Gender (in)equality, globalization and governance

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Working papers are preliminary documents circulated to stimulate discussion and obtain comments
Abstract: Global processes of trade and finance are shaping employment structures and relationships, wages and working conditions, opportunities for women and men, and their participation in paid work. This paper focuses on two aspects of these global processes: first, global supply chains and production networks that reflect the current nature and pattern of international trade and investment; and second, the international migration of care services workers. These two aspects particularly illuminate women’s position and issues pertaining to gender equality. The main questions posed in this paper are: Have these two facets of globalization enhanced women’s economic opportunities and the value of their labour vis-a-vis that of men or are these generating poor conditions of employment and reinforcing social divisions along sex, ethnicity and race? Are current governance frameworks and instruments able to ensure benefits for all and protect workers from a downward spiral of employment conditions?


Résumé: Les processus mondiaux du commerce et de la finance déterminent les structures de l'emploi et les relations de travail, les salaires et les conditions de travail, les opportunités pour les femmes et les hommes, ainsi que la participation des travailleurs à un emploi rémunéré. Ce document se concentre sur deux aspects de ces processus mondiaux : d'une part, les chaînes de valeur mondiales et les réseaux de production qui reflètent la nature et les schémas actuels des échanges et des investissements internationaux ; d'autre part, la migration internationale des professionnels des services de santé. Ces deux aspects éclairent particulièrement la position des femmes et les questions relatives à l'égalité des sexes. Les principales questions posées dans ce document sont les suivantes: ces deux facettes de la mondialisation ont-elles augmenté les opportunités économiques des femmes et la valeur de leur travail par rapport à celle des hommes ou génèrent-elle au contraire des conditions de travail médiocres et renforcent-elles les divisions sociales sur des critères de sexe, de race ou d'origine ethnique? Les schémas et les instruments actuels de gouvernance sont-ils en mesure de garantir des bénéfices pour tous et de protéger les travailleurs d'une spirale descendante des conditions de travail?


Resumen: El proceso de globalización del comercio y las finanzas internacionales está determinando las estructuras de empleo y las respectivas relaciones, los salarios y condiciones laborales, así como las oportunidades para mujeres y hombres y su participación en el trabajo remunerado. Este documento se centra en dos aspectos de ese proceso: en primer lugar, las cadenas de abastecimiento y las redes de producción a nivel mundial que reflejan la naturaleza y los patrones actuales del comercio internacional y la inversión y, en segundo lugar, la migración internacional de los trabajadores del ámbito de los distintos servicios de atención. Estos dos aspectos hacen resaltar en particular la posición de las mujeres y los temas relacionados con la igualdad de género. En el presente documento se plantean principalmente dos interrogantes: ¿estas dos facetas de la globalización han mejorado las oportunidades económicas de las mujeres y el valor de su trabajo con respecto al de los hombres o están generando condiciones de empleo deficientes y acrecentando las diferencias de orden social, de sexo, etnia y raza? ¿Los actuales marcos e instrumentos de gobernabilidad pueden asegurar beneficios para todos y proteger a los trabajadores de una espiral descendente de las condiciones de empleo?

The Policy Integration and Statistics Department

The Policy Integration and Statistics Department pursues the ILO’s decent work and fair globalization agenda from an integrated perspective. It consists of the Bureau of Statistics and the Policy Coherence Group.

The central objective of the latter is to further greater policy coherence and the integration of social and economic policies at both the international and national level. To this end, it works closely with other multilateral agencies and national actors such as Governments, trade unions, employers’ federations, NGOs and universities. Through its policy-oriented research agenda, it explores complementarities and interdependencies between employment, working conditions, social protection, social dialogue and labour standards. Current work is organized around four thematic areas that call for greater policy coherence: Fair globalization, the global poor and informality, macro-economic policies for decent work, and emerging issues.

Labour statistics play an essential role in the efforts of member States to achieve decent work for all and for the ILO’s support of these efforts. These statistics are needed for the development and evaluation of policies towards this goal, for assessing progress towards decent work, and for information and analysis of relevant labour issues. The ILO Bureau of Statistics works with integrity, independence and high professional standards to provide users within and outside the ILO with relevant, timely and reliable labour statistics, to develop international standards for better measurement of labour issues and enhanced international comparability, and to help member States develop and improve their labour statistics. It maintains strong professional relationship with national statistical systems and with statistics offices of other international agencies.

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Gender (in)equality, globalization and governance

Contents

I. Introduction ................................................................................................................... 1
   Why look at gender dimensions? .................................................................................. 2
   Structure of the paper ................................................................................................. 3

II. Global supply chains and production networks .......................................................... 5
   A. Situation of women workers and gender inequalities ............................................. 5
   B. Governance of global supply chains and networks .............................................. 12

III. International migration of care workers ..................................................................... 20
   A. Women migrants and gender inequality ............................................................... 20
   B. Governance of international labour migration .................................................... 23

IV. Conclusions .................................................................................................................. 25

References ......................................................................................................................... 29
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I. Introduction

This paper focuses on two aspects of the global economy that particularly illuminate women’s position and issues related to gender equality: first, global supply chains and production networks that reflect the current nature and pattern of international trade and investment; and second, the international migration of care services workers. These two facets of globalization have an impact on women and men in both the South and the North, in developing as well as in developed countries. For example, there is widespread concern in developed countries that trade with low-wage countries and labour migration are responsible for job losses and growing wage inequality in developed countries. 1 However, this paper gives particular attention to issues in developing countries.

The situation of the global economy under the current worldwide crisis has not been factored into this paper. As of the time of writing this paper, the full impact of the crisis on employment across the world was still unfolding (ILO 2008a, ILO 2008b, ILO 2008c). Nevertheless, the ways by which national economies, labour markets and men’s and women’s employment are interconnected by global production networks and labour migration indicate the channels through which the crisis that began in the North is shaping women’s and men’s working lives in the South.

Globalization is much broader than global supply chains or international movement of people. It encompasses the dynamic processes of international trade and finance that interconnect and increasingly integrate national economies. These global processes have gained entry into local labour markets, shaping employment structures and relationships, wages and working conditions, opportunities for women and men, and their participation in paid work.

World trade and cross-border capital flows were also significant before WWI. But the current phase of economic globalization has three characteristics. First, international trade and finance have assumed a much more liberal orientation (van der Hoeven and Lübker 2006; ILO 2002). 2 Second, in comparison to the period before WWI and Great Depression, the volume of trade, FDI and other financial flows had grown more rapidly and vastly since the 1960s, and the share of manufactured goods, and information-based services had

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1 The results of the study by Kongar (2007) show that over 1976-83 period, employers in import-affected, concentrated sectors of US manufacturing were able to achieve wage-bill reductions without increasing the relative demand for female labour. Women in low-wage production were disproportionately laid off without an offsetting increase in proportion of women in high-wage occupations. The decrease in women in low-wage occupations raised the average wages of women workers. The author stated that women’s production jobs were likely lost to overseas workers. On the other hand in competitive industries, employers reacted to increased international competition by substituting men with lower-waged women, as evidenced by the increase of female share of low-wage production workers, associated with a significant decline in residual wages of women and widening gender wage gap.

2 While trade liberalization has dominated the policy agenda since the 1960s and efforts seeking to further deregulate international trade continue, policies aimed at liberalizing capital and financial accounts have been adopted since the 1980s. In fact, the current financial crisis has been traced to excessive deregulation of financial markets. See ILO 2008a, ILO 2008b, ILO 2008c for perspectives on the current financial and economic crisis and preliminary assessments of the likely impacts on decent work.
risen steadily at the expense of primary commodities.\textsuperscript{3} Third, the nature of economic integration – the way production and trade are organized - has changed deeply, driven to a large extent by the information technology revolution (Zammit forthcoming; Hayter 2004). Whereas goods and services in the early 1900s were traded between independent firms, today international trade involves the production of goods and services across multi-country locations. Cross-border production has also been shifting from vertical integration (which includes overseas production in export processing zones) towards outsourcing and off-shoring segments of production processes since the 1980s.\textsuperscript{4} Labour-, skill-, capital- or technology-intensive products and processes are located in areas whose combination of inputs, productivity, quality and wage levels provide competitive advantage, resulting in complex global production networks. As a consequence, the link between investment and trade has become significantly stronger (ILO 2002: 1-3).

The international movement of labour also links national economies and labour markets, but, unlike international trade and finance, it is still highly restricted. Nevertheless, the international migration of men and increasingly greater number of women was, until the crisis, reportedly at an all time high. It was projected that this was likely to continue to increase because of a range of factors including demographic changes and economic inequalities between countries.\textsuperscript{5} Improved telecommunications and transportation infrastructure has facilitated the cross-border movement of workers, but demographic and socio-economic factors have been the main drivers of this global labour movement.

Why look at gender dimensions?

Looking at the gender\textsuperscript{6} dimensions of globalization is essential for promoting a “fair globalization”, one that, according to the World Commission on the Social Dimension of Globalization, creates opportunities for all, does not exacerbate existing problems of inequality within and between nations, and enables men and women to meet their aspirations for democratic participation and material prosperity.\textsuperscript{7} The most obvious reason for addressing gender issues is that women workers make up the overwhelming majority of the workforces of labour-intensive, export industries in developing countries, dominate the

\textsuperscript{3} World merchandise trade is overwhelmingly dominated by manufactures, accounting for 75 per cent of world trade in 2001. Although the three advanced economies (North America, Western Europe and Japan) continue to dominate FDI and trade flows, Asia other than Japan has taken a leading role in exports of basic manufactures but also increasingly in more technologically sophisticated products (based on GATT/WTO data, Gibbon & Ponte 2005: 1-33). These trends will change as the US, European and Japanese economies have entered an economic slowdown.

\textsuperscript{4} This is referred to in the literature as vertical disintegration or fragmentation of production. ICT innovation, including digitization, the internet, high-speed data networks and others development that facilitate “lean production”, “last minute”, “just-in-time” or time-to-market production and “total quality management” has made coordination and control of geographically distant segments of the production process, services and distribution possible.

\textsuperscript{5} In 2005, there were 190 million migrants, defined by the UN as people who left their country of birth or citizenship for a year or more (Kuptsch and Martin 2008). In industrial countries, migrants more than doubled from 55 million in 185 to 120 million in 2005. Remittances from migrant workers are estimated by the World Bank to be at least US$90 billion per year (ID21 2005).

\textsuperscript{6} Defined as: the social construction (ideas, norms, values) of economic and social roles of men and women in a given society; relations of power between them defined by their entitlements and control over decision-making and resources.

\textsuperscript{7} See excerpts at http://www.ilo.org/public/english/wcsdg/docs/report.pdf
international migration of care services workers, and tend to be concentrated in the most vulnerable jobs of global production systems. Any assessment of the benefits and costs of globalization would thus be insufficient if it does not differentiate the outcomes for female and male workers.

A second, perhaps less obvious, reason is that failure to take into account gender-based differences in economic behaviour and labour market outcomes could lead to the formulation of ineffective and inefficient strategies. Women and men are differently, often unequally, positioned in the economy, perform different socially determined responsibilities, and face different constraints; thus, they are unlikely to respond in the same way to policies and market signals.

Third, gender equality with respect to opportunity and treatment in the global economy is essential for achieving equity and social justice, which are integral to achieving decent work for all. “Decent work”, a term the ILO adopted in 2000, sums up peoples’ universal and basic aspirations in work, which include adequate and stable income, fair and equal treatment, safety at work, economic and social security in old age, through ill health and in time of hardship, more opportunities to develop one’s creativity and potentials, voice and representation, and dignity, respect and freedom at work.8 From the decent work perspective, globalization processes should help reduce, or at least not aggravate, inequalities between men and women.

A critical consideration for understanding gender dimensions is the interdependence between the market, “paid” economy (the recognized focus of economic policy and corporate actors) and the non-market, “unpaid” care economy (the private sphere). Unpaid caring services, which are provided directly to household members as well as the wider community, are vital to individual socialization and the reproduction and maintenance of human capabilities upon which economic life depends. It is women’s time that is mainly stretched between work in the unpaid care economy and paid economy. State-provided services (e.g. health care, childcare, education, water supply) and any service that can be bought privately in the market assist or alleviate unpaid care work. Measures that favour the market paid economy at the expense of the unpaid care economy will have gender-differentiated effects, with women bearing the heavier burden.

Structure of the paper

Part II, section A, assesses, from a decent work perspective, the employment structure and terms of employment in global production systems, and the resulting position of women vis-à-vis men. The questions addressed by the section are: Have current international trade and production systems generated better employment opportunities or are these fuelling a downward spiral in employment conditions? Has the mobilization of women into the workforce enhanced (or worsened) their economic opportunities vis-à-vis men and their overall position in the labour market? It has been widely argued that globalization generates new employment opportunities and economic benefits for

8 The agenda towards achieving decent work for all calls for an approach that integrates employment promotion, social protection, rights at work and social dialogue. The integrated framework is necessary to fully understand the role of work in society and in the economy, in the community and in enterprise, and its contribution to individuals and social goals. People experience work in a unified way. Different aspects of work are interrelated, such that policies that promote one goal, e.g. reduction of child labour through conditional cash transfers, might undermine gender equality, e.g. by reinforcing and increasing women’s unpaid care work; or policies may be at cross-purposes rather than complementary (e.g. social assistance and income security for poor families with young children versus employment promotion for poor female-headed households).
developing countries. At the same time, there is concern that competition for exports and foreign investment is leading to a deterioration of wages and working conditions, and fuelling a “race to the bottom” in labour standards. Because women are concentrated in the lower segments of global supply chains, they bear the greater cost of this race.

The second section of Part II addresses questions related to governance of employment conditions and sharing of benefits in global production systems: *Are current governance frameworks and instruments at international level able to prevent a downward spiral in employment conditions, and ensure that globalization generates better employment opportunities and economic benefits for all – both men and women?* While throughout most of 20th century, labour markets and social relations of production were regulated on a national basis through a mix of national laws and policies, union-management negotiations and company policies, the expansion of global supply chains imply that these are no longer adequate. Under current organization of global production and trade, authority over labour markets and economic institutions is dispersed across national regimes and among global buyers and myriad of suppliers, while policy actors (governments, trade unions, employers’ organizations, civil society organizations and social movements) remain embedded within national frameworks. The ILO Conventions provide international standards for national actors, but their ratification and implementation are linked to national political processes. As a result of pressures for compliance with international labour standards in a context where national instruments have been weakened, new multilateral frameworks and hundreds of private, non-State initiatives have emerged within the past two decades. Thus the related question is: *How effective are these new tools of global governance? What are their potential strengths and weaknesses?*

Part III focuses on the international migration of care workers, both skilled health professionals and personal care services workers, from developing and transition countries to developed (wealthier) countries. Following traditional occupational segregation, women dominate this stream of migrant workers. Far from being marginal to globalization, the global labour market of care work is essential for the reproduction of the global economy – it is indispensable in maintaining human life and families, and in enabling workers (many of them women) with family responsibilities in developed countries to remain economically active. The migration of care workers has both negative and positive implications for countries of origin. Section A looks at the *conditions under which care workers migrate and are employed, as well as highlights the socio-economic and gender inequalities within and across countries that underlie the demand for, and supply of, this predominantly female labour*. More and better paid jobs in destination countries, and the ability to financially support their children and families have been the primary reason women from poorer regions of the world have sought jobs overseas. The global care labour market has thus offered many women new job opportunities. It has also transformed traditionally unpaid domestic care work into paid work. However, many migrant women end up providing cheap domestic service labour, the same low-paid work that many women of lower status perform in their home countries. The questions from a gender equality perspective are: *Does the globalization of care work reduce (or reinforce) social divisions along sex, race and caste lines that constrain women’s employment choices? Does it raise the value of women’s care labour?*

Section B of Part III focuses on issues of governance. International migration is still largely regulated by national immigration and labour laws, and recruitment systems. Nonetheless, there are international frameworks that provide guidelines to national policy actors and private initiatives that seek to strengthen the protection of migrant workers across national boundaries. The question is: *do current international frameworks and initiatives provide adequate protection of migrant workers’ rights and promote more gender-equal care labour arrangements?*

Part IV presents a number of conclusions from the previous discussion.
II. Global supply chains and production networks

A. Situation of women workers and gender inequalities

No strong export performance by any developing country in manufactured goods, which are characterised by high labour intensity, has ever been secured without reliance on women workers (Joekes 1995). From exports of clothing, footwear and processed foods, to the production of micro-circuits and electronic products for use by consumers and business, women have typically constituted the majority of the manufacturing workforce. In recent decade, exports of fruit, flowers and vegetables, again largely based on women’s labour, from some developing countries (e.g. East Africa) have emerged as new areas for international trade and employment.9

The increased demand for women workers in export industries has been credited, mainly or at least partially, for the phenomenal expansion of women’s paid employment in developing countries.10 Barrientos et al. (2004) summarizes the change in women’s economic participation in terms of two trends: (i) rise in the percentage of women in the labour force in almost every region of the world except sub-Saharan Africa and East Asia were it was already high; and (ii) faster increase in women’s employment than that of men in almost every region. This rapid expansion has taken place even in countries where women’s participation in paid work was traditionally low and socially unacceptable (e.g. Bangladesh).11 See Figure 1 (women’s wage employment) and Figure 2 (selected trends in women’s share of manufacturing employment).

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9 Over the last 2 decades, SSA’s horticultural exports have doubled, outstripping the region’s exports for coffee and cotton, and for all other individual commodities other than cocoa by the end of 2000. Growth rates of total horticultural commodities have been impressive in Kenya, Zambia and South Africa (Barrientos et al, 2003, p. 1513).

10 There are a number of factors that explain why more women in developing countries look for work and engage in paid work now. Apart from labour demand, there are supply factors, e.g. to ensure family survival in the face of declining real earnings and increased cost of subsistence; women’s better education.

11 According to Kabeer and Mahmud (2004: 94-95) in their study of globalization and gender in Bangladesh, “gender biases kept women out of mainstream employment, confining them to casual waged work or self-employment in the informal economy.” But, the “rise of an export-oriented Ready-Made Garment industry, one result of trade liberalization policies adopted in the early 1980s, has helped to change the face of female employment in the country.”
Figure 1: Female %share of wage employment in non-agricultural sector (MDG 3.2), by regional group of countries, 1990-2000 (Source: ILO)

Figure 2: Women’s share of total employment in manufacturing – selected Asian countries, 1980-2005 (Source: ILO)
Under the current international division of labour, labour-intensive portions of production where wage costs are important are located in low-wage locations. These segments are at the low end of global supply chains, where workers and producers receive proportionately the least return for their labour, and wield the least negotiating power over the terms of the exchange.12

New job possibilities in outsourced, off-shored services have also expanded as a result of improvements in global telecommunications networks and information technology.13 Financial services have led the way.14 From call centres and basic data entry, off-shored services have expanded to include back-office functions such as payroll and accounting, financial and legal research. India has been the primary recipient of this new business and investment, but service work has also shifted to other places in Asia, East Europe, Ireland, Canada and the Caribbean, which have previously been used only for limited and simple tasks, primarily data entry.15

The new information-based job opportunities are of a different profile from those generated by manufactured exports: more skill requirements that may be specialised (as in software development and investment analytics), white-collar work for women and men with at least modest educational levels, and higher pay levels. Although this young sector could offer women access to non-traditional occupations, it is replicating the gender division of labour in export manufacturing. Women are clustered in traditional roles in banking, telecommunications and insurance, and in the low-skilled end of the hierarchy: simple, single-tasked jobs such as data-entry, invoicing, payroll administration and routine

12 See Chapter 4 of Gibbon & Ponte, 2005; also Gereffi, Korzeniewicz & Korzeniewicz, 1994. Linkages between production, distribution and consumption of products are globally interconnected along value chains that embody a network of activities and actors (enterprises, production units, workers). Value chains have been classified into 2 types. Producer-driven chains are typical of capital and technology-intensive industries where MNEs drive the chain, controlling the core technologies and production facilities, often through vertical integration. Buyer-driven chains are large retailers or brand name companies make key decisions about the structure and activities of actors in the chain without actually owning any manufacturing facilities themselves.

13 Forces driving this new sector are: a much larger global labour supply with the opening of China, India and former Soviet bloc; lower costs of and greater capacity in global telecommunications networks; standardization, formalization and digitization of service work; new global supply base (business opportunities for global suppliers), and rise of global start-ups (Sturgeon 2006: 10-11).

14 Most major financial institutions operate a sizeable low-cost offshore delivery function. Off-shoring has spread across nearly all functions, from IT applications development, maintenance and support, to transaction processing, finance and human resources, investment banking analytics and research. The financial industry’s cumulative costs saving for the last 4 years have risen sharply, propelled by an 18-fold increase in offshore headcount. Over 2006 average total headcount offshore doubled to 6 per cent of total group staff. More than half of financial institutions surveyed were saving more than 40 per cent for each business process off-shored. However the range of savings is polarizing and is now between 20 and 70 per cent per business process.

15 As of latest analysis, India remains the top country of choice for off-shoring (Yeo, 2008). Two Indian cities, Bangalore and New Delhi, are at the top two locations for global delivery; their attractions are existing infrastructure, large quantity of skilled workers and competitive pricing. But with prices on the rise in India, locations like Beijing, boosted by recent infrastructure and environment investment for the Olympic Games, would be in demand. Yeo quoted Jenna Griffin, senior research analyst for global delivery services research at IDC Asia-Pacific.
accounting; and call centre work. These jobs offer few prospects for career development, as skills involved could become redundant with technological advances. Men, on the other hand, are more likely to be found in high-paying, creative work of software development and internet start-ups. Countries where women have made inroads into skilled jobs as software programmers and computer analysts include Brazil, India and Malaysia where national policies have promoted science and technology education for all. However, many of these women are from privileged backgrounds and numbers are low. Jobs are also characterised by long hours, stringent productivity targets, lack of job security, and limited long-term career prospects (Primo 2003: 49-51, Mitter 2003).

Have global production systems generated better employment opportunities or are these fuelling a downward spiral in employment conditions? Has women’s massive entry into the global workforce enhanced their economic opportunities vis-à-vis men and their overall position in the labour market? The assessment is not a simple one; women’s experiences vary across countries and according to historical, socioeconomic and other conditions. Thus, some hold a more positive, optimistic view of globalization’s “score card” with regards equity for women, while others have a critical, less optimistic view; some see the glass as half empty while others see it as half full (Beneria 2007; Hayter 2004; Joekes 1995).

The optimistic view argues that women have benefited significantly from the expansion of export manufacturing, agriculture and business services in terms of increased access to paid jobs and economic opportunities. The exact magnitude of employment created is not easy to measure because many workers are employed by suppliers and subcontractors, both in formal and informal employment. From the perspective of gender equality, access to paid work has been associated with an increase in women’s autonomy and bargaining position at home, greater influence over distribution of household resources, and ability to act and defend their interests and those of their family and community in the face of adverse circumstances. Kabeer (2000, 2004), while recognizing that there was “much room for improvements” in the Bangladesh export industry, argued that significant gains, as women workers saw them, should be understood and not belittled. “Women valued the satisfaction of a ‘proper’ job... Their ability to earn on a regular basis gave them a sense of self-reliance, of standing on their own feet. They also valued their access to new social networks on the factory floor ... the greater voice they exercised in household decision-making because of the value of their economic contribution; their enhanced sense of self-worth; ... in some cases, greater personal freedom and autonomy. ... Some women used their newly found earning power to renegotiate their relations within marriage, others to leave abusive marriages, and others to help their parents... others used their earnings to postpone the age of marriage and enjoy a longer period of freedom from responsibilities that came with marriage and children...” (Kabeer 2004:18-19). Criticising one-dimensional portraits of employment in export factories, she emphasized that women workers are aware of the poor conditions under which they work but also of the material and personal benefits they have gained, which few would give up.

Women’s higher labour force participation and employment rates have been associated with better educational achievements and rising female/male earnings ratios, but empirical evidence that attributes improvements in female-male pay ratios to employment in export-oriented industries is not available (Dollar & Gatti 1999; Joekes 1995). It has also been pointed out that integration into global production through multinational enterprises

\[16\] These are highly concentrated geographically – in the Caribbean, China, India, Malaysia and the Philippines. Mitter (2003) cites that 100 per cent of data entry workers in “digiports” in Jamaica were women, and that majority of data entry jobs in airlines, banking and insurance companies in India were occupied by women.
Working Paper No. 92

(MNEs) and foreign investment means access new technologies and, thus, skills, which are valuable for future economic growth and employment.

With respect to quality of employment, it is argued that women’s employment in MNEs is often better than in domestic enterprises, and that wage work in export factories is a better alternative to toiling on farms or the informal economy. The overall evidence from an OECD study (OECD 2008a) indicates that MNEs tend to promote higher pay in the countries in which they operate. However, the positive effect tends to be concentrated among workers that are directly employed by MNEs; the positive impact on wages appears small in domestic firms that participate in the global supply chains established by them. As regards non-pay working conditions, the evidence is more mixed. The OECD study’s overriding observation is “the impact of MNEs on wages and working conditions varies in complex ways across different types of investments, workforces and national environments.”

The less optimistic view highlights three issues. First, although jobs have been created, most jobs are not secure. Export market dynamics have generated a layer of flexible and mobile workforce (casual, temporary workers, contract workers and homeworkers) who serve as a buffer to accommodate just-in-time ordering, fluctuations in orders and prices, and stiff competition among suppliers, while a smaller core of regular, permanent workers ensure quality and stability. The flexible workforce experiences high job turnover, moving from one factory or production workshop to another, or shifting between formal sector and informal activity. Case studies in agriculture and manufacturing across a range of countries have found that even first-level suppliers with direct linkages to internationally recognized brands and retailers often use casual, migrant and contract labour to meet seasonal fluctuations in demand or sudden changes in orders (Barrientos 2007). A study of job creation and job losses at factory level in export manufacturing in Turkey showed that women experienced higher net job creation rates in unskilled jobs in export-industries, while men had the advantage in skilled and non-production jobs; and that women experienced higher job destruction rates (Ozler 2007).

17 These effects are largely in developing than in developed countries, probably because the technology gap between foreign and domestic firms is larger in the former.

18 OECD paper took stock of current knowledge regarding social impact of FDI in host countries with particular emphasis on wages and working conditions offered by OECS-based MNEs to their workforces in non-OECD countries. The paper noted that although the bulk of FDI continues to take place between OECD countries, the relative importance of non-OECD countries for inward and outward FDI has grown substantially during past 15 years. OECD, 2008a: 26.

19 Ozler (2007): Using plant-level data collected by the State Institute of Statistics, looked at gender differences in net job creation rates and gross job reallocation rates in export manufacturing in Turkey for period 1986-96, which was a period of export-led industrialization policies in the country. Net job creation rates were calculated as the difference between gross job creation rates and gross job destruction rates, where gross job creation is weighted sum of employment gains at expanding and new establishments with a sector (where weights are average employment shares of plants in a given sector). Gross job destruction is weighted sum of employment losses at dying and shrinking establishments within a sector. Gross job reallocation rates are the sum of gross job creation and gross job destruction rates. The findings of the study were that, though job creation and destruction rates differed by skill (unskilled, skilled, non-production) for workers of the same gender, larger gaps stemmed from gender differences for workers of the same skill level. Net job creation rates were higher for women than men in unskilled category in export-oriented industries. But women experienced higher job destruction rates, and thus gross job reallocation rates, in every skill and industry category, indicating higher job uncertainty than men (Table 9.8, Ozler 2007: 178).
Second, while women’s paid employment has vastly expanded, they are concentrated in lower segments of global supply chains, which are beyond reach of good MNE corporate practices and legal and social protection. Jobs are insecure, wages are low, and working conditions are poor. The gendered production structure has been likened to a pyramid: at the tip are workers in permanent employment with better benefits, social entitlements and better able to organize; towards the bottom are workers employed by 2nd and 3rd tier subcontractors and hired through third-party providers, homeworkers and migrant workers (Barrientos 2007). Third, work in global production systems has replicated and reinforced gender inequalities: women’s segregation in stereotyped “feminine occupations” and lower-skilled jobs; and women’s labour is perceived as more flexible and available at lower cost than men’s.

The extent to which export production and international competitiveness have relied on gender pay gaps is a subject of debate. There are evidence of correlation between gender wage gaps and export-oriented manufacturing growth in Asia (Sequino 2000a). Hsiung (1995) showed that labour market flexibility and adaptability in Taiwan were based on low wages and poor working conditions of women as home-based workers. As also pointed out by Beneria (2007) and OECD (2008a), women’s wage and working conditions vary across countries depending on multiple factors. What emerges from the literature on both sides of the debate is that wages and quality of employment are poorest in the lower levels of global supply chains or in firms nearer the periphery of production systems, e.g. those employed by enterprises in their supply chains; subcontractors, microenterprises and home-based workers rather than workers directly employed by MNEs.

In assessing job creation from a gender perspective, one should also ask whether women’s share of employment will remain at a high level or will it fall relative to men’s as developing economies continue to industrialize and diversify/upgrade exports. Various country experiences show that product diversification, factor intensity of production, skill mix of employment, relative male-female labour supply situation, and whether or not there is a deliberate national policy to invest in and upgrade women’s technical skills, will influence women’s long-term position in the labour market (Joekes 1995). For example, Joekes (1995) noted that Singapore, Republic of Korea, and Taiwan, China pursued product upgrading from labour-intensive to high-tech, capital-intensive goods through a concerted policy of investment in technology and skills, and managed to maintain a relatively high share of women in employment. In contrast, product diversification of maquiladoras in the Mexican export border zone from clothing and electronic exports to transportation equipment in the late 1980s was correlated with falling female share of industrial workforce in the border zone.

Another concern is workers’ vulnerability in an economy made more volatile by greater global financial and trade integration. Workers in precarious employment, without economic and social entitlements, and without long-term career prospects or equipped with few skills are more vulnerable to risks of unexpected economic downswings, job and wage losses than other workers. Risks lie at two levels: at the level of industries that are directly dependent on export markets or exposed to competing imports; and at the level of the national economy. The perfect example of vulnerability of export-dependent sectors is the clothing industry before and after the expiration of the Multi-Fibre Arrangement in January

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20 Sequino (2000a) investigated the determinants of economic growth for a set of semi-industrialised export-oriented economies (Colombia, Cyprus, Hong Kong, Republic of Korea, Malaysia, Philippines, Singapore, Sri Lanka, Taiwan, China, and Thailand) in which women provided the bulk of labour in export sector. The empirical analysis showed that GDP growth was positively related to gender wage inequality in contrast to other works which suggested that income inequality slowed growth. Evidence also indicated that part of the impact of gender wage inequality on growth was transmitted through the positive effect on investment as a share of GDP.
MFA quota allocations led to quota-hopping across locations, permitting new countries to enter the supply chain while penalizing those that had become as successful as to reach their ceiling. In the run up to 2005, fears of massive job losses permeated countries that had heavily relied on clothing exports for jobs and foreign exchange earnings. There was great concern that China would capture a lion’s share of gains from the quota phase-out. Although China might seem to be a principal post-MFA winner, pressures to remain globally competitive have also resulted in job shedding and wage cuts at the level of enterprises in the country.21

Greater financial openness and integration have increased the volatility of international capital movements, resulting in more frequent financial and economic crises (UN 2005). Boom-bust patterns in financial markets are not new, but these have increased in frequency and depth because of the increasing use of market sensitive risk management techniques, dominance of investment managers aiming for short-term profits, and evaluated and paid at short intervals (World Economic and Social Survey 2005: 73-108). Because of asymmetries between advanced and developing countries, boom-bust cycles have been particularly damaging to the latter: increase in macroeconomic instability, reduced room to manoeuvre to adopt counter-cyclical macroeconomic policies.22 Such financial crises affect growth, income and employment not only in the short term but also in the longer term (ILO 2008d). Based on the experience of developing countries in previous crises, the impact is not outright unemployment but rather, a rise in informal employment and decline in earnings; recovery is long and slow for the most vulnerable workers (van der Hoeven and Lübker 2006).

The cases of Thailand during the 1997 Asian crisis and Mexico during its 1995 crisis illustrate the gender-differentiated impact of economic and financial crises on employment. In Thailand, although some workers moved from being employed to unemployed, significantly more workers moved from wage to non-wage employment. As a result, the composition of wage earners changed: wage employment shifted relatively from females to males, from younger to older workers, from lower schooled to higher schooled individuals; each of these three shifts was from lower to higher wage rate categories (Behrman, Deolikar and Tinakorn 2002). Another study showed that as a result of the crisis, the distribution of aggregate earnings shifted from rural to urban areas, from poor to rich regions, from young to old workers, from less- to better-educated workers, and from low-wage occupations (production and craftsmen) to high-wage occupations, from private sector to government and state-enterprise employees, and from workers in small establishments to those in large establishments; unemployment increased mainly among the better-off workers (Thailand Social Monitor 2000). In Mexico during the 1995 crisis, large numbers of women workers lost their jobs; many women regained employment in the informal economy while men took over most formal jobs they had previously occupied (Carr and Chen 2004).

21 According to Au Loong-Yu, Chinese textile and garment sectors shed 3.3 M jobs and 0.5 M jobs in 1996 and 2001 respectively. Those retaining jobs saw wage cut and higher work intensity. In July 2005, 3,000 textile workers in Guangzhou struck against wage cuts. A shorter version of this article is supposed to have appeared in Asian Labour Update, issue 56, Fall 2005, published by Asia Monitor Resource Centre. Author’s email: aly8964@hotmail.com.

B. Governance of global supply chains and networks

Are current governance frameworks and instruments able to prevent a race to the bottom in labour standards, and ensure that globalization generates better employment opportunities and economic benefits for all? New tools have been designed and driven by different actors (corporations, industry and business associations, governments, national and global union federations, intergovernmental organizations, NGOs), and come in various forms (Papadakis 2008; Servais 2005; OECD, 2008b). This section looks at corporate social responsibility (CSR) initiatives, specifically, international guidelines for multinational enterprises, MNE policies on labour standards and voluntary codes of conduct; at international framework agreements between multinational corporations and global union federations in specific industries; and at labour clauses in Generalised Systems of Preferences (GSP) and free trade agreements.

Guidelines for MNEs - their policies on gender equality and labour standards

In the 1970s, concerns over the labour practices of MNEs and international competition based on low wages and poor working conditions led to the adoption of two sets of international guidelines: the OECD Guidelines for Multinational Enterprises (OECD Guidelines), 1976; and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (ILO Declaration) in 1977, subsequently revised in 2000 and 2006 to incorporate the Fundamental Principles and Rights at Work and update references to ILO Conventions.

How effective are these guidelines? In the light of OECD Guidelines, a study (OECD 2008c) looked at how companies managed labour issues, i.e. equal opportunity, trade union membership and collective bargaining, job security and training, health and safety, human rights, and labour standards along the supply chain in terms of both policy and systems. Across the sample of MNEs, equal opportunity was a subject of policy for the highest proportion of companies. OECD-North America and OECD-Europe MNEs had largely “moderate” equal opportunity policies (went beyond public non-discrimination statements) or “good” policies (the companies were also members of support networks for minority groups). OECD-Europe had the highest proportion (35 per cent) of MNEs with “good” policies as well as the highest proportion (82 per cent) of equal opportunity systems. The adoption or non-adoption of equal opportunity policies was attributed to the national legislative framework. Asia-Pacific and non-OECD/Emerging markets, which had

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23 OECD 2008c: Analysis was based on EIRIS data from February 2008, covering almost 2,000 companies publicly listed on the FTSE All World Development Index and listed companies in non-OECD/emerging markets. OECD-Europe consisted of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey & UK (480 companies); OECD-Asia Pacific consisted of Australia, Japan, New Zealand & South Korea (601 companies); OECD-North America consisted of Canada, Mexico & USA (715 companies); non-OECD/emerging markets were Brazil, China, Chinese Taipei, Hong Kong, India, Israel, Malaysia, Russia, Singapore, South Africa & Thailand (192 companies).

24 i.e. work-life balance indicators such as flexible working hours, job sharing and child care arrangements or statistics from diversity monitoring showing employee demographics.
the lowest incidence of such policies and systems, had looser national legislation on equal opportunity.25

As regards labour standards, OECD-Europe had the highest proportion of companies with policies, systems and public reporting on labour standards along the supply chain (85 per cent, 80 per cent and 79 per cent, respectively); it also had the highest proportion of good and advanced policies and systems.26 In OECD-Asia Pacific, OECD-North America and non-OECD/emerging markets combined, only 44 per cent of the companies had at least “limited” policies and 41 per cent had at least “limited” systems. General retailers and personal goods and textiles had the highest proportion of supply chain policies and systems, with the highest proportion of “good” policies and the only the MNEs with “advanced” policies and systems. This high incidence was attributed to exposure to public scrutiny and pressures from NGOs and investors. Asia-Pacific and non-OECD companies have less been the target of public campaigns on labour standards.

The findings of a McKinsey (2007) survey of CEOs of companies participating in the UN Global Compact highlight the underlying tension between social investments where returns are long-term and external to company performance, and shareholders’ and financial market’s demand for short-term profits and rising share value (Zammit forthcoming).27 Seventy-two per cent of the CEOs agreed that the corporate stance should be to fully

25 OECD-North America, however, had a small share (27 per cent) of MNEs with some evidence of equal opportunity systems. Non-OECD/emerging markets had the lowest proportion with any form of equal opportunity policy (29 per cent) and systems (16 per cent). Some 66-68 per cent of OECD-Asia Pacific companies had some form of equal opportunity policy (68 per cent) and systems (66 per cent). According to the report, North America has historically well-established national regulatory framework on equal opportunities; but public disclosure is not required in USA. OECD reports on gender composition of workforce and flexible working arrangements due to strong legal framework.

26 Supply chain policy criteria assess whether a company’s policy covers ILO core labour standards as well as related conventions and norms on working hours, health and safety, wages and disciplinary practices. Limited means a company is at least able to demonstrate commitment to one of the ILO core labour standards and make its policy publicly available; advanced means the company demonstrate commitment to all the ILO core labour standards and all the other key labour standards, and must demonstrate integration of its policy with the company’s procurement process and membership of a related initiative dealing with labour standards, such as ETIO, FLA and Social Accountability International. Company management systems refer to how it implements its supply chain labour standards policy: intermediate grade means at least provide evidence of communicating its policy to its suppliers, indicate form of relevant monitoring and auditing; and have developed procedures for addressing on-compliance; advanced means a company goes farther by demonstrating training of relevant employees and demonstrating responsibility for supply chain labour standards at a senior level. Reporting criteria measure public disclosure on supply chain management: intermediate means company makes policy publicly available, communicate the policy to suppliers, publish details of procedures to remedy non-compliance publish details of auditing suppliers, and disclose details of training provided; evidence of extend of supply chain monitored.

27 The Global Compact is a framework for businesses that are committed to aligning their operations and strategies with “ten universally accepted principles” in the areas of human rights, labour, environment andante-corruption. The four labour standards principles under the Global Compact are: (i) freedom of association and effective recognition of the right to collective bargaining; (ii) elimination of all forms of forced and compulsory labour, (iii) effective abolition of child labour; and (iv) elimination of discrimination in respect of employment and occupation. Since its official launch on 26 July 2000, the initiative has grown to more than 5,600 participants, including over 4,300 businesses in 120 countries around the world. In 2007, just over 100 of the participating firms ranked in Fortune 500 (www.unglobalcompact.org Update as of 19 June 2008).
embed Environment, Social and Governance (ESG) issues in corporate strategy and operations but only 50 per cent thought their firms actually did so. Of the barriers to acting on ESG issues, the top four given by CEOs were: competing strategic priorities, followed by complexity of implementing strategy across business functions, a lack of recognition from financial markets and different definitions of CSR across regions and cultures.

**Voluntary codes of conduct**

Codes of conduct have proliferated since first introduced in early 1990s. Codes of conduct refer to voluntary measures taken by private sector enterprises involved in global chains of production and distribution to ensure certain basic standards, conditions and remuneration for the workforce. The array of codes vary in respect of content (which standards), scope of applicability (specific firms, groups of firms, cross-sectoral groups of companies, and thus particular groups of workers and countries) and originator. Some are corporate codes, model codes initiated by multi-stakeholders, and industry-wide codes.

The rise of voluntary codes has been attributed to a number of factors: (i) regulation issues and (ii) public scrutiny and consumer pressure (Pearson & Seyfang 2001, Jenkins 2001, Pearson 2007). As regards regulation issues, the past decade has witnessed the rise of a neo-liberal policy – less regulations, less government, freer markets. In addition, national governments are keen to attract foreign investment rather than to regulate MNEs, and in many states do not have adequate capacity to regulate and enforce their regulation either as result of globalization, neo-liberal policies or underdeveloped administrative capacity. As regards public pressure, concerns over the growing strength of multinational enterprises and lack of international rules governing their operations have led to demands from civil society and workers’ organizations for new mechanisms of corporate accountability (Hayter & Hunter, forthcoming). Product choice and market shares are now influenced by consumer preferences and perceptions about ethical labour practices, and codes of conduct are a way to allay such worries.

How effective are codes of conduct in ensuring decent wages and working conditions, and fair treatment and opportunities for women? Undeniably, codes of conduct have their positive aspects – they have led to improvements in working conditions where implemented adequately; and enterprises have increasingly accepted responsibility for their suppliers and subsidiaries. But they have several limitations (Barrientos and Smith 2007; Locke et al. 2007; Hayter and Hunter forthcoming):

(i) The content and precision of labour standards vary enormously across codes - most are selective in their inclusion of ILO core conventions and lack detail, and commonly cover health and safety and other “outcome” standards such as minimum

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28 Levi Strauss first adopted its Global Sourcing Guidelines in 1992 in response to allegations of slave labour (migrant workers mainly from China) in Saipan, where use of bonded foreign labour was legal under local laws. The code of conduct committed to the contractor to ensuring that work undertaken to produce the garments was freely chosen and that workers enjoyed freedom of association. This was the first time that a code of conduct addressed labour practices of contractors and assumed a degree of responsibility for their practices. Cited by Hayter and Hunter forthcoming.

29 Great majority of umbrella initiatives originate from the North; a few originate from the South (Nicaragua’s Women’s Alternative Code of Ethics, Hong Kong Coalition for the Safe Production of Toys – both from workers’ organizations). Three groups of originators: (i) Benchmark codes drawn up often by international and national NGOs, consumer campaign organizations, pressure groups and workers’ organizations. (ii) Codes initiated by governments to be adopted by domestic commercial companies in their overseas operations and supply chains by bringing together NGOs and workers and industry groups (e.g. ETI). (iii) Codes put forward by trade unions and coalitions of commercial enterprises (International Council of Toy Industries, BGEA on child labour).
age and non-use of child labour, and provision of childcare services, rather than rights issues such as trade union organizing and collective bargaining.

(ii) Scope of implementation often does not extend all the way down the lower segments of the supply chain where casual, temporary and informal workers are concentrated and receive fewer benefits.

(iii) The credibility of monitoring compliance is constrained by confidentiality and lack of transparency of social audits, considerable variations in auditing methods and protocols. A study of assessment protocols supporting model codes and codes of two leading brands in the apparel industry revealed considerable differences in the manner in which protocols assessed conformity to standards on discrimination – while discrimination in recruitment, selection and remuneration was assessed in all protocols, discrimination in respect of promotion, maternity protection, separation, equal opportunity policies, and access to training were assessed in most protocols, and measures related to flexible time, accommodations and job assignment were hardly assessed (Hayter and Hunter forthcoming).

(iv) At the bottom line, codes are largely motivated by public and consumer scrutiny and commercial interests.

An assessment of the ETI Base Code in five countries (Barrientos 2007; Barrientos and Smith 2007) showed that, on the whole, impact was uneven across code principles and across different categories of workers. There was greater impact in outcome standards, e.g. health and safety provisions, working hours, wages, but less impact on less-visible rights issues such as workers’ freedom to organize and discrimination. While the Base Code improved working conditions for women, e.g. payment of maternity benefits, it had no impact on underlying inequalities and discrimination based on gender, ethnicity, caste and religion in recruitment, job allocation and promotion employment. Codes had least impact on freedom of association and right to collective bargaining. Casual workers had the least access to the rights and legal entitlements advocated by the Base Code; they were also rarely unionised or represented in workers’ committees. While the ETI Base Code prohibits use of temporary workers and contract labour as a means to avoid legislated obligations to workers, there was extensive use of internal and international migrant labour and in most 3rd party labour contractors across the case studies. The effect on workers’ income was also mixed or unclear. One should bear in mind that the ETI Base Code is one of the best-enforced codes (if not the only one), so the findings above cannot be generalised to less-performing codes.

Specifically from a gender perspective, the weaknesses of codes of conduct lie in two aspects (Barrientos, Dolan & Tallontire 2003; Pearson 2007): (i) inability to reach casual

30 Most codes deferred to national legislative requirements, particularly in areas such as wages, benefits and terms of employment; many called on companies to comply with national or “applicable” laws and/or indicated that the code was not meant to substitute to national legislation. In these instances, codes could reinforce observance of national legislations. But some contained clauses with higher obligations than applicable national laws, e.g. higher limits in working hours, maximum overtime hours a week, maximum weekly hours, and weekly rest days.

31 For example, electronics sector, which has a complex industrial structure comprising a hierarchy of own equipment and contract manufacturers, component suppliers and assemblers of computers and other products to a range of computer assembly companies, few of which have names or brands recognizable by concerned consumers. Although many stages of computer production are carried out by low-skilled, low-paid workers computer companies have escaped consumer and NGO scrutiny (Pearson 2007).
workers and the lower segments of global supply chains where women are highly concentrated; (ii) attention on outcome standards but much less attention on discriminatory practices and on the constraints faced by informal and home-based workers in the supply chains in combining unpaid care work with paid work and coping with risks such as illness, disability and loss of income. GAP and Nike corporate social responsibility reports acknowledge the complexity of code implementation along the global supply chain and the challenges in dealing with discrimination and abuse of a largely female labour force (Locke et al. 2007). Suppliers in a number of studies have reported the difficulty of complying with codes when buyers from the same companies make commercial demands that promote contravention of the same code. One example is lead time where buyers place orders at increasingly short notice, requiring overtime in excess of code limitations to fulfil. Overtime is a particularly important gender issue where women have difficulties in making arrangements for child care at short notice and have to juggle work and domestic responsibilities (Barrientos 2007).

Conditions under which codes of conduct have worked effectively with good results are: (i) favourable market condition (the lead MNEs and the export market are doing well, exerting little constraint on social investments) and absence of commercial pressure; (ii) relatively better national legal and regulatory environments where implementing the code reinforces a culture of compliance with national standards; (iii) a more engaged institutional framework – corporate staff have a better understanding of codes and engage regularly with NGOs and trade unions; collaborative partnerships between buyers and suppliers; involvement of trade unions in monitoring workplaces; and (iv) relatively transparent supply chain, and industry/chain structure where firm relations between suppliers and MNEs are closer (i.e. relatively short supply chains; not arms length) thus allowing for collaborative partnerships.

**International Framework Agreements (IFA)**

IFAs represent one of the possible models of industrial relations within the global market. These are the result of negotiation between a multinational company and international workers’ representatives, and aim at establishing an ongoing relationship of dialogue

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33 Locke et al. (2007) suggested that codes and their monitoring protocols are not adequate as stand-alone compliance strategies, and argued that the perspective should be one that sees codes as one component in a larger integrated system for managing, regulating and enforcing labour standards and improving working conditions. Through analysis of Nike’s factory inspection reports and structured comparison of 2 factories supplying Nike, the authors showed that interventions aimed at improving production, reorganizing work and empowering workers on the shop floor complemented codes.

34 In non-traditional agricultural exports where the chains are relatively short, codes have proved relatively effective in effecting progressive change (Pearson 2007). Kenya, Zambia and South Africa provide some examples of codes proving successful in raising wage levels, improving security and conditions of employment, and delivering non-wage benefits including health insurance and housing as well as in field facilities (toilets) which have benefited female-dominated workforce employed as seasonal pickers and packers in horticultural, fruit and flower sectors. But in traditional sector (e.g. banana plantations), although there are outstanding examples of codes, there is no evidence of widespread community impact. Codes have been less evident in global supply chains which are not so easily identified through key branded suppliers.

35 The number of IFAs was 62 covering approximately 5.3 million employees as of latest count (Hammer 2008: 97). For a good overview of IFAs see K. Papadakis 2008.
between the parties and ensuring that the MNE respects the same standards in all the countries where it operates. While IFAs do not substitute for direct negotiations between companies and workers at the national or workplace level, they provide a framework for those negotiations to take place with a minimum social floor. Contents vary but, unlike most voluntary codes of conduct, virtually all IFAs include the four fundamental principles and rights at work (which forms the social floor of decent work) with specific reference to the ILO Conventions. Since the first IFA signed by Danone in 1988, the trend is towards inclusion of a broader range of issues and inclusion of greater number of trade unions from different geographical locations. For meaningful cross-border negotiation and alliance to reach and implement an IFA, two preconditions are evident: relatively mature industrial relations in the MNE and sector, and a good level of union organization throughout the chain. IOE (2007) concurs: companies that have signed IFAs have a history of good communications and culture of dialogue, and have already adhered to fundamental rights.

Most IFAs fall in transport equipment manufacturing, followed by construction, postal and telecommunications services, chemical industries/utilities, and media/culture graphical industries – not the female-dominated, labour-intensive buyer-driven supply chains in textiles, garments, footwear, and horticultural products. It was only recently that a MNE in textiles, clothing and footwear (TCF), namely Inditex, signed an IFA.

The main obstacles to concluding an IFA in the TCF sector are the complexity and lack of transparency of supplier and inter-firm networks, non-disclosure of supplier locations and anti-union environments (Miller 2008).36 The TCF sector transects several industries and thus jurisdictions of several global unions (e.g. raw material networks cover chemical and agricultural sectors, and buyer and retail networks are rooted in retail sector). Suppliers produce for different brand names and retailers; and these links could change from season to season. In the apparel chain, added value and potential for effective governance are greater towards the buyer end of the spectrum where brand owners and retailers can dictate price and quantity through orders they place. Companies at this end operate within the formal segment of the chain and are thus transparent enough to facilitate networking and organizing among workers (Miller 2008).

How effective are IFAs along the global supply chains? Thus far, only 15 of 62 IFAs make compliance compulsory along the entire value chain, most of which fall in the domain of the Building and Wood Workers International (BWI) (Hammer 2008). The rest states simply that the company would inform subcontractors and licensees of the agreement and/or commit to encourage compliance with the standards.37 The benefits of IFAs have been cited - better working relationships between companies and trade unions, deepening dialogue processes and frameworks for collective bargaining. However, there is, thus far, little empirical data on which to base a solid assessment actual implementation and effects of IFAs on collective bargaining and condition at the workplace level.

36 In 2006, ITGLWF undertook a survey of union membership in the sector. With a 30 per cent response rate, the survey revealed a declining trade union membership, and collective bargaining was seriously underdeveloped, and in many cases undermined by adoption of alternative modes of workers’ representation whose independence was often questionable (Miller 2008).

37 Ten IFAs state that they will inform suppliers and subcontractors; 23 commit MNEs to encourage their suppliers to adopt similar principles and standards which are regarded as favourable basis for future business relations.
Free Trade Agreements, GSPs and social clauses

Questions about the appropriate relationship between international trade governance and labour rights have long been debated since the 1990s. Starkly divergent opinions have been expressed by countries on both sides of the debate. While efforts to tackle labour issues within the WTO sphere have not succeeded, an increasing number of regional and bilateral trade agreements have included reference to international labour standards with the consent of relevant countries. Current Generalised Systems of Preferences of the USA and EU also address employment and working conditions in producing countries.

Economic arguments have been used to support the inclusion of labour provisions in trade agreements (Salazar-Xirinachs and Martinez-Piya 2002; McCrudden and Davies 2002; Doumbia-Henry and Gravel 2006): (i) “race to the bottom”, which argues that, in the absence of international coordination, countries would have an incentive to lower their own standards to attract investments or gain competitive advantage in export markets; (ii) unfair competition from low-wage or low labour-cost countries; (iii) increased wage dispersion and inequality in advanced countries due to trade with low-wage countries and (iv) job dislocation and displacement. Labour clauses have also been advocated on moral grounds – all workers are entitled to internationally agreed universal rights irrespective of country. Finally, some have argued for labour clauses on institutional grounds – the ILO lacks teeth to enforce international standards while trade agreements can be enforced through trade sanctions.

Arguments against labour clauses include: (i) labour clauses distract or overload negotiations on fundamental trade priorities; (ii) advocacy for labour clauses is not wholly motivated by moral and humanitarian values but also by national self-interest and protectionism; (iii) labour clauses constitute an imposition by advanced countries of their own labour relations models on developing countries that are of lower development stage; and (iv) trade sanctions may not be the best way to achieve progress in labour standards (Salazar-Xirinachs and Martinez-Piya 2002).

Gender clauses in trade agreements consist of guiding principles on gender equality and explicit commitment to promote gender equality, such as “equality of women and men in the workplace” (North American Agreement on Labor Cooperation), “equality of men and women in the workplace” (1996 Canada-Chile Side Agreement on Labour Cooperation), and “gender issues, including the elimination of discrimination in respect of employment and occupation” (Annex 16.5 of CAFTA-DR) (Coche et al. 2006; Doumbia-Henry and Gravel 2006).

By the end of WWII, the prevailing economic orthodoxy was that trade, financial and social issues were part of a harmonious package that would underpin a world at peace. The Philadelphia Declaration of 1944 gave the ILO the task of ensuring that labour standards would be incorporated in the work of the IMF and World Bank. The Havana Charter setting up the International Trade Organization also specifically linked labour standards and trade. These beginnings of harmony were shattered by the onset of the Cold War and growing resistance to internationalization in some countries. The ITO failed to come into existence, and GATT was set up without the labour links in the Havana Charter. The debate came to a head in the final stages of negotiations leading to the establishment of WTO replacing GATT. Several western countries (prominently USA and France) sought explicitly to build labour rights into the new architecture of world trade; this led to a stand-off with some important developing countries. At Marrakech, it was agreed that this issue would be kept under review. In Singapore, the issue was discussed again but compromise agreement was that core labour standards would be upheld but that WTO was not the place for it. In 1998, the ILO ILC adopted the Declaration on Fundamental Principles and Rights at Work. See McCrudden and Davies 2002.

For an overview of labour clauses in recent FTAs, see Doumbia-Henry and Gravel 2006.
What is the track record of using the labour clauses in free trade agreements? Salazar-Xirinachs and Martínez-Piya (2002) noted that of 24 submissions under the NAALC, 17 involved allegations regarding freedom of association and 15 were against Mexico. Other issues were safety standards, immigrants’ rights, gender discrimination, and child labour. None of these submissions ended in trade sanctions and many led to specific cooperation activities as a result of ministerial agreements.

The US and EU GSPs contain a set of labour and human rights conditionality, requiring countries to respect certain rights in order to be eligible or, as in the case of the EU, to get further preferences. The limitations of GSPs in promoting international labour standards lie in three aspects of GSPs: (i) economic criteria define “sensitive”, non-eligible products – textiles and apparel articles for the USA, many agricultural products for the USA and EU; (ii) country eligibility rests on political and economic reasons, which are discretionary; and (iii) labour rights and gender equality may be defined loosely or have clear reference (Humbert 2008). On the latter, the US GSP states that benefits cannot be granted to a country that “has not taken or is not taking steps to afford internationally recognized worker rights to workers in the country” (Humbert 2008: 6). It makes no reference to the ILO or UN Conventions on worker and human rights, and fails to refer any anti-discrimination protection. The EU GSP, on the other hand, specifically cites human rights conventions including ILO Conventions Nos. 100 and 111, and specifically requires ratification and implementation to qualify for special incentives.

The removal of GSP status or mere threat of it may contribute to improvement of labour rights situation, as shown by previous incidences. But there is no evidence that labour rights conditionality has improved the situation of women or given importance to anti-discrimination.

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40 According to resolution taken at the UNCTAD II in Delhi in 1968, the aim of Generalised System of Preferences (GSPs) was “to increase their export earnings, to promote their industrialization and to accelerate their rates of economic growth” (cited in Humbert 2008: 2). GSPs are unilateral trade mechanisms that have conditioned trade preferences (reduced or zero tariff rates to selected products originating in certain developing countries) on a country’s human rights or labour rights performance.

41 Additional tariff reductions may be granted to countries that have ratified and effectively implemented 16 human rights conventions including the ICCPR, ICESCR, CEDAW, and ILO 100 and 11; ratified and effectively implemented at least 7 conventions on environment and governance; countries must commit to ratify and effectively implement by December 2008 remaining conventions and have undertaken to maintain the ratification of conventions and implementing legislation and measures, and accept regular monitoring and review of implementation.

42 Examples: making debt bondage illegal in Dominican Republic; improvement of labour standards after GSP removal in Paraguay and Central African Republic; revision of labour code by Guatemala to retain GSP status (Humbert 2008).

43 Example of Sri Lanka – The EU carried out an assessment in response to request from Free Trade Zones Workers to grant GSP status on condition that violations of rights would be remedied within a year; it finally granted specified incentive arrangements in 2003 subject to conditions being fulfilled within 2004. Gender-based discrimination issues, such as violence, sexual harassment and gender wage differentials were not included in the roadmap (may be partly because women workers in EPZs were not members of the trade unions). So while improvements in respect for trade union rights occurred, there was not much effort to address gender problems (Humbert 2008 pp. 31-32).
Potentially strong or potentially weak?

One cannot deny the potential role of CSR initiatives, codes of conduct, international agreements and social clauses in enforcing international labour standards and workers’ rights. However, empirical evidence on their impact is lacking. Evidence on the impact of codes of conduct and MNE guidelines has just begun to flow in but is drawn from still a relatively limited base of enterprises and experiences. Moreover, questions have been raised about the transparency, credibility and quality of assessments of compliance with codes and guidelines. Much less is known about the impact of labour clauses in trade agreements and of international framework agreements.

The lack of empirical data on impact is not the only problem area. Several limitations will constrain their impact. First, the reach and scope of action: all the instruments more easily relate to formal paid employment and are less likely to help the many “hidden” and unpaid (predominantly women) workers in informal, contractual and casual employment arrangements. Trade agreements cover final traded goods, and take little account of the complex production networks that underlie exports where poorest conditions of employment are often found. It is here where gender subordination and discrimination are most embedded. Second, they give emphasis on outcome changes, e.g. health and safety, working hours, rather than workers’ rights and anti-discrimination. Third, trade agreements and codes of conduct put the onus on supplying countries and suppliers, not on regional and global buyers who exert commercial pressures (e.g. increasingly short lead time, price cuts) that reinforce poor employment practices within global production systems. Fourth, commercial interests and short-term objectives override social investments.

Finally, the fact that CSR, codes of conduct and framework agreements apply only to a small (formal, traded) segment of developing economies is a constraining factor by itself. Wages and conditions of employment might be better or might improve in export-oriented sectors and in MNEs compared to the rest of the domestic economy. But as long as the predominant situation in the rest of the economy is one of low wages, absence of workers’ rights, and precarious jobs or none at all, workers in better-off sectors will have few exit options – they will not risk losing any gains they might have, and thus wield little leverage for bargaining for better treatment (Kabeer 2004). Gender inequalities in the rest of the labour market will continue to shape and limit choices of women who seek and enter paid employment.

III. International migration of care workers

A. Women migrants and gender inequality

An important stream of international migration is that of care services workers – both skilled health professionals and personal care services workers - from developing and transition (less wealthy) countries to advanced (wealthier) countries. Following traditional gender occupational segregation at country level, women dominate this stream of migrant workers as nurses, midwives, live-in carers of the sick and elderly, nannies, housekeepers, and domestic helpers; male migrants are clustered in jobs in construction, manufacturing and agriculture. The international migration of care workers has a number of benefits for both sending and receiving countries; but it has negative implications as

44 For example, migrant women from Asia dominate jobs in household and commercial service sectors, as live-in maids, health professionals, care givers, entertainers, sex workers and other service employees, for example migration flows (Yamanaka and Piper 2005: 2).
well – for the quality of health care in developing countries, for unpaid care work in poor families, for women’s position in the labour market and the value of their labour, and, more broadly, for equality in the allocation of productive and social reproductive roles between men and women.

Health professionals form the biggest group of skilled migrant workers. The demand for their skills is originating primarily from the Gulf States, Europe and North America; but some other countries are opening their doors too, such as Japan (Kupstch and Martin 2008). From the viewpoint of national health labour markets, the numbers are significant: overseas nurses made up more than half of new registrants on the UK Nursing and Midwifery Council register in 2003; in Queensland, Australia, 40 per cent of medical workers were trained abroad; Ghana had 57 per cent of posts for registered nurses unfilled in 2002; Malawi had a 52 per cent vacancy rate for nurses (Maybud and Wiskow 2007).

The main issue concerning the migration of health professionals is its generally negative impact on health services in some of the world's poorest countries while some of the world's richest countries benefit from this movement. This is expected to further widen inequalities and inequity in health outcomes between developed and developing countries. For developing countries, this may imply heavier unpaid work for women and girls in poor families and communities.

Many countries of origin have tried to restrict migration of health workers; and some destination countries impose restrictions on hiring of people trained in specified countries. A coercive approach may be in contradiction to the right of freedom of movement. Without infringing on the individual right to mobility and migrate, suggested policy responses focus on how best to retain health professionals in their home countries, such as incentives that redress poor wages and working conditions and that value skills and health care work itself (Mensah and MacKintosh 2005: 20-24). The UK is the first country to adopt and implement a code of practice on “ethical” international recruitment of health personnel; it restricts active recruitment from over 150 developing countries (including Ghana, Uganda, Malawi, South Africa and some Asian countries) unless a government-to-government agreement exists. However, given a highly integrated nursing labour market and easy access to information, health care professionals in developing countries can apply directly to job vacancies, which is proving to be the case (Mensah and MacKintosh 2005:25).

The recruitment and employment conditions of skilled health professionals in hospitals are fairly well regulated. In contrast, personal care services workers are based in private settings which are inadequately (if at all) regulated by labour law or covered by labour inspection. In many countries, private households which employ domestic workers are given complete responsibility over the movement and behaviour of their migrant workers (ILO-ROAS Undated (a)). In spite of the existence of bilateral agreements between sending and receiving countries, there are many reports of low wages, non-payment of salaries and benefits stipulated in contracts, excessive working hours, restrictions on rest periods and movement, withholding of passports, lack of privacy, unhealthy and unsafe working and living conditions, physical, verbal and sexual abuse, and lack of social protection. Undocumented migrant workers are common among domestic workers; they are more vulnerable to exploitative practices than those who pass through regulated channels. The situation of migrant domestic workers replicates the situation of domestic service workers worldwide: the single largest occupation excluded from labour and social

45 The care deficit in poor African countries which have been dealing with catastrophic numbers of people with AIDS is already huge without the loss of huge numbers of their doctors and nurses.
Conditions in both the North and the South have driven the global flows of health and care services workers. In the North, a combination of factors has led to the massive demand for skilled health professionals and personal care workers from abroad: women’s high labour force participation, the necessity of dual-earner families, fast ageing population with more care requirements, the reduction in state provision of social care and adoption of market-based approaches to health and childcare which have transferred much of the cost of care work to families (Misra, Woodring and Merz 2006; UNFPA 2006: 25-26). In newly industrialised countries of Asia, importation of large numbers of domestic workers from neighbouring countries has been used to address the problem caused by inadequate public support in caring for children and the elderly. In absence of this policy, working women would have faced severe conflict between their careers and reproductive responsibilities (Yamakana & Piper 2005). In the Arab States, demographic shifts, transformation of families and changes in gender roles and working patterns, in addition to cuts in basic social spending, have brought about an increasing need for accessible and affordable care services; migrant domestic workers provide these services in Lebanon, Syria, Jordan and Yemen as well as in the Gulf States (ILO-ROAS Undated (b)).

Care deficits in developed or wealthier countries are creating paid work opportunities for migrant women from less wealthy areas. The international migration of domestic workers allows middle- and upper-class women to transfer their unpaid care responsibilities to immigrant women at relatively low cost.

On the supply side, the persistence of poverty, lack of paid employment opportunities and economic crises in developing and transition countries have fed the large supply of migrant labour. Even countries with high economic growth such as Mexico can experience significant female outmigration. Care work is easy to find. Even women with children emigrate. Many are skilled and possess high educational qualifications. In most cases, immigrant women of particular nationality, race or caste are channelled into this work, solidifying broader social differentiations along gender and other axes.

The financial benefits that migrant workers have brought to their families and home communities cannot be denied, not to mention the benefits for sending countries in terms of foreign exchange earnings and alleviation of pressures on local job markets. But

Demand for nursing services has been increasing due to ageing populations, greater consumer activism and increasing reliance of medical technologies (Adams and Kennedy 2006, citing OECD 2004 p. 23). Supply of nurse has failed to keep up with demand due to combination of actors, including health care reform, restructuring and downsizing of profession; combined with greater range of other professional opportunities, negative perceptions of working conditions and view that nursing is undervalued, are all contributory factors that have added to nursing shortages. Demographic changes (ageing population) have shaped the nursing labour market in two ways: the patient population, including the degree and sort of care required; and the numbers and specialities of workers in the labour force. The nursing workforce has also undergone change, with average age of nurses increasing significantly over the last decade in advance countries. Nursing shortages, turnover issues have exerted pressures on nursing labour market – many governments and employers have chosen to actively recruit internationally.

For example, under Taiwan’s Employment Service Law which is the central legal instrument for the regulation and employment of foreigners, three occupational categories considered as lower and unskilled are domestics, caregivers and labourers in construction and manufacturing; only labourers from the Philippines, Thailand, Indonesia, Malaysia and recently Vietnam are eligible for employment. Usually referred to a “wailao”, foreign workers from these countries are considered racially and cultural different, and implicitly interlink skill, nationality and race (Cheng 2006).
valuation of these benefits need to take into account the adverse impact on care services in home countries, and the negative social impacts on families left behind and on migrant women themselves.48

B. Governance of international labour migration

Cross-border movements of workers are still largely regulated by national immigration laws and policies, and recruitment systems. Bilateral government-to-government agreements (e.g. France-Senegal, France-Mali, UK bilateral agreements with South Africa, China, India and the Philippines; Mauritius-China; US-Chile) cover issues such as payment of benefits, minimum salary, period of employment contracts, and portability of social security benefits (Annex II, ILO Multilateral Framework on Labour Migration).

Several international frameworks attempt to govern the recruitment and employment of migrant workers. But they cover few countries, are poorly enforced or are not binding.

Mode IV (Temporary Movement of Natural Persons) of the General Agreement on Trade in Services provides a vehicle for agreements among countries to liberalize the movement of foreign nurses, doctors and management consultants. But few countries have used GATS Mode IV as a tool for facilitating cross-border migration of health personnel (Williams 2007: 284).

In contrast to GATS Mode IV, the ILO Multilateral Framework on Labour Migration advocates for a rights-based approach to migration policies, and provides a comprehensive set of guidelines and principles derived from international conventions on universal labour rights and rights of migrant workers. It offers a compilation of good practices developed by governments and social partners across the world. However, it is nonbinding, premised on the sovereign right of nationals to determine their own migration policies and the necessity for comprehensive national approaches to improving the situation of migrant workers while also recognizing the value of multilateral standards and rules (Resolution concerning a fair deal for migrant workers in a global economy, ILC, 92nd session 2004).

The Migration for Employment Convention, 1949 (No. 97), the Migrant Workers (Supplementary Provisions), 1975 (No. 143) and the UN International Convention on the Protection of the Rights of all Migrant Workers and Members of their Families (1990) provide specific provisions for national law and policy. The central principle of ILO Convention No. 97 is equality of treatment between migrant wage and salary workers and other workers in the country where they work.49 ILO Convention No. 143, which was enacted in the wake of the economic recession in European countries that had been importing large numbers of guest workers, focused on minimizing illegal migration (i.e. steps government can take such as sanctions on employers who hire unauthorized migrants) and integration of settled migrants by ensuring equality of treatment in wages and other benefits for migrants regardless of their legal status. Recommendations Nos. 86 and 151 offer further advice. However, to date, many important North American and Asian


49 ILO Convention 97 defines a “migrant for employment” as a “person who migrates from one country to another with a view to being employed otherwise than on his own account.”
migrant-receiving countries, and many major sending Asian countries have not ratified these two ILO Conventions.\(^{50}\)

The UN International Convention on migrant workers, adopted in 1990, is more comprehensive than ILO Conventions Nos. 97 and 143, and has more ambitious goals than promoting equality in the workplace. It aims to “contribute to the harmonization of the attitudes of the States through acceptance of basic principles concerning the treatment of migrant workers and members of their families”, and it covers all migrant workers including self-employed.\(^{51}\)

Under the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-Up (1998), to which all member states of the ILO have committed, all migrant workers regardless of status are entitled to the freedom of association and right to collective bargaining, non-discrimination in employment and occupation, prohibition of forced labour and elimination of child labour. ILO together with member countries have been implementing action programmes at country level to reduce the incidence of forced labour and trafficking of women and children.

The forthcoming discussion on decent work for domestic workers at the 2010 International Labour Conference may lead to the adoption of a new ILO convention and recommendation that explicitly set standards for the employment conditions of domestic workers. This could strengthen legal protection for domestic workers and improve women’s relative position in local and international labour markets.

Evidently, policy and legal frameworks are not sufficient. Non-State policy actors - private business, trade union and civil society organizations - could make a difference. Some trade unions have taken measures aimed at protecting migrants from unfair labour practices, as well as preventing a 2-track labour market and the employment of clandestine workers. The Estonian Associations of Trade Unions, the Central Organization of Finnish Trade Unions and the Finnish Union of Salaried Employees operate information centres for migrant workers in Finland (Annex II, ILO Multilateral Framework on Labour Migration). The French trade unions Confédération Francaise Démocratique du Travail (CFDT) and Force Ouvrière (FO) opened jointly with employers and local authorities a seasonal work centre to prevent the employment of clandestine workers hired through gangmasters under the guise of foreign temporary agencies (Schmidt 2007). Examples of corporate initiatives to protect migrant workers’ rights are: Volkswagen’s Declaration on Social Rights and Industrial Relationships at Volkswagen; and the adoption of a race equality policy and other measures to respond to migrant workers’ needs by chemical manufacturer Robert McBride Ltd. (Annex II of the ILO Multilateral Framework on Labour Migration).

A big challenge in governance is enabling migrant workers to exercise their right to organize and take on a more active role in promoting their interests. Unionization rates among domestic workers are nil, barely 1 per cent; this has been attributed to the isolated, home-based setting of domestic work, the personal nature of employee-employer relationship, and worker’s extreme dependence on the employer (ILO 2004). Nevertheless, there are historical and recent examples of associations of, and collective actions by and in support of, domestic workers in the United States, Canada, Lebanon and Hong Kong;

\(^{50}\) 47 countries have ratified ILO Convention No. 97 and only 23 countries have ratified Convention No. 143.

\(^{51}\) Among its most controversial provisions, it calls on receiving countries to “facilitate the reunification of migrant workers with their spouses…as well as with their minor dependent unmarried children” and to provide the families of migrant workers with access to education, social and health services.
many have been led by non-union-based non-government organizations.\textsuperscript{52} Most of these efforts are, however, not sustained. Although trade unions recognize the importance of organizing domestic workers, there seems to be a reticence to do so (Ally 2005). Three dilemmas hamper national trade unions in receiving countries from organizing migrant workers: (i) while there are labour shortages, supporting the recruitment of migrant workers might displace local workers or pull down wages; (ii) the inclusion of migrant workers may threaten national cohesion of trade unions and local workers while their exclusion could weaken trade unions’ bargaining position; and (iii) advocating for equal treatment of migrant workers or for special treatment may be disadvantageous to local workers (Schmidt 2007). Trade unions have adopted different strategies to deal with these dilemmas, much of it also depending on their historical roots and the dominant migration policy regimes. There are good examples of attempts to organize temporary migrant workers (Annex II ILO Multilateral Framework on Labour Migration; Schmidt 2007).\textsuperscript{53} One good example is the bilateral agreements signed by some unions operating in a particular sector or industry in different countries to mutually recognize each other’s trade union membership.\textsuperscript{54}

\section*{IV. Conclusions}

\textbf{Positive and negative aspects of globalization:}

Has globalization improved women’s employment opportunities and overall position in the economy? Has it reduced gender inequalities? There are both positive and negative aspects. Women’s major gain is the expansion of paid employment opportunities in developing countries. The robust demand for temporary migrant care services workers has also opened up new paid jobs for women, which have meant huge financial benefits to their families, communities and countries. In many situations, these jobs offer wages that are higher than jobs in domestic-oriented and local enterprises. Direct access to cash income empowers women within their families and communities, enables them to negotiate better share of or control over household resources, including education and their own labour, and reduces women’s subordination.

\textsuperscript{52} See S. Ally 2005 for discussion on different forms of organizations of domestic workers. In the USA: Domestic Workers’ Association of CHIRLA based in the west coast, Mujeres Unidas y Activas (MUA) in California, Domestic Workers Rights Partnership in the east coast; in Canada: Association for the Defence of the Rights of Domestic Workers, INTERCEDE; in Hong Kong: Asian Migrant Centre. Of the more than 2500 associations organizing overseas migrant workers in Hong Kong, the Filipino Migrant Workers’ Union, the Indonesian Migrant Workers Union, and the Asian Domestic Workers Union are formally registered as unions.

\textsuperscript{53} In Costa Rica, the trade union, Household Workers’ Association, has many female migrant worker members from Nicaragua, El Salvador, Guatemala and Honduras. It provides information and assistance, and advocates for increased coverage of domestic workers in labour laws. The German trade union for building, forestry, agriculture and environment IG BAU founded in 2004 a European Migrant Workers’ Union, which aims at organizing migrant workers of all nationalities who work for a limited period of time in one or several EU member states especially in the agriculture and construction sector. The global union federation UNI, which organizes crafts and services workers in postal, tourism, electricity, telecom, social security commerce, finance, media, cleaning and security sectors, launched in 2000 a union passport scheme to help trade union members retain their union rights and obtain support as they travel and work in different countries.

\textsuperscript{54} All India TUC and Gefont, a trade union confederation of Nepal; CGTP-IN, a Portuguese trade union confederation with its counterparts in Switzerland, Luxembourg, Spain and the United Kingdom; British trade union UNISON, for public sector workers, with its counterparts in Spain, Finland, Australia and the Philippines.
However, from a gender and decent work perspective, the challenge is not only the numerical generation of jobs but enhancing the security and quality of employment, and reducing gender inequality. The most difficult challenge lies in the lower segments of global supply chains and enterprises at the edge of production networks where employment is flexible, informal, unprotected, low-paid and low-skilled. In the global market for migrant care services workers, domestic workers are less protected and more vulnerable to unfair treatment and exploitative practices than skilled health professionals. Women are concentrated in these segments, recasting gender inequalities and women’s subordinate labour market position within the global economy. The allocation of low-wage care work to migrant women reinforces the lower valuation of unpaid care within families, and of women’s labour.

The paradoxes:

Neo-liberal social and labour policies have become the dominant approach to labour markets while volatility and uncertainty in global economy have increased in frequency and depth; and as private global governance initiatives have multiplied.

Social policy frameworks are still national while markets and labour movements have crossed borders and rapidly evolving.

Much of labour regulation and current instruments - laws, ILO Conventions, trade union organizing - are premised on an implicit assumption of permanent, regular, full-time employment, where the worker - usually male - is disconnected from unpaid care work (usually female). The rights and protection of paid workers are normally channelled primarily through their employers. Trade union organization and collective bargaining, employment insurance and other economic entitlements effectively require strong employer attachment. This model has been challenged by new and emerging employment relationships based on increased flexibility, informality and mobility of work at national level and within global production systems.

Global governance - potentials and weaknesses:

Although one cannot deny the potential role of CSR initiatives, international framework agreements and labour clauses in trade agreements in promoting international labour standards and rights at work in global production systems, empirical evidence on actual impact is lacking. Evidence on the impact of codes of conduct and MNE guidelines provides mixed findings and has been based on a rather limited set of enterprises, countries and codes. Much less is known about the impact of labour clauses in trade agreements and international framework agreements. Moreover, questions have been raised about the transparency, credibility and quality of assessments of compliance with codes and guidelines.

Several limitations constrain the impact of these global instruments.

- All the instruments more easily relate to formal paid employment and are less likely to help the many “hidden” and unpaid (predominantly women) workers in informal, contractual and casual employment arrangements.

- Trade agreements cover final traded goods, and take little account of the complex production networks that underlie exports where poorest conditions of employment are often found. It is here where gender subordination and discrimination are most embedded.

- They give emphasis on outcome changes, e.g. health and safety, working hours, rather than workers’ rights and anti-discrimination.
• Trade agreements and codes of conduct put the onus on supplying countries and suppliers, not on regional and global buyers who exert commercial pressures (e.g. increasingly short lead time, price cuts) that reinforce poor employment practices within global production systems.

• Commercial interests and short-term objectives override social investments.

The fact that CSR, codes of conduct and framework agreements apply only to a small (formal, traded) segment of developing economies is a major constraint. Wages and conditions of employment may be better or may improve in export-oriented sectors and in MNEs compared to the rest of the domestic economy. But as long as the predominant situation in the rest of the economy is one of low wages, absence of workers’ rights, and precarious jobs or none at all, workers in better-off sectors will have few exit options – they will not risk losing any gains they might have, and thus wield little leverage for bargaining for better treatment (Kabeer 2004).

The nonbinding ILO Multilateral Framework on Labour Migration has entered a period of intense promotion and application among many actors. It draws from ILO Conventions Nos. 97 and 143, but many migrant-receiving and migrant-sending countries have not yet ratified these conventions.

Various initiatives taken by NGOs, private corporations, trade unions and associations of migrant workers to respond to migrant workers’ and domestic workers’ needs, to protect their rights and organize them, or to prevent clandestine workers are valuable. However, the presence of enforceable legal frameworks at national and global levels is necessary to sustain the impact of private initiatives.

**Strong national institutions matter:**

As shown by available assessments of codes of conduct and MNE policies, success in improving labour standards, working conditions and gender equality was partly due to the presence of favourable national legal and regulatory frameworks, and where there were institutions (e.g. trade unions, organizations at workplace level) with whom MNEs could engage actively.

International migration is still largely regulated by national laws and recruitment systems. The effectiveness of current international policy frameworks rely on the presence of national policies and institutions that are committed to migrant workers’ rights and gender equality.

**Underlying gender and social inequalities require broader concerted actions:**

Gender and social differences along race, ethnicity and caste at local and national levels have been recast unto the global level – in the form of allocation of low-wage, flexible, informal work to women in global supply chains and international migrant labour market.

While governance of global supply chains and international labour migration should and could reduce discrimination and differentiation based on gender and other social identities, broader economic and social policies are required to dismantle underlying institutions that perpetuate these inequalities. Examples of such policies are those that enhance women’s access to quality education, skills development and other productive resources; alleviate families’ (thus women’s) unpaid care work (e.g. child care support, early childhood education, public health care, efficient public infrastructure for water, sanitation and energy); monitor gender wage gaps and support pay equity instruments; and give women direct and equal entitlements to social security.
The persistence of gender inequalities in the rest of the economy will continue to shape and limit choices of women who seek paid employment; it will limit their leverage to fight for better quality jobs, and for decent work.

**Decent work in the global economy:**

Integrating the different strands of decent work provides the basis for a more holistic approach to enhancing workers’ rights and gender equality in global production.

The World Commission on the Social Dimensions of Globalization (WCSDG) called for decent work as a global goal and a “socio-economic floor” for the global economy around which states could collaborate in fashioning coherent policies. It called for strengthening labour standards and fairer trade rules, without linking the two. It called for a shift in the policies of international organizations “away from external conditionality to national ownership of policies” and support for countries that do not have the capabilities as those that developed earlier.


But, an important, but evidently difficult, agenda for governance of the global economy remains to be tackled – setting a “global socio-economic floor”.

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55 The consensus of the ILO Governing Body at its 303rd Session was clear: decent work is more relevant and urgent now than before the current global financial crisis in order to mitigate the adverse effects of the crisis on employment and on vulnerable populations, and to avert a social crisis.
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