

## Women's Burden: Counter-geographies of Globalization and the Feminization of Survival<sup>1</sup>

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*"...households and whole communities are increasingly dependant on women for their survival. [G]overnments too are dependent on their earnings as well as enterprises where profit making exists at the margins of the 'licit' economy."*

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The last decade has seen a growing presence of women in a variety of cross-border circuits that have become a source for livelihood, profit-making and the accrual of foreign currency. These circuits are enormously diverse but share one feature: they are profit- or revenue-making circuits developed on the backs of the truly disadvantaged. They include the illegal trafficking in people for the sex industry and for various types of formal and informal labor markets. They also include cross-border migrations, both documented and not, which have provided an important source of convertible currency for governments in home countries. The formation and strengthening of these circuits is largely a consequence of broader structural conditions. Among the key actors emerging in these particular circuits are the women themselves in search of work, but also, and increasingly so, illegal traffickers and contractors as well as the governments of home countries.

I conceptualize these circuits as counter-geographies of globalization. They overlap with some of the major dynamics that compose globalization: the formation of global markets, the intensification of transnational and trans-local networks and the

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<sup>1</sup> This is based on a larger multi-year project by the author on "Governance and Accountability in the Global Economy" (Department of Sociology, University of Chicago).

development of communication technologies, which easily escape conventional surveillance practices. The strengthening and, in some cases, formation of new global circuits is made possible by the existence of a global economic system and the associated development of various institutional supports for cross-border money flows and markets.<sup>2</sup> These counter-geographies are dynamic; to some extent they are part of the shadow economy, but they also use some of the institutional infrastructure of the formal economy.<sup>3</sup>

This article maps some of the key features of these counter-geographies, particularly those involving foreign-born women. I focus on the possibility of systemic links between the growth of these alternative circuits for survival, profit-making and hard-currency earnings, on the one hand, and major conditions in developing countries that are associated with economic globalization, on the other. Among these conditions are growth in unemployment, the closing of a large number of typically small and medium-sized enterprises oriented to national rather than export markets, and high, and often increasing government debt. While these economies are frequently grouped under the label "developing," they are in some cases struggling, stagnant, even shrinking. In the interests of brevity, I will use the term "developing" as shorthand for all these situations.

### MAPPING A NEW CONCEPTUAL LANDSCAPE

The various global circuits that incorporate growing numbers of women have strengthened at the same time as economic globalization has had a significant impact on developing economies. They have had to implement new policies and accommodate new conditions associated with globalization: Structural Adjustment Programs (SAPs), opening their economies to foreign firms, the elimination of multiple state subsidies, and, it seems almost inevitably, financial crises and

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<sup>2</sup> I have argued this for the case of international labor migrations (Saskia Sassen, *Globalization and Its Discontents: Essays on the New Mobility of People and Money* (New York: The New Press, 1998) chapters 2, 3 and 4; and *Guests and Aliens* (New York: The New Press, 1999). See also Castro, Max (ed). *Free Markets, Open Societies, Closed Borders?* (Miami: University of Miami North-South Center Press, 1999); and Frank Bonilla, et. al *Borderless Borders* (Philadelphia: Temple University Press, 1998).

<sup>3</sup> I have analyzed this type of dynamic and multi-locational partial shadow economy in research on the informal economy. See, Sassen (1998) chapter 8.

the accompanying programs of the IMF. It is now clear that in most of the countries involved, these conditions have created enormous costs for certain sectors of the economy and population and have not fundamentally reduced government debt.

Among these costs are the growth in unemployment, the closure of many firms in often traditional sectors oriented to the local or national market, the promotion of export-oriented cash crops which have increasingly replaced survival agriculture and food production for local or national markets and, finally, the heavy, ongoing burden of government debt in most of these economies.

Are there systemic links between these two sets of developments? That is, are there links between the growing presence of women from developing economies in the variety of global circuits described above and the rise in unemployment and debt in those same economies? One way of articulating this in substantive terms is to posit that 1)the shrinking opportunities for male employment in many of these countries, along with 2)the shrinking opportunities for more traditional forms of profit making in these same countries as they increasingly accept foreign firms in a widening range of economic sectors and are pressured to develop export industries, and 3)the fall in government revenues in many of these countries, partly linked to these conditions and to the burden of debt servicing, have 4)all contributed to raise the importance of finding alternative means for making a living, making a profit and securing government revenue.

The evidence for any of these conditions is incomplete. Yet, there is a growing consensus among experts about the first three points listed above. I will go further and contend that these three conditions are expanding into a new political-economic reality for a growing number of developing economies and that it is in this context that the fourth point listed above emerges. I also suggest that these conditions have emerged in the lives of a growing number of women from developing economies. Much of the difficulty in understanding the role of women in development, as I discuss in the next section, is attributable to the fact that articulation of these conditions is often not self-evident.

My primary analytic effort is to uncover the systemic connections between low income individuals, who are often

represented as a burden rather than a resource, and what are emerging as significant sources for profit and government revenue enhancement, partly in the shadow economy. Prostitution, labor migration and illegal trafficking in women and children for the sex industry are growing in importance as profit-making activities. The remittances sent by emigrants, as well as the organized export of workers are increasingly important sources of revenues for some governments. Women are by far the majority group in prostitution and in trafficking for the sex industry, and they are becoming a majority group in migration for labor. The employment or use of foreign-born women covers an increasingly broad range of economic sectors, some in highly regulated industries, such as nursing, and some illegal and illicit, such as prostitution.

These circuits could be considered as indicators of the (albeit partial) feminization of survival, because it is increasingly on the backs of women that these forms of making a living, earning a profit and securing government revenue are realized. Thus, I use the notion of feminization of survival to refer to the fact that households and whole communities are increasingly dependent on women for their survival. It is important to emphasize that governments too are dependent on their earnings as well as enterprises where profit making exists at the margins of the "licit" economy. Finally, in using the term circuits, I want to underline the fact that there is a degree of institutionalization in these dynamics and that they are not simply aggregates of individual actions.<sup>4</sup>

What I have described above is indeed a conceptual landscape. The data is inadequate to prove the argument as such. There are, however, partial bodies of data to document some of these developments. Further, it is possible to juxtapose several data sets, each gathered separately, to document some of the interconnections presented above. There is also older literature on women and developing country debt. It focused on the implementation of first-generation Structural Adjustment Programs in several developing countries in the wake of the 1980s debt crisis. This literature has documented the disproportionate

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<sup>4</sup> For a full discussion of the conceptual and empirical elements briefly described here, see project by Saskia Sassen, "Governance and Accountability in the Global Economy" (Chicago: Department of Sociology, University of Chicago, 1997).

burden these programs placed on women.<sup>5</sup> There is currently a new literature on a second generation of programs, which is more directly linked to the global economy of the 1990s, some of which is cited later on in this article. These sources of information do not amount to a full empirical specification of the actual dynamics hypothesized here, but they do allow us to document parts of it.

## STRATEGIC INSTANTIATIONS OF GENDERING IN THE GLOBAL ECONOMY

There is by now fairly long-standing research and theory addressing the role of women in international economic processes. Much of the earlier research literature aimed to balance the excessive focus on men in international economic development. In mainstream development literature, these processes have often, perhaps unwittingly, been represented as gender neutral.<sup>6</sup>

Globalization has produced yet another set of dynamics in which women are playing a critical role. It is necessary to view these current developments as part of a long process in history that has revealed women's role in crucial economic processes. And, once again, in terms of their articulation in the mainstream global economy, the new economic literature on current globalization proceeds as if this new economic phase is gender neutral, thereby rendering these gender dynamics invisible. This set of dynamics can be found in the alternative cross-border circuits described above in which the role of women, and especially the

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<sup>5</sup> The literature is extensive and in many languages. It also includes a vast number of limited circulation items produced by various activist and support organizations. For overviews, see, for example, Kathryn Ward, *Women Workers and Global Restructuring* (Ithaca, NY: Cornell University Press 1991); Kathryn Ward and Jean Pyle, "Gender, Industrialization and Development" pp. 37-64 in Christine E. Bose and Edna Acosta-Belen, eds., *Women in the Latin American Development Process: From Structural Subordination to Empowerment* (Philadelphia: Temple University Press 1995); Bose and Acosta-Belen (1995); Lourdes Beneria, and Shelley Feldman, eds., *Unequal Burden: Economic Crises, Persistent Poverty, and Women's Work*, (Boulder, Co: 1992); York Bradshaw et. al., "Borrowing Against the Future: Children and Third World Indebtedness." *Social Forces*, 71, no. 3, (1993) pp. 629-656; Irene Tinker ed., *Persistent Inequalities: Women and World Development* (New York: Oxford University Press 1990); Carolyn Moser, "The Impact of Recession and Structural Adjustment Policies at the Micro-Level: Low Income Women and their Households in Guayaquil, Ecuador," *Invisible Adjustment*, 2 (UNICEF 1989).

<sup>6</sup> For examination of these issues, see for example, Ward and Pyle (1995); Tinker (1990); Mirjana Morokvasic, Special Issue on Women Immigrants, *International Migration Review*, 18, no. 4 (1984).

condition of being a migrant woman, is critical.<sup>7</sup>

We can identify two older phases in the study of gender in the recent history of economic internationalization. Both relate to processes that continue today. A third phase is focused on more recent transformations, often involving an elaboration of the categories and findings of the previous two phases.

The first phase of development literature generally covered the installation of cash crops and wage labor, typically by foreign firms, and its dependence on the household production and subsistence farming of women as a subsidy for the wage labor of men. Boserup, Deere and others have produced an enormously rich and nuanced literature showing the variants of this dynamic.<sup>8</sup> It has shown that far from being disconnected, the subsistence sector and the modern capitalist enterprise are connected by a gender dynamic. Furthermore, this gender dynamic itself veiled the connection. It was the "invisible" work of women producing food and other necessities in the subsistence economy that contributed to extremely low wages on commercial plantations and mines, mostly geared to export markets. Women in the so-called subsistence sector thereby contribute, through their largely unmonetized subsistence production, to the financing of the "modernized" sector. Standard development literature represented the subsistence sector as a drag on the modern sector and as an indicator of backwardness. It was not generally measured in standard economic analyses. Feminist analyses show the actual dynamics of this process of modernization and its dependence on the subsistence sector.<sup>9</sup>

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<sup>7</sup> See, for example, *Indiana Journal of Global Legal Studies* (1996) for treatments of this subject which focus on the impacts of economic globalization not on the shadow economy but on lawful features: the partial unbundling of sovereignty and what this means for emergence of cross-border feminist agendas, the place of women and of feminist consciousness in the new Asian mode of implementing advanced global capitalism, the global spread of core human rights and its power to alter the position of women. See also, Karen Knop, "Re/Statements: Feminism and State Sovereignty in International Law," *Transnational Law and Contemporary Problems*, 3, (Fall 1993) pp. 293-344; V. Spike Peterson, ed., *Gendered States: Feminist (Re)Visions of International Relations Theory* (1992); Rekha Mehra, "Women, Empowerment and Economic Development," *Annals of the American Academy of Political and Social Science* (November 1997) pp. 136-149.

<sup>8</sup> E. Boserup, *Woman's Role in Economic Development* (New York: St. Martin's Press, 1970); C.D. Deere, "Rural Women's Subsistence Production in the Capitalist Periphery," *Review of Radical Political Economy*, 8 (1976) pp. 9-17.

<sup>9</sup> For an analysis of the household in the general context of the development of the world economy, see Joan Smith and Immanuel Wallerstein, eds., *Creating and Transforming Households: The Constraints of the World-Economy* (Cambridge and Paris: Cambridge University Press and Maison des Sciences de l'Homme, 1992).

The second phase included scholarship on the internationalization of manufacturing production and the feminization of the proletariat which accompanied it.<sup>10</sup> The key analytic element in this scholarship was that moving manufacturing jobs offshore under pressure of low-cost imports mobilized a disproportionately female workforce in poorer countries, which had hitherto largely remained outside the industrial economy. In this regard, it is an analysis that also intersected with national questions, such as why women predominate in certain industries (notably the garment and electronics assembly industries) regardless of the level of development in a country.<sup>11</sup> Within the world economy, the formation of a feminized offshore proletariat allows firms to avoid unions in the countries where the capital originated and to secure competitive prices for re-imported goods assembled offshore.

The third phase of scholarship on women and the global economy is emerging around processes that underline transformations in gendering and women's notions of membership. These processes are represented in different literature sources. Among the richest and most pertinent to the subjects discussed in this article is the new feminist scholarship on female immigrants, which examines how international migration alters gender patterns and how the formation of transnational households can empower women.<sup>12</sup> There is also an important new area of scholarship, which focuses on new forms of cross-border solidarity and experiences of membership and identity formation that represents new subjectivities, including feminist subjectivities.<sup>13</sup>

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<sup>10</sup> This is a vast literature which focused on different parts of the world, for example, Lim (1980); Cynthia Enloe, *Bananas, Beaches, and Bases* (California: University of California Press, 1988); Nash and Fernandez Kelly (1982); Helen Safa, *The Myth of the Male Breadwinner: Women and Industrialization in the Caribbean* (1995); Saskia Sassen, *The Mobility of Labor and Capital* (Cambridge: Cambridge University Press, 1988); Sylvia Chant, ed., *Gender and Migration in Developing Countries* (New York: Belhaven Press 1992); Edna Bonacich, et. al., eds., *Global Production: The Apparel Industry in the Pacific Rim* (Philadelphia: Temple University Press, 1994).

<sup>11</sup> See, for example, Milkman (1980); Beneria and Stimpson (1987).

<sup>12</sup> See, for example, Castro (1986); Grasmuck and Pessar (1991); Boyd (1989); Pierrette Hondagneu-Sotelo, *Gendered Transitions* (Berkeley: University of California Press, 1994).

<sup>13</sup> See, for example, Basch et al. (1994); Soysal (1994); Lisa H. Malkki, "Refugees and Exile" From "Refugee Studies: the National Order of Things," *Annual Review of Anthropology*, 24 (1995) pp. 495-523; Zillah Eisenstein, "Stop Stomping On the Rest of Us: Retrieving Publicness from the Privatization of the Globe," *Indiana Journal of Global Legal Studies*, Special Symposium on Feminism and Globalization: *The Impact of The Global Economy on Women and Feminist Theory*, 4, no. 1 (Fall 1996); Aihwa Ong, "Globalization and Women's Rights: The Asian Debate on Citizenship and Communitarianism," *Indiana Journal of Global Legal Studies*, Special Symposium on Feminism and Globalization: *The Impact of The Global Economy On Women and Feminist Theory*, 4, no. 1 (Fall 1996).

From where can international economic processes be studied from a feminist perspective? This is an important question of methodology. In the case of export-oriented agriculture, the strategic site is the nexus between subsistence economies and capitalist enterprise. In the case of the internationalization of manufacturing, it is found between the dismantling of an established, largely male "labor aristocracy" in major industries (where gains spread to a large share of the workforce in developed economies) and the formation of a low-wage offshore, largely female proletariat in growth sectors. Off-shoring and feminizing this proletariat has kept it from becoming an empowered "labor aristocracy." That is, one with actual union power that prevents existing, largely male "labor aristocracies" from becoming stronger. Introducing a gender understanding of economic processes lays bare these connections.

What are the strategic sites in today's leading processes of globalization? Elsewhere, I have examined this issue from a perspective based on key features of the current global economic system.<sup>14</sup> There, I emphasized the role of global cities as strategic sites for the specialized servicing, financing and management of global economic processes. These cities are also sites for the incorporation of large numbers of women and immigrants in activities that service strategic sectors in both shadow and formal economic activities. This is a type of incorporation that renders invisible the fact that these workers are part of the global information economy. This breaks the nexus between workers in leading industries and the opportunity to become part of the "labor aristocracy" or its contemporary equivalent, as had historically been the case in industrialized economies. In this sense, women and immigrants emerge as the systemic equivalent of the offshore proletariat. Further, the demands placed on the top-level professional and managerial workforce in global cities are such that the usual modes of handling household tasks and lifestyle are inadequate. As a consequence, we are witnessing the return of the so-called "serving classes" in globalized cities around the world, composed largely of immigrant and migrant women.<sup>15</sup>

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<sup>14</sup> Sassen (1998) chapter 5.

<sup>15</sup> Saskia Sassen, *The Global City: New York, London, Tokyo* (Princeton, NJ: Princeton University Press, 2000), chapter 9. For the political implications that arise out of this situation in the cities of the global economy, see Joan Copjec and Michael Sorkin, ed., *Giving Ground* (London: Verso, 1999).



The alternative global circuits that concern me here are yet another example of these dynamics of globalization, but from the perspective of developing economies rather than from the perspective of global cities. Economic globalization needs to be understood in its multiple settings, many of which do not generally get coded as being important to the global economy. In the next sections I give an empirical specification for some of these alternative global circuits, or counter-geographies of globalization. Because the data are inadequate, this is only a partial specification. Yet, it should serve to illustrate some of the key dimensions.

### GOVERNMENT DEBT

Debt and debt servicing problems have become a systemic feature of the developing world since the 1980s. In my estimation, they also induce the formation of new counter-geographies of globalization. They impact on women and on the feminization of survival through the particular features of this debt (rather than the fact of debt *per se*.) It is with this logic in mind that this section examines various features of government debt in developing economies.

There is considerable research showing the detrimental effects of debt on government programs for women and children, notably education and health care, which clearly are investments necessary to ensure a better future. Further, the increased unemployment typically associated with the austerity and adjustment programs demanded by international agencies to address government debt have also been found to have adverse effects on women.<sup>16</sup> Unemployment, both of women and of the men in their households, has added to the pressure on women to find ways to ensure household survival. Subsistence food production, informal work, emigration and prostitution have all gained prominence as survival options

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<sup>16</sup> See, for example, Michel Chossudovsky, *The Globalisation of Poverty* (London: Zed/TWN (1997); Guy Standing, "Global Feminization through Flexible Labor: A Theme Revisited," *World Development*, 27, no. 3 (1999) pp. 583-602. Aminur Rahman, "Micro-Credit Initiatives for Equitable and Sustainable Development: Who Pays?" *World Development*, 27, no.1 (1999) pp. 67-82; Diane Elson, *Male Bias in Development* (1995). For an excellent overview of the literature on the impact of the debt on women, see Kathryn Ward, "Women and the Debt," paper presented at the Colloquium on Globalization and the Debt, University of Georgia (1999).

for women.<sup>17</sup>

Heavy government debt and high unemployment have heightened the need to search for survival alternatives. Shrinking economic opportunities have resulted in the increased use of illegal profit making by enterprises and organizations. In this regard, heavy debt burden plays an important role in the formation of counter-geographies of survival, profit-making and government revenue enhancement. Economic globalization has, to some extent, added to the rapid increase in certain components of this debt, and it has provided an institutional infrastructure for cross-border flows and global markets. We can see economic globalization as facilitating the operation of these counter-geographies on a global scale.<sup>18</sup>

Generally, most countries that became deeply indebted in the 1980s have not been able to solve their debt problem. And in the 1990s we have seen a new set of countries become deeply indebted. Over these two decades, the International Monetary Fund (IMF) and the World Bank through their SAPs and Structural Adjustment Loans launched many innovations. (The latter were tied to economic policy reform rather than the funding of a particular project). The purpose of such programs is to make states more "competitive," which typically means sharp cuts in various social programs. By 1990 there were almost 200 such loans in place. (During the 1980s also, the Reagan administration put enormous pressure on many countries to implement neo-liberal policies, which resembled the SAPs).

Structural Adjustment Programs became a new norm for the

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<sup>17</sup> On these various issues see, for example, Gonzalez -Alarcon, Diana and Terry McKinley, "The Adverse Effects of Structural Adjustment on Working Women in Mexico" *Latin American Perspectives*, 26, no. 3 (1999) pp. 103-117; Claudia Buchmann, "The Debt Crisis, Structural Adjustment and Women's Education," *International Journal of Comparative Studies*, 37 (1996) chapter 1-2, pp. 5-30; Safa 1995; Erika Jones, "The Gendered Toll of Global Debt Crisis." *Sojourner*, 25, no. 3 (1999) pp. 20-38; Nilufer Cagatay and Sule Ozler, "Feminization of the Labor Force: The Effects of Long-Term Development and Structural Adjustment," *World Development*, 23, no.11 (1995) pp. 1883-1894; Jones 1999; and several of the references cited in the preceding two footnotes. See also, other articles in this issue of the *Journal of International Affairs*.

<sup>18</sup> This has been an important element in my research on globalization: the notion that once there is an institutional infrastructure for globalization, processes which have basically operated at the national level can scale up to the global level even when this is not necessary for their operation. This would contrast with processes that are by their very features global, such as the network of financial centers underlying the formation of a global capital market (for example, Saskia Sassen, "Global Financial Centers" *Foreign Affairs*, 78, no.1 (January/February 1999) pp. 75-87.

World Bank and the IMF on the grounds that they were a promising way to secure long-term growth and sound government policy. Yet all of these countries have remained deeply indebted, with 41 of them now considered as being Highly Indebted Poor Countries (HIPC's). Furthermore, the actual structure of these debts, their servicing and how they fit into debtor-country economies, suggest that it is not likely that most of these countries will, under current conditions, be able to pay their debt in full.<sup>19</sup> SAPs seem to have made this even more likely by demanding economic reforms that have increased the rates of unemployment and bankruptcy of many smaller, national market-oriented firms.

Even before the economic crisis of the 1990s, the debt of poor countries in the South had grown from US\$507 billion in 1980 to US\$1.4 trillion by 1992. Debt service payments alone had increased to US\$1.6 trillion, more than the outstanding principal. Further, as is widely recognized now, the South has paid its debt several times over, and yet its debt grew by 250 percent. According to some estimates, from 1982 to 1998 indebted countries paid four times the original principal, yet at the same time their debt stocks went up by four times.<sup>20</sup>

Yet these countries have been paying a significant share of their total revenues to service their debt. Thirty-three of the 41 Highly Indebted Countries paid US\$3 in debt service payments to the North for every US\$1 in development assistance. Many of these countries pay over 50 percent of their government revenues toward debt service or 20 to 25 percent of their export earnings.<sup>21</sup>

This debt burden inevitably has large repercussions on state spending. This is well illustrated in the case of Zambia, Ghana and Uganda, three countries, which are considered by the World Bank as cooperative and responsible as well as effective in implementing SAPs. In Zambia, for example, the government paid US\$1.3 billion in debt but only US\$37 million for primary

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<sup>19</sup> In 1998, the debt was held as follows: multilateral institutions (IMF, World Bank and regional development banks: 45 percent of the debt; bilateral institutions, individual countries and the Paris group: 45 percent of the debt; and private commercial institutions: 10 percent. Thomas Ambrogi, "Jubilee 2000 and the Campaign for Debt Cancellation" *National Catholic Reporter* (July 1999).

<sup>20</sup> Eric Toussaint, "Poor Countries Pay More Under A Debt Reduction Scheme?" at [www.twinside.org/souths/twn/title/1921-cn.htm](http://www.twinside.org/souths/twn/title/1921-cn.htm). (July 1999) p. 1. According to Susan George, the South has paid back the equivalent of six Marshall Plans to the North (Bandarage, 1997).

<sup>21</sup> Ambrogi (1999).

education; Ghana's social expenses, at US\$75 million, represented only 20 percent of its debt service; and Uganda paid US\$9 per capita on its debt and only US\$1 for health care.<sup>22</sup> In 1994 alone, these three countries remitted US\$2.7 billion to bankers in the North. Africa's payments reached US\$5 billion in 1998, which means that for every US\$1 in aid, African countries paid US\$1.40 in debt service in 1998.<sup>23</sup>

Debt service to GNP ratios in many of the HIPC countries exceed sustainable limits; many are far more extreme than what were considered unmanageable levels during the Latin American debt crisis of the 1980s.<sup>24</sup> Debt to GNP ratios are especially high in Africa, where they recently stood at 123 percent, compared with 42 percent in Latin America and 28 percent in Asia.<sup>25</sup>

It is these features of the current situation which suggest that most of these countries will not get out of their indebtedness through such current strategies as SAPs. Indeed it would seem that the latter have in many cases had the effect of raising the debt dependence of countries. Further, together with various other dynamics, SAPs have contributed to an increase in unemployment and in poverty.

Comparatively, the financial crisis in Southeast Asia is illuminating. Indeed, these were and remain highly dynamic economies. Yet, they faced high levels of indebtedness and economic failure among a broad range of enterprises and sectors. The particular features of the financial crisis have brought with it the imposition of structural adjustment policies. One consequence of these policies has been growth in unemployment and poverty attributable to widespread bankruptcies of small and medium sized firms catering to both national and export markets.<sup>26</sup> The US\$120 billion rescue package that introduced SAP provisions, (and reduced the autonomy of these governments) served to compensate the losses of foreign institutional investors,

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<sup>22</sup> Asad Ismi, "Plunder With a Human Face." *Z Magazine* (February 1998).

<sup>23</sup> Keet (1999).

<sup>24</sup> OXFAM, "International Submission to the HIPC Debt Review" (April 1999) at [www.caa.org/au/oxfam/advocacy/debt/hipcreview.html](http://www.caa.org/au/oxfam/advocacy/debt/hipcreview.html).

<sup>25</sup> Cheru (1999). The IMF asks HIPCs to pay 20 to 25 percent of their export earnings toward debt service. In contrast, in 1953 the Allies cancelled 80 percent of Germany's war debt and only insisted on 3 to 5 percent of export earnings debt service. These more general terms have also been evident in recent history when Central Europe emerged from Communism.

<sup>26</sup> See, for example, Kris Olds, et. al., ed., *Globalization and the Asian Pacific: Contested Territories* (London: Routledge, 1999).

rather than to solve the poverty and unemployment suffered by many people. Some view the management of the crisis by the IMF as worsening the situation for the unemployed and poor.

### ALTERNATIVE CIRCUITS FOR SURVIVAL

The economic situation described above sets the context for the emergence of alternative circuits of survival. This situation is marked by what I interpret as systemic high unemployment, poverty, bankruptcies of large numbers of firms and shrinking state resources to meet social needs. Here, I focus on some of the data on the trafficking of women for the sex industry and for work; the growing significance of this trafficking as a profit-making option; and the growing importance of emigrant remittances to the account balances of many of the sending states.

#### *Trafficking in Women*

Trafficking involves the forced recruitment and movement of people both within and across state boundaries for work or other services through a variety of forms, all involving coercion. Trafficking is a violation of distinct types of rights: human, civil and political. Trafficking in people appears to be related primarily to the sex market, to labor markets and to illegal migration. Legislation via international treaties and charters, UN resolutions and various bodies and commissions has sought to address the problem of trafficking.<sup>27</sup> Non-governmental organizations (NGOs) are also playing an increasingly important role.<sup>28</sup>

Trafficking in women for the sex industry is highly profitable for those running the trade. The United Nations estimates that

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<sup>27</sup> See, for example, Janie Chuang, "Redirecting the Debate over Trafficking in Women: Definitions, Paradigms, and Contexts" *Harvard Human Rights Journal*, 10 (Winter 1998). Trafficking has become sufficiently recognized as an issue so that it was addressed in the G8 meeting in Birmingham in May 1998 (1998). The heads of the 8 major industrialized countries stressed the importance of cooperation against international organized crime and trafficking in persons. The US President issued a set of directives to his administration in order to strengthen and increase efforts against trafficking in women and girls. This in turn generated the legislative initiative by Senator Paul Wellstone: bill S.600 was introduced in the senate in 1999. For a good critical analysis, see, Dayan (1999).

<sup>28</sup> The Coalition Against Trafficking in Women has centers and representatives in Australia, Bangladesh, Europe, Latin America, North America, Africa and Asia Pacific. The Women's Rights Advocacy Program has established the Initiative Against Trafficking in Persons to combat the global trade in persons. Other organizations are referenced throughout this article.

4 million people were trafficked in 1998, producing a profit of US\$7 billion for criminal groups.<sup>29</sup> These funds include remittances from prostitutes' earnings and payments to organizers and facilitators. In Japan, profits in the sex industry have been approximately 4.2 trillion yen per year over the last few years. In Poland, police estimate that for each Polish woman delivered, traffickers receive about US\$700. In Australia, the Federal Police estimate that the cash flow from 200 prostitutes is up to AUS\$900,000 a week. Ukrainian and Russian women, highly prized in the sex market, earn the criminal gangs smuggling them about US\$500 to US\$1,000 per woman delivered. These women can be expected to service on average 15 clients a day, and each can be expected to make about US\$215,000 per month for the gang controlling them.<sup>30</sup>

It is estimated that in recent years several million women and girls were trafficked within and out of Asia and the former Soviet Union, two major trafficking areas.<sup>31</sup> Increases in trafficking in both these areas can be linked to women themselves being sold to brokers due to the poverty of their households or parents. High unemployment in the former Soviet republics has been one factor promoting growth of criminal gangs as well as trafficking in women. Upon implementation of market policies, unemployment rates among women in Armenia, Russia, Bulgaria and Croatia reached 70 percent and in Ukraine 80 percent. Some research indicates that economic need is fundamental for entry into prostitution.<sup>32</sup>

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<sup>29</sup> See Foundation Against Trafficking in Women (STV) and the Global Alliance Against Traffic in Women (GAATW). For regularly updated sources of information on trafficking, see <http://www.hrlawgroup.org/site/programs/traffic.html>. See also, generally, Sietske Altink, *Stolen Lives: Trading Women into Sex and Slavery* (New York: Harrington Park Press, 1997); Kamala Kempadoo and Jo Doezema, *Global Sex Workers: Rights, Resistance, and Redefinition* (London: Routledge, 1998); Susan Shannon, "The Global Sex Trade: Humans as the Ultimate Commodity," *Crime and Justice International* (1995) pp. 5-25; Lap-Chew Lin, and Marjan Wijers, *Trafficking in Women, Forced Labour and Slavery Like Practices in Marriage, Domestic Labour and Prostitution* (Utrecht: Foundation Against Trafficking in Women (STV), and Bangkok: Global Alliance Against Traffic in Women (1997); Lin Lim, *The Sex Sector: The Economic and Social Bases of Prostitution in Southeast Asia* (Geneva: International Labor Office, 1998).

<sup>30</sup> For more detailed information on these various aspects see the STV-GAATW reports; IOM (1996).

<sup>31</sup> See also article in this volume on Ukraine, by Donna Hughes.

<sup>32</sup> There is also a growing trade in children for the sex industry. It has long existed in Thailand but is now also present in several other Asian countries, in Eastern Europe, and Latin America Cabera (1999).

Trafficking in migrants is also a profitable business. According to a UN report, criminal organizations in the 1990s generated an estimated US\$3.5 billion per year in profits from trafficking migrants generally (not only women).<sup>33</sup> Entry of organized crime into migrant trafficking is a recent development. In the past it was mostly petty criminals who engaged in this type of trafficking. There are reports that organized crime groups are creating global strategic alliances, often with co-ethnic groups across several countries. This facilitates transport, local contact and distribution and the provision of false documents. The Global Survival Network reported on these practices after a two-year investigation, which used a dummy company to enter the illegal trade.<sup>34</sup> Such networks also facilitate the organized circulation of trafficked women among third countries, not only from sending to receiving countries. Traffickers may move women from Burma, Laos, Vietnam and China to Thailand, while Thai women may be moved to Japan and the United States.<sup>35</sup>

Some of the features of immigration policy and enforcement may contribute to make women who are victims of trafficking even more vulnerable and give them little recourse in the law. If the women are undocumented, which is likely, they will not be treated as victims of abuse but as violators of the law insofar as they have violated entry, residence and work laws.<sup>36</sup> The attempt to address undocumented immigration and trafficking through greater border controls over entry raises the likelihood that women will use traffickers to cross the border, and some of these traffickers may turn out to belong to criminal organizations linked to the

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<sup>33</sup> OIM (1996)

<sup>34</sup> See Survival Network (1997).

<sup>35</sup> There are various reports on the particular cross-border movements in trafficking. Malay brokers sell Malay women into prostitution in Australia. East European women from Albania and Kosovo have been trafficked by gangs into prostitution in London (Hamzic and Sheehan 1999). European teens from Paris and other cities have been sold to Arab and African customers. See Shannon (1999). In the U.S. the police broke up an international Asian ring that imported women from China, Thailand, Korea, Malaysia and Vietnam. William Booth, "Thirteen Charged in Gang Importing Prostitutes," *Washington Post* (21 August 1999). The women were charged between US\$30,000 and 40,000 in contracts to be paid through their work in the sex trade or needle trade. The women in the sex trade were shuttled around several states in the US to bring continuing variety to the clients.

<sup>36</sup> See generally, Stephen Castles and Mark J. Miller, *The Age of Migration: International Population Movements in the Modern World, Second Edition* (New York: 1998); Sarah Mahler, *American Dreaming: Immigrant Life on the Margins* (Princeton, NJ: Princeton University Press, 1995); Castro (1999).

sex industry.

Further, in many countries prostitution is specifically forbidden for foreign women, which further enhances the role of criminal gangs in prostitution. It also diminishes one of the survival options for foreign women who may have limited access to jobs generally. Conversely, prostitution is tolerated for foreign women in many countries while regular labor market jobs are less so. This is the case for instance in the Netherlands and in Switzerland. According to the International Organization for Migration (IOM) data, the number of migrant women prostitutes in many EU countries is far higher than that for nationals (for example, 75 percent in Germany and 80 percent in the case of Milan, Italy).

While some women know that they are being trafficked for prostitution, for many the conditions of their recruitment and the extent of abuse and bondage only become evident after they arrive in the receiving country. The conditions of confinement are often extreme, and so are the conditions of abuse, including rape and other forms of sexual violence and physical punishments. They are severely underpaid, and wages are often withheld. They are prevented from using protection methods to prevent against HIV, and they typically have no right to medical treatment. If they seek police help they may be taken into detention because they are in violation of immigration laws; if they have been provided with false documents they are subject to criminal charges.<sup>37</sup>

As tourism has grown sharply over the last decade and become a major part of development strategy for cities, regions and countries, the entertainment sector has experienced parallel growth and recognition as a key development target.<sup>38</sup> In many places, the sex trade is part of the entertainment industry and has grown similarly.<sup>39</sup> At some point it becomes clear that the sex

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<sup>37</sup> A fact-sheet by the Coalition to Abolish Slavery and Trafficking reports that one survey of Asian sex workers found that rape often preceded sale into prostitution and that about one-third had been falsely led toward prostitution.

<sup>38</sup> Dennis Judd and Susan Fainstein, *The Tourist City* (New Haven, CT: Yale University Press, 1999).

<sup>39</sup> See, for example, Ryan Bishop and Lillian Robinson, *Night Market: Sexual Cultures and the Thai Economic Miracle* (1998).



trade itself can become a development strategy in areas with high unemployment and poverty and where governments are desperate for revenue and foreign currency. When local manufacturing and agriculture can no longer function as sources of employment, profits and government revenue, what was once a marginal source of earnings, profits and revenues, now becomes a far more important one. The increased importance of these sectors in development generates greater tie-ins. For instance, if the IMF and the World Bank view tourism as a solution to some of the growth challenges in poor countries and proceed to provide loans for development, they may be contributing to development of a broader institutional setting for the expansion of the entertainment industry. This may also support indirectly the sex trade. This tie-in with development strategies suggests that trafficking in women may well see expansion.

Women in the sex industry become—in certain kinds of economies—a crucial link supporting the expansion of the entertainment industry and thereby of tourism as a development strategy. This in turn becomes a source of government revenue. These tie-ins are structural, not a function of conspiracies. Their weight in an economy will be raised by the absence or limited nature of other sources for securing a livelihood, profits and revenues for workers, businesspeople and governments.

The entry of organized crime in the sex trades, the formation of cross-border ethnic networks and the rising globalization of many aspects of tourism suggest that we are likely to see further development of a global sex industry. This could lead to further attempts to enter into more “markets” and a general expansion of the industry. It is a troubling possibility, especially in the context of growing numbers of women with few, if any, employment options. Such numbers are to be expected given high unemployment and poverty, the shrinking of work opportunities that were embedded in the more traditional sectors of these economies and the growing debt burden of governments rendering them incapable of providing social services and support to the poor.

### *Remittances*

Women and migrants generally enter the macro-level of development strategies through yet another channel: sending of remittances, which in many countries represent a major source of

foreign exchange for the government. While the flows of remittances may be minor compared to the massive daily capital flows in various financial markets, they are often very significant for developing or struggling economies.

In 1998 global remittances by immigrants to their home countries exceeded US\$70 billion.<sup>40</sup> To understand the significance of this figure, it should be related to the GDP and foreign currency reserves of the specific countries involved, rather than to the global flow of capital. For instance, in the Philippines, a key sender of migrants generally and of women for the entertainment industry in several countries, remittances were the third largest source of foreign exchange over the last several years. In Bangladesh, a country with significant numbers of its workers in the Middle East, Japan and several European countries, remittances represent about a third of foreign exchange.

Exporting workers and securing an inflow of remittances are means for governments to cope with unemployment and foreign debt. There are two ways in which governments have secured benefits through these strategies. One of these is highly formalized and the other is simply a by-product of the migration process itself. Among the strongest examples of formal labor export programs are South Korea and the Philippines.<sup>41</sup> In the 1970s, South Korea developed specific programs to promote the export of construction workers, initially to the Middle Eastern OPEC countries and then worldwide. As South Korea entered its own economic boom, exporting workers became less of a necessity or attractive option. In contrast, the Philippine government expanded and diversified the export of its citizens as a means to deal with unemployment and to secure needed foreign exchange from their remittances. It is to this case that I turn now as it illuminates issues at the heart of this paper.

The Philippine government, through the Philippines Overseas Employment Administration (POEA), has played an important role in the emigration of Philippine women to the US, the Middle East and Japan. Established in 1982, it organized and oversaw the export of nurses and maids to high demand areas around the world. High foreign debt and unemployment combined to make this an attractive policy. Filipino overseas workers have sent home on average, almost

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<sup>40</sup> See generally, Castles and Miller (1998); Castro (1999).

<sup>41</sup> Sassen (1988).

US\$1 billion a year over the last few years. On the other side, the various labor-importing countries welcomed this policy for their own specific reasons. Oil producing countries in the Middle East saw the demand for domestic workers rise sharply after the 1973 oil boom. The United States, confronted with a sharp shortage of nurses, a profession that demands years of training yet at the time garnered low wages and little prestige, passed the Immigration Nursing Relief Act of 1989, which allowed for the importation of nurses.<sup>42</sup> And Japan, marked by rising expendable income and strong labor shortages, passed legislation that permitted the entry of “entertainment workers” into its booming economy in the 1980s.<sup>43</sup>

The Philippine government also passed regulations that permitted mail-order bride agencies to recruit young Filipinas for marriage to foreign men as a matter of contractual agreement. The rapid increase in this trade was primarily due to the organized efforts of the government. Among the major clients were the US and Japan. Japan’s agricultural communities were a key destination for these brides. This was attributable to the booming economy where demand for labor in the large metropolitan areas was extremely high contributing to an enormous shortage of people and especially young women in the Japanese countryside. Consequently, municipal governments made it a policy to accept Filipina brides.

The largest numbers of Filipinas going through these channels work overseas as maids, particularly in other Asian countries.<sup>44</sup> The second largest group, and the fastest growing, are entertainers, mostly to Japan.<sup>45</sup> The rapid increase in the numbers of entertainer-migrants is largely due to the existence of over five hundred “entertainment

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<sup>42</sup> About 80 percent of the nurses brought in under the new act were from the Philippines.

<sup>43</sup> Japan passed a new immigration law (an amendment of an older law) which radically re-drew the conditions for entry of foreign workers. It allowed a series of professionals linked to the new service dominated economy—specialists in western-style finance, accounting, law—but made the entry of what it termed “simple labor” illegal. The latter provision generated a rapid increase in undocumented entries of workers for low-wage jobs. This prohibition underlines the fact that the new law did make special provisions for the entry of “entertainers. Sassen (1998) chapter 6.

<sup>44</sup> Brenda Yeoh, Shirlena Huang, and Joaquin Gonzalez III, “Migrant Female Domestic Workers: Debating the Economic, Social and Political Impacts in Singapore,” *International Migration Review*, 33, no. 1 (1999) pp. 114-136; Christine Chin, “Walls of Silence and Late 20th Century Representations of Foreign Female Domestic Workers: The Case of Filipina and Indonesian House Servants in Malaysia,” *International Migration Review*, 31, no. 1 (1997) pp. 353-385; Heyzer (1994).

<sup>45</sup> Sassen (2000) chapter 9.

brokers" in the Philippines operating outside the state umbrella even though the government may benefit from the remittances of these workers. These brokers work to provide women for the sex industry in Japan, which is basically supported or controlled by organized gangs rather than government-controlled programs for the entry of entertainers. These women are recruited for singing and entertaining, but frequently are forced into prostitution as well.<sup>46</sup>

There is growing evidence of significant violence among mail-order brides in several countries, regardless of nationality of origin. In the US, the Immigration and Naturalization Service (INS) has recently reported that domestic violence towards mail-order wives has become acute.<sup>47</sup> Again, the law operates against these women seeking recourse, as they are liable to be detained if they do so prior to the first two years of marriage. In Japan, the foreign mail-order wife is not granted full equal legal status to citizens and there is considerable evidence showing that many are subject to abuse not only by the husband but by his extended family as well.<sup>48</sup> The Philippine government approved most mail-order bride organizations until 1989. But under the government of Corazon Aquino, the stories of abuse by foreign husbands led to the banning of the mail-order bride business. It is almost impossible to eliminate these organizations and they continue to operate in violation of the law.

The Philippines, while perhaps the country with the most developed program, is not the only one to have explored these strategies. Thailand started a campaign in 1998, after the financial crisis, to promote migration for work and recruitment of Thai workers by firms overseas. The government sought to export workers to the Middle East, the United States, Great Britain, Germany, Australia and Greece. Sri Lanka's government has tried to export 200,000 workers in addition to the one million it already has overseas. Sri Lankan women remitted US\$880million in 1998, mostly from their earnings as maids in the Middle East and East Asia.<sup>49</sup> Bangladesh had already organized extensive labor export programs

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<sup>46</sup> These women are recruited and brought in through both legal and illegal channels. Regardless, they have little power to resist. Even as they are paid below minimum wage, they produce significant profits for the brokers and employers involved. There has been an enormous increase in so-called entertainment businesses in Japan.

<sup>47</sup> INS (1999)

<sup>48</sup> Takahashi (1996)

<sup>49</sup> Anon (1999)

to the OPEC countries of the Middle East in the 1970s. This has continued along with individual migrations to these and other countries notably the US and Great Britain, and it provides a significant source of foreign exchange for Bangladesh. Its workers remitted US\$1.4 billion in each of the last few years.<sup>50</sup>

## CONCLUSION

We are seeing the growth of a variety of alternative global circuits for making a living, earning a profit and securing government revenue. These circuits incorporate increasing numbers of women. Among the most important of these global circuits are the illegal trafficking in women for prostitution as well as for regular work, organized export of women as brides, nurses and domestic servants, and the remittances of an increasingly female emigrant workforce. Some of these circuits operate partly or wholly in the shadow economy.

This article maps some of the main features of these circuits and argues that their emergence and strengthening are linked to major dynamics of economic globalization, which have had significant impacts on developing economies. Key indicators of such impacts are the heavy and rising burden of government debt, the growth in unemployment, sharp cuts in government social expenditures, the closure of a large number of firms in often fairly traditional sectors oriented to the local or national market and the promotion of export-oriented growth.

I call these circuits counter-geographies of globalization because they are: 1) directly or indirectly associated with some of the key programs and conditions that are at the heart of the global economy, but 2) are circuits not typically represented or seen as connected to globalization, and often actually operate outside and in violation of laws and treaties, yet are not exclusively embedded in criminal operations as is the case with the illegal drug trade. Further, the growth of a global economy has brought with it an institutional infrastructure that facilitates cross-border flows and represents, in that regard, an enabling environment for these alternative circuits.

It is increasingly on the backs of women that these forms of survival, profit making and government revenue enhancement operate. To this we can add the additional government savings

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<sup>50</sup> David (1999)

attributed to severe cuts in health care and education. These cuts are often part of the effort to make the state more competitive, as demanded by Structural Adjustment Programs and other policies linked to the current phase of globalization. These types of cuts generally hit women particularly hard, as they are responsible for the health and education of household members.

These counter-geographies lay bare the systemic connections between, on the one hand, the mostly poor and low-wage women often considered a burden rather than a resource, and, on the other hand, what are emerging as significant sources for illegal profit-making and as important sources of convertible currency for governments. Linking these counter-geographies to programs and conditions at the heart of the global economy also helps us to understand how issues of gender enter into their formation and viability. ✪