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Export-led development, employment and gender in the era of globalization

Naoko Otobe

Employment
and Labour
Market Policies
Branch

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Preface

The primary goal of the ILO is to work with member States towards achieving full and productive employment and decent work for all. This goal is elaborated in the ILO Declaration 2008 on *Social Justice for a Fair Globalization*,¹ which has been widely adopted by the international community. Comprehensive and integrated perspectives to achieve this goal are embedded in the Employment Policy Convention of 1964 (No. 122), the *Global Employment Agenda* (2003) and – in response to the 2008 global economic crisis – the *Global Jobs Pact* (2009) and the conclusions of the *Recurrent Discussion Reports on Employment* (2010 and 2014).

The Employment Policy Department (EMPLOYMENT) is engaged in global advocacy and in supporting member States in placing more and better jobs at the center of economic and social policies and growth and development strategies. Policy research and knowledge generation and dissemination are essential components of the Employment Policy Department's activities. The resulting publications include books, country policy reviews, policy and research briefs, and working papers.²

The *Employment Policy Working Paper* series is designed to disseminate the main findings of research on a broad range of topics undertaken by the branches of the Department. The working papers are intended to encourage the exchange of ideas and to stimulate debate. The views expressed within them are the responsibility of the authors and do not necessarily represent those of the ILO.

Azita Berar Awad
Director
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¹ See http://www.ilo.org/global/about-the-ilo/mission-and-objectives/WCMS_099766/lang--en/index.htm

² See <http://www.ilo.org/employment>

Foreword

Developing countries continue to face substantial underemployment, working poverty and informality of employment across various regions. In particular, women are more likely to be affected by higher levels of unemployment, informality and poverty than men. The export-led development strategies adopted by many developing countries have contributed to both economic diversification and job creation in the context of the accelerated globalization processes witnessed during the last few decades. In particular, where labour-intensive manufacturing has developed, an increasing number of women have been absorbed into such sectors as ready-made garments, footwear, and electronics. However, the quality of employment created in such export-oriented sectors has not necessarily improved in tandem with the quantity of employment.

The paper explores the viability of such an export-led development strategy in terms of its contribution to the creation of more and better jobs in general, and the gender dimensions thereof. It reviews gender dimensions of overall global employment trends with a focus on selected key labour market indicators and the impact of export-led strategy on employment and labour. It also documents, from a gender perspective, the experiences and impacts of the export-led development strategy on employment and labour in Mauritius and Cambodia.

It is hoped that this report will further contribute to the continuing debate regarding the role of the export-led development strategy for job creation, in general, and the gender dimensions of its impact on labour and employment in developing countries, in particular.

Iyanatul Islam
Chief
Employment and Labour
Market Policies Branch

Contents	page
Preface	iii
Foreword.....	iv
Profile of author	vi
Acknowledgements	vi
Abstract.....	vi
Abbreviations and acronyms.....	vii
1. Introduction	1
2. Gender dimensions of global employment trends	2
2.1 Trends in unemployment.....	2
2.2. Trends in vulnerable employment	3
2.3 Trends in employment by sector.....	5
3. Globalization through export-oriented development strategies: gender dimensions	8
3.1 EPZs as export-led development strategy	10
4. Country cases	12
4.1 The Case of Mauritius.....	12
4.1.1 Export-led development strategy	13
4.1.2 Employment impact of export-led development strategy	14
4.2 The case of Cambodia.....	16
4.2.1 Export-led development strategy	16
4.2.2 Employment impact of export-led development strategy.....	16
4.3 Key lessons from country experiences.....	19
5. Conclusion	20
References.....	23

List of tables

Table 1. Distribution of employment and EPZs by region	12
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List of figures

Figure 1. Changes in unemployment by sex in various regions, 2007–15	3
Figure 2. Global trends in vulnerable employment by sex, 2005–15.....	3
Figure 3. Changes in vulnerable employment by region and sex, 2007–15	4
Figure 4. Changes in share of wage employment by region and sex, 2007–15.....	4
Figure 5. Employment by sector and sex in various regions, 2015	5
Figure 6. Gender gaps in employment by sector and region, 2015.....	6
Figure 7. Changes in sectoral shares in employment for women and men, 1995–2015	7
Figure 8. Employment in large establishments by sex in the EPZ sector, 1972–2005	14

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Abstract

Women constitute 40 per cent of the global workforce, and continue to face higher unemployment, underemployment, vulnerable employment, informality, and working poverty than men. In developing countries, due to the poorer quality of employment, women are also faced with a higher incidence of decent work deficits than men. Where women's labour force participation has increased, the levels of employment have not necessarily been accompanied by a better quality of work. This paper reviews the overall global employment trends, and examines the viability of export-oriented development strategies in developing countries for both job creation and export promotion, in particular through the establishment of export processing zones (EPZs), from a gender perspective. Specific cases of Mauritius and Cambodia are reviewed from the point of view of employment generation, labour market vulnerability to downturns and working conditions.

Key words: development, employment, gender, globalization

JEL Classification:

B54, J21, J70,

Abbreviations and acronyms

ASEAN	Association of Southeast Asian Nations
CIS	Commonwealth of Independent States
EPZ	Export processing zone
EU	European Union
IFC	International Finance Corporation
ILO	International Labour Organization
MFA	Multifibre Arrangement
SEZs	Special economic zones
TVET	Technical and vocational education and training
UNCTAD	United Nations Conference on Trade and Development

1. Introduction

Women constitute 40 per cent of the global workforce. Globally, women continue to face higher rates of unemployment, underemployment, vulnerable employment, informality, and working poverty than men. In developing countries, due to the poor quality of employment, which is often characterized by informality and working poverty, women are also faced with a higher incidence of decent work deficits than men. During the past three decades women show increased labour force participation, particularly in industrialized countries and in some middle-income countries, penetrating into a wider range of sectors and occupations. In some developing countries, the increased levels of education in general, and among the female population in particular have contributed to increased employment opportunities on the one hand, but on the other hand have lowered the female labour force participation rate, with girls staying longer in school. In poorer developing countries, a substantial proportion of women's employment is found in agriculture or informal services or trade with low remuneration and productivity.

Under the accelerating pace of globalization, an increasing number of women in developing countries have been absorbed into the labour markets. In particular, tens of millions of wage-earning jobs have been created in labour-intensive, export-oriented manufacturing sectors over the last three decades. Many developing countries have also adopted export-oriented development strategies. Such development strategies have often been implemented through the establishment of what are generally called "export processing zones" (EPZs) or special economic zones where tax breaks and other benefits accrue to those companies that invest and establish production sites in such zones.

While many poorer developing countries continue to benefit from labour-intensive export sectors, earning foreign reserves, poor working conditions and a lack of or weak respect for labour rights³ in export-oriented factories have often been criticized. Women are often stuck at the lower-skilled end of jobs, while more men are engaged in higher-skilled jobs and management positions; hence women are often paid less than men in general. Work in export-oriented manufacturing could also be subject to global economic downturns. In the recent global downturns, tens of thousands of women workers lost their jobs owing to drastic declines in exports. The feminist economists argue that the export-oriented strategy has so far been exploitative of cheap female labour in the South. The question remains, therefore, as to whether such an export-oriented strategy for development, which tends to be female intensive, has increased the well-being of those workers and substantially reduced their income poverty. If so, what measures should be taken to improve productivity, while at the same time also improving working conditions? Further, what policy measures should countries take in order to diversify beyond labour-intensive manufacturing, so that more decent work opportunities are created for both women and men?

This paper will review the gender dimensions of the overall global employment trends, and examine the viability of export-oriented development strategies in developing countries for both

³ There are Fundamental Rights and Principles at Work, which the ILO has been promoting over decades, namely: Forced Labour Convention, 1930 (No. 29), Abolition of Forced Labour Convention, 1957 (No. 105), Protocol of 2014 to the Forced Labour Convention, 1930 (No. 29), Forced Labour (Supplementary Measures) Recommendation, 2014 (No. 203); Minimum Age Convention, 1973 (No. 138), Worst Forms of Child Labour Convention, 1999 (No. 182); Equal Remuneration Convention, 1951 (No. 100), Discrimination (Employment and Occupation) Convention, 1958 (No. 111); Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87), Right to Organize and Collective Bargaining Convention, 1949 (No. 98).

job creation and export promotion, in particular, through the establishment of EPZs in developing countries. The specific cases of Mauritius and Cambodia will be reviewed from the point of view of employment generation and working conditions with a gender perspective.

The paper will use the ILO's 2014 Global Employment Trends data for analysing the global employment trends, and undertake the analysis using secondary reports and national labour force data for the country case studies. The paper will also include a review of the literature on the social and labour issues related to the EPZs and export-oriented sectors with a specific focus on gender.

Part two of the paper will analyse the gender dimensions of the global employment trends, with a focus on developing countries. Part three will review the existing literature on overall theoretical discussion and the relevant issues on employment creation and working conditions (in particular wages and working hours) in the EPZs, particularly from a gender perspective. Part four will include two country case studies which will examine the overall employment situation, working conditions, and women's economic contribution to the EPZs and export sectors in Mauritius and Cambodia. The paper will end with a conclusion, drawing some policy implications from the findings of the foregoing analyses, and proposing issues for further research.

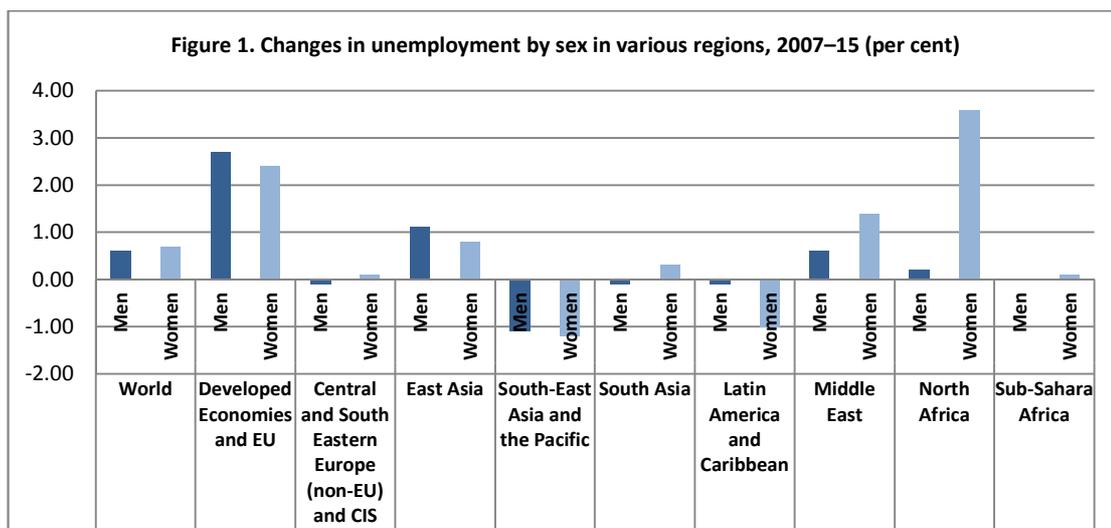
2. Gender dimensions of global employment trends

Seven years after the 2008 global financial and economic crisis, which led to massive job destruction in many regions, many developed economies have seen a recovery that is at best fragile, and the world continues to face major employment challenges, in particular for women and young people. At the same time, income inequality has increased across and within countries. The labour market situation in most countries has not fully recovered in terms of both quantity and quality of jobs. In a number of developed economies, not only do high unemployment rates persist but working conditions have also worsened – employment contracts are more precarious and wage levels have stagnated. In developing economies, women in all regions continue to face more unemployment, vulnerability, working poverty and informality of employment than men (ILO 2015, 2013a). The present section analyses the patterns of employment with a specific gender perspective, focusing on selected labour indicators, namely, unemployment, vulnerable employment and sectoral distribution of employment in various regions.

2.1 Trends in unemployment

In 2015, the global unemployment rate of women is estimated to stand at 6.5 per cent, which is higher compared to that of men at 5.8 per cent. According to the latest ILO report (2015), the world labour market saw 61 million fewer workers in employment by 2014 as compared to the pre-economic-crisis level. About half of these are due to substantial declines in employment rates, with millions of people having dropped out of the labour market altogether – or having become “discouraged workers”. Furthermore, the shortfall in employment of women (mostly adult women) accounted for about 73 per cent of the global jobs gap in 2014 (ILO 2015).

While the unemployment rate is not the best indicator to show the health of the labour markets of developing economies, given that the poor cannot afford not to work, it should be noted that the unemployment rates increased due to the impact of the 2008 global economic crisis in all regions, except in South-East Asia and the Pacific and in Latin America and the Caribbean, where the rates are lower than the pre-crisis levels (figure 1).

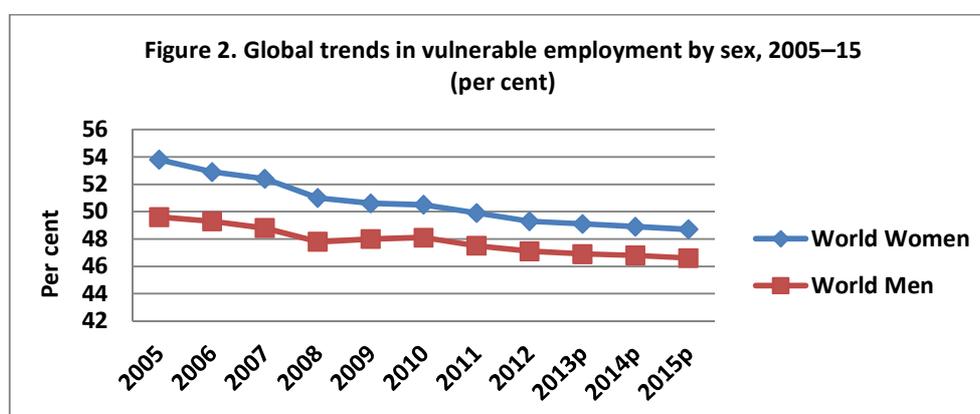


(Source: Author's calculations based on 2014 ILO global employment trends data.)

2.2. Trends in vulnerable employment

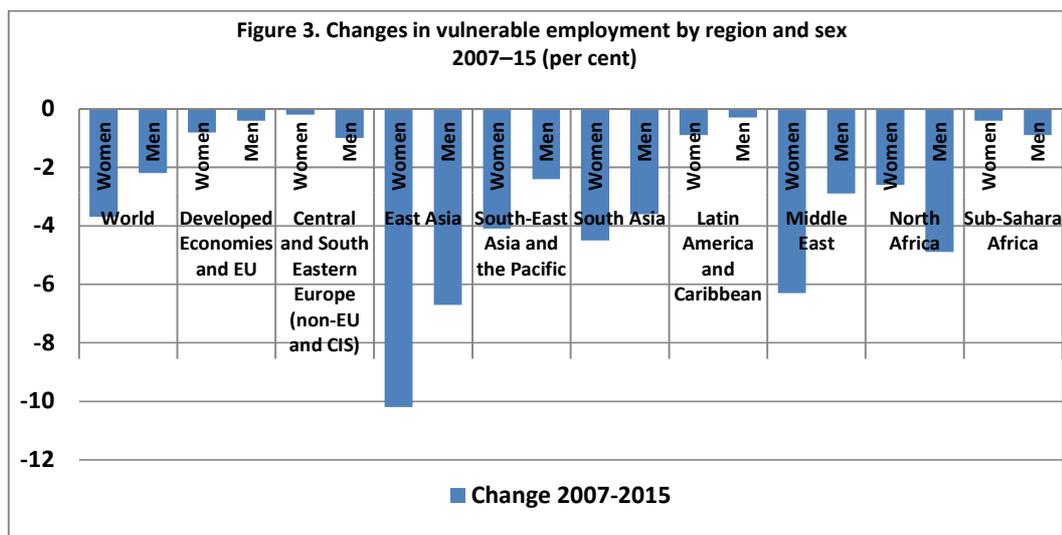
Vulnerable employment is a combination of “own account” and “contributory family worker” status of employment, which are more socio-economically insecure than “wage employment” or “salaried worker” employment status. A majority of those in vulnerable employment, particularly, in developing countries, work outside the ambit of labour law and social protection, and hence without benefits. Although “informal employment” is not equivalent to “vulnerable employment”, those who are in vulnerable employment are mostly informal workers and employers, subject to market dynamics, with low productivity, and working under poor conditions without any social protection. In general, however, data on the nature and extent of informality of employment is often limited.

Globally, while the economic crisis slowed the pace of decline in vulnerable employment between 2008 and 2010, the level dropped from 53.8 per cent and 49.6 per cent in 2005 to 48.7 per cent and 46.6 per cent in 2015 for women and men respectively. Although the level of vulnerable employment remains higher for women, the gender gap has been narrowing over the last decade (figure 2).



Source: op. cit., ILO, 2014a.

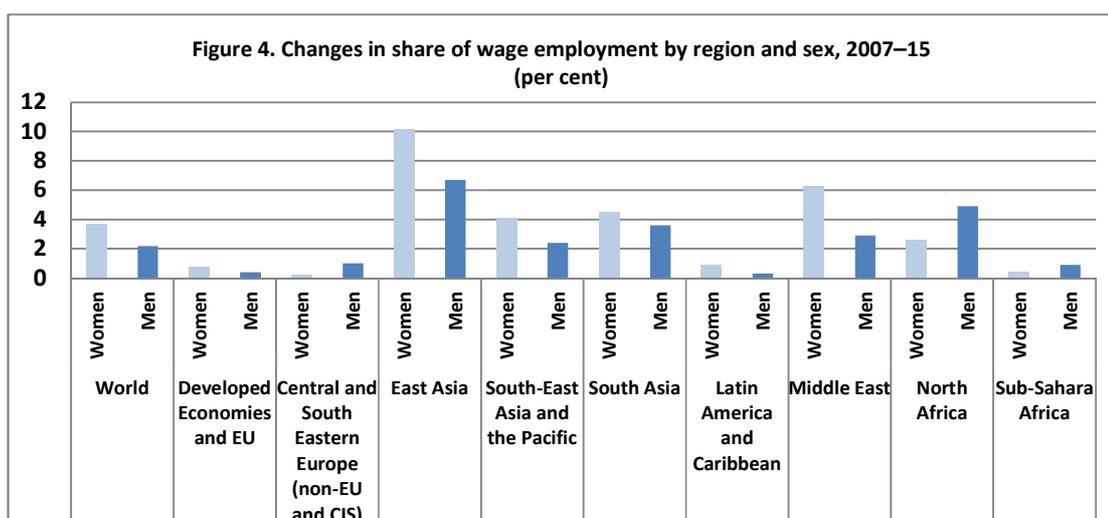
Note: 2013–15 figures are projections.



Source: Author’s calculations, using data of ILO’s 2014 global employment trends.
 Note: 2015 figures are projections.

Among all the regions East Asia has seen the largest decline in the level of women’s vulnerable employment, followed by the Middle East and South Asia between 2007 and 2015 (figure 3). This reflects the growing share of wage employment, particularly for women in those regions, despite the global slowdown in 2008. Conversely, in Central and South-Eastern Europe and Sub-Saharan Africa, women have experienced a slower reduction in vulnerable employment than men and the smallest declines among all the regions.

The other side of the coin of vulnerable employment is wage employment, which is typically of better quality than vulnerable employment in terms of both employment security and social security coverage. The fact that vulnerable employment has been slowly decreasing in many regions means that the global share of wage employment has been increasing, an indication that the overall quality of employment has been improving during the last 7–8 years despite the aftermath of the 2008 global economic crisis. The largest decline in vulnerable employment has



Source: Author’s calculations, using data from ILO’s 2014 global employment trends.

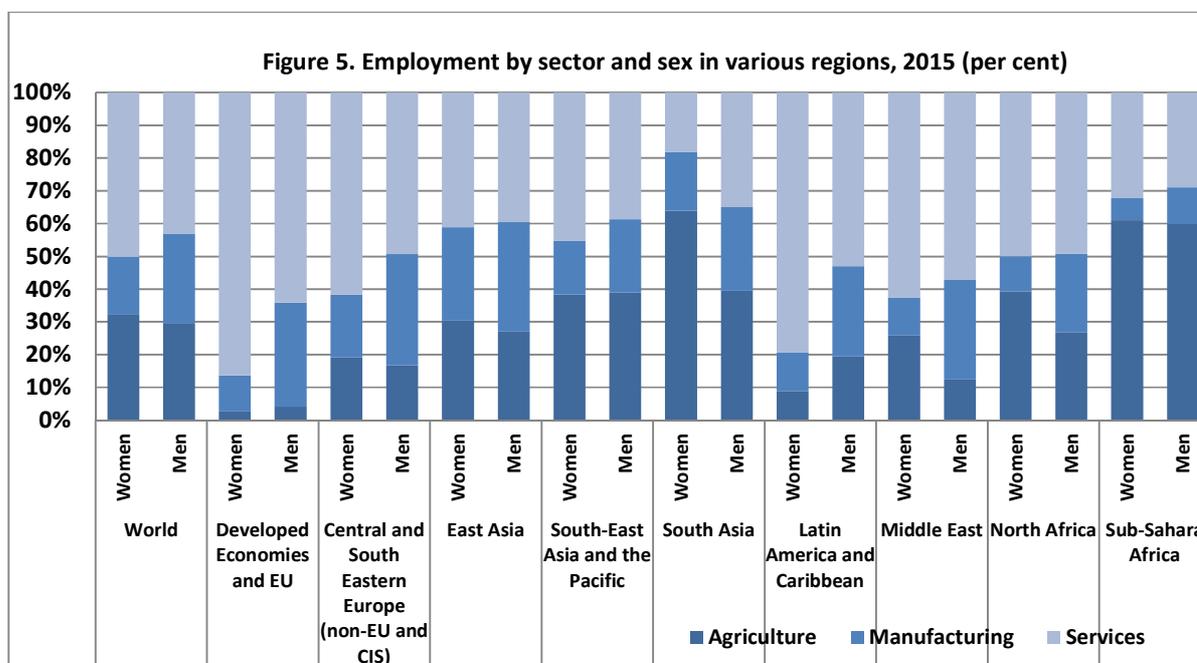
been observed in East Asia (where China’s fast economic modernization has played an important role), where the share of wage employment has increased faster in women’s employment compared with that of men.

The overall increase in a better type of employment in the East Asia region is also an indication that economies have been doing better compared to other regions, and, combined with overall higher growth and faster economic transformation, which is a prerequisite for increasing wage employment (figure 4). East Asian countries have also adopted an export-led development strategy, having established special economic zones (SEZs) or export processing zones (EPZs).

2.3 Trends in employment by sector

In terms of global sectoral share of employment, in both women’s and men’s employment, services account for the largest shares at 50.1 per cent and 43.0 per cent respectively – 7.1 per cent higher for women. Agriculture occupies about a third of total employment for both women and men but is 2.7 per cent higher for women at 32.4 per cent. Manufacturing takes a far more important share in men’s employment at 27.3 per cent compared to 17.5 per cent for women.

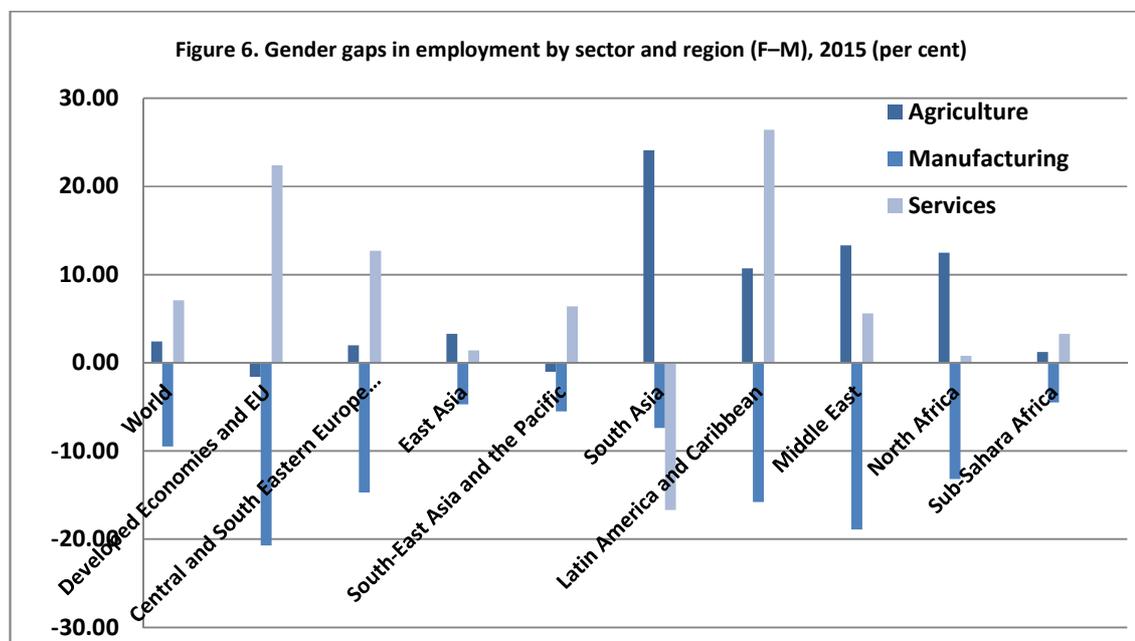
Looking at the overall sectoral distribution of employment across various regions in 2015, it is noted that the poorer the region, the bigger the share of agriculture. In a number of developing regions, the share of agriculture in women’s employment is higher than that for men. In South Asia, the Middle East and North Africa, there is a gender gap of more than 10 percentage points in the share of agriculture in employment – that is, a higher percentage of women’s employment is in agriculture than that of men. This also implies higher working poverty and lower productivity of employment for these female workers than for their male counterparts. A notable example is that of South Asia, where the share of agriculture in women’s employment is 64 per cent with a gender gap of 24.5 percentage points. While women in those regions continue to work in agriculture, men have left agriculture to take up jobs in other sectors (figure 5).



Source: Data from the ILO 2014 global employment trends projections.

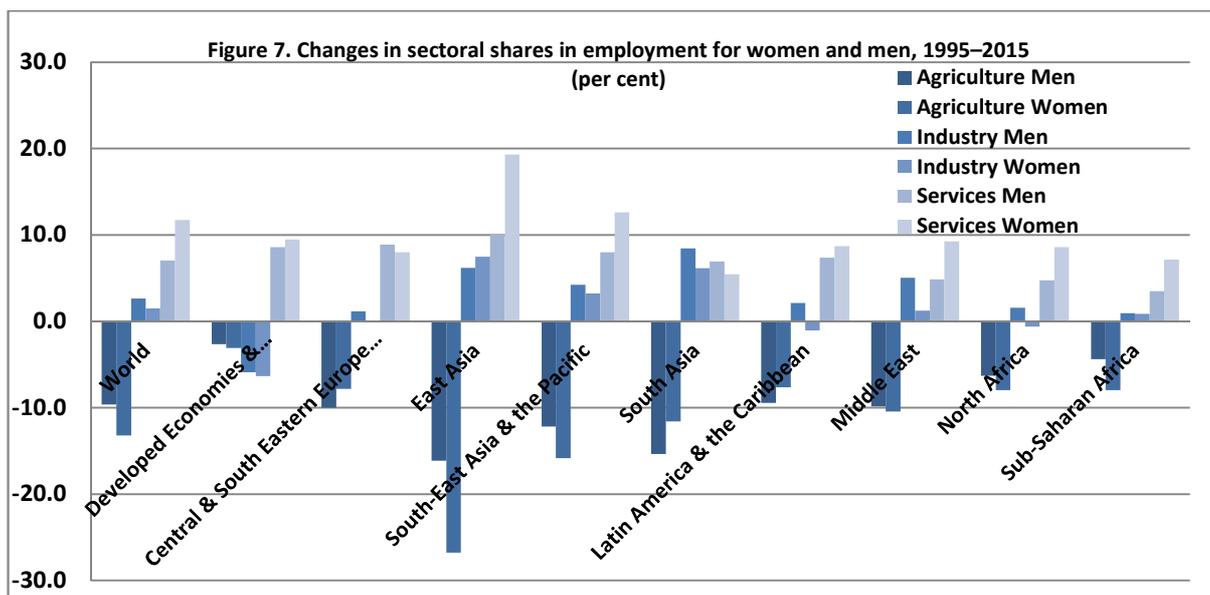
Conversely, larger shares of services in women’s employment are found in developed economies and the EU region (86.4 per cent), Central and South Eastern European region (61.8 per cent), Latin America and the Caribbean (79.5 per cent), and to a lesser extent in the Middle East (62.6 per cent). Across all the regions, the share of manufacturing in men’s employment is higher than in women’s employment. Generally, in East Asia the sectoral distribution of employment for women and men are relatively similar, as compared to other regions (figure 6).

The fact that the share of agriculture in women’s employment is higher than for men in poorer regions raises the issue of persistently poorer quality of employment for women than for men, and has implications for future prospects of quality of work for those young women entrants to the world of work in these regions. It is generally known that much of women’s work in agriculture is unpaid. When the hours of work, both paid and unpaid, are combined, it can be seen that women in these countries work far longer hours than men.⁴ The major issue for these countries, therefore, is whether they will manage to transform their economies in ways that on the one hand will improve the overall agricultural productivity and on the other hand will diversify the economies into higher value-added branches, creating more and better quality jobs.



Source: Author’s calculation, using data from ILO’s 2014 global employment trends projections.

⁴ In Tanzania and Benin, women work 14 and 17.4 hours respectively more than men per week in total on average (see Fontana, M. and Paciello, C., Part 1, “A global perspective”, in *Gender dimensions of agricultural and rural employment: Differentiated pathways out of poverty* (Rome, FAO, IFAD, and ILO 2010).



Source: Author's calculation, using data from ILO's 2014 global employment trends projections.

Note: 2015 figures are projections.

The overall sectoral changes in the patterns of employment are directly linked to the sectoral changes and economic diversification of countries in general. As can be seen in figure 7 on the overall changes in the sectoral distribution of employment by gender in various regions between 1995 and 2015, East Asia has seen substantial changes (largely led by China) in sectoral distribution in employment, with a substantial reduction in the share of agriculture and increases in the other two sectors, particularly in services. The region has seen a reduction of agricultural employment from 57.3 per cent to 30.5 per cent for women, and from 43.2 per cent to 27 per cent for men in two decades, whereas the share of manufacturing increased from 21 per cent to 28.4 per cent and from 27.3 per cent to 33.5 per cent for women and men respectively. Export-oriented manufacturing played a key role in increasing wage jobs in this region during the last two decades. The services sector share doubled for women's employment to 41.1 per cent by 2015, while it increased by 10 percentage points for men to 39.5 per cent. In all the developing regions the share of the services sector has increased more substantially for women than men during the last two decades, except in South Asia. Women across the world are increasingly employed in the services sector, and this trend is likely to continue, particularly in developing regions.

However, the key challenge in developing economies is that many jobs created in non-agricultural sectors are often informal in nature: that is, they are not covered by labour law or social protection and they offer low remuneration/income and productivity. These workers have no voice or representation to enable them to participate in policymaking, or engage in collective bargaining with (informal) employers. The rate of informality in non-agricultural employment is substantial in many developing countries, and is often higher in the employment of women (ILO 2014b, p.12).

Formal employment is best created through formal economic establishments, particularly in the non-agricultural sectors. In order to increase formal businesses, countries need to create an environment that is conducive to establishing and expanding businesses. Furthermore, developing countries need foreign direct investments if they are to achieve successful economic transformation and development. In this regard, many poorer developing countries, including those

in Sub-Saharan Africa, have adopted export-oriented manufacturing and services (in particular tourism and outsourcing). For instance, Mauritius, which now is one of the higher-end middle-income countries with a per capita GDP of US\$9,710 (current US\$), developed its economy through an export-led development strategy.

In the next part of the paper, we will review the role of such an export-led development strategy for both job creation and economic growth, which has been implemented through the establishment of special economic zones or export processing zones in Mauritius and Cambodia. We will also examine from a gender perspective both the quantity and quality of the jobs created through such a development strategy.

3. Globalization through export-oriented development strategies: gender dimensions

Much analysis has been conducted regarding the gender dimensions of the impact of globalization of product market on the labour market (Çağatay and Ertürk 2004, Benería, et al. 2015, Lucas 2007). Globalization is characterized by increasing trends in human, financial, economic, technological and communication transactions across countries and regions. The debate is divided between those who support globalization and those who are opposed to its effects. Export-oriented growth strategies of various countries have contributed to the increase in women's paid employment. But feminist economists have questioned the quality of such employment which is often done with poor pay and working conditions which may even be characterized as having "decent work deficits".

On the one hand, the proponents of globalization argue that, by increasing economic transactions across countries, the overall wellbeing of humans, including of women, can be improved by its contribution to economic growth, enabling social interaction across cultures, and making consumer goods cheaper through increased international competition. On the other hand, opponents argue that globalization has not necessarily benefited workers – in developed countries by shipping jobs out to countries with cheaper labour costs, and in the developing south by exploiting workers, particularly women. Feminists argue that employers prefer to hire women in labour-intensive manufacturing in developing countries, as women have more nimble fingers and are less likely to engage in trade union action than male workers. Furthermore, it is argued that the shifting of production sites by multinational corporations to locations where cheaper labour is readily available and labour and environmental regulations are not as stringent as in their country of origin leads to a race to the bottom, compromising labour and environmental standards (International Relations).

According to a United Nations Conference on Trade and Development (UNCTAD) report, trade can affect gender equality in different ways, through: (a) a positive or negative impact on growth and employment opportunities; (b) competitive pressures, which may reduce or encourage gender discrimination, in particular wage differentials; (c) facilitating or raising barriers to access by women to resources and services; and (d) multilateral trading rules, which may facilitate or constrain governments in applying policies or regulations that address gender inequality (UNCTAD 2004, p.16).

The UNCTAD study found that trade liberalization has provided women with income and employment opportunities, strengthened their independence and increased their agency at the household level. However, working conditions in export sectors are not necessarily very good, and increased international competition has not led to narrowing of gender wage gaps. Rather,

such competitive pressures have tended to push wages down, especially for women employed in low-skilled jobs who do not have a strong bargaining power. In the process of trade liberalization, therefore, women workers can be affected positively or negatively depending on where they work; whether the sector in which they work expands or contracts in production, and how international competition affects the local labour markets. Due to the weak bargaining power of women in the labour markets and the oversupply of cheap labour in developing countries, trade liberalization has not necessarily enhanced women's well-being or strengthened their agency to the extent that it otherwise could (ibid.).

Export-oriented strategies in poorer developing countries have created millions of jobs, particularly for low-skilled women who often come from rural areas. China, for instance, has taken full advantage of its export capacity by establishing special economic zones. But when external shocks have a drastic impact on exports and production, workers can be affected in an equally drastic manner, as has been seen in the recent years. In the immediate aftermath of the 2008 global economic crisis, a number of developing countries saw a far-reaching decline in garment exports. This is one of the sectors where women tend to be highly represented and tens of thousands of women workers lost their jobs. Where they found another job in the same sector, a large majority had to accept worse working conditions, in terms of types of contracts, hours, remuneration and benefits (Otope 2011). In Bangladesh the Rana Plaza factory collapse, which killed 1,137 people and left some 200 to 300 still missing and over 1,000 seriously injured, is still very vivid in our recent memory (Institute for Global and Labour Rights).

A study on wage trends in the export-oriented ready-made garment sector in 15 countries out of the top 21 countries exporting apparel to the United States of America has found that between 2001 and 2011 the wages in the sector in 9 out of the 15 countries had declined in real terms. The study also found that in the countries surveyed, on average, the "straight-time wages" (or wages before taxes and excluding pay for overtime) that workers in the ready-made garment sector received were barely more than one third (36.8 per cent) of the living income they needed (Center for American Progress and Worker Rights Consortium 2013).

Recent trends show that due to the lack of improvement in working conditions and the poor image of women workers in garment factories, women have begun to shun "factory work" in the garment sector in Sri Lanka (Otope 2013). At the same time, in countries where industrialization has diversified and advanced from labour-intensive to more capital-intensive manufacturing, climbing the technological ladder, women's share in total employment in manufacturing has declined (Kucera and Tejani 2014).

The main question, then, is how those developing countries that intend to industrialize and develop a manufacturing sector could gain access to foreign direct investments and international markets with a view to growing the economy and creating more and better jobs. In Asia, as wages have increased in labour-intensive manufacturing in China, manufacturing sectors such as the garment and textile industries and electronics assembly have moved to other Asian countries where labour is cheaper, particularly to South-East Asia. Poorer Asian countries, such as Cambodia, where garment manufacturing is a major export sector, continue to enjoy preferential trade with the United States and the European Union. A large majority of garment sector workers in Cambodia are women. However, the experience of those workers, who were already being paid survival level wages, in their efforts to improve working conditions has not been very easy (Better Factories Cambodia). Even a successful globalizer such as Mauritius has been badly hit by the recent economic downturns, particularly involving the ready-made garment sector, which is female labour intensive, leading to massive retrenchments in the export processing zones (EPZs) and higher female unemployment (Otope 2008).

3.1 EPZs as export-led development strategy

Export-led growth strategies have been implemented in various countries, both developing and developed. Most developing countries continue to rely on trade for their economic growth. In order to implement this strategy, many developing countries have established economic zones called “Export Processing Zones”, which provide a package of trade- and business-related special benefits and exemptions, and sometimes including de facto labour law exemptions to those companies which invest in the zones. Different countries call such zones by different terms. The International Labour Organization (ILO) defines EPZs as “industrial zones with special incentives set up to attract foreign investors, in which imported materials undergo some degree of processing before being (re-)exported again” (ILO 1998, p.3). In addition to EPZs, common names used are: free zones; industrial zones; special economic zones; or free trade zones. The EPZs have proliferated during the last three decades, having been fostered under export promotion development strategies of both developing and developed countries. In some countries where EPZs were established initially to engage in export-oriented light manufacturing, such as garment manufacturing, the scope of production has been enlarged and also climbed up the value chain, including in the same production sector (such as in Mauritius). In some others, the nature of manufacturing shifted from labour-intensive assembly types of production to more capital-intensive and higher value-added production by applying higher technologies (such as in Singapore, Malaysia and the Republic of Korea).

Countries have established EPZs with various objectives, including attracting foreign direct investments, export expansion, employment promotion, income generation, technology transfer, and developing backward linkages in the domestic economy. The incentives which EPZs provide are summarized hereunder:

Summary of EPZ main incentives⁵

Tax exemptions

- Export taxes
- Import taxes on inputs
- Profit and property taxes
- Other direct taxes
- Value added tax

Regulation exemptions

- Exemptions from foreign exchange controls
- No controls on profit repatriation
- In some cases, derogation of specific sections of labour Laws such as working hours or minimum wages

Infrastructure incentives

- Specific streamlined government services, such as custom services, business registration
- Provision of enhanced specific infrastructure for production, logistics and transport, such as better roads, free or subsidized lease of land or industrial plants
- Subsidized prices in public utilities such as electricity or water

⁵ Taken from Cirera and Lakshman, 2014: *The impact of export processing zones on employment, wages and labour conditions in developing countries.*

The economic rationale of establishing EPZs is that by providing incentives to potential investors abroad, the host countries can attract foreign direct investments, and foreign companies can establish production sites in the EPZs, which then can export the processed goods abroad. This will allow the host countries to earn precious foreign exchange and income. However, as the host countries also need to invest in the development of EPZs, providing the basic infrastructure, such as land, water and electricity, the cost-benefit of establishing EPZs would depend on how such zones manage to attract appropriate industries which can take advantage of the host countries' market niches. Furthermore, as companies need to import production machinery and input materials (which could be raw or semi-processed products) using foreign currency, it is not always obvious if such EPZ-based manufacturing processing is beneficial from the point of view of earning foreign currency and income.

It is also hoped that foreign companies will bring business and production-related know-how and technology to the host countries and that as a result of both technological and ownership transfer, after some years the host-country nationals will be in a position to take over both the management and ownership of such businesses. Many a time, however, due to the assembly nature of production involving imported parts, EPZ operation does not necessarily lead to creating backward linkages to the domestic economy. From the point of view of creating employment, in those developing countries where "cheap labour" supply is abundant, EPZs can provide "formal wage employment" to the local population, who may otherwise be unemployed or in less productive employment, toiling in agriculture or working in the informal economy as self-employed or as unpaid family workers (which is often the case for women). However, generally, hardly any empirically rigorous studies have been undertaken on the impact of EPZs on labour and employment, in particular from a gender perspective.

The establishment of EPZs and similar zones started in the 1970s – some 75 such zones were established in 25 countries. By 2006, there were over 3,500 EPZs and similar zones in some 130 countries, and an estimated 66 million people worked in the EPZs. Asia accounted for 33 per cent of all the EPZs where 83 per cent of the total number of people employed worked. China alone already had some 40 million people working in the EPZs (Singa Boyenge 2007).

A recent review of the literature analysing the impact of EPZs on employment, wage and labour conditions, undertaken by Cirera and Lakshman (2014) based on 59 existing studies, suggests very mixed results on labour outcomes of EPZs. The report states that there is no convincing evidence that employment created in the EPZs is "additional", that is, were it not for the EPZs that equivalent employment would not have been generated. Nor are the authors convinced that EPZs are generally feminized, although they have created wage jobs for low-skilled women, contributing to women's participation in the labour force. As regards wages, in most cases EPZs pay higher wages than employment outside the zones, and do not contribute to an increase in the gender wage gap. With regard to respect for labour rights, however, the same report notes instances of restrictions on rights to organize and engage in collective bargaining, but it is not very clear whether this is more the case inside the zones or if it is due to a lack of, or weakness of law enforcement and institutional capacity in the host countries in general. As to the health and safety of workers in EPZs, some studies have documented a higher prevalence of health problems in the zones, whereas some others have found a higher prevalence of health problems outside the zones. In terms of working hours, there are cases of compulsory and inadequately paid work. However, when such a situation is compared with that outside the zones, the evidence is also mixed and inconclusive (Cirera and Lakshman 2014).

Table 1: Distribution of employment and EPZs by region

	Employment	Per cent	Number of zones	Per cent
Asia	55 741 147	83.22	900 +	32.95
Other Asian countries	15 741 147	24		
China	40 000 000	60		
Central America and Mexico	5 252 216	8	155	5.68
Middle East	1 043 597	1.56	50	1.83
North Africa	643 152	0.96	65	2.38
Sub-Saharan Africa	860 474	1.28	90 +	3.3
United States	340 000	0.51	713	26.11
South America	459 825	0.69	43	1.57
Transition economies	1 400 379	2.09	400	14.65
Caribbean	546 513	0.82	250	9.15
Indian Ocean	182 712	0.27	1	0.04
Europe	364 818	0.54	50	1.83
Pacific	145 930	0.22	14	0.51
Total	66 980 763	100	2 731	100
Estimated:	65 980 763		3 500 *	

Note: *estimates by Singa Boyenge (2007). Source: Singa Boyenge (2007)

It is noted that specific gender analysis of the impacts of EPZs on employment and labour is scarce, and that the jury is still out on the cost and benefit of working in EPZs from the point of view of workers, particularly, of female workers.

In the next part of the present paper, the experiences of export-led development in Mauritius and Cambodia will be documented from a gender perspective.

4. Country cases

In this section, experiences in export-led economic development in Mauritius and Cambodia will be reviewed. Both countries have benefited from preferential trade treatments and initiated exports with agricultural production and later diversified into ready-made garment exports and beyond. Although they are at different stages of development, both countries still have a substantial ready-made garment sector, where women form a large majority of the workers. While the experience of Mauritius with EPZs is much longer and dates back to the 1970s, Cambodia's establishment of special economic zones is more recent, having been officially formalized in 2005.

4.1 The Case of Mauritius

The case of Mauritius, an island nation of 1.2 million people, is a prime example of a developing country that has benefited from globalization through international trade. The country at the time of independence in 1969 was an agricultural economy exporting sugar to Europe. As the country developed it took advantage of trade-related privileges for manufactured goods, initially establishing export-oriented garment manufacturing, and later climbed up the production value chains including in the same sector. Sugarcane remains one of the key export goods, after

fish exports, followed by jewellery and ready-made garments. After four decades of development, the Mauritian economy has become far more diversified, compared to the initial stages of industrialization, and has developed much faster than that of other Sub-Saharan African countries. Its GDP per capita also increased to US\$9,710 (current US\$) by 2014. It is noted that Mauritius has been successful in taking advantage of the preferential trade benefits with respect to exports to both Europe and the United States, thanks also to its relative political stability, strong national institutions, low level of corruption and favourable regulatory environment.

4.1.1 Export-led development strategy

Since the late 1980s, Mauritius has been undergoing economic change, moving from an agricultural economy based mostly on the production of sugar to a more diversified economy, through the introduction of the light manufacturing industry of textiles and clothing in export processing zones (EPZs). At the same time, the economy's high dependence on international trade in limited commodities has meant that it has been inherently vulnerable to external shocks, which has posed a major challenge to its long-term economic sustainability and employment security for both enterprises and workers in these two sectors.

Up until 2005, the labour-intensive textile and clothing manufacturing sector in EPZs absorbed an increasing number of women workers over the years; indeed, since the late 1970s the sector was the country's major private employer, particularly of women. This was partly due to the fact that alternative employment opportunities for women in the Mauritian labour market were relatively limited. Since the end of the Multifibre Arrangement (MFA) under the World Trade Organization trade regimes in December 2004, however, which totally eliminated the quota system on ready-made garments, the country has experienced economic difficulties. Furthermore, changes in the terms of trade for sugar, the price of which had been protected under the European Union-African Caribbean and Pacific Sugar Protocol, have also had a negative effect, not only on government revenues but also on overall economic growth, contributing to the declining trend in total production and exports.

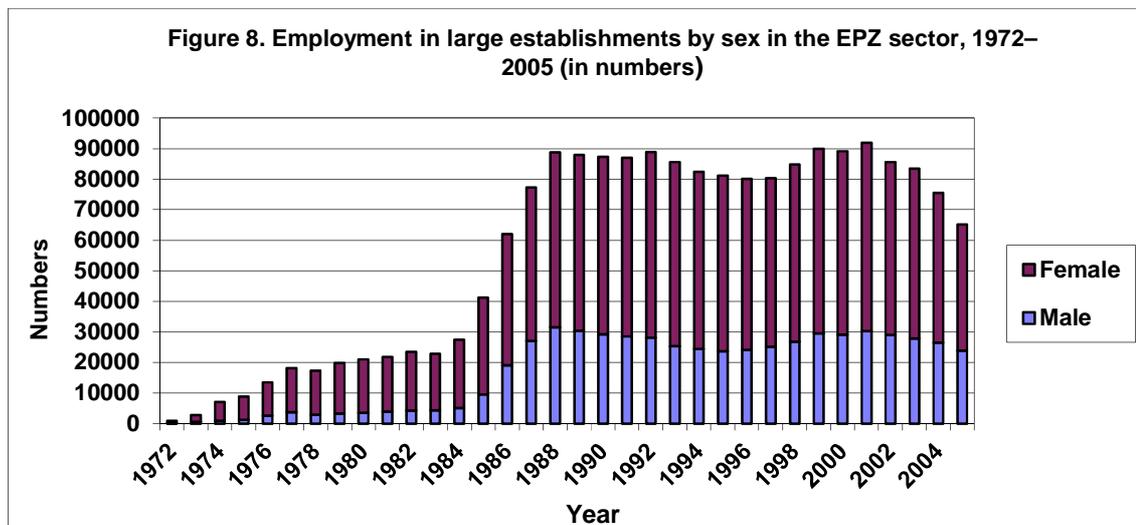
Despite the fact that the expiry of the MFA quota system was long expected, and the lead time for its termination, its effect on employment in Mauritius was quite drastic. Thousands of workers, mostly women, have been retrenched from the ready-made garment sector, particularly since 2005. The 2008 global economic crisis and Euro Zone economic crisis have also had further negative impacts on exports and employment in the EPZs in the recent years.

Mauritius nevertheless has managed to develop into an upper-middle-income diversified economy, generating an average real GDP growth of 5.3 per cent between 1969 and 2013 compared to 3.8 per cent for Sub-Saharan Africa, with the mainstay of the economy being sugar and ready-made garments. Since the end of the MFA, Mauritius has been trying to turn the economy around, from one based on low technology and labour-intensive production to one that features higher technology, as well as knowledge-based and more value-added industries and services. In order to further diversify the economy and generate sustainable growth, the government is actively encouraging the following economic activities: (a) land-based oceanic industry; (b) hospitality and property development; (c) healthcare and biomedical industry; (d) agro-processing and biotechnology; and (e) the knowledge industry. Higher technology sectors would require more highly skilled workers. However, the labour supply and demand mismatch, which affects young people and older women in particular, is a key challenge that the country needs to tackle as it carries out economic and structural adjustments as part of its overall economic transformation.

4.1.2 Employment impact of export-led development strategy

Mauritius established its EPZs in the 1970s. The share of exports from EPZs in total exports increased from over 45 per cent in the mid-1980s to 75 per cent by 2000. In terms of employment, between 1972 and 2005, total employment in large establishments in the sector climbed rapidly, especially since the end of the 1980s, to 80,000 workers. Overall employment was particularly high between 1989 and 2004 – between 80,000 and 90,000 workers, achieving near full employment. This trend peaked at 92,000 workers in 2001, after which it started to decline. Since 2002 the overall employment level has kept falling, in particular between 2004 and 2005 when the number of workers in total employment was cut by more than 10,000 (Otope 2008).

As can be seen from figure 8, women made up the predominant workforce in the sector; their share of employment in the EPZ sector was at its highest in the early 1980s – over 76 per cent; since then it has oscillated between 63 and 70 per cent of total employment. Between 1985 and 2001 this trend began to reverse, with female employment seeing a drastic fall. During the same period, male employment fell from over 30,000 to 24,000, or by 21.04 per cent, while female employment declined more substantially, from 61,000 to just over 41,000 – by 33 per cent. In particular, since 2005 – the year after the MFA expired, the decline in female employment has become more pronounced; between 2004 and 2005, total employment in the EPZ sector fell by more than 10,000 workers (by 13.7 per cent). The overall share of women workers also fell between 2001 and 2005, from 67 to 63 per cent. The actual number of workers also dropped, by 7,700 for women and by 2,600 for men, leading to a rise in female unemployment (ibid.).



Source: Government of Mauritius: *Survey of Employment and Earnings in Large Establishments* (employing at least ten persons), various years.

By mid-2015, total employment in the export-oriented large-size enterprises (those with more than 10 employees) has gone down to 53,669, of which 52.9 per cent are women. The share of migrant labour in the total export-oriented sectors also is substantial at 41 per cent; 30 per cent among women and 54 per cent among male workers (Republic of Mauritius 2015). Some enterprises also have shifted their production sites to other neighbouring countries, such as Madagascar where labour is cheaper than in Mauritius. This is rather paradoxical, given that women’s unemployment rate is high in 2015.

The end of the Multifibre Arrangement had drastic impacts on the ready-made garment sector in Mauritius. An impact study undertaken found that a large majority of retrenched workers were women with relatively little education. As far as finding another job was concerned the largest proportion of respondents, 40 per cent, was not in employment at the time of the interview. In instances where they were employed, twice as many male respondents as female respondents had found new employment. However, many of those that had found alternative employment were not satisfied with the income generated by their new employment. Of those female respondents who were still unemployed almost a quarter were not interested in finding a new job. Almost a quarter of female unemployed respondents had not found a job to fit their profile and had given up trying to find one, while 45 per cent were still looking for but had not found anything that suited them (UNDP, ILO 2007).

Many workers received compensation long after the retrenchment, some even after two years. Of those who had received compensation, 82 per cent thought that the level of compensation was inadequate, considering the tenure of their employment. Those who had been retrenched had no income or their income had been reduced, and this had negative psychological and social impacts on the retrenched workers and their families. Although a large majority (about 70 per cent) of respondents (both men and women) thought that the working conditions in the garment factory were “too hard” for the local persons, 82 per cent replied that it was better to be in employment with hard conditions than being unemployed (*ibid.*).

Following the end of the Multifibre Arrangement at the end of 2004, the 2008 global economic crisis had further negative impacts on overall trade, including in the textile and clothing sector. This resulting overall decline in women’s employment in the EPZs has also contributed to the increase in the general unemployment rates: 10 years since the end of the MFA, women’s unemployment in the second quarter of 2015 stands at 14.45 per cent, compared to men’s at 5.42 per cent. In particular, youth unemployment is much higher. The unemployment rate for women is as high as 30.4 per cent (men at 20.6 per cent) for the age group of 16–24 years, and 17.9 per cent (men at 7.0 per cent) for the age group of 25–29 years. In terms of share of employment by sector, manufacturing accounts for 14.4 per cent for women, compared to a smaller share of 12.5 per cent for men. A large proportion of female employment is in the areas of wholesale and other services, with total employment in services accounting for 78.9 per cent (62.2 per cent for men) (Republic of Mauritius). This shows that women are now increasingly employed in services, rather than in the manufacturing sector, because young Mauritian women no longer wish to work in the ready-made garment sector and most of the unemployed are looking for a white-collar, public-sector job.

Despite the difficulties its economy has undergone during the last 10 years, Mauritius has been a very successful globalizer and women have played a pivotal role in transforming this small island nation into a multi-sectoral and richer developing country. The Mauritian EPZs have been considered a success story because they managed to achieve the primary goals of employment creation, export diversification and increasing foreign direct investment. The clothing industry has been the main source of employment creation in Mauritius, accounting for roughly one-third of total employment during the late 1980s and 1990s. The establishment of EPZs involving the production of ready-made garments has employed tens of thousands of women workers. The export-led development strategy has been successful, thanks to the work of these women. In the case of Mauritius, therefore, the social dimension of globalization is characterized by its female face.

With respect to specific gender dimensions of such employment, little rigorous analysis has been done on the impact of increased levels of women’s work on their overall agency in families

and society at large and their well-being. However, having wage employment which provided income to themselves and their families has presumably played a significant role in reducing their income poverty, and most likely in enhancing the economic and social empowerment of those women. The key challenge Mauritius currently faces is how to create jobs for both the younger labour market entrants and older unemployed women, who would no longer be interested in working in garment factories but would prefer to work in the “job-secure” white-collar public-sector. There is a labour market mismatch between the expectations of those who are looking for jobs and the types of jobs that the labour market offers in the Mauritius of today.

4.2 The case of Cambodia

Cambodia is one of the low-income developing countries in Asia with a per capita GDP of US\$1,090 (estimated at current US\$ for 2014). The overall GDP growth rate for 2014 was 7 per cent. The poverty rate was 17.7 per cent in 2012 – almost 3 million people were poor and additional 8 million were near-poor, the large majority living in the countryside (World Bank website). The share of services in the economy is 38 per cent, followed by agriculture at 32 per cent, and industry at 22 per cent. The industry sector (composed of construction, textiles and apparel, and footwear) has accounted for an important share of the economy. However in the aftermath of the 2008 global economic crisis, the sector’s growth rate went down to 4 per cent in 2008 and further to -9.5 per cent in 2009, but later recovered to 13.6 per cent by 2010 (Kingdom of Cambodia 2011).

4.2.1 Export-led development strategy

Like Mauritius, Cambodia has adopted an export-led development strategy, but much more recently. The country has been benefiting from preferential trade treatment of duty-free and quota-free access to both Europe and the United States, as one of the least developed countries (LDCs) in its economic development. The country also enjoys duty-free access within the Association of Southeast Asian Nations (ASEAN), and benefits from the free-trade agreements concluded with the ASEAN dialogue partners. In particular, the textile and clothing sector has substantially benefited from these preferential trade treatments (Kingdom of Cambodia 2014). The history of EPZs in Cambodia is relatively short, and the development of EPZs is recent. The country initially introduced the concept of special economic development zones in the 1960s, but only fully adopted a legal framework to establish special economic zones (SEZs) in 2005.

4.2.2 Employment impact of export-led development strategy

In Cambodia women workers have been contributing substantially to the country’s economic growth, in particular by working in the clothing sector, tourism, and other export sectors. The ready-made garments sector represents one of the key exports worth US\$5.1 billion, with a share of 55 per cent in the total value of exports in 2013. Cambodia’s garment sector employed 372,988 workers in 2012, 90 per cent of whom were women. As the garment sector is export dependent, employment levels, job security and future employment prospects are subject to external shocks – as witnessed during the global financial crisis when more than 75,000 job losses occurred in the garment sector during 2008–09. These job losses accounted for more than 21 per cent of the sector’s total workforce. However, employment growth has averaged 10 per cent per year since 2009, reflecting the sector’s ability to recover and expand production and employment relatively quickly (Kingdom of Cambodia 2014).

The female labour force participation rate is 62.4 per cent (men at 75.8 per cent). The estimated women's share of total employment is 47.2 per cent while the men's share is 52.8 per cent, with an equal breakdown between urban and rural areas. The share of informal employment for women is 63.2 per cent (men at 57.6 per cent). In terms of overall sectoral distribution of women's employment, according to the 2012 survey findings the services sector has the largest share at 41.4 per cent (men at 41.6 per cent), followed by agriculture at 32.7 per cent (men at 33.7 per cent), and industry at 25.9 per cent (men at 24.6 per cent). Women's share is 53.6 per cent in the industry sector and 47 per cent in the services sector. In terms of women's share in occupations, the largest share of women workers per occupation is found in services and sales (65.3 per cent) followed by plant and machine operations (53.3 per cent), and skilled agriculture, forestry and fishery workers (47.5 per cent). The share of all female workers in wage employment outside the agricultural sector is 40.1 per cent (ILO 2013b).

In terms of estimated sectoral distribution of employment in export-oriented sectors, a government report estimated that 370,000 people are employed in the garment sector (80–90 per cent women); 64,200 in footwear production (90 per cent women – with a growing share of men); 10,000 in light manufacturing in SEZs (gender breakdown unknown); 93,700 in processed food (the majority are women in small and medium-sized enterprises – not known in large establishments); about 60,000 in natural rubber (mostly men); some 620,000 in tourism (40–60 per cent women); 20,000 weavers and 10,000 breeders in high-value silk production (90–95 per cent women); 450,000 in fisheries (men-women balanced); a few thousands in rice mills (mostly men); limited employment in semi-processing cassava production (men-women balanced); in 2012 (Kingdom of Cambodia 2014). It can be seen that women's contribution to exports from Cambodia is substantial, particularly in the manufacturing and tourism sectors, which in turn can also potentially create more productive and decent jobs for future generations of women workers.

However, the export-oriented sectors are susceptible to external economic downturns. More than 75,000 jobs were lost in the textiles and clothing sector between 2008 and 2009, owing to the global downturn with a drastic decline of imports by the United States (down by 21.2 per cent year-on-year). Some 90 per cent of the workforce in the sector was composed of young women from the rural areas. By 2010, however, workforce numbers increased to over 319,000, which was still more than 30,000 fewer than the pre-crisis level. The share of the textiles and clothing sector in total employment was 4 per cent, but for women workers this had been the largest formal sector employer (Dasgupta et al. 2011). In general, women had more limited access to formal sector employment than men. What was worse was that there was a high risk of some of the retrenched garment sector women workers being lured into the sex sector for lack of alternative employment and income opportunities (Phnom Penh Post 13 May, 2009).

The ILO's survey of the impact of the global economic crisis on female workers in the textiles and clothing sector, conducted in 2009, showed that 16 per cent of those who had been employed at the time of the survey were casual workers, compared to 5 per cent in 2008, indicating increased use of casual workers. While 69 per cent of those interviewed had fixed-duration contracts, 31 per cent had undetermined-duration contracts. Almost all fixed-duration contracts were of less than a year. The majority of workers interviewed (53 per cent) reported reduced working hours, and consequently reduced pay. Of the workers interviewed, 45 per cent had experienced a decline in their income, earning on average US\$17 less each month. A substantial share of workers said that their working conditions had deteriorated since 2008, in terms of safety and health, delays in salary payments, and greater difficulty when asking for a day off. More than half of workers (55 per cent) expressed difficulties in being able to meet the current expenses on food; only 28 per cent had felt that way one year earlier. A majority of

workers (58 per cent) felt that they did not have enough money to send home, compared to 43 per cent one year earlier (Chandararot and Dannet 2010).

In terms of coping mechanisms, many workers interviewed (48.5 per cent) reported that they had sought some help from trade unions to address the hardships resulting from deteriorating working conditions (59 per cent of those interviewed were trade union members). At the household level, the overall decline in household income had pushed the families to send another worker to earn income, typically a female sibling in the range of 18 to 28 years of age – having an “added worker effect” (ibid.).

As for those who had been retrenched and were unemployed at the time of the survey, almost half (47 per cent) had lost their jobs due to the closure of factories, or had been laid off due to reduced work at the factory (42 per cent). The rest reported that they had voluntarily resigned from work, due to the reduced overtime and resultant lower income, hence rendering them incapable of meeting their financial needs. In their previous employment, most of those surveyed (75 per cent) had been regular workers, 22 per cent were casual workers, and 4 per cent were on probation. Among those who were asked, only 60 per cent had employment contracts, whereas as many as 40 per cent worked without any contract. Seven people said they did not even know whether they had an employment contract. Only 34 per cent of unemployed workers surveyed had received compensation pay upon retrenchment; a higher percentage of workers employed by exporting companies (36 per cent) benefited from retrenchment compensation compared to those employed by non-exporting companies (27 per cent). Three-quarters of unemployed workers surveyed reported that they had received no advance notice of the termination of employment, despite the labour law requirement in Cambodia for the employers to give their employees sufficient advance notice. Of the 958 workers retrenched in 2009 who were surveyed, 63 per cent were still looking for a job; 55 per cent tried to seek employment in the garment sector, while 30 per cent had sought jobs in other sectors (ibid.).

As can be deduced from the aforementioned information on the unemployed workers, their financial status had deteriorated; many had to borrow money from family, spouse, or friends just to meet their daily expenses, let alone sending extra money back to their families in the rural areas. The 2008 global economic crisis therefore had a substantial negative impact on overall employment in the export sectors and particularly on the ready-made garment sector where women form the large majority of workers. However, since then overall export levels have recovered – the ready-made garment exports have doubled by 2013.

In many countries, including in Cambodia, poor working conditions and a lack of respect for labour rights in export sectors have often been criticized by feminists and trade unions: issues of concern include precarious contracts, long working hours or forced overtime, low wages,⁶ lack of or inadequate respect for basic labour rights (especially freedom of association and collective bargaining), cases of sexual harassment, and similar problems. In Cambodia there have been improvements in both working conditions and respect for labour rights during the last decade, thanks to the assistance provided by the Better Factories Cambodia programme (supported by the ILO and the International Finance Corporation (IFC)) launched in early 2000. There is, however, still substantial room for improving working conditions and export quality in Cambodia. For instance, while the ready-made garment and footwear sectors are mostly unionized, there is no labour unionization in other sectors other than in the tourism sector where there are some unionized establishments. As for training opportunities, only in the ready-made garment sector do

⁶ In 2016, the monthly minimum wages in the ready-made garment sector is US\$140 – up from US\$128 in 2014 (Cambodia Daily, 9 October 2015).

linkages exist to technical and vocational education and training (TVET), while in other sectors there are hardly any formal TVET links and skills are mostly acquired on the job or informally. Career development opportunities do exist, however, including for line workers in the ready-made garment, footwear and light manufacturing sectors, and limited opportunities are provided in the processed food sector (op. cit., Kingdom of Cambodia 2014). Wage negotiations have been taking place in the garment sector, but women workers have had a difficult time trying to raise wages, pointing to the weakness of women's bargaining position vis-à-vis the employers and the government (Better Factories Cambodia).

In Cambodia, the ILO and IFC have been supporting the Better Factories Cambodia programme, which aims to boost productivity and exports by improving working conditions and respect for labour rights. According to a review report published by the World Bank (2015), improving working conditions has also boosted productivity and total sales and exports. The buyers not only demand good quality, timeliness of delivery and lower costs, but also increasingly value "good image". By engaging in the Better Factories Cambodia programme, ready-made garment enterprises have gained a competitive advantage of being regarded by buyers as "socially just", or "good and safe" sources. The same report also states that women workers have not only gained skills, knowledge, and income, but have also increased their well-being and agency at home and in the community, and at least half of women workers are satisfied with the work in the garment sector.

4.3 Key lessons from country experiences

Both cases of Mauritius and Cambodia demonstrate that the export-led development strategy, benefiting from preferential trade treatments, is a powerful strategy which can promote economic growth, enabling countries to diversify from the primary and basic manufacturing sectors initially developed into other economic sectors. Through such an export-led development strategy, tens of thousands of jobs have also been created. Mauritius started its exports initially with sugar, and later diversified into the ready-made garment sector and tourism, all of which still play important roles in the overall exports and the economy. Following the expiry of the Multifibre Arrangement at the end of 2004, which had a major negative impact on the labour market, in particular on women's employment, the country has made efforts to diversify its economy further into other sectors, including commerce, information and communications technology, and financial services. Despite its long distance to the major markets in both Europe and the United States, the country has managed to grow to a high-end middle-income country.

In Cambodia, the country continues to engage in the production of primary and processed agricultural products and ready-made garments, and tourism, and has initiated other light manufacturing. Cambodia is at a different stage of development to Mauritius, but by putting more effort into human resource and skills development it can further maximize its development potential, given its proximity to major markets such as China, Japan and increasingly within ASEAN.

From a gender perspective, both cases have demonstrated how women have been contributing to the countries' exports and economic growth. While there are still many unresolved labour-related issues in both countries, governments have adopted specific measures not only to improve working conditions, but also to support employment creation, especially for women who have been retrenched after the MFA expiry and the 2008 global economic crisis. However, many challenges remain to create an environment more conducive to the expansion of more productive employment and decent work, particularly for women, in both countries.

5. Conclusion

This paper has analyzed, with a gender perspective, the overall global employment trends for the last 10 years, and reviewed the experiences of the export-led development strategy, particularly in Mauritius and Cambodia. Despite the overall increasing levels of employment globally, women tend to be more affected than men by higher unemployment and vulnerability, which implies higher informality and working poverty. The services sector accounts for the largest share in women's employment, followed by agriculture and industry. The poorer the region, the higher is the share of agriculture. In some regions the share of agricultural employment is higher for women than for men, and this raises concern regarding the quality of employment and working poverty. East Asia has seen a substantial sectoral shift in employment – the share of agriculture in employment has substantially reduced, shifting to manufacturing and services, a shift that has been driven by its economic modernization and transformation. This sectoral shift in employment has been driven by the countries' export-led development strategy, with diversification and advancing technologies in the context of globalization.

Various countries have adopted an export-led development strategy and some countries, such as Mauritius, have not only successfully expanded exports and achieved economic growth but at the same time have created formal sector jobs for women and men, particularly in the garment and light manufacturing sectors. An increasing number of women have been absorbed into export-oriented sectors, in particular in the ready-made garment sector, as well as tourism and other sectors. The export-oriented ready-made garment sector has created millions of jobs for women in many developing countries. However, when the sector was affected by the change in the international trade regime, such as upon the expiry of the Multifibre Arrangement at the end of 2004, and the global economic downturn, such as the 2008 global economic crisis, tens of thousands of women workers were retrenched. In Mauritius, the impact of these two crises is still felt in the labour market with the women's unemployment rate being substantially higher than that of men. In Cambodia, the garment sector has now recovered from the impact of the 2008 global economic crisis, but those who were retrenched had to work in other jobs which provided worse working conditions and terms than before.

In Mauritius the younger generation does not want to work in factories, creating a labour shortage in the manufacturing sector, although the unemployment rate remains high for women. As a consequence, enterprises have shifted their production sites to other countries offering cheaper labour, such as Madagascar, and begun to bring migrant labour, especially from South Asia. In Cambodia the ILO-IFC-supported Better Factories Cambodia programme has been working with the ready-made garment sector to improve working conditions and respect for labour rights. While the programme has had a positive impact on working conditions, production and exports, there still remains much room for improvement. While jobs in the garment sector may be of better quality than alternative employment opportunities found for women with low education and skills, such as in agriculture or in the informal economy, the quality of employment needs to be further improved.

In order to create more and better jobs for all, countries need to adopt economic policies that create an environment that is more conducive to investment – developing infrastructure (transport, energy, and water supply), strengthening national institutions to maintain law and order, enhancing the levels of health, education and skills of workers, and increasing institutional capacity and awareness to enforce basic labour rights, such as the elimination of forced labour and of child labour, freedom of association and collective bargaining, and gender equality and

non-discrimination.⁷ Because buyers also benefit from improved working conditions and workers' well-being, which in turn can also boost overall productivity and improve product quality, they should also invest in programmes such as the Better Factories Cambodia and Better Work implemented in Cambodia and a number of other developing countries in the world.

Countries such as Mauritius and Cambodia have benefited from the export-led development strategy involving labour-intensive manufacturing such as of ready-made garments, where women form the large majority of workers; but economic downturns have had massive negative impacts on women's employment. Having access to employment and income, women have gained their economic independence and provided for their families, and continue to contribute to the socio-economic well-being of their families. To the extent that there are not many other employment alternatives, women will continue to be engaged in such an industry, particularly in countries like Cambodia where economic diversification is yet to take place. In the meantime, increasingly, the younger generation seems to prefer to work in the services sector and in white collar jobs, particularly in Mauritius and other developing countries.

Finally, in order to better understand the dynamics between economic growth generated through an export-led development strategy, employment and income, working conditions and respect for labour rights, more rigorous empirical research is needed. Furthermore, in terms of gender dimensions in the overall dynamics, more gender-specific analysis is also needed to better understand whether and how the increased access to employment and income improves women's well-being and that of their families, and women's own socio-economic status and agency at the levels of the household, community and society at large over time.

⁷ See footnote 3.

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