to labor
- Increased ability of firms to adjust wages at ease

4. Global Financial Crises

- Economic crises and layoffs
- Decline in trade
- Contraction of formal (market) economies
- Growing government budget deficits and fiscal cuts in local, state and national levels

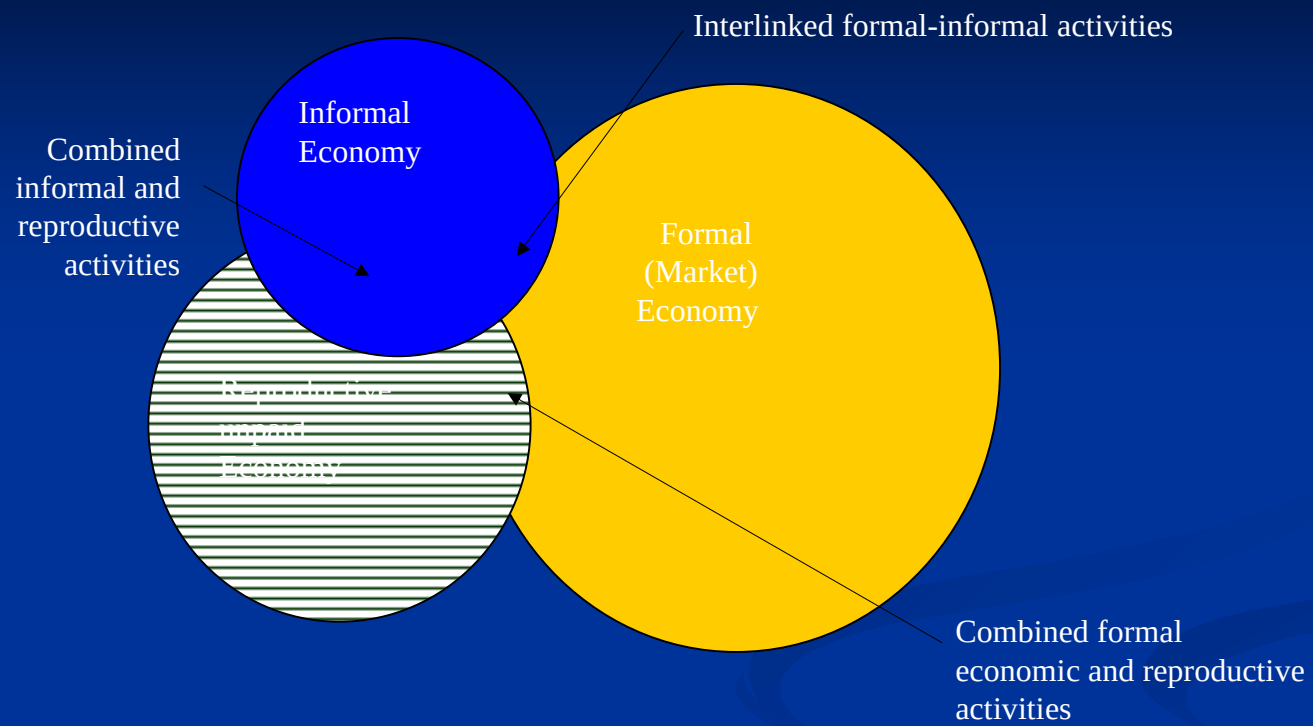
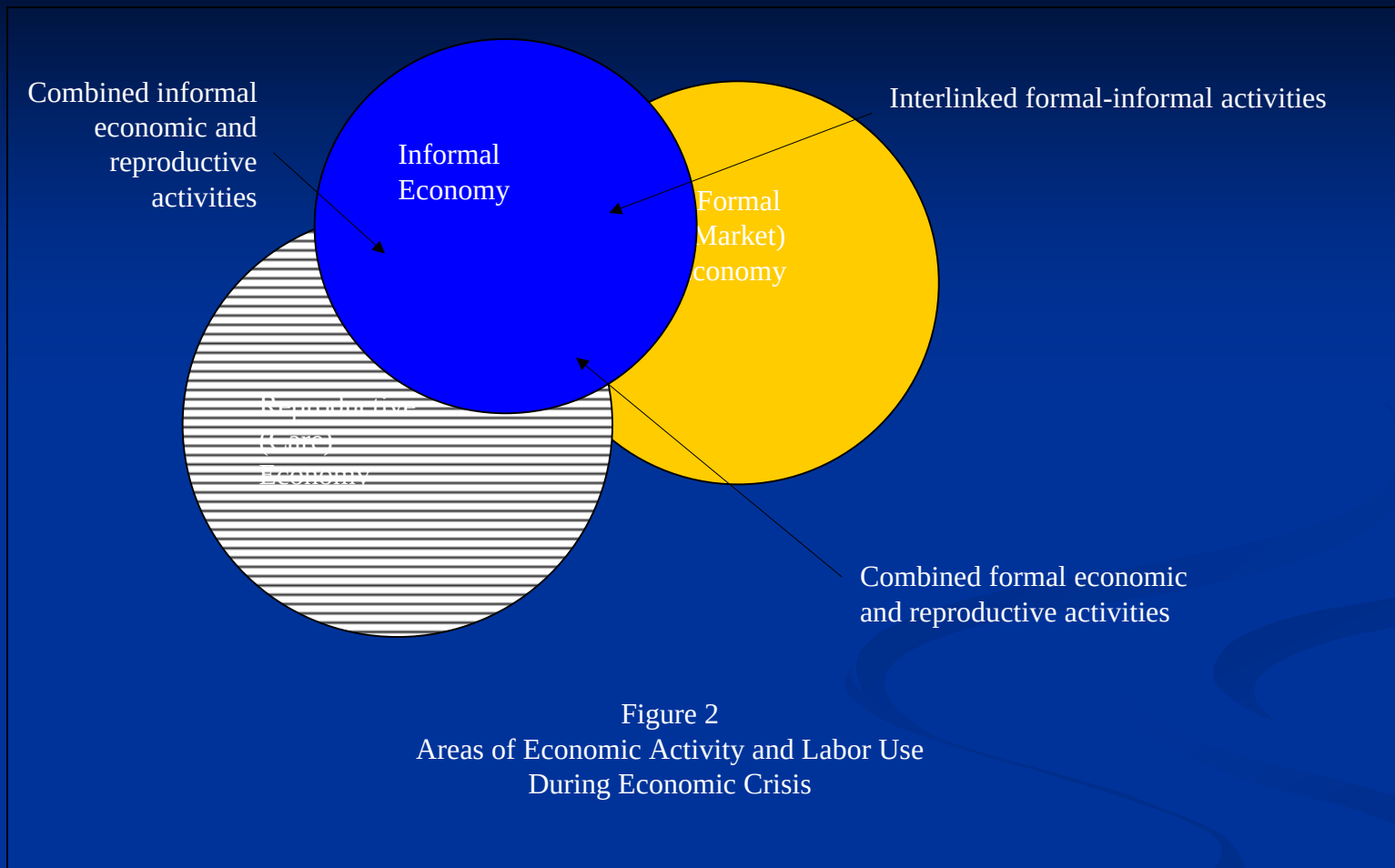


Figure 1
Areas of Economic Activity and Labor Use
During Economic Growth



Globalization and Employment Trends in LDCs

Increase in employment of women in
some sectors:

- a) in export-oriented industries such as
textiles and garments e.g
maquiladora, EPZ→→ cheap labor
strategy
- b) in parts of the service sector (sales,
tourism, entertainment, domestic
service)

Globalization and Labor Market trends

- Increase in international migration
 - Inability of several LDC countries to create jobs for their workforce; earnings gap between LDCs and DCs.
 - Growing care economy in DCs countries.
Increased demand for women workers as caregivers

On the other hand....

- Persistence of gender wage gaps (South Korea, Taiwan)
- Occupational segregation trends persist
- Loss of jobs, local businesses and livelihood in trade-related sectors (agriculture, food processing, export manufactures, retail, other services).
- Limited or absence of any trade-related assistance programs, safety nets and unemployment compensation schemes.

Significance of the Informal Sector

- Rising informalization of jobs
- Informal employment: estimated to be 50-67% of all non-agricultural employment in developing countries.
- A growing source of livelihood for men and women, particularly among women.
 - Sub-Saharan Africa: estimated 84% of non-agri workers are women.
 - Latin America: estimated 58% of non-agri workers are women.

Table 3.1

Wage and Self Employment in Non-agricultural Informal Employment by Sex, 1994/2000

Country/Region	Self-employment as a percentage of non-agricultural informal employment			Wage employment as a percentage of non-agricultural informal employment		
	Total	Women	Men	Total	Women	Men
Northern Africa	62	72	60	38	28	40
Algeria	67	81	64	33	19	36
Egypt	50	67	47	50	33	53
Morocco	81	89	78	19	11	22
Tunisia	52	51	52	48	49	48
Sub-Saharan Africa	70	71	70	30	29	30
Benin	95	98	91	5	2	9
Chad	93	99	86	7	1	14
Guinea	95	98	94	5	2	6
Kenya	42	33	56	58	67	44
South Africa	25	27	23	75	73	77
Latin America	60	58	61	40	42	39
Bolivia	81	91	71	19	9	29
Brazil	41	32	50	59	68	50
Chile	52	39	64	48	61	36
Colombia	38	36	40	62	64	60
Costa Rica	55	49	59	45	51	41
Dominican Rep.	74	63	80	26	37	20

Distinction: Informal Economy vs Criminal/Black Market Economy

- Distinction is often blurred.
- Informal Economy: production or employment arrangement are often semi-legal or illegal but goods and services are legal.
- Criminal Economy: Goods and services produced by the latter are illegal.

Informalised Employment vs Informal Sector

- Informalized jobs in the formal sector
 - Own-account, skilled professionals (consultancies)
 - Temporary or casual workers
 - Contractual workers

[no written contracts (some), no benefits, no access to social protection e.g. pensions].

- Jobs in the informal sector:
 - Self employed (own account) in informal enterprises
 - Wage employment in informal jobs [agricultural workers, seasonal, homeworkers or subcontracted workers].

Contrasting Explanations:

1. A positive development:

- labor adapting rapidly
- great labor market flexibility
- increasingly skilled labor force
- avoidance of attachment of firms to labor
- ability for firms to adjust wages at ease

Contrasting interpretations (cont

2. Labor market trends as:

- threat to economic security worldwide
 - intensifying inequality
 - threat to basic living standards
 - weakening of the bargaining power of l
- > need for social protection
- > toward a new social contract

The “Old” vs “New” forms of employment contract”

1. The old contract:

- internal labor markets
- stable working conditions
- unionized labor
- labor loyalty to the firm
- fringe benefits, etc.

2. The new contract

- individualization of labor contracts
- less stable employment
- contingent work
- reduction of benefits
- increasing gaps in returns to skill
- growing informalization
- economic insecurity
- decrease in social protection



Santa Cruz, Bolivia



El Alto, Bolivia

Diversity of Informal Sector Employment

- Increased heterogeneity-from subcontracted work to self-employed work
- Bi-polar modes of informal sector jobs:
 - a) Dynamic informal sector activities- use of capital and skills to raise productivity and earnings; market share and size of firm increases over time; interacts with the formal sector.
 - b) Survival strategies - precarious jobs that require little skills and capital, prone to excessive competition, highly variable income

Fig. 3.1

Segmentation of Informal Employment by Average Earnings and Sex



Fig. 3.3

Poverty Risk of Households by Primary Source of Income



Women in the informal economy

- Prevalence of women in the informal economy
- Concentration of women in certain activities.
(extension of domestic work, low capital using)
- Flexibility of labor time
- reliance on informal insurance schemes
and social networks
- Rise in homebased workers:
 - labor fluidity between paid/unpaid work
 - part of labor flexibility of firms.

Home-based work

- Increase in home-based work
- Home-based workers, predominantly women
 - a) independent, own-account workers
 - Own-account workers (carpenters, dressmakers, street vendors)
 - Micro-entrepreneurs, small business owners
 - b) dependent subcontracted workers
 - Part of the “commodity chains” or “value chains”
 - Paid on piece-rate, no benefits, no collective bargaining.
- Interlinkage of Production and Reproduction (combined paid and unpaid work)
- Vulnerability both due to the nature of employment and to their gender roles.

Challenges in Embarking on Gendered Research in Informal Sector

- Data availability
- Household as unit of production and reproduction (consumption)
- Linkages between paid and unpaid work activities
- Inadequate job classification/ labor force surveys
- Distinction between formal and informalized employment becoming blurred
- Multi-job dimension of workers, of households
- Variability in earnings/jobs, very long hours
- Joint enterprises
- Unpaid workers in enterprises
- Enterprise decision making under risk and uncertainty
- Dynamic relations between formal and informal sectors

Policy and action

1. Macroeconomic and Labor policies
 - Sustainable economic growth
 - Employment policy promoting decent jobs
 - Policies addressing care work
2. Labor Standards and Workers' rights
 - Protection of workers' rights
 - Right to organize
3. Social Protection and Social Policies

Core Labour Standards

ILO Declaration on Fundamental Principles and Rights at Work by the International Labor Organization (ILO) in June 1998:

- Freedom of association
- Right to collective bargaining
- Protection of children from hazardous forms of labor
- Elimination of discrimination at work

Extended Labor Standards

- Hours of work coverage
- Minimum age coverage
- Conditions at work coverage
- Basic needs or Living wage

3. Social Protection and Social Policies

- poverty alleviation and vulnerability reduction
- health insurance schemes
- adjustment assistance programs
- tax credit programs
- income transfers
- basic income programs and the challenges of universal coverage

==>social protection and distribution