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Gendered Implications of Neoliberal Development Policies in Guangdong Province

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The aim of this essay is to critically analyse neoliberal development policies from a gendered perspective, with specific reference to the Guangdong province of Southeast China. I intend to address the gap in mainstream globalization literature which has largely overlooked the position of women in developing countries and failed to acknowledge the gendered implications that neoliberal development policies can have.[1] To do this, I will spend the first section of the essay outlining the basic premise of classical liberal political economy (LPE) and discuss how this has translated into the pervasive neoliberal development policies which have come to dominate the global development agenda. I will then outline the case study of Guangdong, also known as the 'factory of the world,' to illustrate these policies in practice and discuss the gendered dynamics at play.[2] The remaining section of the essay will then be devoted to a critical analysis of neoliberal development policies from a gendered perspective in relation to this case study. I will consider the neoliberal arguments which highlight the positive impact neoliberal policies can have on women's development, and then use a feminist lens to critically analyse these arguments. I will look at both the issues stemming from poor working conditions, and the specific issues women face as a result of unchallenged patriarchal attitudes. Overall, I will argue that, whilst the experience of women cannot be universalised and development impacts women in different ways (often due to intersectionality of class, gender and race), it is important to consider the bigger picture.[3] Neoliberal development policies ultimately fail to challenge the structures of patriarchy which impede women's development from within. This is a significant issue which must be properly addressed by the global development agenda.

Neoliberal Development Agenda

The neoliberal development agenda has led to an overwhelming focus on economic development, often at the expense of human development, and has had significant gendered implications. Before discussing these, however, it is first important to understand the theoretical underpinnings of this perspective, rooted in the classic work of Adam Smith and David Ricardo. The main premise of the LPE lies in the notion of *laissez-faire* economics where state intervention is minimal and the market is left to self-regulate, the idea being that the market will reach a natural equilibrium which will provide the most efficient and utility maximising way of organizing society.[4] Adam Smith was the first to suggest utilising a division of labour to speed up productive processes which led to the establishment of industrial processes and factories. This was further developed by Ricardo who argued that, for a country to be internationally competitive, they should specialize in an area of 'comparative advantage' as Britain had done producing textiles during the Industrial Revolution.[5] Despite the fact that British industrialization actually involved a significant role for the state and was built on the foundations of slavery and colonialism, the tenets of this economic theory have come to be seen as the path to 'modernization'. [6]

These ideas have thus been embodied in the policies of the Washington Consensus which came to dominate the global economy in the 1980s as a package of reforms for developing economies to follow in order to emulate Western development. The World Bank and International Monetary Fund (IMF) were created by the advanced economies to help poorer countries 'modernize' with loans and development projects. These organisations highlighted the importance of Foreign Direct Investment (FDI) and specializing in an area of comparative advantage for development. [7] For many developing countries, however, their comparative advantage is their ability to provide

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cheap labour for multi-national corporations (MNCs) which has led to the establishment of export processing zones all over the global periphery, aimed at attracting FDI in order to grow their economies.[8] As will be illustrated in the case study, this has led to significant economic growth in developing economies, but at what expense? The case study and subsequent discussion below will illustrate the gendered implications this has had on workers in developing economies to show how the current development agenda of the West is having a detrimental impact on many of the poorest women in the Global South.

Guangdong Province, Southeast China

The Guangdong province lies in the Pearl River Delta region and is now the centre of China's export-led manufacturing industries. After Deng Xiaoping opened China to the world markets, 'Special Economic Zones' (SEZ) were established in Guangdong to pilot the free market reforms advocated by the Washington Consensus. The prospects of cheap labour, tax incentives and low production costs attracted the investment of many multi-national corporations ranging from tech-giants like Apple and Sony to fashion brand such as H&M. Now home to over 60,000 factories, the Guangdong province produces approximately 30% of China's exports, accounting for 1/3 of the world's production of shoes, textiles and toys. Wages of factory workers are often extremely low, working conditions very poor and hours long – often with forced overtime. Whilst the gendered implications are not immediately obvious, this export-led manufacturing empire is powered by an estimated 3.7 million workers of which the vast majority are female migrants from rural areas.[9] For instance, the Hop Lun Fashion Factory, a first-tier supplier for H&M, employs between 2,000 and 3,000 workers of which 90% are female.[10] Neoliberal development policies have given rise to a 'feminisation of labour' in developing economies where firms benefit from the supply of low-cost female labour.[11] Furthermore, inherent patriarchal attitudes, that will be discussed in greater detail below, are still widely pervasive in Chinese society, meaning women are relegated to the lowest-paid jobs to which their 'nimble fingers' are supposedly naturally suited.[12] Women are also targeted for employment in such factories for their perceived docility and lack of education, in the hope that they will be less likely to organise collectively and challenge their working conditions.[13] There are clearly significant gendered implications of neoliberal development policies which will be discussed throughout the rest of this essay.

Discussion

One of the primary arguments propagated by neoliberal theorists is that the employment of women in factories, such as those in Guangdong, is what the World Bank called 'smart economics.'[14] They argue that investing in women, by integrating them into the global workforce, will have significant economic and social ramifications, including speeding up economic development through raised productivity, reducing poverty and even reducing child mortality.[15] Indeed, the Department for International Development described women as a 'weapon' against poverty.[16] There is clear evidence in support of their argument; Guangdong, for instance, has developed into China's largest provincial economy since becoming an SEZ, with GDP surpassing five trillion yuan, clearly indicating the success of neoliberal policies in securing economic development.[17] It is also true that there has been a decline in absolute poverty in China, as a previously overlooked group in society is now overwhelmingly in paid employment.[18] The theory is that, by providing women with the opportunity to engage in paid employment for economic purposes, they will consequently have greater agency to determine how money will be spent and how resources will be distributed, thereby giving them the greater potential for independence and self-determination which will, in turn, allow them to challenge patriarchal structures both domestically and in society.[19] The neoliberal focus on economics is seen as a pragmatic solution to encouraging socially and politically conservative institutions to begin addressing gender inequality and set off this chain reaction.[20]

However, whilst on paper there are more women in the workforce, which fits nicely into the narrative of neoliberalism successfully promoting women's development, the reality is that neoliberal policies have ultimately just led to the exploitation of a cheap female workforce. Although there is the potential for some women to successfully gain 'active agency' in the long-term and thus achieve independence and self-determination, the gap between the rich and poor has widened significantly. The majority of migrant women are stuck in a cycle of poverty because their wages are insufficient to allow for anything more than 'passive agency.[21] A survey by the National Bureau of Statistics indicated that migrant workers in the Guangdong region earn 600-700 yuan a month- not enough to even afford rent

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in increasingly expensive urban centres.[22] This forces workers to live in factory dormitories instead, further limiting their agency and self-determination, as all aspects of their lives revolve around their work.[23] This is then further exacerbated for women, who earn 20-50% less than men in similar jobs, and even more so for women with children who are expected to pay childcare costs.[24] The All-China Women's Federation estimates that 58 million children in China have been separated from their parents due to financial barriers, leading to an intergenerational cycle of poverty and poor education.[25] I argue that the 'smart economics' argument places too much emphasis on the agency of women as individuals rather than emphasising the need for development institutions, governments and wider society to break down the structural barriers to development.[26] The implication is that the goal of female investment is to 'facilitate development on the cheap' rather than to promote gender equality and women's empowerment which are essential for sustainable development.[27]

A further argument presented by neoliberals is the idea that sweatshops are the 'first rung on the ladder out of extreme poverty' and are better than the alternative of subsistence farming, unemployment, or informal sector work such as prostitution.[28] Work is equated to opportunity and is seen as the means of empowerment. Only through economic growth can better alternatives be produced in the long-run.[29] They cite the high demand for factory jobs as an indication that it must offer better opportunities than the alternatives and argue that if development organisations and MNCs demand that workers receive higher pay and better conditions, this will result in the outsourcing of production to other developing countries where labour costs remain low and the redundancy of thousands of workers, who will then have even fewer opportunities for individual development.[30] They also reject the view that FDI in export-processing zones will only result in the creation of low-paid, low-skilled work. Dunning suggests that in the long-term, there will be an inevitable shift towards more capital-intensive production and demand for higher-skilled labour.[31]

However, this argument merely allows MNCs to abdicate their responsibility for paying insufficient wages and working with external manufacturing companies who allow poor working conditions.[32] The ability to work is liberating to an extent, granting women some respite from the rigid patriarchal settings they were confined to in rural villages.[33] Yet, as Kabeer argued, there is a difference between the ability to make a choice and the ability to make a *real* choice. Genuine alternatives must exist for women to be truly empowered. The current 'choices' allow only for passive agency where women are forced to make the decision to work in a factory based on the need to survive.[34] Furthermore, despite there being more women in paid employment, the hours are long, and overtime is expected. In Hop Lun Fashion Factory for instance, workers have a six-day week and are expected to work two hours overtime each day to earn their attendance bonus. Indeed at 75.5 hours, the virtually obligatory monthly overtime reaches more than double the legal limit set by Chinese law.[35] Not only does this result in an extremely poor work-life balance, it has further gendered implications. Given the lack of structural change or attempts to address the underlying patriarchal attitudes that normalize the suppression of migrant women to the base of the workforce, there has not been a redistribution of domestic roles. Women therefore carry the dual burden of household work and unpaid care work on top of working in the factories. It is estimated that women carry out 2.5 times the amount of unpaid care work that men do. This creates 'time poverty' in which women are left with no time to participate in public life, to rest, or to pursue an education which would enhance their prospects for further achievement.[36]

The lack of underlying structural change to patriarchal norms is further detrimental to women's development as women in China are still expected to marry and assume traditional gender roles.[37] Single, educated women are castigated as 'leftover' women if they are not married by their late 20s.[38] When women do marry, even in the most egalitarian households, they are expected to leave paid employment and often return to their rural hometowns as the hukou registry system means migrant workers have no rights to stay, or start families, in the urban cities where the factories are based.[39] In China's SEZs, 36% of migrant women have returned home after working in the factories for a short period of time.[40] Indeed, in certain families, women are condemned for even entering work in the first place as it is seen as an abdication of familial responsibility.[41] This not only leaves little in the way of long-term prospects for women, again limiting the potential for women's individual development, but high worker turnover also reduces the chances of women organising to work collectively to achieve better labour rights.

Solutions

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It is easy from a Western perspective to argue that we should boycott companies using such production methods because we are accustomed to the availability of other opportunities. However, for many in Guangdong, these factories are the source of their livelihood and currently provide the greatest potential for development.[42] It would also be unrealistic to expect MNCs to reduce their profit margins by forcing their manufacturing partners to pay higher wages, given the fact that they outsourced their production to take advantage of the cheap labour in developing countries in the first place. Instead, focus needs to be placed on challenging the patriarchal structures within the developing countries that currently impede women's development. As Kabeer argued, women's employment and education have the potential to promote women's development, but only if women are empowered with real, visible choices.[43] The state ought to play a more decisive role in the development process. Long-term change needs to be implemented through national development plans and enforcement of laws. This can only come from adopting a more holistic approach towards development which emphasises the development of individuals and not just the economy.

Conclusion

In conclusion, it has been shown that whilst there has been a mainstreaming of gender equality concerns, progress has been limited due to the predominantly economic focus of neoliberal development policies. The neoliberal empowerment narrative assumes that a package of economic reforms alone will act as a 'magic bullet' to bring about women's empowerment and development. However, through the case study of Guangdong, I have illustrated how neoliberal economics can have gendered implications- both in terms of women making up the majority of the migrant labour force, and in terms of the specific gendered implications stemming from the unchallenged patriarchal system present in China. It is important to note that this is not necessarily the case for all women in China, as class and status significantly impacts your position in society. However, as Melinda Gates wrote 'no society can achieve its potential with half of its population marginalized and disempowered.'[44]

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