



WOMEN AND SERVICE SECTOR EMPLOYMENT: THE GLOBAL CONTEXT

Introduction

The upward trend in services is universal and service employment is likely to be a dominant feature of an economy in the future. But the service sector is very heterogeneous and there are marked differences between countries. Furthermore, not all service sub-sectors offer the same opportunities to men and women. This paper looks at the dynamics underlying the participation of women in the labour market, the sectoral shift and the expansion of services, and at the gender dimension of employment in the service sector. It deals with both women's work and service activities, the two areas which raise numerous problems of statistical measurement that are compounded while making international comparisons.

WOMEN AND LABOUR MARKET: A LONG TERM PERSPECTIVE

1. Gender Composition of Labour Force

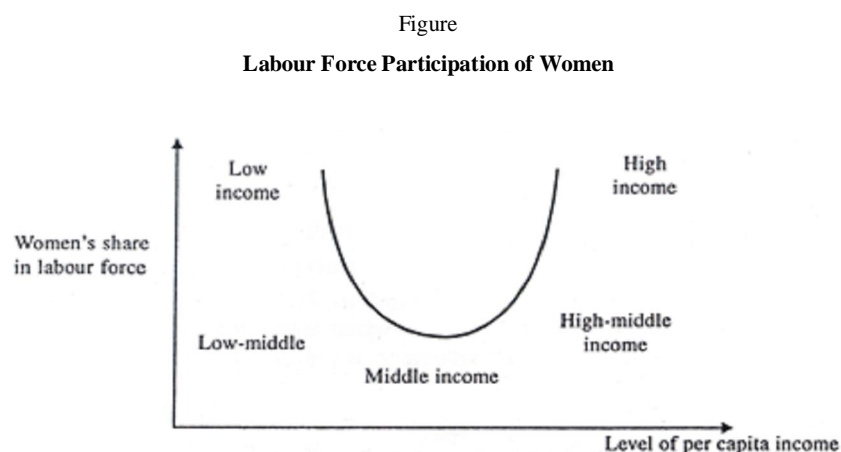
Over the last decades the participation of women in the labour market, i.e., in paid work has increased in most parts of the world. Women's global economic activity rate in the age group, 20-54 climbed from 54 per cent in 1950 to 67 per cent in 1996 and is expected to reach almost 70 per cent by the year 2010 (ILO, 1996).

Cross-country and longitudinal empirical evidence suggests that the gender composition of the labour force displays a systematic change through long-term economic development. During the initial stages of capitalist development women's labour force participation rate declines and at a more advanced stage of development it increases again. Several factors contribute to this U-shaped pattern: some cause female participation to the labour force to go up and others to go down. These long-term changes interact with women's responsibility as reproducers and a producer, resulting in what is called the feminization-U development (Cagatay and Ozler, 1995). In contrast, men's labour force participation rate has been observed to fall slowly with economic development.

Besides the level of economic development, industrialization and demographic factors, cultural and ideological factors play a role in determining the degree of feminization of the

labour force. According to Bina Agarwal (2000) gender ideology, as embedded in social perceptions and social norms is one of the critical neglected dimensions of gender inequality. These ideological factors affect economic outcomes for women in virtually every sphere, including property rights, employment or intra-household allocation. They account for the differences observed in the participation of women in the labour force in countries with similar levels of development. And they play a role, in particular, in determining the labour force participation rate of women. 'The male breadwinner' or 'family wage' ideologies, stronger in particular cultural settings than in others, may lower women's participation in the labour force. And male breadwinner ideologies may continue even when they no longer accurately reflect the conditions of economic life (Cagatay and Ozler, 1995):

So, if the increased feminization of paid work is a global reality, regional differences exist, and within the same region the modalities of women's participation may also vary between countries.



Dynamics of Changes in Female Labour Force Participation Rates Underlying the U-shape Curve

The following three types of forces have been simultaneously at play:

(i) Demographic Changes

The demographic changes observed—rise in life expectancy, falling fertility rates and decrease in the size of families, greater mobility of people, increase in divorce rate and the growing number of two-earner and single-parent families (25 per cent of the households around the world are headed by a women, and in some parts the figure reaches at 35 per

cent)—have resulted in an increasing proportion of women in paid work. A higher proportion of the workforce than before is confronted with the competing demands of work and family responsibilities. Problems of balancing family demands and paid work are closely related to the kind of work people do and to the different phases of the life cycle of women and men. This puts constraints on the type of work women undertake and restricts the supply of female labour.

(ii) Changes in Production Processes

The economic crises of the 1970s and 1980s as well as globalization have led policy makers to question the functioning of the labour market and re-examine the ways and means of absorbing the labour supply, adapting to technological change, adjusting to changes in product and service markets and external competition, and smoothing the consequences of economic cycles. This search for an increased capacity of adaptation and flexibility prompted two responses. The first response, at the macro-level, was found through a drive towards deregulation with a view to eliminating protective regulations and labour market institutions, considered as rigidities and distortions impeding the smooth functioning of the labour market. The second response was found through the reorganization of the production process and the restructuring of employment relationships at the enterprise-level. The demand for labour has also defined new terms and conditions of participation in the labour market.

Globalization has pushed firms to review their strategies in search of lower costs and profit maximization. Industrial restructuring has taken various paths: the relocation of labour-intensive industries from developed towards developing countries; the reorganization of the production process together with a shift of production from the formal to the informal sector; and investments in new technology. The actual path or path-mix followed varies with the branch of industry, the size of firms, the level of development and the regulatory framework of a country.

(iii) Aspirations of Women

The stronger participation of women in paid work is not only driven by demographic and economic factors and constraints. There have also been some changes in women's perceptions and aspirations with regard their role in society and priorities in life, particularly in the industrialized countries. Worldwide, women have attained higher educational levels and the issues related to gender equality and women's rights have gained recognition. Gender is now firmly in place on the international agenda and has become part of most national political agendas.

Status of Women in Labour Market

As a result of these forces changes have occurred in both the supply of and demand for female labour and, overall, labour markets have evolved towards greater flexibility, increasing informalisation and casualisation and higher fragmentation. These labour market developments have affected all workers, some positively and others negatively, but the implications have often been different for men and women workers. The main gender implications are:

- (i) Women represent by far the largest reserve of labour outside the formal wage labour market and they have also been the group most likely to take up any new jobs created, particularly in the service sector. Female heads of households and women from poor families in particular have increasingly allocated their time to productive activities and taken up any kind of work available in their home countries to help contribute to family incomes, often at the expense of household work, family care and their own leisure time. This flexibility associated with female time and efforts has provided the basis for labour market flexibility and contributed to the adaptability of enterprises.
- (ii) The new and enlarged role of women in the labour market has not, however, been an entirely positive development for the women themselves. Their role in the labour market continues to remain invisible in many cases; and, in numerous countries, the notion that the supply of female labour is easily available when needed and dispensable when not needed still persists. The increase in the quantity of women's employment, however, has not been matched by improvements in the quality of their employment. Men too have been affected by adverse trends in the labour markets, but the overwhelming evidence is that women's open unemployment rates are higher than those of men and that gender discrimination has tended to increase as unemployment levels have gone up.
- (iii) Some women have been able to break into labour markets that were previously male dominated or have benefited from newly created jobs. This has been particularly the case in service activities. However, the majority of women go into atypical forms of wage work or self-employment, rather than stable full-time wage employment in the formal sectors of the economy. These forms of work are normally associated with low earnings, lack of training opportunities or promotion prospects and tend to be highly unstable.

(iv) The position of both men and women workers in the labour market has tended to become more vulnerable because of the instability or irregularity and insecurity of their employment. But women workers have tended to be more vulnerable than men as they are less likely to be covered by labour regulations and collective bargaining.

Gender Dimension of Employment in Service Sector

(i) An Overview

In developed countries the expansion of services has accounted for the steady increasing absorption of women into the labour force. But some OECD countries are now suffering from a 'service gap'—in particular a deficit of computer and information specialists and have taken affirmative action to attract certain categories of professionals from abroad particularly from developing countries.

The service sector is also a source of employment for many women in developing countries, but its relative importance and women's representation within services vary among regions. In all countries, health and education sectors rely heavily on female labour, but for the other parts of the sector the situation is variable.

In developing countries, changes in employment opportunities for women in the service sector are linked to globalization. New employment created in the service sector spreads across both low and high skilled work. This has a two-fold effect on women's employment opportunities (Joeke, 1995):

(a) New jobs are being created in information-based industries which use telecommunications infrastructure. They employ cheap, educated female labour in developing countries for operations such as data processing. This growth in female-intensive employment in some service operations could be compared to the earlier expansion of production capacity in clothing and electronics in developing countries that was facilitated by the improvement in international physical transportation.

(b) Globalization is facilitating the establishment of branches of service sector transnational corporations (TNCs) in developing countries, such as banks and insurance companies catering to the needs of consumers, and specialist producer services (e.g., advertising, accounting, and legal services). It is also encouraging the relocation of some back-office functions within TNCs, on cost grounds.

The rapidly expanding international financial service sector employs a high proportion of female workers in particular with respect to lower-skill applications such as data entry.

Corporations in data-based services, such as credit card providers, mail order businesses, airlines and rail systems send transaction data to be processed offshore. The Caribbean (Barbados, Jamaica) and some Asian countries (China, India, Malaysia and the Philippines) are established centers for such activities (Joekes, 1995). Call centers have expanded fast. Other customized, higher-skill business services such as software design, computer programming and financial services (banking and insurance) are also being relocated to developing countries and employ a relatively high proportion of women even at a higher grade (Mitter and Rowbotham, 1995; ILO 2000).

The rapid expansion of trade and foreign investment flows has also had an impact on the circulation of people. Nearly as many women as men migrate across international borders. This increase has been driven by a growing demand for a few activities such as domestic service, tourism, entertainment (essentially prostitution) (Lim, 1998) and, to a lesser extent, nursing and teaching. The international demand for unskilled labour has been partly filled by educated women. Such a situation often involves a mismatch with the women's educational levels—for example, at the beginning of the 1990s' 36 per cent of Filipino domestic workers working abroad had been to college (Lim and Oishi, 1996). This amounts to a downgrading of the female labour force and a waste of human capital. But there is also an international demand for professionals and highly-skilled workers. The resultant brain drain is a net loss for the country of origin and in order to prevent it some countries have banned the emigration of some specific professions.

The emerging scenario can be summed up as follows:

- (a) In a majority of countries relatively more women are employed in services than men. Service activities tend to disproportionately employ women, while the goods-producing sector tends to disproportionately employ men.
- (b) Gender segregation within the service sector is quite extensive. Personal and social services are primarily female-dominated activities, while producer and distributive services are male-dominated.
- (c) The qualifications of the workforce vary significantly across sub-sectors but overall the shift toward services increases the economic premium on formal education. Producer and social services employ better educated workers.

(ii) Sex Segregation of Occupations

Occupational segregation by sex is a world-wide phenomenon. Women are employed in a narrower range of occupations than men—male-dominated non-agricultural occupations are

over seven times as numerous as female-dominated occupations." The largest female-dominated occupations tend to be concentrated in services. Generally, female occupations tend to be considered less valuable with lower pay, lower status and fewer advancement possibilities compared to 'male', occupations.

Despite the small range of female-dominated occupations in the world, there are important regional differences. The distinct regional patterns reflect the different social, cultural, historical, and economic and labour market contexts in which occupational segregation by sex occurs:

- (a) In the professional and technical occupational categories women are largely confined to two professions—nurses and teachers—which are an extension of the traditional caregiver activities of women in the domestic sphere.
- (b) Women are under-represented in the administrative and managerial occupations but are dominant in clerical and secretarial jobs (except in China, India, Pakistan, Haiti, Nigeria and Ghana).
- (c) In terms of gender concentration, sales occupations display considerable variations across regions—women are over-represented in OECD, Latin American and African countries, and are under-represented in North Africa and the Middle East. The picture in Asia is more mixed; they are under-represented in India and Pakistan.
- (d) Women are over-represented in personal service occupations in all regions. Personal services are a major source of employment for women as they include traditional women's occupations such as maids, ayahs, launderers, hairdressers and housekeepers. Among OECD countries, the North American sub-region has the lowest level of occupational segregation by sex while the Scandinavian sub-region has the highest level, the reason for this being the development of the welfare system (Anker, 1998).
- (e) Occupational segregation by sex is not related to socio-economic development. The differences between countries are primarily explained in terms of social, cultural and historical factors.
- (f) In the past two decades occupational segregation by sex has fallen in some parts of the world but not in others. This is due to the increased integration of men and women within occupations rather than a shift in the occupational structure of employment. It seems that the expansion of established female-dominated occupations was insufficient to absorb all of the new female labour force participants, and thus many women entered less traditional

occupations. The entry of women into the non-agricultural labour force has tended to reduce occupational segregation by sex. There has been large falls in occupational segregation by sex in several small developing countries as well as in some OECD countries. But not in large East Asian countries, most Middle Eastern and North African countries, some other OECD countries or in Transition Economies. Significantly, Asia stands out as occupational segregation by sex has increased in China and Hong Kong while it remained unchanged in Japan. Overall, one observes a marked convergence around the world. Segregation by sex has tended to fall in countries where it was relatively high and it remained unchanged in countries where it was relatively low.

Thus, it can be concluded that the female-dominated occupations are very consistent with gender stereotypes about women's roles in society and the type of work for which they are believed to be especially 'suited'. Occupational segregation is largely determined by education and training. The low percentage of women who enroll in technical and information technology subjects is a constraint on future prospects.

IV. CONCLUSION

The broad conclusions emerging from study are:

1. The expansion of services is a significant and irreversible phenomenon in all parts of the world. The configurations or structural composition of the service sector as well as the dynamics of growth of individual service industries differ from country to country.
2. The expansion of the service sector has led to the creation of both low skilled and high-skilled jobs. The quality of employment in services is extremely varied in terms of job security, job stability, level of remuneration, conditions of work and career prospects.
3. Women have been able to take advantage of new employment opportunities offered in the service sector. However, the current tendency points to an increasing polarization of incomes both among women and between men and women working in the service sector.
4. At the bottom of the ladder and in some service sub-sectors current patterns of labour market discrimination are being perpetuated. The changing technology makes it possible to rationalize and de-skill some jobs, making them suitable for low-paid flexible female workers.
5. Since new services give a premium to formal education and training, educated urban women have benefited from the expansion of services. Though the educational level of women has been steadily rising, they continue to be under-represented in science and

technical subjects and ICT-based jobs which need constant updating.

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