

Chapter 3

The state and globalisation

"We commit ourselves to ensuring that when structural adjustment programmes are agreed to they include social development goals, in particular eradicating poverty, promoting full and productive employment, and enhancing social integration."¹

"We commit ourselves to an improved and strengthened framework for international, regional and sub-regional co-operation for social development, in a spirit of partnership, through the United Nations and other multilateral institutions."²

Introduction

The state, the way it operates in contemporary society and whose interests are served are outcomes of history and other factors. States have been influenced by colonialism, post colonial and neo colonial forces in many instances. In many countries, local capitalist forces have been consolidated through the penetration and expansion of international capitalism, often mediated through local elites in what are seen as "culturally acceptable ways". While there is growing emphasis on globalisation and global management much of the discourse tends to reflect an a-historical perspective.

As acknowledged by the United Nations Development Programme,

"Globalisation is not new, but the present era has distinctive features. Shrinking space, shrinking time and disappearing borders are linking people's lives more deeply, more intensely, more immediately than ever before."³



These features have had a devastating impact on countries in the South, especially women.

Borders have become permeable

Another characteristic of this phase of globalisation is the challenge posed by the rapidity and scale at which changes occur. Key features include the manner in which information technologies have restructured production, distribution and communication processes. This has made possible the exchange of goods, services and labour across the globe at an unsurpassed pace.

Borders have become permeable, the traditional division of North and South is being questioned. Regions engage in negotiations across traditional boundaries.

North and South as development directions

While the notion of the South emerged in relation to the dominance of the north, it was more than a geographical location. The South, as an ideological construct emerged as an alternative development direction based on the need for self-definition and as a way of asserting a people-centred position within the dominant global system. The divide between the North and South continues to exist but in every northern country there is the South, manifested in profound inequalities and various forms of poverty. Likewise, within the geographic South, there are features of the North, as elites emerge and inequalities grow between the rich and poor.

An inevitable result seems to be the inability of state machinery to manage the changes or influence the direction of change to benefit the poorest. The state is under threat. Some argue that the state is being reorganised to serve market interests. This is evidenced by the increasing prominence given to quasi-government structures and the influence placed on states through multi national financial institutions such as the World Bank, the International Monetary Fund and the World Trade Organisation.



Economic global governance: In whose interests?⁴

Common interests, concerns and responsibilities point to the necessity for global agreements and institutions for global governance. Central international institutions are rapidly assuming the roles and powers of a form of global economic government, particularly the World Trade Organisation. However these institutions have not emerged from shared motivations and common agreements. The WTO is the commanding institutional expression and a key instrument for the creation and consolidation of an increasingly integrated and liberalised 'global' economy, and an emerging system of 'global government'. Feminists assert that such institutions have emerged from and are fundamentally driven by interests in, and the needs of, the most industrialised countries.

Liberalisation to facilitate globalisation

The emerging global order is driven and characterised by vast economic growth and worldwide expansion and penetration by global corporations, facilitated and promoted by liberalisation. The two are integrally interdependent and mutually reinforcing. *Globalisation* is the substantive process of economic and technological expansion promoting the opening up and integration of the entire world into and under one economic system. *Liberalisation* provides the policy lubricants and produces the appropriate regulatory/legal frameworks – and neo-liberalism the theoretical formulations – to ensure the smooth implementation of the process. Thus 'globalisation' is an economic and technological process and also a political and ideological project.⁵

Structural adjustment programmes: Setting the basis for globalisation

Liberalisation to facilitate globalisation was (and still is) driven in most African – and many Latin American, Asian, Caribbean and Pacific – countries by 'structural adjustment programmes' (SAPs), directly or indirectly under the auspices of the IMF and World Bank.⁶ These 'adjustments' are



justified theoretically in terms of the necessity for such countries to 'integrate themselves into the global economy'.⁷ In practice, this means *opening up* to exporters and investors from the economic North. Although some of the Latin American economies provided considerable openings for trade and investment to the most industrialised countries, many of them – and even more so the newly 'liberalised' and 'marketised' African and Caribbean economies – nonetheless had relatively small markets, with limited immediate economic potential.

During the 1970s and early 1980s, most of the promising newly industrialised or 'emerging' economies, particularly in Asia, with huge markets and attractive immediate investment potential, protected themselves against foreign trade penetration and were very demanding in the conditions and constraints placed upon foreign investors. They managed to maintain relative financial and economic independence, and a certain policy leeway; because they had not (then) come under IMF obligations and liberalisation programmes.⁸ Companies from the most industrialised countries therefore frequently had to rely on bilateral processes and pressures by their governments to try to force such economies to allow them in and/or to operate under the conditions they required.

For these and other reasons,⁹ by the mid-1980s both entrepreneurial and governmental actors in the more developed countries (DCs) were convinced that a more universal institution, and comprehensive global agreements had to be created to ensure that all such countries 'open up' their economies. Since all countries need external trade, to one degree or another, and since the Asian economies were more than usually dependent upon 'export-led' growth, international trade relations and negotiations provided the ideal terrain on which to pressure such governments to open up their economies.

Trade liberalisation was both an important end in itself and a useful instrument to compel all countries to liberalise other sectors. The prolonged Uruguay Round of the General Agreement on Trade and Tariffs (GATT) negotiations (1986–1994) became a process to promote, not only wider and deeper trade liberalisation but other highly significant 'trade-related' agreements.



The new agreement on Trade Related Investment Measures (TRIMs), for example, was designed to ensure greater freedom for foreign investment. TRIMs constrained specific 'trade-distorting' governmental conditions on FDI (foreign direct investment), with the threat of retaliatory trade sanctions through the newly created World Trade Organisation (WTO) that also emerged from the Uruguay Round (UR). However, as can be seen from table 3.1 (Increasing global integration), regions in the South have not benefited significantly from FDI compared to the North.

Table 3.1: Increasing global integration

	Sub-Saharan Africa	Arab States	East Asia	South Asia	South East Asia and the Pacific	Latin America and Caribbean	Eastern Europe and the CIS	OECD	World
Exports of goods and services – US \$ billions (average annual total) <i>Italic indicates global share (percent)</i>									
1970's	29.10	64.82	23.55	21.67	27.64	38.76	–	796.20	1,003.90
	<i>2.90</i>	<i>6.46</i>	<i>2.35</i>	<i>2.16</i>	<i>2.75</i>	<i>3.86</i>	–	<i>79.31</i>	<i>100.00</i>
1980's	58.97	124.43	112.79	34.26	99.48	102.90	34.20	2,072.21	2,650.93
	<i>2.22</i>	<i>4.69</i>	<i>4.25</i>	<i>1.29</i>	<i>3.75</i>	<i>3.88</i>	<i>1.29</i>	<i>78.17</i>	<i>100.00</i>
1990–96	81.24	162.80	369.44	55.70	272.72	219.63	321.13	3,724.00	5,235.93
	<i>1.55</i>	<i>3.11</i>	<i>7.06</i>	<i>1.06</i>	<i>5.21</i>	<i>4.19</i>	<i>6.13</i>	<i>71.12</i>	<i>100.00</i>
Foreign Direct Investment (FDI) – US \$ billions (average annual total) <i>Italic indicates global share (percent)</i>									
1970's	0.76	0.86	0.22	0.16	1.06	2.99	0.01	15.44	21.60
	<i>3.54</i>	<i>3.96</i>	<i>1.00</i>	<i>0.76</i>	<i>4.89</i>	<i>13.85</i>	<i>0.03</i>	<i>71.49</i>	<i>100.00</i>
1980'S	1.25	4.39	3.08	0.21	4.55	7.45	0.10	72.15	93.43
	<i>1.33</i>	<i>4.70</i>	<i>3.29</i>	<i>0.22</i>	<i>4.87</i>	<i>7.97</i>	<i>0.11</i>	<i>77.22</i>	<i>100.00</i>
1990–96	2.81	2.19	25.40	1.43	18.94	23.41	7.60	155.81	238.53
	<i>1.18</i>	<i>0.92</i>	<i>10.65</i>	<i>0.60</i>	<i>7.94</i>	<i>9.81</i>	<i>3.18</i>	<i>65.32</i>	<i>100.00</i>
Source: Oxford University Press, <i>Human Development Report 1999</i> , UNDP, New York.									



Selective protectionism and pro-active initiatives: Setting the terms

Industrialised countries had other pro-active as well as protective motivations in their promotion of new global rules, and in their strategies within the multi-sectoral Uruguay Round of negotiations. The pro-active strategies were for the promotion of their strong and emergent new industries and economic sectors. The protective measures were in support of their economically vulnerable domestic industries or economic sectors.

With regard to the latter, the USA, in particular, came to the Uruguay Round (UR) determined to deflect demands for the much-delayed opening up of its markets to competitive textiles and clothing exports from the developing countries. And the US government managed to hold off the trade liberalisation that it was officially committed to – and that it was demanding of others – by securing a further ten year extension of its effective derogation from GATT obligations.¹⁰ This was achieved through the ‘end-loading’ of most of its phased tariff reductions to the later part of the transition period, in conjunction with quotas and other technical devices. This transition period was designed to give such domestic industries, and the US national economy, further time to get through major economic adjustments and technological transformations.

Equally energetic battles were pursued by the USA, the EU and Japan during the Uruguay Round in defence of their respective agricultural sectors. With the US demanding that the others liberalise their agricultural markets, and the latter resisting exposing their smaller scale (but politically influential) agricultural producers to large-scale and highly competitive US agri-business. Once again, with economic muscle, technical resources and tactical skill, the EU and Japan managed to hold off agricultural trade liberalisation and to sustain their agricultural subsidisation programmes for a further period. This was necessary, they argued, in order to deal with the economic, social and political adjustments that would be required.¹¹

Feminists assert that these and other offensive/defensive battles by and between the ‘triad’ dominated the UR negotiations and diverted attention



(intentionally?) from their other pro-active and forward-looking strategies to promote and protect significant new, and increasingly important industries and economic sectors. While defending their old, weaker or declining industries, the major industrial powers were actively intervening for the promotion of the new economic/technological revolution already under way. By creating global legal frameworks and specific agreements to ensure their continued domination of the epochal process into the future.

Knowledge appropriation and commercialisation

In this context, the agreement on Trade-Related Intellectual Property Rights (known as TRIPS) was one of the most significant achievements to emerge from the Uruguay Round for the most advanced economies and their cutting-edge industries. Ostensibly, this was designed to stop international pirating of products and processes, abuses of 'labels' and other patented rights. However, the more fundamental effect is to facilitate corporate appropriation, 'ownership' and control of biological resources and traditional knowledge from around the world through patenting under TRIPS.

The aim and effect of TRIPS is tighter control on access to and use of ground-breaking new scientific developments and technological innovations, particularly in information and communication systems and the even more propitious biotechnology sector. Governments collaborate with global corporation in the effective and extensive monopolisation of scientific knowledge and technological capacities within the most advanced economies and use the threat of cross-retaliatory sanctions against those that do not comply with TRIPS.

Outsourcing the provision of government services

A similar pro-active aim and achievement of the more industrialised countries in the Uruguay Round was the General Agreement on Trade in Services (GATS). Widening the definition of traded products to include services, participants in the multi-sectoral negotiations and cross-sectoral trade-offs now also have to open up their reserved national service sectors. In order, for example, to obtain 'concessions' in areas of immediate export interest to their economies, govern-



ments are under pressure to allow fuller and freer entry into their countries of giant global service companies in banking, insurance and accounting, transport and communications, information, advertising and entertainment. These, and a host of other service industries, together, now constitute a major proportion of the GNPs of the most developed countries, and require a commensurate and rapid expansion of their global role as well.

Countries of the South are lagging far behind in the competitive development of commercialised national service industries. These technical and social service sectors, such as public transport and housing, telecommunications, public broadcasting and television, culture and sports, education, health care, water provision and sanitation, are not merely commercial enterprises but essential components of national economic and social development strategies in the South. Such services are particularly necessary to the wellbeing and rights of the weakest sectors of our societies, above all women, children and the poorest.. Such essential services face ever-growing demands – and elaborate theoretical rationalisations – for their privatisation and accessibility to foreign acquisition, and/or competition from global service corporations in all these spheres. This has significant social, cultural and political, as well as economic, implications for poor people and for the public provision role of government.

Positive expectations – but imbalanced outcomes – for the countries of the South

It was not until the later phases of the prolonged Uruguay Round – and rather more so in the years that followed – that the full implications and the strategic purposes of the central WTO agreements gradually became evident to the developing countries that participated in the UR process. In this they were assisted by the revelations and analyses of close observers¹² and direct participants in the process¹³ on behalf of the developing countries,¹⁴ as well as active and highly effective non-governmental organisations, such as the Third World Network (TWN) operating from Malaysia. But, for much of the Uruguay Round, most of the developing country representatives were



little more than spectators of the 'multilateral', but more often plurilateral and bilateral, bargaining and agreements that were made by the most powerful developed countries¹⁵.

Unequal power relations in global institutions

In part, the weak participation and influence of the countries of the South in the Uruguay Round was due to their lesser numbers,¹⁶ but more so owing to their limited experience in multilateral negotiations - although there were some exceptions, such as India. It was also attributable to their - understandable - failure to foresee the new strategic vision and thrust of the highly industrialised countries of the North. However, the developing countries also erred in approaching the UR negotiations ill prepared, with very limited objectives and usually making narrowly focused interventions in the discussions, if any at all.

With hindsight, the developing countries appear overly-reliant and too trustful in their expectations of the new round of negotiations. The countries of the South - or those that had clearly identified aims - calculated that the multilateral, multi-sectoral liberalisation negotiations of the UR could be an important opportunity to promote their specific interests and obtain positive responses to their long-standing grievances in the existing international trade regime. Their first aim was to end the exclusions and secure full access for their few globally competitive manufactured exports - mainly textiles and clothing - into the high consumer markets of the rich developed countries. The second concern was that their other important exports - from the agricultural sector - should be incorporated into GATT, which had hitherto only covered manufactured goods of interest to the more industrialised countries. In neither of these did the developing countries achieve their aims, except as longer terms prospects into the new millennium.

The third motivation of many developing countries in going along with the highly unsatisfactory nature of the UR negotiations, and even in welcoming the establishment of the WTO at the end, was their optimistic ex-



pectation about the new 'multilateral rules-based system' for international trade and other economic relations that would be set in motion through the WTO. It was anticipated that this would, *inter alia*, bring to an end the unilateral measures and pressures, largely by the strongest governments against weaker – although also between the DCs themselves – that had long characterised international economic relations. Within the new multilateral framework of rules and regulations, all members would be able – and would be expected – to settle their trade and trade-related disagreements through the Dispute Settlement Undertaking (DSU) that emerged from the UR.

Uses, and abuses of the 'multilateral rules-based system' –by developed countries

The experience with the functioning of the DSU over the five years since the creation of the WTO, has certainly not been as positive as expected. The complexity of the issues and the procedures, and the capacity of stronger countries/companies to prolong the dispute panel processes means that weaker complainants can be irreparably damaged in the interim, even if the eventual WTO panel ruling is in their favour. Weaker countries are also manifestly reluctant to pursue official DS processes through the WTO – at one level due to their lack of legal expertise and the vast costs entailed in hiring international legal experts and researchers. At an underlying level, this caution is very probably also due to their apprehension (arising from wider experience) about possible indirect reprisals by their stronger adversaries, in other spheres and ways, should they institute formal proceedings against them. The utility or very feasibility of the imposition of WTO-authorized trade sanctions by weaker economies against strong economies graphically illustrates the formalistic nature – and fallaciousness – of the 'equal rights and treatment of all members' within the WTO.

Multilateral versus unilateral rules based system

The more general threat to the so-called 'multilateral' rules-based system is that some powerful governments – mainly, but not only the USA – continue to act unilaterally when it is considered necessary to protect or pro-



mote national economic and even political interests. Washington routinely applies its own 301 trade legislation to block or threaten other countries, and even resorts to extraterritorial enforcement of particular national economic laws to serve strategic US objectives.¹⁷ The US government is also noted for its energetic support to damaging anti-dumping actions by US companies and the imposition of countervailing measures against foreign imports when required to do so by domestic industries to protect them against allegedly 'unfair' competitors. This may be within the letter of the relevant WTO agreements, but goes against the spirit of the open, free trade, competitive global economy purportedly being promoted by the New World trade regime. On the other hand, it is extremely difficult for weaker countries lacking the necessary financial, legal, trade monitoring and industrial research facilities to institute their own anti-dumping actions against powerful economies such as the US and the EU, even where they possibly have a strong case.¹⁸

Multilateral Agreement on Investment

The US is not the only country to flout the letter and spirit of the new 'global multilateralism'. The more industrialised countries grouped together in the Organisation for Economic Co-operation and Development (OECD) attempted, through their own less-than-global multilateral negotiations, to create a new Multilateral Agreement on Investment (MAI), outside of the WTO, for the full and unfettered operation of foreign investors and TNCs throughout the world. This strategy was effectively exposed and energetically opposed by a global alliance of civil society organisations, which succeeded in raising the public alarm and dividing the OECD governments, such that the French government officially withdrew its support and the process was suspended. Had this not happened, the MAI would have been presented, in form multilaterally but in essence unilaterally, to all the other countries seeking foreign investment. The EU, Japan and other governments, under continuing pressure from their global financial corporations and TNCs, are still aiming to get their (renamed) Multilateral Investment Agreement (MIA) integrated into and approved within the 'more fully multilat-



eral' and 'bottom up' processes of the WTO. However this, in turn, raises further critical questions with respect to the functioning of the WTO, *per se*.

In addition to the type of evasions illustrated above, the 'multilateral' nature of decision-making in the WTO, itself, has been most pervasively contradicted by the highly un-transparent, non-inclusive processes within the organisation, and the back-room deals between the most powerful countries which are then presented to the rest of the WTO membership as a *de facto* 'consensus' to be endorsed.¹⁹ Tactical alliances between smaller groups of like-minded countries, or those with specific interests in common, may be an intrinsic part of multilateral negotiations but, in the case of the WTO, the influence of specific groups of the more influential countries is reinforced by the marked susceptibility – and even the unofficial 'accountability' – of the WTO Director General and the Secretariat to the most powerful member states.²⁰ However, quite apart from this manifestation of global power politics, the more fundamental, structural bias of the WTO resides in the WTO Secretariat's 'impartial' application of the tendentious agreements already secured by those states, and the official, unproblematised endorsement and promotion by the WTO of the theories and assumptions of the global neo-liberal paradigm.²¹

Global economic governance: Impacts on women

The WTO Secretariat's accommodation to the most powerful states, is also evident in the prolonged failure of the organisation in the first five years of its existence to energetically pursue and secure the effective implementation of formal undertakings made by the most industrialised countries, for example to open up their markets to developing country exports in textiles and clothing. This is one of the few areas where millions of Third World women²² find waged employment. There is also marked tardiness by the DC's and WTO in implementing the assurances given to the lesser and least developed countries by the industrialised country governments in the Final Act of the Uruguay Round in Marrakech. The "Marrakech Ministerial Decision on Measures in Favour of Least Developed Countries", and "Measures Concerning the Possible Negative Effect of the Agricultural Reform



Programme on Net Food Importing Countries” were the belated acknowledgement, by the main beneficiaries of the UR, of the marginalisation of the weaker countries and the predicted (or what they defined as the ‘possible’) prejudicial effects of the new global trade regime upon them. Once again, those who would be most seriously prejudiced would be the poorest sectors of the populations of the South, 70% of whom are female.

Contradictory and differential impacts

There are contradictory and differential impacts of globalisation for the gender division of labour. More women migrate in search of work, become commodities in the field of sex tourism and experience unrestrained violence. Another contradictory impact is the easy links/connections between the local and the global through information flows which create and expand the space for “rights based” work. But while strengthening civil society, it also gives room and provides an environment for the rise of narrow forms of fundamentalism. The gains attained by the women’s movement during the World Summit on Social Development and at Beijing are being eroded by the right wing backlash and fundamentalism which is emerging as narrow nationalism in opposition to globalisation. It has created conditions for “national” citizenship within patriarchal forms of government on the one hand, and, a universal, internationalist citizenship on the other.

The transition to democracy in South Africa is a case in point here. Since those who were previously excluded from political and economic processes constitute the black majority the push for a new type of democracy is emerging. The policy approach is one which, seeks to democratise both the economic and political processes. However, changing systems to promote participation and democracy is different from the promotion of dependent development paradigms. (See box below)

South Africa: Democracy and liberalisation

South Africa, caught between the euphoria of building a new democracy and the challenges posed by the dominance of neo liberal policies – is even more dangerously poised – because not only has it begun to privatise state services and assets but also



the process of policy making. While under the previous regime apartheid bureaucrats made policy and politicians sanctioned the policy without contesting it, politicians are now contesting policies that are made by foreign consultants. South Africa has had to engage in a rigorous public sector rationalisation process in line with structural adjustment programmes prescribed by external policy advisors. But the irony is that state spending has been redirected not to those who are most deprived (40% in absolute poverty), but to pay foreign consultants to write policy documents.

These documents are given the legitimacy of national content and flavour by incorporating mainstream NGO's and academic institutions as secondary partners in the process. Policies must appear before us at a speed that we think is necessary, but to get those policies crafted with technical efficiency, we have become complicit in redirecting state expenditure to where it is not needed. This makes a mockery of parliamentary democracy and substantive democracy particularly of elected officials in making policies that would restructure the state and that would redirect resources to those who need it most.

The marketisation of governance

The rolling back of the state in the form of deregulation from public interest to regulation in terms of private interests is a major cause for concern. How does this impact on women and poor people?

Free market policies have reorganised the state²³ according to some development proponents. With the privatisation of state assets and industries there appears to be less direct involvement of states in the production and distribution of goods and services. But alongside this has been the rise in new state regulations, subsidies and institutions which are designed with the intention of promoting an enabling environment for newly privatised industries. This has actually resulted within countries of the South in a new class structure and changes in internal social relations. A complex arrangement of interests is evolving with new elite's and traditional power blocs acting in what they purport to be the public interest.

Analysts on the left argue that the state has played and continues to play a role in promoting and implementing free market policies. Indeed the free market is said to need the protection of the state to maintain its



interests and ensure its power. Given that poor women operate largely outside of mainstream markets and that markets respond to needs backed by cash, the emerging state-market relationships perpetuate the exclusion of poor women from mainstream economic and social activity.

Key to the debates on the nature and role of state institutions in relation to dominant market forces is the objectives of state restructuring and / or reorganising. Current trends indicate that states are being reorganised to serve the interests of market forces and these interests do not coincide with those of the dispossessed. Moreover, the reality for poor women across countries reveals that the reorganising of the state bears little relation to the process of social transformation. That the power of the state is being eroded in relation to public interest is more and more evident, but shockingly the state and governance is being marketised and depoliticised under the guise of democracy.

Generally in the North and the South structural adjustment measures have been introduced in different ways. However we note the emergence of contradictory trends. While in the North, OECD countries' proportion of state spending relative to the economy has continued to grow, averaging 50% of GDP, in the South government spending has been cut back to just over 25% of GDP on average. Government spending has also been redirected in the South.

The efficiency imperative

The state continues to play a significant role in framing taxation policy, in monetary policy, directing subsidies to sectors of industry, outsourcing government contracts, awarding franchises for privatised industries etc. In the health, social and education sectors the emphasis is on the establishment of new state mechanisms to ensure market efficiency and discipline. At the same time there is an increase in initiatives within government and outside it to train, retrain and re-orient civil servants towards business plans and efficiency models. The redirecting of the state towards market efficiency on the one hand, has in some cases led to the enforcement or re-enforcing of repressive legislation and policing to contain and stamp out resistance to the economic violence inherent in the market.



The implication of the redirection of states towards market efficiency models and cutbacks on the social sector has placed an increasing burden on women. It has also resulted in the expansion of state policing and security measures to reinforce compliance and deal with the other social outcomes of social and economic marginalisation.

In India, for example, security forces have been increased to “deal” with internal dissent and to facilitate domestic capital or foreign exchange-bearing entrepreneurs”. Special units of Indian police are being trained by western security experts to “protect the life and property of foreign investors”. Similar trends emerge in Africa with a finely nuanced relationship developing between some African governments and private security firms or groups of mercenaries. South African based Executive Outcomes (a private military/security force) is being used by governments and others (like multinational firms).

The state may therefore, also be said to be complicit in the privatisation of security, forming compacts with those who have no public interest and are available to any side. What does this mean for women at a micro and macro level? Counter insurgency is used to enforce control and compliance, and as a result, democratic processes, accountability and transparency become expendable. The state can and in many instances is abrogating its responsibility for the security of its people as evidenced by the experiences of women in the South. Against this backdrop of global economic governance, the common and specific experiences of women in the South resonate with the pain of unfulfilled aspirations.

Globalisation and the state: Reflections on South Asian women’s experience²⁴

The pressure to globalise is not just a case of eroding the principles and goals of self-reliance in the region. On the one hand, the democratic foundations of sovereign nation states are challenged as they are pressured into submitting to the dictates of free-market ideology as espoused by the Bretton



Woods Institutions (BWI). And on the other, compliance has compromised the state's capacity to promote development.

Women in South Asia, form one of the most marginalised groups – indicators on health, education and nutrition point to serious disparities between men and women across all ages. The feminisation of poverty is quite rampant throughout South Asia with households headed by women on the increase and among the poorest.²⁵

More work opportunities with greater exploitation

Export led industrialisation created job-opportunities for women in enclaves, called the Free-Trade Zones (FTZs) where labour laws are waived. Sri-Lanka has over 100,000 women working in the FTZ's and in 1992, the whole island was declared as a Free-trade Zone.²⁶ In Bangladesh, women constitute 80–90 per cent of the workers in the garment export industry and form four to five per cent of the active-age urban female population.²⁷ In India, the proportion of women working in FTZs is small compared to the total female workers in the manufacturing sector.

The Free-Trade Zone's policies for recruiting women show a mixed picture. Sri-Lanka's workers are mostly young and unmarried girls. India and Bangladesh show variations in age and marital status with a new layer of younger girls. In general, FTZ's are characterised by women working for cheap wages, on a piece-rate basis, in substandard working conditions with a high degree of job-insecurity. The jobs are repetitive and monotonous and require concentration and nimble fingers – considered as “assets” of female workers but who are never valued as “skilled”. States and corporations collaborate in the exploitation of women.

Globalisation threatens livelihoods and food security

Recently, the focus has moved from the manufacturing to the agricultural sector.²⁸ The implications of this for societies in South Asia, is far-reaching. In the rural areas, land ownership is the main source of assured livelihoods for the people. Further, women constitute a large proportion of the agricultural work force. With globalisation, two common trends in the agriculture



sector have been observed in India and Bangladesh. One, is the state's withdrawal of subsidies from this sector. The second is the direct investment of TNCs in the sector – a fallout of which is changing the use of land for food crops to cash crops, a case in point is that of aquaculture, the cultivating of shrimps for exports.²⁹ Aquaculture raises issues on people's rights to sustainable livelihood and community rights over decision making in development activities.

The withdrawal of state subsidies

In Bangladesh, the major policy reforms in the agricultural sector included:

1. a gradual withdrawal of input subsidies, especially fertilisers
2. initiating a compensatory farm price support program
3. moving from publicly owned irrigation facilities that were available to farmers at subsidised rates to a privatisation of irrigation facilities. Subsidies were moved to purchase of tube wells and pumps, thereby restructuring the incentive pattern in irrigation. Predictably, these changes reflected in the government's outlay that declined considerably in just five years from 30 per cent in 1980–81 to 20 per cent in 1986–87. Prices of agricultural inputs rose faster than prices of paddy, making cultivation economically unviable. The resultant slowdown in agriculture production had adverse effects on small farmers and women, as the incidence of female-headed households is much higher among smaller farmers.³⁰

Direct intervention of transnational corporations

In both Bangladesh and India, food grain cultivation was discontinued because of the salinity of the land and where it continued, there was a drastic reduction. In India, women who performed most of the labour-intensive operations in Paddy cultivation were marginalised when aquaculture was introduced as piece-rate and contract work is the norm for hiring labour. Although cash wages increased, the number of days of wage work declined considerably.³¹

In Bangladesh, foreign labour was hired, increasing local unemployment. Aquaculture has affected an estimated 10 million people living in



the coastal areas. Food requirement, previously met by rice cultivation has to be met from the market. On the whole, aquaculture has resulted in destroying the agrarian economy of the region, threatened food-security of the poor and caused environmental damage.³²

Transnational corporations ignore environmental damage

Another result of export led aquaculture by TNCs is the irreversible degradation of the environment and the rise in social conflict within communities. Adverse effects on the ecosystem results in shortage of drinking water, food, wood-fuel and loss of common property. This further affects live-stock related activities. In Bangladesh, the health impacts of replacing food grains and local fish varieties with shrimp cultivation led to malnutrition, physical stunting and night blindness among poor children and people.

Cutbacks in food subsidies

The adoption of SAPs has also led to severe cutbacks or rolling back of food subsidies in the region. In Sri-Lanka, food stamps that provided subsidised food grains were withdrawn in the 80s. In India, very recently, an increase in prices of subsidised rations distributed through the Public Distribution System (PDS) has led to food prices that are only marginally lower than prices in the open-market. This makes food unavailable to people living below the poverty line. Such a situation, together with the cultural practice which dictates that, in Asian households women eat last, has led to increased starvation and malnutrition for them. Increased prices on food grains will further worsen the unequal allocation of food for women and girls exacerbating existing levels of malnutrition.

Women as commodities

Shrinking livelihood opportunities, results in the intensification of gendered and andro-centric divisions of labour. The steep rise in prostitution, trafficking of women, migrant domestic workers and informalisation of women's labour are a case in point. Sri-Lanka has the largest number of migrant women domestic workers to the gulf countries in South Asia.³³ The traf-



ficking of women from Nepal to Indian brothels is on the increase.³⁴ Governments' commitment to expand women's participation in the formal sector has not been realised. They have backtracked on this with the argument that the informal sector, particularly home-based production is more suitable for women. Currently 94% of women workers are in the informal sector. It is the only expanding avenue for income generation as a survival strategy for millions of families.

The Human Development Report (HDR) 1999 confirms the experiences of poor women in the South and shows that more progress has been made in the adoption of policies and the setting up of institutions to support global markets than to support people and their rights. Further, it reveals that the opening up of national economies have not resulted in benefits for countries in the South. In South Asia, feminists' question whether the shift towards "global economic strategies" creates new possibilities for human development in the context of the state's emphasis on cut backs and privatisation. Moreover, they challenge the logic of building democracy at grass-roots levels even as the nation state and democratic processes are destroyed from above and through global economic institutions.

Increased militarisation to create internal stability for globalisation

South Asia has become one of the most militarised regions in the world. Post the Cold War the region's defence budgets have increased. While these increases have not been significant in comparison to other countries in 1996 (refer to table 3.2), India and Pakistan have since increased their defence spending disproportionately in building up their nuclear capability. India and Pakistan arms budgets account for 93% of total military expenditure in the region.³⁵

South Asia is the only region in the world where military spending has gone up in proportion to Gross National Product (GNP). Who gains from this and who is interested in the continuation and escalation of the tension and rivalry between the two countries?



Table 3.2: Arms in figures
A Military spending (% of GDP) 1994; B = Imports of conventional weapons (\$ millions/prices 1990) 1994

	A	B		A	B
Angola	8.7		Laos	7.9	
Antigua	0.8		Lesotho	3.2	
Argentina	1.7		Madagascar	0.8	
Bangladesh	1.8	75	Malawi	1.1	
Barbados	0.5		Malaysia	3.9	
Benin	1.5		Mauritius	0.4	
Bolivia	1.4		Mexico	0.7	
Botswana	4.6		Mozambique	7.1	
Brunei	4.5		Namibia	2.2	
Burkina Faso	1.6		Nepal	1.1	
Burundi	3.0		Nicaragua	2.0	
Cambodia	2.3		Nigeria	3.1	
Cape Verde	0.9		Pakistan	6.9	819
Chile	3.5	263	Papua New Guinea	1.1	
Colombia	2.3		Paraguay	1.4	
Congo	1.7		Peru	1.8	
Costa Rica	0.5		Philippines	1.4	
Côte d'Ivoire	0.8		Rwanda	7.7	
Cuba	2.7		Senegal	2.2	
Ecuador	3.2		Sierra Leone	4.4	
El Salvador	1.9		Singapore	4.8	70
Fiji	1.5		South Africa	3.3	
Gambia	3.7		Sri Lanka	4.7	
Guatemala	1.1		Tanzania	3.5	
Guinea	1.2		Thailand	2.6	
Guinea-Bissau	3.3		Trinidad & Tobago	1.4	
Haiti	2.2		Uganda	2.4	
India	2.8	773	Uruguay	2.5	
Indonesia	1.4		Venezuela	1.6	147
Jamaica	0.9		Vietnam	5.7	
Korea Dem. Rep.	26.6	13	Zambia	1.0	
Korea Rep.	3.6	613	Zimbabwe	3.5	

 Source: *The World Guide 1997/98: A View from the South*, Instituto del Tercer Mundo. Oxford: New Internationalist Publications Ltd.

The only losers continue to be the poor. Increased military capability in Sri Lanka and Bangladesh provides and exacerbates armed intervention in internal politics. The availability of arms, increases the likelihood of governments using military solutions to resolve political and civil problems. Evidence also suggests that movements based on democracy with decentralised political structures have been taken over by “extremist” leadership that resorts to insurgency and “secessionist demands” in countries in the region. Sri Lankan women have experienced the horror of a sustained war and question increased militarisation in light of their everyday experiences.

Women's position – some development indicators

Even though development is defined as a widening of options, globalisation offers, at

best, a very narrow range of choices for women and children in South Asia. There are more children out of school in South Asia than in the rest of the



world - 2/3 of them are female. The Gender Equality Measure (GEM) as indicated in the Human Development Report of 1999 is the lowest among all regions in the world. South Asia is the only region that defies the biological norm, with the ratio of women to men being 94–100. There is an alarming demographic shift in the juvenile sex ratio in India – in parts of North India the sex ratio is as low as 600 to 700 women per 1000 men. The Gender Development Index, (calculated as the difference between men and women of the extent of deprivation in education, health and income) is 0.41. This is 25% lower than the average for the developing world. The Gender Empowerment Measure (0.23) is the lowest in the world, including that of sub-Saharan Africa. This reflects the painful reality of women in South Asia-not only in relation to overwhelming poverty -but also in relation to their subordinate position in society.

The “population bomb” – patriarchal perceptions of women’s reproductive role

While the last global decade saw a focus on issues related to reproductive rights, the issue of the population ‘bomb’ remains caught in skewed perceptions - programmes on women’s health in official policy (either under family planning or later, family welfare) is geared to control women’s fertility. As far as hazardous contraceptives are concerned, the market ideology of “everything goes” prevails as long as control of women’s fertility can be achieved. Even though activists have managed to get a ban on some of these, women’s organisations are “unequally pitted” against the state and middle class perceptions of the poor as “surplus”. With the withdrawal of the state from its constitutional commitment to provide health and nutrition, the emphasis on “population control” rather than on population development is even more visible.

The “New Asia” Woman?

Working women in Asia are used and seen as an icon of a modern nation. Their integration into the global economy as professional or entrepreneur women, provide role models for the middle classes, as these women are



seen to have more choices within a free market context. Feminists in Asia, are concerned about the links between professional women's uncritical acceptance of the process of reforms, free market ideology and the overlap with modernity. In this context women are caught between increasing fundamentalist agendas and the opening up of occupational space which provides a modicum of "individual freedom".

The relationship between gender and modernity is being mediated through responses to globalisation. The impact of SAP's on women is well documented, (job insecurity, greater unemployment amongst women, deteriorating working conditions, increase wage differentials, declines in girls education, decrease in food and health resources, more women headed households and often survival through prostitution or sex work).

This situation is interpreted along class lines with women from slums and the poorest areas seen as promiscuous because they are forced into prostitution to survive while middle class women are perceived to be chaste and respectable.

Moreover the state's abdication of the role of governance increases the burden of poor women and scales off any possibility of development for social change. The state assumes that women's labour time is available as a reserve, subsidiary and complimentary source for capitalist economic development. Household burdens prevent women from emerging as permanent workers. Women are beginning to challenge the crucial link between their quality of life and the quality of governance in national regional and global contexts.

Understanding the paradox of globalisation: South East Asian women's experience³⁶

Given the subordinate roles and status of women, development outcomes have differential impacts on women and men. This affects their participation in family, community and national affairs. Globalising processes in the region, whether through international institutions or regional formations



are reinforcing women's subordination. South East Asian women's experiences reveal the extent of their exploitation and the ways in which their lives are reorganised to serve global economic agendas.

From Asian miracle to the world's financial debacle: The demystification of a model

The hardest hit in the Asian financial crisis in 1997 was, South East Asia (SEA). Made attractive to foreign investors by years of economic growth and proclaimed by the World Bank as an East Asian miracle, most of the SEA countries experienced unrestrained flows of financial capital in the early nineties. Benefiting from the accelerated development of communication and information technology, the global financial sector was able to move capital in quantity and speed unheard of in the eighties. Governments in the region, abetted by International Financial Institutions (IFI), set the conditions which virtually opened the floodgates for foreign investors. Such were the conditions that many governments were unable to intervene when global financial players decided to suddenly pull out massive amounts of capital in July 1997. This resulted in the dramatic fall of the Thai Baht, followed by the decline of the Indonesia Rupiah, the Malaysian Ringgit and the Philippine Peso.

The immediate cause of the crisis was attributed to, "foreign fund managers heading portfolio flows and in the second half of the nineties, the signs of a "herd mentality" that looked at the entire region as if it were homogenous when there were differences in economic fundamentals from country to country. This led to the "contagion effect" wherein currency depreciation and financial crisis in one country is transmitted to another country in the same region".³⁷ As events unfolded, it was clear that the crisis had not only affected the region but was in fact, becoming a global crisis.³⁸

Failures of governance (economic), especially in respect of South East Asia financial crises, have had consequences beyond 1998. Between 1998-2000 monetary losses were estimated at \$2 trillion. These are: $\pm 20\%$ of



global economic production in these years and more than the combined annual income of Sub-Saharan Africa, the Arab States and South Asia.³⁹

The crisis had varied impacts. In some countries, such as the Philippines and Indonesia the immediate impacts appeared to be limited however, long-term impacts are expected to show in lower quality of education and poor health conditions, in other words, a decline in quality of life, which could be more serious.⁴⁰ Low-income underdeveloped countries were less affected since they were insulated from the contagion. A survey on Philippine industry revealed that one third of the Filipino firms have reduced their number of employees in comparison to the 60% of the Thai firms and the 75% of South Korea.⁴¹

The boom-bust cycle of the Philippine economy meant unsustainable growth rates that did not make it as attractive to foreign investors as its neighbours hence the analysis that it was less affected by the crisis. The crisis of governance in Indonesia that followed the depreciation of the rupiah, revealed a far more divided nation. The government was unable to cope with an economic disaster alongside its ongoing conflicts and the popular uprisings in East Timor, Aceh and Irian Jaya. President Suharto had no option but to succumb to the conditions imposed by the IMF. In Malaysia, Prime Minister Mahathir, imposed a limit on the out flows of portfolio investment.

In Indonesia, for example, there were other impacts. Since the most affected sector was the male-dominated construction industry, more male workers were laid off. In contrast, the female dominated labour intensive export oriented sectors such as textile, garment and footwear industries were not as affected and figures indicate a growth of the female labour force. The same trend was detected in the informal sector, with an increase of 6.5% of female family workers in 1997 to 1998 compared to the years of 1986 up to 1996.⁴² While there were increases in the female work force women were pushed into more exploitative conditions of work as cheap labour to provide for families.



In Thailand, there was a marked rise in female commercial sex work. Feminists are concerned about the extent to which “women’s bodies get cast as a natural resource in international development strategies and the national policies generated to implement these strategies.”⁴³

At the international level, the crisis paved the way for greater control by agencies like the IMF. A rescue package by the IMF, amounting to US\$16 billion (later increased to 17.2) to Thailand was negotiated. The government could only access this loan if it followed certain conditionalities. These included, privatising public utilities such as telecommunications and energies, increasing fuel tax to help raise revenues and reforming a variety of laws to open up key economic sectors for more participation of foreign firms in the economy. Since the “IMF and the World Bank had been instrumental in promoting Thailand, with its openness to capital flows and its high growth rates, as a model of development for the rest of the Third World”⁴⁴ they had to prop it up as a model. In response to this massive bailout, one of the demands of the Assembly of Poor (AOP) a national level coalition of local people’s organisations, rural villages and women’s groups, was for the Thai government to make public the agreement and conditions attached to the bailout by the IMF.

The saga of the state amidst globalisation: A case of political restructuring?

The creation of a transnational system that blurs the boundaries between domestic and foreign trade forced nations are to change their view of themselves as world actors.⁴⁵ They are less effective in their exercise of power as it is restricted to geographical borders while the processes they are supposed to govern and the problems they are supposed to solve now have global dimensions.

South East Asian states have not asserted themselves enough in areas where it mattered. For example Bello explains that the lack of state intervention in financial markets allowed over investment in the property sector in South East Asia. What is needed is “effective regulation of the private



sector and in particular, the break up of corrupt patronage that links the public and private networks". Furthermore there is a need to control capital inflows and outflows to prevent destabilising affects.⁴⁶ This view is consistent with the UNDP, as reflected in the Human Development Report, that states "Globalisation offers great opportunities for human advance – but only with stronger governance."⁴⁷

States act to protect private interests

The importance of the state to globalisation is underscored by Ellen Wood (1997) when she writes, "in the global market, capital needs the state. It needs the state to maintain the conditions of accumulation, to preserve labour discipline, to enhance the mobility of capital while suppressing the mobility of labour. Behind every transnational corporation is a national base, which depends on its local state to sustain its viability and on the other states to give it access to other markets and other labour forces. In a way, the whole point of globalisation is that competition is not just or even mainly between individual firms but between national economies. And as a consequence, the nation-state has acquired new functions as an instrument of competition. If anything, the nation-state is the main agent of globalisation".⁴⁸ The evidence in South East Asia shows that the most successful in implement neo-liberal goals are those states that are fundamentally authoritarian.

A different perspective is forwarded by Giddens (1998) who explains the three way movement of globalisation as it affects the position and power of states. According to him, "Globalisation 'pulls away' from the nation-state in the sense that some powers nations used to possess, including those that underlie Keynesian economic management, have been weakened. However globalisation also 'pushes down'– it creates new demands and also new possibilities for regenerating local identities. Globalisation also 'squeezes sideways' creating new economic and cultural regions that sometimes crosscut the boundaries of nation-states". A look at the regional integration processes perhaps could be useful in substantiating the third element.



APEC: The regional governmental body at the forefront of liberalisation

Established in 1989 as a consultative forum, APEC's main concern is the creation of a region wide, liberalised trade and investment regime. In its 1991 Declaration, APEC committed "to enhance and promote the role of the private sector and the application of free market principles in maximising the benefits of the regional co-operation". By 1994, the APEC heads of state agreed to reduce existing trade and investment barriers by 2010 for the developed and 2020 for the developing countries.

Considered as a forum for regional economic agenda-setting through dialogue, in fact, APEC is coming up as the key institution for economic liberalisation in the Asia-Pacific region. As one of its objective is "to deepen and broaden "the liberalisation policies spawned by GATT-UR agreements, it is clear that the APEC agenda is no different from that of the WTO and GATT-UR.

In fact, APEC is only one element of an integrated system of agencies, institutions, groupings and enterprises that are committed to the goals of global free markets and free trade. It has links and overlapping membership with other international and sub-regional institutions (such as the IMF, NAFTA). While the different actors would have different views of how to arrive at these goals, APEC's core concept of open regionalism needs to be further scrutinised especially in the light that APEC is considered as the vanguard to push trade and investment liberalisation in the WTO further and faster.

Given the nature of APEC itself, there has been a lot of discussion among NGO's on whether it would be useful to get involved in the ongoing APEC processes. One view is that participation could lead to legitimisation of anti-people initiatives of APEC. For this camp, it is more important to develop independent people- based strategies that could challenge APEC's lack of political and popular legitimacy, transparency and accountability from outside.⁴⁹

The other perspective is that it is most urgent to intervene in the processes so that one could influence outcomes to more pro-people activities.



Of course, the question women pose is how are NGO's to meaningfully participate in these processes. What are the mechanisms for participation of NGO's given the terms of reference of APEC itself? What kind of NGO's will participate? Will Southern NGO's have the same leverage as the Northern NGO's vis-a-vis their respective countries. How does one arrive at a consensus? How does one ensure accountability?

Women act against APEC

As far as women's organisations are concerned, three international women's conferences against APEC have been organised, Manila, 1996; Vancouver, 1997 and Kuala Lumpur, 1998 side by side with APEC meetings. While rejecting the APEC free market agenda of privatisation, deregulation and further trade liberalisation, the women who gathered in Vancouver called for more people to people co-operation. They also demanded that the governments allocate resources more effectively, stop demolitions, provide adequate employment, recognise women's roles and subsidise efforts for sustainable agriculture. In Kuala Lumpur, the women called for active resistance to globalisation in agriculture. They claim that transnational agribusiness corporations have taken over food production and distribution and in so doing, have further marginalised women's role in agriculture, and destroyed their knowledge and skills.⁵⁰

Globalisation and the state: Reflections on Latin American and Caribbean women's experience⁵¹

In Latin America women ask the question: what State for what development? The region experiences economic stagnation, increasing unemployment and a poorly qualified informal labour sector. Participation of women in the labour market has increased. International financial volatility, has affected the region, increasing social polarity, and the loss of ground at the international trade level. However, intra-regional trade is increasing through sub-regional blocs. But there is also a parallel increasing alienation of na-



tional economies, a contraction of national productive capacity and an unsustainable use of natural resources. Besides, with the emergence of centres of power, mainly paramilitary forces and mafias, the accountability and legitimisation of political power is being questioned by citizens, who experience a sense of desolation and insecurity in the region.

Structural adjustment measures were introduced in the region by the IMF and World Bank. These measures include:

- Search for macroeconomic stability, liberalisation of markets and deregulation of economic activity; cuts of public investment in order to eradicate deficits carried by the governments, regardless the high social cost.
- Reduction of State activity, through the privatisation of State enterprises; reduction of taxes for the most productive sectors and in some cases, efforts were made to improve the collection of taxes but with poor results because, it was not directed at corporations.
- The promotion of individual private property, rights as a legislative requirement
- Flexible labour markets with derogation of those labour laws that tackled the responsibilities of the employers. This was understood in the region as a means of undermining the power of unions and other labour organisations.

Contradictory impacts for women

However, certain countries are able to sustain some kind of dynamic growth such as Mexico, Costa Rica, Belice, and some islands in the Anglophone Caribbean region, Dominican Republic , Colombia and Chile, though the financial crisis also affected the markets of the latter. But, according to ECLAC, the sustained financial crises in the region are the clearest evidence of the huge asymmetry that exists in the world. Moreover, policies of structural adjustment have not been able to promote a process of growth and accumulation nor have they paved the way for sustainable development. On the contrary SAPs have:



- Promoted uneven access to resources and reproduced existing inequities;
- Lacked a gender perspective and in most cases assumed a neutral position.

Significantly in all cases, with the exception of Haiti and those countries with large indigenous populations, women have more access to secondary level education compared to men of the same age. While this is a positive indication, there are major disparities in opportunities for indigenous people. Indicators of human development, especially in education show that Uruguay, Argentina and Cuba have better access to secondary level education. Riviera points to the complex features of globalisation that require a synergy at different levels and co-ordinated action between different actors. The role of the state should be one of regulating the market, strengthening civil society and monitoring the different actors in development.

Globalisation processes as mediated through SAPs have not resulted in gains for women or poor people. However, in some cases the push for constitutional rights has led to certain reforms. These reforms have a contradictory impact on women's rights, since they promote progress on certain issues that were internationally agreed, which do not imply any public expenditure, but at the same time gender differences still persist and discriminatory norms tend to eliminate those rights that were already achieved, specially affecting the labour field.

Globalisation is not something new in the Caribbean either. It is marked by a history of colonialism that started in the Caribbean region and moved to the rest of Latin America, building the basis for capitalist expansion. Slavery and colonialism remain a painful part of Caribbean history. Feminist analyses in the Caribbean also highlight the need to critique globalisation and its impacts on women.

Feminists from the anglophone Caribbean have worked for the establishment of women's bureaux, and have had experiences of working with the State. Despite this discriminatory practices persist, and continue to be the centre of struggle.⁵² However an increasing number of people justify



their right to participate at Government level. The NGO's movement has been able to critique the market and trade agreements that undermine people.

Globalisation and the state: Reflections on African women's experience

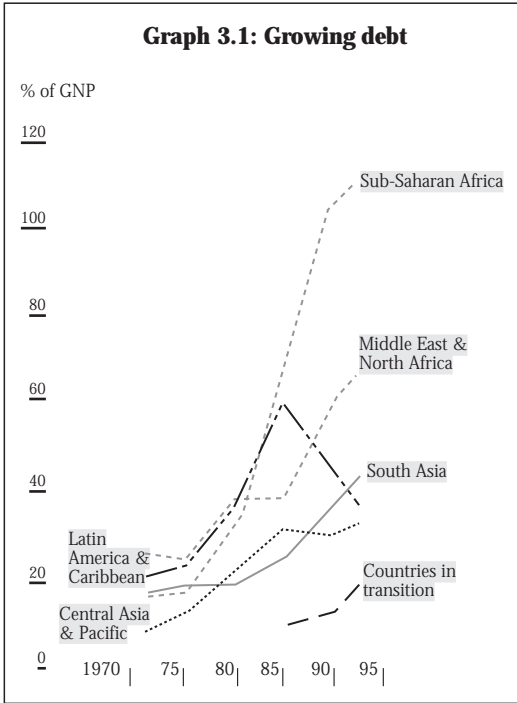
Globalisation, structural adjustment programs and debt⁵³

The sharp oil price rises of the 1970s accompanied by the decrease in the market value of export products from Africa made it impossible for most countries in this region to service their debts. Sub Saharan Africa, has the highest debt and servicing obligations, amounting to over 100% of GNP for the region (refer to graph3.1). Africa's debt servicing has had a direct impact on its ability to promote human development. The lending organisations, namely the World Bank and the IMF, have instituted economic SAPs with specific prescriptions for debtor nations to adjust their economies to service their loans. Graph 3.1 shows the extent to which debt is an overwhelming problem for the South. It particularly highlights the unsustainable nature of debt servicing for sub-Saharan Africa. Africa's debt crisis has had a devastating impact on poverty in the region. Under SAPs, debtor nations were forced to devalue their national currency, slash their budget deficit through cutting subsidies and social services. Further, retrenching public employees, introducing price controls, broadening the tax base, removing ceilings on interest rates and promoting the export sector were part of the conditions. In addition, government businesses were to be privatised. African women emphasised the many processes of globalisation, and focused on the deregulation of markets under SAPs and the subsequent decline of the power of the nation state as having a significant impact on their lives.

Economic, political, and social issues in Africa

Three related processes have taken place in the 1990s and these are liberalisation, democratisation and globalisation.⁵⁴ The two processes of globalisation and liberalisation are linked.⁵⁵ One significant change in the





Note: In the Sub-Saharan Africa data, South Africa is not included.

Source: World Bank, *World Debt Tables 1994–95*, Vol. 2. Washington, DC, 1994, in *The World Guide 1997/98: A View from the South*, Instituto del Tercer Mundo. Oxford: New Internationalist Publications Ltd.

nature of international capital in the 1990s is that it has moved from “on-shore” and is now located “offshore”. The powerful electronic means of moving capital increases the speed of capital transaction around the world, making it difficult for the nation state to apply regulations or impose taxation. According to Pereira,⁵⁶ the international financial institutions use good governance for the purpose of rhetoric, when in reality their aim/agenda is the promotion of the private market which is as-

sumed to be the key to economic and social development.

African feminist critiques of globalisation

It is worth recalling first that, as observed by Sparr,⁵⁷ neoclassical economics is not a value-neutral science. Globalisation is a reflection of cumulative cultural and historical processes that are specific interpretations of human behaviour seen through the lens of a particular race, class and gender of



thinkers. For instance, it places emphasis on atomistic rationality and negates co-operative solutions and thus, it is inevitable that mainstream economics tend to neglect state interventions. Yet in many countries there is a need for state intervention on behalf of citizens.

Second, the liberal theory is a-historical in the sense that it is grounded in the experience of a handful of industrialised economies at a particular point in time. It assumes that the nature of the economy will not fundamentally change and the difference between societies is negligible. One consequence of this a-historical conception and approach is that the theory assumes a fully monetised and market-oriented society. This explains why generic SAPs are prescribed for all debtor nations.

There is a major flaw in these monetised and market-driven presuppositions that affect women. Indeed, in many countries women provide products, labour and services as part of family obligations, reciprocal household responsibilities, mutual aid and the like. Further, this theory considers work performed, services rendered and products made that do not have an explicit price to have no economic value. Thus, much of what society classifies, as women's work is rendered invisible and unimportant for understanding how economics works. This means that the application of the African ethos of reciprocal obligations is overlooked and ignored in economic and livelihood analysis.

Third, policy-makers have assumed that women's unpaid work is infinitely flexible and free –regardless of how resources are allocated. As a result, women end up taking extra loads without relinquishing previous ones and thus feel the impact physically and emotionally. Finally, labour is not as freely available as neoclassical theory assumes. Laws, institutionalised practices and customs restrict women's chances for free market entrance, exit, and mobility.

Under agri-industrialization, TNCs play a key role in financing production, distribution, marketing and consumption of agricultural products. They control agriculture through processes of contracting with small-scale farmers, provision of technological packaging and imposing international



control over quality and variety for local products. Due to the fact that control lies with TNCs, the growth of agri-industries requires a review of the role and identities of farmers and the state as traditional actors in agricultural production. Previously, farmers used to be perceived as autonomous producers. But “the ethnography of agri-industrialisation demonstrates how the production activities of seemingly autonomous small producers are shaped less by their own decisions than by the sociology, economics and technology of production and consumption far from the sites where they actually produce”.⁵⁸ TNCs give preference to businesses that are free of government controls. Seen in this light, the power of farmers and government to act against TNCs is limited. But feminists may identify the globalisation threat to national and individual action as a space for strategies for gender transformation.

Feminist liberal theory has also come under serious attack for homogenising women. It is obvious that lived experiences of women vary due to a variety of factors such as race, class, and ethnicity. Socialist feminists have sought an answer in patriarchy, to support the idea that women’s subordination to men is universal. Nonetheless this does not address the problem, for there is still no common political agenda for all women.

Globalisation, the state and gender: A Pacific regional perspective⁵⁹

Globalisation in the Pacific region usually refers to the SAPs that most countries have adopted in one form or another, as they, in turn, became affected by the fallout from the world economic recession. Their economies were cushioned to a certain extent by the continuing high level of aid and the subsidised prices their primary commodities enjoyed in preferential trade agreements with their former colonial masters. Moreover a high percentage of the population is still involved in subsistence production which in many ways is less affected by fluctuating world markets.



But the continuing world economic crises and the adoption of austerity measures at home, which included retrenchments in their aid programmes, forced traditional donor nations to the Pacific not only to reassess their aid programmes but to impose conditions on their assistance, such as good governance, greater accountability and transparency. Such conditions were prompted partly by the demand from their own tax payers for greater accountability of aid funds, partly in support of World Bank and IMF neo-liberal economic and ideological stances and partly to encourage economic growth, which would render the Pacific region a better investment risk and a more lucrative market for their goods and services.

Thus, most Pacific countries were obliged by economic crisis to introduce structural adjustment policies designed to overcome trade or fiscal imbalances and to reduce inflation. Through the influence of aid donors, the World Bank and IMF, Pacific countries have embraced to various degrees the neo-liberal call for free markets and free trade, diversified export-led growth, foreign investments, downsizing of government, and lower public expenditure among many other aspects. Slatter⁶⁰ clearly documented numerous examples from around the region of the kinds of economic policies Pacific countries have adopted in response to pressures from the World Bank and IMF.

Privatisation of public enterprises and cutbacks

Privatisation programmes saw the Solomon Islands, Fiji, Kiribati and Samoa, among others, selling off or corporatising state-owned enterprises to private interests. Fiji implemented a number of other prescribed policies, 'including cutting back on public spending (which has meant reduced allocations to health, education, housing and other social services); introducing a 'user pays' principle (which has raised the costs of public housing, health and education); and applying taxation 'reforms' aimed at broadening the tax base, providing incentives for private investment and reducing or eliminating trade-inhibiting taxes (import duties).



Tax reform transfers the costs to the poor

In both Fiji and Samoa, taxation 'reform' has been introduced in the face of strong public opposition, including a massive public demonstration in the case of the latter, and has transferred the tax burden onto the poor. Both countries have also embarked on new export-oriented manufacturing ventures (garments in Fiji and automotive wire assembly in Western Samoa for example) based on generous tax incentives to investors and the unmitigated exploitation of unorganised (and mainly female) workers.

Labour market deregulation

Economic and labour market deregulation in Fiji also entailed the additional imposition of repressive anti-labour decrees which strip workers and unions of hard-won rights and openly favour employers.⁶¹ Police records show that 'violence against women remains a dominant concern' and that 'increased hardship has been placed on women as the loss of income coupled with the introduction of some user charges have combined to put more pressure on them to manage family budgets. There has been a significant move back to traditional labour intensive methods of housekeeping in an effort to stretch household budgets. Financial pressures and the adoption of more labour-intensive household practices have reduced their ability to contribute to their communities and to care for their extended families.' Similar reports have emerged from other parts of the Pacific. Lateef,⁶² for instance, declared that 'while development has brought benefits to some Solomon Islanders, these benefits have not been shared or distributed equally. Women have certainly not been the major beneficiaries.

Natural resource extraction and depletion

In the striving for development, increased emphasis has been placed on the need for expanding the productive base of the country and its entry into the cash economy. This has meant for the Solomon Islands, the introduction and emphasis on cash cropping and the exploitation of resources, such as forests. Since the vast majority of the population still lives in rural villages practising subsistence agriculture, the introduction of cash crop-



ping and the logging of forests have, in many instances, created new and exacerbated existing problems for women.

The already long distances (often uphill) that women had to walk to collect and carry water and firewood have, in some cases, been lengthened since traditional sources of fuel wood and water have now either disappeared, or become polluted due to indiscriminate logging. The use of the best land closest to the village for cash crops has meant that women now have to walk further to their food gardens and work harder to produce the same quality and yield of food. The introduction of livestock projects either led to the livestock roaming and ruining women's food gardens' or increasing their workload by assuming responsibility for raising the livestock as the men neglect their responsibilities. 'The rush by many males to reap the cash rewards from logging and mining has meant that customary land has been signed away to outsiders (foreign companies) without any, or proper consultation with women, even when many have had customary rights to use of the land.'⁶³

Women's exclusion from development planning

The marginalisation of women in national planning economic strategies is common throughout the region, even in areas where women in many Pacific countries have traditionally played and are still playing major roles, such as in agriculture and fisheries. Emberson-Bain,⁶⁴ writing of Kiribati said that 'the important role of women in the fisheries sector – both in subsistence and commercial-artisanal activities – has yet to be given appropriate official recognition, support and resources in Kiribati. National policy has traditionally focused on such things as pelagic male fisheries and improving financial returns from resource exploitation within the country's 200-mile exclusive zone (EEZ). Today, the gender blind spot on fisheries development continues to be typified by marginalisation of women from sectoral planning and policy-making, training opportunities, access to credit and other crucial support services. This is inimical to the interests of national development as well as to women.'



Slatter⁶⁵ stated that 'the negative impacts and/or questionable aspects of economic restructuring in the region are tangible enough to warrant concern and serious questioning.' She went on to provide many examples from the region:

- In Fiji restructuring policies have created low-wage boom industries based on female labour, frozen or driven down wages in other industries and sectors and, through devaluation and the introduction of VAT generally eroded workers' purchasing power. Corporatisation programmes have involved job losses for hundreds of nationals and huge consultancy gains for foreign companies.
- In Solomon Islands the reforms are considered to have contributed to triggering inter-ethnic tensions on Guadalcanal – reeling from the impact of the Asian crisis and especially the financial problems of Malaysian logging companies which saw the reduction of national income and fiercer competition for jobs, the Solomons Islands government was pressed by aid donors to cut expenditure, freeze wages and step up the promotion of private investment (Asia Times 22 July 1999).
- In the Marshall Islands, public sector reforms have reduced the government workforce by a third, imposed a three years wage freeze and frozen increments in the public sector. Budget cutbacks in public sector spending have axed training and income-generating activities formerly provided by the Division of Women within the Ministry of Internal Affairs and Social Welfare. The women's Division now functions merely as a clearing-house and meeting station for the National Council of Women and Other NGOs.⁶⁶

Globalisation is more than economic control

But globalisation in the region is not merely to do with neo-liberal economic policies, although that is the form it has largely assumed in the region. Pressure to reform political structures and systems have also come from external sources particularly from aid donors, which takes the guise of 'good governance, transparency, accountability and democratic reform'.



As Kelsey⁶⁷ previously pointed out, it is not only goods and capital that traverse national boundaries. Services and ideas are included and governments are pressured to adopt policies that would allow deregulation and facilitate their 'free' movements and establish legal systems and institutions that would ensure that such policies are adopted and adhered to and once commitments are made through international agreements, countries would find it almost impossible to opt out of them and would be made to pay heavily in terms of crippling economic sanctions if they do so.

Many women's non-government organisations from the Pacific, rejected the Asia-Pacific Economic Co-operation (APEC) for 'regional trade liberalisation and other mechanisms for economic globalisation' because these processes put corporate profits as the overriding priority, while marginalising or even neglecting people's needs and the environment. "Pacific Islanders, many of whom still own their lands and resources, are in a position to promote alternative systems of trade. Pacific peoples are choosing models of sustainable development that can remind communities in other parts of the world that there are viable alternatives to APEC".⁶⁸

Some conclusions

The WTO, World Bank and IMF came under attack at Seattle by a broad coalition of progressive forces. Activism at Seattle centred on a world trade regime that is unaccountable and opaque. The demands from highly indebted poor countries for debt cancellation, for inclusion on equal terms within global governance institutions, for transparency and accountability are an integral part of the struggle for democracy and equity. In order to change the rules that govern economic global and regional institutions women are beginning to understand these rules and find spaces from within and without to expose the contradictions, the hypocrisy and brutality inherent in systems that are anti people and anti women.

The experiences of women in the south and feminist analyses indicate that "the relentless pressures of global competition are squeezing out care,



the invisible heart of human development".⁶⁹ Across all regions of the South women highlight the need for national, regional and global governance to be reconstituted in ways that centre gender justice and social equity. The current path of globalisation and the marketisation of governance is unsustainable. It poses a challenge to the feminist movement and progressive organisations of civil society to reclaim governance for social transformation. Global political space provides an opportunity for the feminist movement to mobilise on issues such as human rights, democracy and social transformation.

Notes

- 1 Commitment 8: The Copenhagen Declaration and Programme of Action–World Summit for Social Development – 06–12 March 1995
- 2 Commitment 10: The Copenhagen Declaration and Programme of Action–World Summit for Social Development – 06–12 March 1995
- 3 UNDP, Human Development Report,1999:1, Oxford University Press, Oxford.
- 4 This section draws from a paper prepared by Dot Keet (2000) for DAWN's PRST Inter Regional Meeting, Cape Town
- 5 Keet,1 997
- 6 [Onimode, 1992]
- 7 World Bank, 1991
- 8 As many were to become – in some views by deliberate design – in the aftermath of the 'Asian' financial crisis in the later years of the 1990s.
- 9 Such as the need for rules of the game on mutual liberalisation between the most industrialised countries themselves, and conditions for 'fair' competition between their global corporations.
- 10 Which had been sustained for almost twenty years through the repeated extension of the restrictive Multifibre Agreement (MFA).
- 11 It is still not clear whether they will accede to, or continue to evade, agricultural trade liberalisation in the multilateral agricultural negotiations that were postponed to the beginning of 2000.
- 12 [Raghavan, 1990]
- 13 [Shahin, 1996 ; Das, 1998, 1998a]
- 14 The former a negotiator in the WTO on behalf of Egypt, and the latter on behalf of India during the UR.



- 15 Very often in the controversial Green Room negotiations between the most powerful players that explicitly excluded 'outsiders'.
- 16 Although, with the rapid accession of developing countries to GATT during the UR, their numbers actually surpassed that of the OECD members when the WTO came to be officially launched in 1994.
- 17 As in Washington's threats of sanctions against countries/companies not observing US economic measures against Cuba and other countries considered hostile to US interests.
- 18 As has been argued with respect to the 'dumping' of EU agricultural products in developing countries' markets, because the Common Agricultural Programme (CAP) subsidies distort and probably disguise the real costs of production. The same applies to the (more covert) government subsidies given to US agriculture.
- 19 Khor, 1999
- 20 As with directors of the Bretton Woods Institutions, the US and the EU were absolutely adamant that the first Director General of the WTO should be a man enjoying their confidence and endorsement. And the quad put up an energetic resistance throughout 1999 to the appointment of a new Director General from a developing country (Thailand), and secured a compromise/interim candidate of their choice (from New Zealand)
- 21 WTO, 1996.
- 22 Although also children; and all of them invariably under appalling conditions.
- 24 This section is based on Vanita Mukherjee's, 2000, DAWN's Regional Synthesis PRST Paper on South Asia as well as Indu Agnihoti ', 1999. Paper on Globalisation and the State prepared for the DAWN PRST research process, South Asia
- 25 See IAWS, 1993
- 26 See The Island, 20/5/99
- 27 See Mahmud S, and Mahmud W, 1989
- 28 Overall, worldwide, the first wave of globalisation of agricultural policies coincides with SAPs that nearly 80 developing countries had to conform with as part of meeting conditionalities for rescheduling their external debt
- 29 See Mahmud S & Mahmud W, 1989, Agnihotri I, 1999
- 30 See Mahmud S & Mahmud W, 1989.
- 31 Barraclough S, and Finger-Stitch A. 1995
- 32 Ahmed N, 1995 cites loss of agriculture production to be 30% of previous production, loss of fishery as 100%, Loss of livestock and poultry – by 75%, shortage of fuel, fuelwood, biomas and crop residues. Salinity of soil affected



dwelling like mud-houses that crumble. People living close to shrimp ponds were vulnerable to water-borne diseases. Shortage of drinking water, meant women had to walk a long way to get water.

- 33 From debates the South Asian Caucus, See Chiang Mai, 1999
- 34 Renu Rajbhandari raised this point at the first South Asia Workshop on PRST in Bangalore, India 1998.
- 35 World Bank Report as quoted by Dr. Indu Agnihotri in her paper.
- 36 This section is based on Carolyn Medel-Anonuevo's paper (2000) on Globalisation and the State in South East Asia, prepared for the DAWN PRST research process
- 37 Lim, 1998
- 38 Sta Ana, 1998
- 39 As stated in the HDR 1999
- 40 Lim, 1998 and Feridhanusetyawan (1999).
- 41 World Bank, 1999.
- 42 Feridhanusetyawan (1999).
- 43 Bishop and Robinson (1998)
- 44 Bello et al, 1998:43
- 45 Habermas 1998
- 46 Bello, 1998
- 47 UNDP – Human Development Report 1999:1
- 48 Ellenwood 1997 as quoted in paper prepared by Carolyn Medel-Anonuevo
- 49 www.vcn.ca/canada.summit
- 50 (Prakash and Mourin, 1998)
- 51 This section draws on Marcia Riveiera's (1999) DAWN PRST paper on The State and Globalisation in Latin America, Rio de Janeiro.
- 52 Linette Vassall, DAWN Caribbean participant at the PRST Meeting in Rio de Janeiro
- 53 This section is based on the Africa PRST Synthesis Paper by Assie-Lumumba (2000) and Collen Seegobin (1999), DAWN Africa PRST meeting, Cape Town
- 54 As debated by Collen Seegobin, (1999), Pereira (1999) and Taylor (1999) at DAWN Africa PRST meeting, Cape Town
- 55 Collen Seegobin (1999), DAWN Africa PRST meeting, Cape Town
- 56 Pereira (1999), DAWN Africa PRST meeting, Cape Town
- 57 Sparr, 1994:154
- 58 Kearney, 1996: 128
- 59 Drawn from Ana Maui Tankemlmugaki (2000), regional PRST synthesis paper on the Pacific
- 60 Slatter (1994; 2000)



- 61 Slatter (1994:21)
- 62 Lateef (1990:48)
- 63 Lateef (1990:48)
- 64 Emberson-Bain (1995:xiv)
- 65 Slatter, 2000
- 66 Wichman (1998:32)
- 67 Kelsey (2000)
- 68 Indigenous Woman, 1997: 45
- 69 UNDP, Human Development Report, 1999:7

