

# Impacts of regional free trade agreements on women workers

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ASEAN countries are on the way to intensifying their relations via the ASEAN Charter, which puts the countries into three pillars: the ASEAN Economic Community, the ASEAN Security Community and the ASEAN Sociocultural Community.

ASEAN economic integration serves as the mainstay for the ASEAN Economic Community. The member states have established the ASEAN Free Trade Area (AFTA), designed to integrate their economies, promote intra-ASEAN trade and improve ASEAN's competitiveness in the global market.

AFTA is important because ASEAN countries rely on trade and their exports to the global market -- so-called export-led growth -- as a way to achieve growth. In particular, some countries, such as Thailand, Indonesia, the Philippines, Vietnam and Cambodia, are major garment and textiles exporters.

As noted, regional economic integration is driven by competitiveness. However, little is known about the impact of such integration on marginal groups, particularly women.

To understand the implications of ASEAN economic integration, particularly AFTA, for women, it is necessary to examine two relevant theses. The first thesis argues that trade expansion and trade liberalization open up more opportunities for women to take part in the labor force and, therefore, provide them with greater access to resources. More jobs are offered to women and these jobs empower women, paving the way to independence.

The second thesis, on the other hand, contends that even though women are integrated into the labor force, they are still perceived as inferior to men because of the gender-bias system. The systematic discrimination is manifest in job segregation and wage inequality. Moreover, for women, entering the work force means double the burden because of their routine housework. This contributes to labor segmentation, which means women become concentrated in certain types of jobs and industries.

Both these theses are apparent in the case of ASEAN countries. As noted, some member states are competitive exporters for the garment industry, an industry dominated by women. Formerly, these women worked in either the agricultural sector or within households as unpaid workers -- which

implies they were paid either very poorly or not at all.

The opponents of the first thesis clearly point to the fact that women can now get higher wages by working, mostly in the garment industry, and some in the electronic manufacturing industry. Nonetheless, that women dominate the garment industry begs the question of job segregation, that is, why are women concentrated in one or a few industries and are not spread throughout all industries? In this case, the second thesis becomes relevant.

It is even argued that women are concentrated in mobile industries, whereas men are in immobile industries. Mobile industries are those whose sunk costs, including training costs, are limited, making it easy for firms to enter and exit.

In the meantime, labor costs have less influence in immobile industries. This job segregation is rooted in the gendered characteristics attributed to women, namely, they have nimble fingers and provide cheap and docile labor.

These are precisely the characteristics needed by certain industries such as garment manufacturing. It is even argued that given these characteristics, women become the sources of competitive advantage for the industries.

Furthermore, that women are considered as cheap labor stems from their traditionally low bargaining power. This low bargaining power is caused by women moving from agricultural labor and unpaid housework.

Thus, even though they receive low wages in the garment industry, the wages are higher than their income from agricultural work. But the result of this low bargaining power is job segregation and wage inequality between men and women, which eventually leads to these women becoming more vulnerable.

Wage inequality also aggravates the burden on women from trade liberalization. It is claimed that women earn lower wages than men even if doing the same work. Even though women who work in multinational companies may earn more than those in domestic companies, they are still paid less than their male counterparts.

Trade expansion usually starts with Export Processing Zones (EPZs). These zones offer special privileges provided by government to boost exports. From the point of view of the first thesis, working in EPZs improves the situation of women, especially those from rural areas.

They earn higher wages compared with workers in the agricultural sector and, thus, have greater control over resources. They also become more independent as they live away from their families.

However, adverse working conditions are reported to occur in EPZs, leading to health risks for women, including risks to reproductive health. Sexual harassment and restricted unionization in EPZs have also been documented.

In conclusion, it is evident that women do benefit from trade expansion and trade liberalization to a certain extent. However, women are concentrated in certain industries because of gendered characteristics rooted in the patriarchal system. This has inevitably led women to suffer negative effects such as job segregation, wage inequality and poor working conditions.

ASEAN countries should turn their attention to this issue, especially in their endeavors for economic integration through trade liberalization. That ASEAN countries, as argued, adopt "low-road" strategies in order to improve their competitiveness will exacerbate the negative implications of trade liberalization for women.

Promoting and implementing international labor standards are therefore of concern for ASEAN countries, particularly for trade liberalization within the region, which serves as one of the foundations for economic integration.

The relevant argument is that the member countries will achieve sustainable growth by adopting a "high-road" strategy. This approach should be welcomed by women because the labor standards cover aspects such as equality, occupational health and safety, freedom of association and forced labor issues.

However, the critical issue of a gendered perspective of female labor, which is the underlying cause of job segregation and labor segmentation, remains. To determine whether promoting better labor standards can adjust this perspective requires in-depth study.

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