

Overall globalization trends

Least developed countries: women's employment increased
 • also in more developed countries.

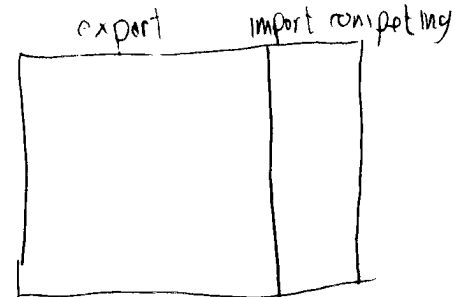
Employment effects (correlation) of globalization:
 (share of women in the labor force)

1] Manufacturing sector

export	import competing
70% employees female	5% employees female

Protected industry
 • tariffs
 • quotas
 • subsidies

Less protected →



In Mexico/Turkey, export sector is light manufacturing and agricultural goods.

Because of expansion of manufacturing sectors, women's share of employment has expanded.

- $X \uparrow$, holding share of women constant $\Rightarrow \uparrow$ share of F in total employment
- share of women in sector may $\uparrow \Rightarrow \uparrow$ share of F in total employment

Bangladesh

1978: 41 garment factories

1995: 2400 garment factories

Due to changing technology, we have seen a reversal in these trends.

2] Service sector

Jobs in data entry, call centers, etc. (tourism, banking)
 • Increased employment opportunities for women.

3] Informal sector

Jobs whose incomes are not reported.
 • These jobs have expanded

- Substituting from manufacturing sector to informal sector. (networking through subcontracting with informal sector firms.)
- Subsistence activities at household level increases.

Why would more women be willing to work?

- Men might be losing their jobs
- Desire to supplement family income, since family income may have fallen due to wage freezes or decreased social services.

Why would firms want to hire women?

- Do not need to pay them as much.

Elson - World Market for Nimble Fingers:

Flexibilization:

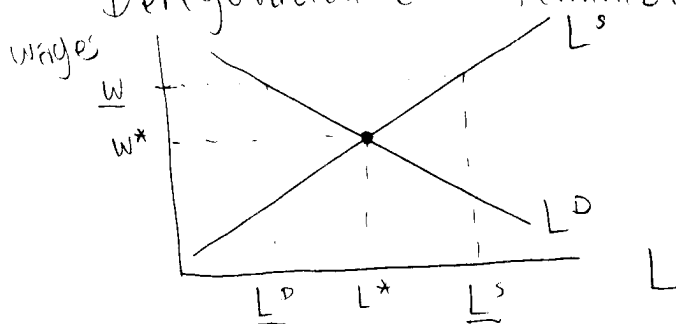
- Ease of changing work force (hire and fire). Numerical flexibility
- Ability to switch between tasks. Functional flexibility
- Financial flexibility - wages are flexible.

This article is an argument against a previous argument.

- Even though flexibilization is increasing job opportunities for women, this may not be a step up.

Deregulation: less government interference

- Deregulation and feminization (in reference to Guy Standing)



$\underline{L^S} - \underline{L^D} =$ unemployment when wages are set at \underline{w} (i.e. minimum wage)

- The neoclassical model rules a lot of decisions in the world.

When w is binding (ie $w > w^*$), wages will fall to w^* and employment will increase to L^* .

Elimination of workplace safety requirements

Deregulation of contract requirements.

Deregulation leads to the same outcomes as does flexibilization.

Elson: Women are not substituted for men.

◦ Indeed, working conditions have fallen even for men.

◦ Deregulation leads to flexibilization

◦ Flexibilization leads to feminization?

◦ Standing says yes. Elson says no.

(*) Read the remainder of this graph.

Elson: Don't call everything a distortion as Neoclassical economists do.

◦ Flexibilization does not need to be bad for workers, but in many cases it has led to decreased bargaining rights for workers. (Diminished workers' rights.)