Impact of Globalization on the Feminization of Poverty in South Asia

Saba Khan
Impact of Globalization on the Feminization of Poverty in South Asia

Introduction

There have been many collaboration attempts to end world poverty and empower women in developing countries. Since South Asia and the Sub-Saharan Africa make up more than 77% of the world’s poor, most of the initiatives were designed for developing countries in mind (World Bank, 2016). Furthermore, since women in South Asia have been the poorest segment of the global population for decades, there is a renewed focus to empower women. The main South Asian countries studied in this paper are India, Bangladesh, Pakistan, Nepal and Sri Lanka. The common elements across South Asia include patriarchy in the broad society, gendered pay inequalities and widespread poverty. Due to the apparent obstacles that women face in developing countries, theorists suggest that women are the key to their own empowerment with the support of globalization (Chant, 2016). The ideologies of globalization and the Millennium Development Goals (MDGs) advocate that women can empower themselves by joining the workforce or gaining access to credit (Chant, 2006). An obstacle to the actualization of empowerment is that the South Asian society and labour force are still very patriarchal. Despite the fact that South Asian women join the labour force at unprecedented rates, their work is undervalued and men outnumber them. In addition to being female, being landless, illiterate and poor are added barriers to empowerment in South Asia. Women in this region have very few job opportunities, and the prospects they do have enable exploitation due to their desperate circumstances, submissiveness and overall gender inequality in the workforce. Due to the dire circumstances of poverty, women have limited access to money and are not equipped to make the best choices for their financial futures. Males are the sole decision makers in the household
and in broader society, and women are subject to abuse if not compliant. Although globalization facilitates women’s entrance into the workforce and access to credit in South Asia, it actually contributes to the feminization of poverty by exacerbating inherent gender inequalities in the local culture.

Overview of South Asian Culture and Extreme Poverty

To alleviate global poverty, 189 UN Member Nations created the UN Development Project. The participating nations developed Millennium Development Goals (MDGs) in 2000, to reduce extreme poverty in the world by 2015. The MDGs are a series of eight goals that target a number of issues including hunger, disease, shelter, education, environmental sustainability, children, and women. The first MDG target was achieved five years ahead of the schedule, because the 1990 world poverty rate was cut in half in 2010. As of 2012, 12.7% of the world, or 896 million people, still live under USD $2 a day. Although a significantly high number of people still live in extreme poverty, this is a considerable decrease of 40% since the 1980s. As of 2012, 309 million people in South Asia live in extreme poverty (World Bank, 2016). Even with this progress, many authors among the literature report that the MDGs are unachieved in developing countries, especially with respect to alleviating abject poverty, empowering women and facilitating gender equality. From a neoliberal perspective, engagement in the global market should help alleviate extreme poverty by providing access to jobs for women. After the 1970s in South Asia, informal sector wages actually decreased and casual work increased after global market integration. Trade liberalization contributed to the increase of the informal sector, which has low job security and notoriously inhumane working conditions. An astounding 86% of workers in the Indian economy are employed in the informal sector (Vera-Sanso, 2012). To embrace global market integration, governments across South Asia decreased spending on public...
services, and increased their focus on privatization as well as attracting jobs and foreign direct investment. Elimination of key social services caused more pressure and the further detriment for women in South Asia; 70% of the world’s poor are female and they are also the most socially disadvantaged (Chant, 2006).

Albeit South Asian governments failed to provide safety nets for the most socially disadvantaged populations, some non-governmental organizations (NGOs) have bridged the gap for programs and assistance. The Bangladesh Rural Advancement Committee (BRAC) is one of the most prominent NGOs in the world because it employs 111,000 employees and has helped people globally in areas of loans, distribution of assets, education, community health services and institutions, and population coverage. BRAC originated in Bangladesh in 1972 and it successfully expanded to several countries in Asia and Africa. Its mission statement includes empowerment, illiteracy, disease and social injustice. This NGO has innumerable accomplishments to date. Listed in the 2015 BRAC Bangladesh’s annual report alone, BRAC has helped to take 1.3 million people out of extreme poverty. In micro-financing, BRAC has helped about 5 million families. In 2015, the amount of borrowers increased by 8% to 4.9 million people (BRAC, 2016). Some of these programs target women specifically, allowing them to borrow money, gain respect and decision-making power in the household, develop skills and make investments. Conversely, what these success stories do not reveal is the fact that these programs are operating under a static South Asian culture.

In South Asia, there is a longstanding culture of strict patriarchy within the family, and male dominance prevails in the areas of inheritance, financial matters, women’s mobility and general independence. Female seclusion in society limits women’s participation in self-employment or in the formal and informal workforce because women have restrictions on
entering public spaces, mobility and interacting with men outside of their family (Kabeer and Mahmud, 2004). Household duties are feminized and not recognized as real work, so women are further burdened and are responsible for both housework and paid-work. In rural areas, women’s working options are also feminized which limits their job prospects to inside the home or in the informal economy, and ultimately renders them invisible in the labour market. Women from rural areas with limited job prospects relocate to cities in pursuit of informal employment; since the formal economy is gendered, it is difficult for women in South Asia to obtain better jobs in government administration, banks, or other formal industry employment. The production process is very labour intensive and does not facilitate empowerment for women. The phenomenon actually causes a primitive exploitation of labour, meaning that the maximum labour is ascertained at the minimum labour cost (Kabeer and Mahmud, 2004). Micro-financing has gained a lot of momentum concerning women’s empowerment. Although there are several studies available to demonstrate that micro-financing alleviates poverty across South Asia, the research reveals that it does not empower women. Granting access to loans can actually worsen the condition of South Asian women; due to societal pressure, women grant control of the funds to their male family members, but they cannot rely on men to make repayments (Kabeer and Mahmud, 2004). South Asian women have to take on extra work or sell off their assets to pay back their loans. Access to credit further impoverishes women and worsens their condition in life because they take on more debt and are unable to develop their skills or become independent. Some of the cultural obstacles that South Asian women face are similar to the struggles women had in developed countries in the early 19th century, but the difference is that due to widespread poverty and cultural restrictions, the initiatives in South Asia to empower women are not concluding as anticipated.
Micro-financing as a Tool for Empowerment

Through the guise of empowerment, women in South Asia are targeted under micro-financing schemes. Micro-financing is the provision of financial services, such as loans to low-income individuals (CGAP, 2016). Supporters of micro-financing insist that due to the access to credit, South Asian women have visibility, decision-making power, respect at home, and self-employment opportunities in rural areas (Sharma, 2015). Balasubramanian (2012) concludes that the success of micro-financing in Bangladesh has lead to the expansion of the program across South Asia. Anecdotal evidence from Pakistan and Nepal demonstrate that women in South Asia are benefitting from micro-financing programs since they are able to make investments and start businesses; however, due to the cultural structure of patriarchy, women’s empowerment is a rare case. Balasubramanian’s (2012) research did confirm that women who make a higher contribution have more empowerment in the household. Some men in South Asia are fair and do treat women with more respect due to their financial contribution to the household, but this is often temporary. It was intriguing to learn that widowed or divorced women benefit more from micro-financing because they do not have the obligation to hand over the money to a male in the household. This could suggest that women who are independent from the traditional South Asian family structure receive a higher level of empowerment from micro-financing than other South Asian women do.

For a typical South Asian household, research confirms that micro-financing alleviates poverty without necessarily empowering women. In most cases, 63% of women do not directly benefit from the loans because they do not have authority to make their own investment choices, nor do they have access to any of the profits (Balasubramanian, 2012). More often than not, husbands are either unable or unwilling to repay the loans. It was uncovered that micro-
financing can even worsen the condition of women due to the limitations of the South Asian culture. Instead of empowering women, it seems as though they are targeted due to the inequalities and powerlessness in the South Asian culture. In reality, lending to women made repayments easier for bank workers, because women in South Asia were less likely to flee and more likely to make repayments through coercion. It made economic sense to loan money to women because they were more likely to pay back the loans, even if it meant increasing their level of poverty. If women did not have money and could not retrieve remittance from their husbands, they resorted to selling off their assets, borrowing from relatives or selling homegrown produce to make repayments. Since women did not have the authority to make men repay, 70% of women suffered from increased violence in the remittance process (Balasubramanian, 2012). Micro-financing did not lead to empowerment for women because the money was rarely used by women to improve their skills or invest in themselves. Since 67% of women invested their money in their husband’s businesses or investments and did not have access to the profits, the women had to engage in informal wage labour to make repayments. There is an impact paradox with this type of program because although micro-financing does reduce household poverty, it also actually increases poverty and underdevelopment for women (Balasubramanian, 2012). Instead of the anticipated empowerment, South Asian women are required to work harder to repay their loans and they often suffer from increased violence at home.

Women’s Access to Jobs as a Tool for Empowerment

After South Asia’s global market integration in the 1970s, there has been a rise in female employment in the export-oriented ready-made garment industry; instead of facilitating empowerment, these job opportunities highlight that women in South Asia earn less than men earn, are seen as docile, are subject to recurrent exploitation and are easily replaceable. An
Export Processing Zone (EPZ) is a type of free trade zone and set up in many South Asian countries including India, Pakistan, Bangladesh and Sri Lanka. In these zones, manufacturers can process and assemble imported material, and then re-export them tax-free and duty-free. Aside from the tax breaks, another key incentive for an international company to invest in an EPZ is that unionization is restricted and the companies do not need to follow the local labour standards (English, 2013). The development of the export garment industry, both inside and outside EPZs, guaranteed the supply of a cheap and replaceable labour force for international companies. In essentially a deregulated free trade zone, rural poor women are the preferred workforce for many factors including submissiveness, gender pay inequality, and being dispensable. Kabeer and Mahmud (2004) examined the impact of women’s increased employment rates on poverty alleviation. Kabeer and Mahmud surveyed 1322 Bengali women workers employed in the garment export sector and domestic markets in 2001. Above all, the garment industry provided substantive employment opportunities for the rural poor women in Bangladesh. In terms of the benefits of working, women indicated that financial independence, being self-reliant and being able to cover one’s own costs was primary. It was difficult to compare the impact the wages had on the lives of the workers, because they had different economic circumstances and varying priorities. EPZs are known for bad working conditions, low wages, abuse, humiliation, and long work hours, but EPZs have superior working conditions compared to the informal economy in Bangladesh. The wages of EPZ workers did not help alleviate abject poverty because the employees were from better-off families and earned higher wages (Kabeer and Mahmud, 2004). Due to protesting and consumer lobby groups, the working conditions and wages in the EPZ factories are better than the informal economy in Bangladesh. In 2010, many garment workers in Bangladesh went on strike to protest the severe working
conditions and the lowest minimum wage in the world. After dozens of factories were shut down for a few months, the minimum wage was raised from approximately USD $24 to USD $43 (English, 2013). An increase in the minimum wage is an undeniable achievement for women in Bangladesh, yet this advancement did not cause a universal change for all garment workers worldwide. Although South Asian women have access to jobs, and in this case bargaining power, this success does not guarantee empowerment; there is no certainty for the workers’ futures because international companies can shut down without any notice and move to a country that offers a lower wage.

Although the industry is unstable and there is no job security for the future, the mere occurrence of women working and contributing to the household contributes to a change the South Asian culture. In simplifying this scenario, it can be seen that men are no longer the sole providers of the household since the labour force has expanded; yet this trend does not tell the complete picture of what else may be occurring in the labour market. Vera-Sanso (2012) effectively explains that women’s work is undervalued and unappreciated in urban South India, especially if it is unpaid. The discovery of a 20-year study concluded that men are expected to financially support the household, but women frequently take up paid work when their husband’s income is insufficient. Many Indian women entered the workforce, including older women, to support themselves and their families due to a decrease in wages and an increase in the cost of living. Men’s economic contribution in South Asia is overestimated throughout the life course (Vera-Sanso, 2012). When men reach their late forties, they face age discrimination and can no longer find regular employment. Over 80% of female workers agreed that there were no real disadvantages of working, other than the neglect of housework (Kabeer and Mahmud, 2004). Working South Asian women are still expected to manage the domestic areas of the household,
without any support from the males in the household. Non-paid support is received from female relatives in the shape of unpaid labour, which creates another burden on another female. Older women have taken over the domestic responsibilities for their daughters or daughter in laws so that they can work, and they older women may only receive food as remuneration (Vera-Sanso, 2012). Unfortunately, the shift in culture and the expectation for women to work did not seem to alleviate poverty for women or break down the patriarchy culture in South Asia.

Conclusion

Globalization and initiatives to empower women failed to alleviate extreme poverty in South Asia due to inherent cultural inequalities. South Asia’s entrance into the global market contributed to the feminization of poverty by intensifying cultural inequalities in South Asia including women’s limited decision-making power or value in both society and the household. It seems impossible to empower women in South Asia without challenging the inequalities within society. Granting that globalization has improved women’s access to jobs and loans, the quality of jobs and the implications of the loans in a patriarchal culture are detrimental to their poverty alleviation. Even though more women are entering the workforce, the quality of jobs is poor, the working hours are long, the wages are low and there is no job security. The absolute poor are unable to access to high-paying jobs; EPZ workers had the highest incomes, highest level of education, some benefits, formal work procedures, and were not extremely poor. Due to NGO support, EPZs also have some advantages that others in the garment industry did not have including advanced machinery, direct contact with international buyers and established internal/local networks in the textile industry (Kabeer and Mahmud, 2004). In some cases, South Asian women were the sole financial providers of the household, but conversely did not receive recognition, respect or decision-making power in the household. It was apparent that women in
South Asia had micro-financing opportunities because it was financially sound to lend to them; due to their forced submissiveness at home, powerlessness in society and limited mobility, women are more likely than men to repay, even at the risk of further impoverishment. Some argue that although women hand over micro-financing funds to the males of the households, they still benefit indirectly due to the increased income. Regardless, in the absence of female social assistance programs in South Asia, micro-financing for women is better than not having any type of assistance at all. Knowing that this program is worsening the condition of women, some propose that micro-financing should remain but be regulated to safeguard women’s empowerment (Khan, 2016). Globalization facilitated the emergence of initiatives geared to empower women in South Asia; instead of empowering women access to jobs and loans actually contributed to the feminization of poverty.
Bibliography


BRAC (2016). What We Do <http://www.brac.net/#what_we_do>