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A Gendered Critique of GEAR

by

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1. INTRODUCTION

Women are only specifically referred to twice in the entire body of the GEAR document, and gender is not even mentioned at all. While this is not in itself a barometer for GEAR's approach to gender, it is reflective of a complete lack of policies aimed at addressing women's needs.

A number of documents have been written criticising GEAR from various perspectives. In most of these, however, gender is simply an afterthought, or at best the particular impact of GEAR on women is mentioned. This document, aims at a *systemically gendered* critique of GEAR, and economic policy more broadly.

We begin with a conceptual approach to economics and gender, which shows the different areas within which women affect and are affected by economics and also discusses some reasons why mainstream economics tends to ignore both women's contributions and their needs. A framework is laid out which is used throughout the document, considering the role of women in the reproductive, informal, and formal sectors. Thereafter, a brief summary of GEAR is provided and salient departures from the RDP are highlighted. We then consider the specific impact of GEAR within the three broad areas of unpaid labour, the informal sector, and the formal sector. Finally, alternative approaches to economic policy are discussed which explicitly take gender into account.

2. CONCEPTUAL FRAMEWORK

Economic policies often contain a strong gender bias. The different roles that women play in the economy are often ignored and the impact that specific policy proposals could have on women is rarely considered. Because many economic policies actually place women at substantial economic risk, this lack of attention has serious implications. In order to better understand the relationships between economic policy and gender dynamics, it is useful to examine two areas of concern - women's position within the economy and the gender biased nature of economics.

Many roles that women play in sustaining an economy are often very distinct from those with which men are involved. Women perform the vast majority of reproductive labour in South Africa. What is reproductive labour? It is the work necessary to maintain the integrity of society and to allow that society to continue to exist in the future. Examples of reproductive labour include childcare, home health care, informal education, household production and maintenance, and looking after the sick and elderly. Reproductive labour is different from productive labour which takes place in firms, small businesses, parastatals, and other enterprises. Most reproductive labour is unpaid labour and the goods and services produced are not sold in a marketplace to earn a profit, but instead they are consumed directly within a household or community.

Important economic outcomes arise from the fact that women are largely responsible for performing unpaid, reproductive labour. Because the work is unpaid, women are dependent on another source of income in order to live. Often this is a man who works in the formal economy for a wage, although old age pensions and child maintenance grants can supplement other income flows. This

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dependence on transfers of income from other sources places women at high risk. If these transfers are interrupted, many women would face an economic disaster. The threat of poverty can keep women in highly abusive and dangerous relationships in order to sustain an income source. With the dramatically high level of domestic violence in South Africa, these economic realities are of critical concern.

The responsibility for reproductive labour also carries with it an additional burden. Many of the necessary services produced in the household are costly and those costs are increasing. For example, raising children from infancy to adulthood is extremely expensive; food prices increase faster than the rate of inflation; and care for the sick can use a large amount of resources. Since women bear the responsibility for producing these services, they also often face the high costs of providing them. Many women in South Africa still have to fetch wood and water daily. More than 23% of South African households use wood as their main source of energy for cooking and heating¹. A proportion of 48,6% of South African households have to fetch water, and 11% have to walk more than one kilometre to fetch water.

The responsibility for unpaid labour means that women face constraints in terms of formal employment. Most jobs do not make allowances for the demands of childcare or provisions for having to stay with a sick family member, for example. Therefore women are often restricted in the types of employment they can find and the jobs women hold are often less secure.

A division of activities along gender lines begins at an early age. For example, in 1990 the average girl aged six to nine years in rural India spent 0,4 hours per day reading, and 1,4 hours on domestic chores. In contrast the average equivalent boy spent 2,5 hours reading and just 0,7 hours on household chores.² In a study of the proportion of work which is unpaid in the year 1994-1995, for nine developing countries 66% of women's work was unpaid while only 24% of men's work was unpaid. In 13 industrial countries, the figure for women was 66% and for men was 34%.³ Looking at the division of labour in Africa in particular, average data for the 1990's indicates that 60% of harvesting and marketing is carried out by women, 70% of hoeing and weeding, 80% of storing and transporting, 90% of fuel and water processing, 95% of feeding the family, etc.⁴

Another area of the economy which can have a major impact on women's lives is the informal and subsistence sector. Women make up a disproportionate number of people who work in the informal sector. In South Africa, over 70 % of workers in the informal sector are women⁵. These women do not receive the benefits of the legal protection which they would if they were employed in the formal sector. Furthermore, organisation and collective action to establish regulations and protections is much more difficult in the informal sector. The economic opportunities available to women in the informal sector are characterised by high risk, unstable employment, and low pay. Few opportunities exist in the informal sector for improving standards of living. Women have little or no access to education, training, and financial resources.

¹ October Household Survey 1995.

² Seager 1997, 60.

³ Seager 1997, 60.

⁴ Seager 1997, 62.

⁵ October Household Survey 1995. However, it should be noted that it is difficult to obtain accurate statistics on the informal sector.

While unpaid and informal sector work are the reality for a large number of women, many women also work in the formal economy. Therefore, the formal sector labour market is another crucial segment of the economy which directly impacts on women's economic position. Women are marginalised in the formal labour market. They face wage discrimination, receiving lower pay than men for equivalent work. Women also face substantial labour market segmentation. This means that women are often confined to jobs which are lower-paying, less secure, and characterised by poor working conditions. Often women become trapped in these jobs with little opportunity for change or advancement. Finally, women do not have access to employment opportunities at the same rate as men. While the overall level of unemployment in South Africa is estimated to be 29%, the unemployment rate for women is 38% and 22% for men⁶.

The combined impact of the responsibility for unpaid labour, poor economic opportunities in the informal sector, an extremely high rate of unemployment, lack of access to training and financial resources, wage discrimination, and labour market segmentation places many women at substantial economic risk. Given these factors, it is not surprising that the poverty rate among women and children in South Africa is higher than the national average. Furthermore, the use of women's low-paid labour means that profitability can be maintained and expanded in many industries, and the reliance on unpaid labour allows delivery of key social services to fall far behind the actual needs of South Africa.

One key aspect of women's position in the economy is that a substantial portion of women's productive and reproductive contributions are made invisible. These contributions are vital for sustaining the economy as a whole, yet they receive little attention in any discussion of the formal economy. Reports on the ups and downs of stock markets fill pages of newspapers each day while trends in the economic conditions which women face are ignored. Most economic policies are aimed at the formal sector and totally ignore the existence of the reproductive sector of the economy. The GEAR document follows this trend by not recognising that households are themselves productive and contribute to the economy.

In addition, women's work is undervalued in the economy. The most extreme form of under-valuation is the existence of unpaid labour. But even when household work is paid - as is the case with domestic workers - wages are incredibly low and hours worked incredibly long. Wage discrimination and segmentation in the formal and informal sectors also reflect an under-valuation of women's work. The invisibility of women's economic issues allows for the continued economic marginalisation of women and sustained risks of poverty. The dynamics of keeping women down within the economy contribute greatly to ongoing patriarchal oppression in South Africa.

In order to understand why women's issues are often excluded from economic policy development, it is important to look at the relationship between economic thinking and gender. The history of the discipline of economics is a history dominated by men. Very few women were trained as economists and those women who became economists often faced extreme difficulties in having their ideas accepted in the profession. Because economics has been almost

⁶ October Household Survey 1995.

exclusively developed by men, the discipline contains strong gender biases. These biases in turn are passed on in the development of economic policies.

Orthodox economics focuses on the behaviour of individuals, the dynamics of markets, formal employment, industrial development, financial stabilisation, and international resource flows. These focus areas reflect the perceived role of men in the economy during the time that the foundations of classical economics were developed. Men held down jobs, made deals, handled the money, worked in heavy industry, and engaged with international issues. The economic realities of the household, unpaid labour, discrimination and segmentation, service delivery, and social reproduction were excluded from serious economic debate because these were seen to be women's issues. To this day, economics and economic policy retains serious gender biases which are rarely addressed adequately.

One example of the biases contained within economic thinking is the concept of gross domestic product (GDP). The gross domestic product is the total value of all goods and services produced in the formal economy. Changes in the size of GDP are used to gauge the health of an economy and the general well-being of the economy. The entire concept of GDP, however, is biased against women. Unpaid labour is excluded from the figures. The role of the informal sector cannot be accurately captured. Therefore, GDP clearly does not reflect the total level of economic activity in society and will give a biased view of the state of the economy.

Because of the gender biased nature of economic policy-making, important aspects of the economy vanish with critical consequences for women and society as a whole. If economic policy only concerns itself with the dynamics of the formal capitalist economy, other economic activities which ensure the continuation of South African society could be severely compromised. Non-market production in the household, the performance of caring labour, the provision of basic needs, the existence of unpaid work, and non-commodity production of basic goods and services are all realities within the South African economy. This reality, however, is fundamentally ignored and erased because it is largely a women's reality which can pose damaging challenges to established economic thinking and policy development.

3. A BRIEF SUMMARY AND DISCUSSION OF GEAR

GEAR was released in early 1996 by the Department of Finance. It had been drawn up by a technical team of 17 men, one of whom was a black South African and one white woman. These authors came from the Development Bank of South Africa, the Departments of Finance, Trade and Industry, and Labour, the World Bank, the South African Reserve Bank, and universities.

The immediate economic context within which GEAR emerged was a falling Rand, and a so-called lack of confidence in the South African economy. We can thus see one of the main aims of introducing GEAR at that point as being to reassure domestic and foreign investors - both actual and potential - that the South African government knew what it was doing and had the will to push through a harsh, growth-centered, business-friendly economic policy.

3.1 GEAR Summary

We will now look briefly at each of the main pillars of GEAR and what they mean:

- *Create a stable environment for private investment:* The government's main task is seen as being the **facilitation** of a suitable climate which will attract investment, which in turn is supposed to generate growth, jobs, and so on. This amounts to the state limiting its own capacity to direct and shape our developmental path. Furthermore, putting private investment at the center of a growth strategy narrows options even more as time goes by: in order to compete with other economies for investment, a country is forced to put into place more and more conservative policies.
- *Monetary policy:* GEAR advocates a tight monetary policy, with a central element of this being extremely high interest rates. Monetary policy is geared principally to the fighting of inflation, rather than reducing unemployment.
- *Export-oriented growth:* This basically means that our production structure should be geared towards exports rather than focussing on the meeting of domestic basic needs or on gradually replacing currently imported goods. Such an orientation also tends to put more pressure on domestic industry to become more "productive" and "globally competitive".
- *No exchange controls:* Exchange controls are intended to regulate the movement of capital into and out of a country. GEAR puts into place a gradual removal of these controls, which will eventually allow free movement of finance.
- *Fiscal discipline and deficit reduction:* GEAR aims to reduce the budget deficit and government dissaving, to increase government expenditure on infrastructure, and to avoid tax increases. There are obvious tensions between these objectives which will make it difficult to meet them all. In addition, such a conservative fiscal approach is underpinned by a minimalist view of the appropriate role for the state, which assumes that it is incapable of spending in a way which crowds in private investment and boosts growth.
- *Labour market flexibility:* GEAR advocates a model of "regulated flexibility" with flexible collective bargaining structures, varied standards, and a system of "voice regulation". GEAR argues for moderated wage increases which do not increase faster than does productivity.
- *Restructuring of the public service:* GEAR intends to downsize and streamline the public service. This is obviously closely related to the pillar of fiscal discipline and deficit reduction. While the public service is obviously riddled with problems and is highly inefficient at present, downsizing it is not necessarily the only way of dealing with this or of delivering on the huge social backlog.
- *Human resource development:* One of the more positive aspects of GEAR, this pillar acknowledges the need for improved education and training, and the relation of human resources to economic development. The question nevertheless remains of how human resource development will be successfully pursued in such a fiscally constrained environment.

- *Privatisation*: The final pillar of GEAR to be mentioned here is privatisation, which in fact was underway even before the adoption of GEAR. GEAR advocates the rolling back of state ownership, hoping that enterprises can be more efficiently run when privately owned, and also linking privatisation to the raising of state revenue. We also need to think about the extent to which privatisation can ensure the delivery on basic needs and enhance the transformative capacity of the state.

3.2 Discontinuities between the RDP and GEAR⁷

The RDP and GEAR are fundamentally different in their goals and in the frameworks that underpin them. While RDP emphasises people-centred development, meeting basic needs and redistribution, GEAR focuses on export-oriented growth. The RDP puts redistribution as a central objective and mechanism for growth, while GEAR's premise is that redistribution will result only from economic growth, this approach is based on the trickle-down notion of growth.

A further distinction is the process involved in the development of these policies. The RDP involved broad consultation and input, with eight drafts having been circulated before it was finalised. GEAR, on the other hand, was declared non-negotiable, and even the leadership of the Alliance were not consulted. Furthermore, the RDP is written in more accessible, user-friendly language, whereas GEAR is highly technical and relies on economic calculations and models, which themselves are not transparent, even to those with economic skills (since the models were not made public).

In terms of the different policy elements, the following are the key discontinuities between the RDP and GEAR:

The role of the state

GEAR focuses on enabling growth through the private sector, on minimising the role of the state in the economy and on restructuring state assets (privatisation). Since the emergence of GEAR the government has pursued a determined policy of privatisation.

The RDP emphasises a strong role for the state in reconstruction and development, in transforming the public service, in meeting basic needs and in job creation. Economic growth is not a goal which stands on its own, but is integrally linked to restructuring the economy, addressing inequalities in ownership, employment and skills, worker rights, developing a strong domestic manufacturing sector and meeting basic needs. The RDP recommended massive spending on services to kick-start the economy and promote reconstruction and development. The RDP did not advocate privatisation as this runs counter to meeting basic needs, although the RDP remains open to various forms of public and private ownership should they be in the interests of delivery and redistribution. The RDP considered nationalising some industries and mining rights.

⁷ This section draws from Khanya College, *Debating GEAR*, 1997 and the RDP and GEAR documents.

Gender, Race and Class

GEAR does not mention racism and sexism specifically, and its thrust is arguably much more closely aligned to business interests than to workers.

While the RDP falls short of having a thorough gender, race and class analysis integrated throughout the document it does lay down fundamental and basic principles and framework. The RDP explicitly promotes race and gender equality and the entire document is premised on the goal of transforming the apartheid economy and society more broadly.

Job creation

GEAR identifies job creation as one of its targets but does not have clear and sustainable strategies for implementing this. GEAR's job creation strategy is dependent on foreign investment and the domestic private sector. GEAR promotes wage restraints, promotes the linkage of wages to productivity and relies on decreases in labour standards for job creation.

The RDP, contrastingly, sees job creation as an important aspect of redistribution and emphasises that labour standards should be maintained. The RDP sees job creation as critical in itself and as an aspect of meeting basic needs and building the economy. Job creation is linked to the delivery of other basic needs such as housing, water electricity, telecommunications and other basic infrastructure. Job creation programmes should focus on women and youth and should provide adequate incomes and meet basic labour standards.

The RDP identifies public works programme as a central tool to:

- redress infrastructural disparities
- repair environmental damage
- expand and contribute to restructuring the industrial and agricultural base

Fiscal Policy

The RDP and GEAR are based on fundamentally different premises in their approach to fiscal policy (government spending). The RDP had planned to increase expenditure by investing in social services as a way of kick-starting the economy and thus promoting reconstruction and development. GEAR, on the other hand, insists on reducing the budget deficit by actually cutting back on government expenditure.

In conclusion, therefore, it can be seen that GEAR does in fact represent a significant departure from the goals and premises of the RDP. GEAR is unlikely to achieve its goals without significant social cost, particularly to women.

3.3 GEAR and Capital

Most economic policies address the formal sector above the reproductive one, but GEAR goes further than this in the sense that even within the formal sector, it favours financial interests and investment over directly productive formal activity.

While GEAR advances the interests of capital in general, it meets the needs of financial capital in particular⁸. This can also be understood in terms of the context within which GEAR emerged: a rapidly falling Rand and a "lack of confidence" among financial markets. Financial markets (such as the stock exchange) are inherently unstable, particularly in an internationalised environment with a high degree of capital mobility. Speculation on the stock exchange, self-fulfilling expectations, and rapid capital movements also contribute to this instability. One effect of this "sensitivity" is that financial markets tend to have a large influence on economic policies. This is manifest with GEAR, and so it is not surprising to see that the policy content of GEAR is positive for financial interests in the economy.

Of key importance here is high interest rates, a central tenet of GEAR. This is obviously directly beneficial to financial interests, as their profits rise directly with interest rates. However, high interest rates have a number of negative effects, with particularly hard effects on women. Not only do they increase the cost of consumer credit⁹, but they also make it even more difficult than it already is for women to secure loans from banks. Apart from these effects, high interest rates also make government deficits more unsustainable as debt servicing becomes more expensive. This in turn feeds back into the instability of financial markets and their domination of the policy agenda. Thus GEAR not only focuses on the paid labour sector while virtually ignoring the unpaid, but even within the paid sector it privileges the speculative financial above the productive sector.

The responsiveness of GEAR to the needs of financial interests in particular can be understood with a clear gender dimension. Policies which benefit the speculative sector will encourage "paper investment" at the expense of investment in building factories, developing new technology, etc. Speculative investment is thus unlikely to lead to benefits for households to the same extent as would investments in infrastructure or even policies which favour productive private investment.

Furthermore, despite the fact that women make up a fairly high percentage of employees in the financial sector, these tend to be at low levels and the management of the financial sector is particularly male-dominated. Moreover, the bulk of resources invested in the financial sector are from men, partly because of property being owned predominantly by men. For these and other reasons, one would thus expect the financial sector not to be particularly concerned with the specific needs of women, and this is indeed the case.

While GEAR's policies are aimed at attracting investment which will supposedly lead to growth, development, employment and so forth, its understanding of "investment" is very narrow. In addition to having policies such as high interest rates which tend to favour speculative above productive investment, as has been discussed above, it deals very little with investment in the development of people. Although the need for human resource development is acknowledged, this does not seem to be within a framework of directing investment where it is needed. Given the fact that women have been disadvantaged in access to education and training this has important gender implications.

⁸ In this context, financial capital refers particularly to banks but also to other institutions like insurance houses, investment funds, pension and provident funds etc.

⁹ Consumer credit is money which people borrow in order to buy things.

4. GEAR AND REPRODUCTIVE LABOUR

The main framework to be used in analysing the effect of GEAR on women in their reproductive capacity is through the concept of unpaid labour. Reproductive labour refers not only to the production of children itself, but also to all that labour necessary to ensure the availability of workers or members of society in the future. This would include cooking, cleaning, healthcare, informal education, the transmission of discipline and ideology, and so on. Reproductive labour tends to be unpaid, invisible, and unrewarded. Apart from the actual work which women perform as part of reproductive labour, other capacities in which women act in their reproductive role include being recipients of services and transfer payments (e.g. child maintenance grants), consumers of goods used in reproductive labour, users of household infrastructure (including electricity and water etc.), and so on.¹⁰

Almost all women perform some sort of unpaid labour, although in the South African context this is largely influenced by race and class. For example, many families in the middle and upper classes, and particularly white families, employ domestic workers who perform much of what is usually considered reproductive labour. Reproductive labour thus becomes partly commodified in the sense that it is performed not for personal use but for "exchange". In other words, women get paid to do reproductive labour for others (cooking, cleaning, etc). This commodification thus allows some individual women, by virtue of their class positions, to escape some of the burden of reproductive labour. But this burden is just transferred to other women and forms part of their class and race oppression.

Far from unpaid labour being incidental, the "success" of GEAR depends not only on the existence of unpaid labour but on its actually increase, thus transferring additional social costs and responsibilities from the state to women. There are certain services, particularly those associated with reproductive labour, which must be done by someone, whether it is unpaid labour in the home, state provision, or direct finance or provision by employers. It is only possible to roll back state provision and avoid employer provision if these responsibilities are absorbed by unpaid labour, predominantly by women. For economic adjustment policies like those in GEAR to be implemented, it is important not only that these services are taken on in the home but also that they are actually unpaid. If this work was recognised and remunerated, it would necessarily push up wage costs in the formal economy, which would clash with the wage restraint pillar of GEAR. The taking on of additional responsibilities and their inclusion in unpaid labour is only possible in a society structured along patriarchal lines.

Although reproductive labour is largely unpaid it is actually very costly - costs which fall largely on women. There are several aspects of GEAR that will increase the costs associated with reproductive labour. For example, high interest rates raise the costs of credit-financed purchases, particularly housing. The extremely high level of interest rates places a huge monthly drain on the resources of households trying to purchase homes. Even if it is not women themselves who are buying the home (in fact in most cases it will not be in their name), high interest rates squeeze household resources which leaves less money over for the costs of reproductive labour. Another example is the purchase of domestic appliances on credit. This in turn can have various negative

¹⁰ Budlender 1996, 31.

consequences as women attempt to accommodate their increasingly constrained purchasing power: instead of buying appliances, they could decide to rely more on their own manual labour; or they could limit their own consumption in order to save costs and leave more for other family members.

As discussed above, GEAR is premised on an underlying logic of a rolling back of the state. A key aspect of this is the cutting back of the public sector and privatisation. Services previously provided by the state will now largely fall onto women. Tasks such as caring for children and the elderly, home healthcare, and so on tend to be part of women's unpaid labour and this will undoubtedly increase as these services are downsized and commercialised. Furthermore, the costs of services such as public transport are likely to increase, which in turn raises the costs for women of transporting children to school, seeking medical care for themselves and their children, purchase of groceries, and other tasks associated with reproductive labour. Given the vast social backlogs which currently exist, it would not even be enough to maintain service delivery at its current levels: what is needed is both an *extension* and *deepening* of services. In other words, it would not be enough just to reshuffle existing budgets and spread expenditure more thinly among more recipients.

The concrete effects of reduced social spending are already making themselves painfully manifest. Just watching the news one sees the health crises which are being exacerbated, for example through the cutting of services available at the Chris Hani Baragwanath Hospital. Not only does this severely affect the health of women themselves, but it also places more of a burden on them in their reproductive roles. Family members who can no longer be cared for in the public health system and who cannot afford the astronomical costs of private health care will most likely add to the unpaid labour of women.

More generally, the pillar of fiscal discipline and deficit reduction has particularly negative implications for women. Real cuts in the budgets of departments such as education will tend to hit women the hardest. Even within a budget such as education, it was primary schooling, early childhood development and adult basic education and training (ABET) which were the worst hit. These are probably the sectors within education which affect women most - both responsibility for their children's primary education and for themselves.

A practical manifestation of this can be seen in the changes introduced in welfare grants last year. These were informed by GEAR's rationale of redistributing largely within existing spending parameters, without real increases in spending. Thus in order to finance the extension of child welfare grants to the majority of the population, the size of the grants shrank drastically and the age group of children qualifying for grants was reduced. With less of the costs of reproductive labour now covered than was previously the case, it will be mostly women who are forced to cope with less.

Even with the very limited way that GEAR conceptualises redistribution, it seems to be implicitly thought of as redistribution between wealth and income brackets. In other words, between aggregate groups of people who earn or own more to those who earn or own less. Even in the unlikely case of GEAR actually delivering on this, it does not guarantee that the poorest of the poor - often women - actually benefit. In order to analyse this, we need to consider the household unit and its internal dynamics and power relations.

Within patriarchal household structures, any benefits from redistribution can just be appropriated by the male and may not be empowering to women at all. This is exacerbated by the fact that GEAR's approach to redistribution is through job creation. This means that, even in a situation where the male gets a job and becomes the "breadwinner", his power within the household can actually be strengthened through control of income. This suggests that having job creation as the primary mechanism of redistribution may do little to actually redistribute to women.

5. GEAR AND WOMEN IN THE INFORMAL SECTOR

Another area in which GEAR will have a critical impact is the informal sector. The informal sector includes a wide range of economic activities which tend to be small scale and which are not formally recognised as registered enterprises or employment relationships. For example, many street hawkers, traditional healers, gardeners, taxi drivers, home producers, craft-workers, and subsistence agricultural labourers work in the informal sector.

Women are disproportionately represented in the informal sector. Table 1 shows the estimated percentages of workers in the informal sector and, of those self-employed, the percentage of women working in the informal sector. In poorer provinces, the informal sector accounts for a larger fraction of total employment and women tend to make a larger portion of the sector. Within this segment of the economy, women often face poor working conditions, unstable employment, a highly competitive environment, and low earnings. Furthermore, women in the informal sector do not enjoy the benefits of legal protection and regulations which they would if they worked in the formal sector. Despite the importance of the informal economy for women, GEAR says little about this sector. While GEAR engages in highly technical exercises to model the formal sector of the economy, there is no attempt to rigorously analyse the impact of its policy programme on the informal sector. Again, women are clearly marginalised within the macroeconomic policy framework.

Table 1

	Informal workers as % of employed population	Informal sector. Self-employed women as % of total self-employed.
Gauteng	14%	58%
Western Cape	12%	67%
Free State	21%	90%
Northern Cape	14%	88%
Eastern Cape	23%	76%
Northern Province	25%	65%
Mpumalanga	17%	78%
North-West Province	18%	67%
KwaZulu/Natal	18%	67%
SOUTH AFRICA	17%	70%

Source: 1995 October Household Survey. November 1996

Opportunities for women in the informal sector are constrained by lack of access to economic resources - for example, finances and land. There is much

international evidence showing that lack of access to financial resources severely limits women's economic opportunities in small and micro enterprises. For example, the operation of the Grameen Bank in Bangladesh demonstrates that if women gain access to even very small amounts of financial resources, large gains in economic development and welfare can be achieved. GEAR's policy positions of high interest rates and restrictions on credit availability mean that access to financial resources will become more expensive and inaccessible. Such policies make it nearly impossible for women working in the informal sector to secure the resources which they need to improve their economic positions. Likewise, although GEAR mentions land reform, the macroeconomic strategy fails to develop a strong position on land redistribution, although such a policy could have a dramatic impact on the economic reality of rural women.

While GEAR fails to address the problems in the informal sector of the economy, the framework does promise substantial job creation. If women in the informal sector can find well-paying jobs in the formal sector, their welfare could be improved. GEAR's employment creation record, however, has been a complete disaster. Instead of creating jobs in 1996 and 1997, jobs have actually disappeared from the formal sector of the economy. The elimination of jobs from the formal sector will tend to push more women into the informal sector, increasing the level of competition and economic risk as the ranks of those informally employed swells. Not only does GEAR fail to address development in the informal sector, the policies which it adopts will further erode the position of women in the economy.

GEAR's economic strategy also fails to consider the links between the formal sector and the informal sector. In particular, the relationship between formal sector producers and suppliers and informal sector retailers needs to be addressed. Claims that the GEAR policy will stimulate formal sector investment, boost economic growth, and lower production costs will most likely not trickle down to the informal sector. Benefits of the GEAR policy will be captured by financial interests, large-scale producers, and formal sector suppliers. Few benefits will be passed on to the informal economy.

The fact that GEAR ignores the informal sector shows that the macroeconomic framework is satisfied with seeing the informal sector as a residual segment of the economy. Women who are excluded from or pushed out of formal sector opportunities will accumulate in the informal sector. Furthermore, these women working informally support formal sector economic activity. They provide important retail services to major producers in the South African economy by distributing the goods produced to people living in urban centers, rural areas, and townships. Nevertheless, they supply these services under very poor, highly competitive, and unregulated conditions. The GEAR framework, by contributing to the invisibility of this sector with respect to economic policy, contributes to the economic oppression of women.

Often, policies which aim to create new economic opportunities focus on micro-enterprises and informal sector economic activities. Such an approach to economic empowerment ignores the fact that most informal sector activities are characterised by low incomes, unstable employment, high risk, long hours, and, as mentioned above, a lack of regulation. Promoting micro-enterprises can mean the continued marginalisation of many women within the economy and a failure to address the concrete sources of poverty and dislocation in South Africa.

The linkages between the informal sector, the reproductive sector, and formal employment must be made clear. The responsibilities of women in the reproductive sector impact on their experiences in the formal and informal sectors and vice versa. For example, some women might prefer to work at home because it makes childcare and household work more manageable. Some women might actually choose to work in the informal sector. This line of argument, however, requires much qualification. Working from home in the informal sector might be preferable for some women, but this preference could be strongly shaped by the fact that women are primarily responsible for unpaid, reproductive labour. Likewise, how much choice do women actually have between the formal and informal sector? If there are few jobs for women in the formal sector, then informal employment might be the only "choice" available.

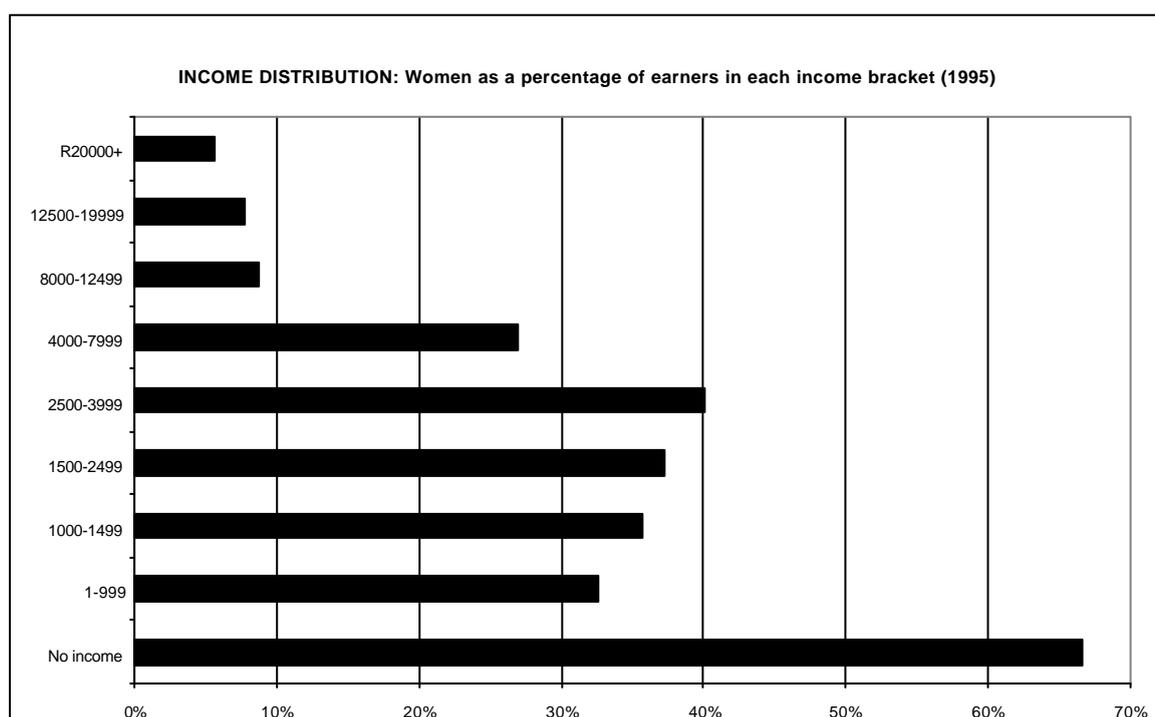
6. GEAR AND WOMEN IN THE FORMAL SECTOR

The position of women in the labour market

It is critically important to analyse the particular position of women in the economy in order to understand the gendered impact of policies such as GEAR. Women in general, and African women in particular, occupy a disadvantaged and vulnerable position in the economy. Women tend to be employed in low-paid, insecure jobs with minimum legal protection.

Graph 1 highlights the unequal distribution of income along gender lines. Women make up a relatively larger proportion of lower income brackets than they do in higher income brackets. Graph 1 shows that women make up between 30-40% of the lowest income earners, while they constitute less than 10% in each of the three highest income brackets. Thus, income distribution is skewed along gender lines.

GRAPH 1



Segmentation

The concept of labour market segmentation is useful in explaining the position of women in the labour market. The South African labour market can be divided into three broad segments. These include the primary labour market, the secondary labour market and non-market labour. The primary labour market consists of white-collar professionals and management, who form the highly paid and skilled section of the labour market and are mostly white males. White production manual workers also form part of the primary labour market. There are also some service professional and skilled public service employees that form part of this segment, these are mostly white women and enjoy a high level of legal protection.

The secondary labour market refers to production workers, low paid service workers and agricultural labour. The secondary labour market consists of lower-paid black male workers in the manufacturing and mining sectors and mostly black female workers in agriculture and domestic work. The secondary labour market is not as highly paid as the primary labour market and experiences high levels of unemployment; skills are often informal and in some cases (particularly in female-dominated sectors) unrecognised. There are high levels of unionisation in the manufacturing industry which is dominated by males, whilst in the female-dominated agricultural and domestic sectors levels of unionisation are extremely low.

The non-market segment or the informal /unpaid labour market includes domestic workers, informal sector workers, household labourers, subsistence agricultural labour and this segment also includes unpaid domestic and family labour. Informal labour consist of mostly women, in South Africa, women comprise 70% of informal sector jobs which are characterised by low wages, poor working conditions, very little legal protection and low levels of unionisation. The unpaid labour segment is almost exclusively women; the skills are mostly unrecognised.

The segmented nature of the labour market has important implications, since policies will have disproportionate effects on the different segments. In fact, labour market flexibility (reducing regulation and protection of workers) is targeted at the secondary labour market, with the intention of reducing labour costs. The primary labour market, on the other hand, benefits from increased wages and benefits since these workers are argued to be highly skilled and subject to a "brain drain". Clearly, the impact of this policy approach will be greater disparities in wages and working conditions between the primary and secondary labour markets.

GEAR calls for greater labour market flexibility in order to attract foreign investment and as a means to create more jobs. The implications of this are that the most vulnerable workers (that is, women) will remain unprotected and discriminated against, and that where jobs are created they will perpetuate the poor working conditions experienced by women workers in the secondary labour market. With greater labour market flexibility the position of women will actually worsen, since this implies decreased benefits (such as maternity benefits) and less flexibility with regard to working time and parental responsibilities. Furthermore, with irregular working hours, low levels of unionisation and a lack of

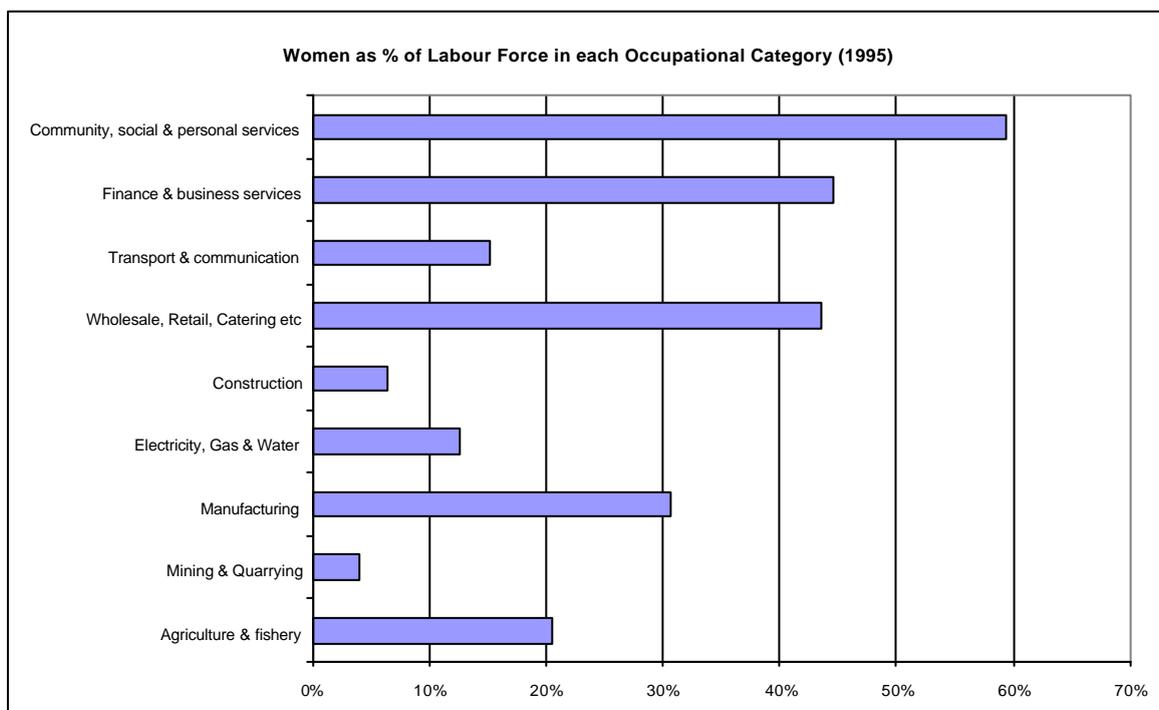
legal protection; there will be very little space for women to improve their working conditions.

Sexual Division of labour

Much of the work that women do, even in the formal sector, is invisible, assumed to be ‘natural’ or of little value. Most of the tasks and occupations undertaken by women involve a largely reproductive, rather than productive element. They are seen as not creating goods and services that are paid for, and are not viewed as a direct contribution to the economy. The jobs in which women predominate often do not “produce” specific, tangible and measurable products (e.g. cleaners, domestic workers, nurses and teachers). There is a mutually reinforcing relationship between the subordinate status of women which influences how their work is regarded and the fact that lower-status occupations are reserved for lower-status workers, i.e. women.

The labour market is characterised by a sexual division of labour in which women are largely associated with domesticity and the provision of services, while men are associated with manufacturing and technology. Thus, women are mostly found in jobs that correspond to the stereotype of “women’s roles” as homemakers and caregivers, such as clothing workers, cleaners, teachers and nurses. This division of labour is also vertical, in other words the top of the workplace hierarchy is dominated by males. Furthermore, there is a division of labour in terms of household work and reproductive labour which places an enormous burden on women, making it even more difficult for women to find formal employment. This is as a result of time constraints and because of discrimination against women on the basis of their reproductive role.

GRAPH 1



Source: October Household Survey 1995

Graph 2 demonstrates the fact that women are most likely to be service workers (nearly 60%) – this includes teachers, nurses and domestic workers. On the other

hand, women are least likely to be in mining (4%) or construction (6%), they are also significantly under-represented in manufacturing (31%).

GEAR does not even refer to this unequal division of labour, and makes no policy recommendations to deal with it. The export-oriented focus of GEAR will tend to emphasise those sectors of the economy where men predominate, such as manufacturing, and make the role of women in the household even more invisible. GEAR relies on the market to deal with employment creation and calls for a more flexible labour market, with the result that the sexual division of labour will not be challenged.

Employment Trends

Women's share of the labour force has increased significantly over the last thirty years, with the exception of Sub-Saharan Africa. While this is an important and positive development, the increase in the quantity of jobs has not led to an improvement in the quality of jobs for women. Most of the jobs that women have been drawn into have tended to be part-time insecure work with poor working conditions and few benefits. The increases in women's employment in South America and Asia have been largely into employment in export-processing zones, which are notorious for low pay and poor labour standards. Furthermore, the increased levels of employment of women in these industries is based on stereotypes of women workers who are seen as 'docile' and 'nimble-fingered'. Women are viewed as a flexible labour force that can be drawn into casual employment and easily discarded during times of economic contraction. As mentioned above, with calls for increased labour market flexibility women will remain at the bottom end of the scale in terms of quality of jobs. The international experience has shown that neo-liberal policies such as GEAR expect women to work longer and harder with fewer benefits and less pay. Cutbacks in social benefits have particularly serious consequences for women in terms of maternity benefits, sick leave and childcare facilities.

Public Sector Cutbacks

Government policy, supported by the framework of GEAR, along similar lines to structural adjustment policies put into place in numerous other countries, is privatisation of state assets. This is of particular concern for women, since the public sector is the main employer of women in relatively protected and better paid jobs (although there are numerous public service employees, particularly African women, that are underpaid and undervalued, this still represents relatively secure employment). With public sector cutbacks, it will be mainly the workers at the lower levels that will be retrenched and these tend to be women.

Furthermore, the state should be playing a role as a 'model employer', creating good working conditions and employment opportunities for women. Employment in the public sector is therefore extremely important for the improvement of women's position in the labour market. However, the job losses which will result from attempts to cut the budget deficit and the cutbacks in social services will have a negative impact on women in particular, since they are most reliant on social services and employment opportunities that the state provides.

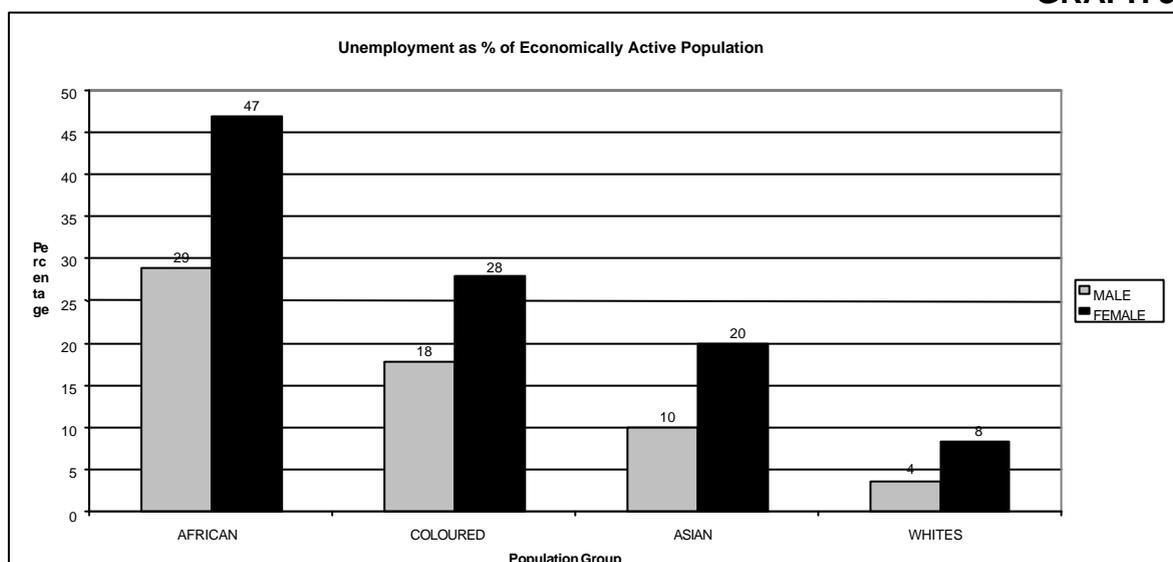
Job Losses in Clothing and Textiles

In South Africa the reduction of tariffs has resulted in massive job losses in the Clothing and Textile industry which consists of 80% women in clothing, and 50% women in textiles. The implementation of the GATT agreement was undertaken at a far faster rate than required, giving the indication that government policy is more concerned with “sending the right signals” to foreign investors (that have still not responded to these signals) at the expense of South African women workers.

Unemployment

Women experience far higher unemployment rates than men, as Graph 3 demonstrates. In all population groups there are greater levels of unemployment amongst women.

GRAPH 3



Source: October Household Survey 1995

Graph 3 highlights the extremely high unemployment rate amongst African women, at 47%.

Although GEAR undertakes to create 409 000 jobs by the year 2000, this relies on the private sector and on wage restraint, both of which do not bode well for job creation prospects for women. There is a need for an explicit focus on job creation for women in order to overcome the legacies of gender discrimination. Without a gender focus it is likely that employment will be created predominantly for men.

The experience of countries in Sub-Saharan Africa has been that women's share of the labour force has decreased following economic contractions as a result of austerity measures of neo-liberal economic policies. Women are usually the last to benefit from the expansion of employment opportunities and the first to suffer from employment contraction.

Thus, it can be seen that although GEAR's primary focus is on the formal (paid) sector, its policies will have different effects on different segments of the labour market. Women, who occupy the most disadvantaged and insecure positions are

unlikely to benefit, rather they are likely to experience lower wages, benefits and protection.

7. ALTERNATIVE APPROACHES

In discussing alternative approaches to economic policy formulation which explicitly take gender into account, we will not attempt to elaborate a fully-fledged, detailed policy framework. Rather, we will firstly discuss alternative approaches to economic analysis, and thereafter attempt to lay the basis for more progressive, gender-sensitive economic policy measures.

7.1 Gendered economic analysis

As discussed earlier in the conceptual framework, economics as a discipline has always been dominated by men and it has traditionally been blind to women's contributions and needs. One aspect of a more gendered alternative approach would thus be to build gender into any economic analysis, recognising unpaid reproductive labour as well as developing more insights around segmentation and discrimination, intra-household economics, and so forth.

Related to the above, it is obvious that "pure economic" measurements such as growth rates do not give an accurate reflection of social development, quality of life, or even standard of living. Welfare indicators are important, particularly those such as infant mortality rates, access to clean drinking water, literacy, life expectancy, etc. A useful measurement is the gender development index, which is an index of standard development indicators adjusted to reflect gender disparity. As of 1996, South Africa had a medium ranking gender development index in relation to other countries.¹¹ Even when considering welfare indicators, however, it needs to be borne in mind that many of these indicators are themselves dependent on unpaid labour. For example, indicators of nutritional consumption are contingent on the unrecognised work performed mostly by women in growing, harvesting, and preparing food.

A further aspect of building a recognition of unpaid reproductive labour into economic analysis relates to the collection and presentation of economic data. As noted previously, conventional economic statistics do not acknowledge much of the labour which is performed by women. A detailed breakdown of statistics - such as those gathered by the CSS - in terms of gender would be useful. In addition, while it may not be necessary to build unpaid labour into all national accounts measures, unpaid labour does need to be quantified and monitored on an ongoing basis.

7.2 Gendered economic policy approaches

Beyond changing the way in which economics is approached, there are also approaches to policy which are more empowering to women.

An integrated policy development approach

In policy development there are a number of strategies that need to be adopted in a comprehensive and integrated manner. With regard to women, it is most critical

¹¹ Seager 1997, 16.

that a holistic approach is undertaken, since it is women's position in society more broadly, as well as the structural inequalities in the economy which disadvantage them. Thus strategies that simply try to alleviate the position of women, without fundamentally challenging the source of their oppression and thereby transforming the patriarchal structure of our society and the economy, are bound to fail.

Mainstreaming women in development

The term "mainstreaming" means integrating women's concerns into all policies and programmes by giving explicit consideration to potential role of women in the economy and their current position, and the impact of all policies on women. The intention of this approach is to avoid marginalising women's concerns. This would enable resources to be used in a gender-sensitive way, rather than making a small budget available to a women's ministry, for example, which is unable to make any real impact, due to lack of resources and influence. A 'mainstreaming' approach does not mean that women-specific approaches are not adopted, in fact such measures should go hand in hand with a mainstreaming approach.

All policy should be sensitive to the bias in "gender-blind" policies. These are policies that do not overtly discriminate against women, but which will have a different impact on men and women because of their different structural positions in the labour market and society. Thus, for example, employment creation programmes that target both men and women equally will in effect not give women equal access to employment due to their unequal positions.

Reproductive Labour

Having critiqued women's role in performing unpaid reproductive labour, finding ways of dealing with this issue is complex. On the one hand, it could be important to recognise and even reward this work. On the other hand, actually remunerating women for reproductive labour would not only commodify it but would further trap women within household roles.

Rather than remunerating reproductive labour, what could therefore be more progressive could be socialising the costs of this labour and in some cases socialising the labour itself. The first aspect of this, socialising the costs of reproduction, translates into the decommodification of basic goods and services. This would make consumption of these goods and services no longer dependent on ability to pay, but rather on need. This would involve areas such as education, healthcare, and transport; extending and deepening the range of services which are provided free by the state. These would have to have a particular bias towards women's needs. For example, the government has the resources and means to ensure that women no longer have to spend valuable time each day fetching wood and water.

Beyond socialising the costs of reproduction, socialising of currently unpaid labour would also entail the socialising and validating of non-commodity activities. Although activities such as childcare may not be commodified (in cases where a mother actually cares for her own children), they are certainly not socialised in the sense that both the labour itself and the costs associated with it are the responsibility of individual women. An example of this would be the provision of free and accessible childcare facilities – this not only relieves women of this

burden but could also provide a more conducive environment for children's early development.

Paid Labour

In terms of the informal sector, the many problems of working there - particularly for women - were discussed earlier. Bearing this in mind, a starting question is whether we should ideally have an informal sector at all or whether we should aim at ultimately having only a formal sector of the economy. The approach to be suggested here is that while the informal sector certainly needs to be regulated, this does not necessarily mean just subsuming it into the existing formal sector.

As discussed earlier, economic relationships in the informal sector are complex and cannot be neatly categorised into employer/employee relations. For example, while a woman selling mealies on the pavement may at first sight appear to be a small entrepreneur, a deeper analysis revealing relations of dependence and exploitation. There are often monopolistic suppliers (price-makers) who sell inputs to sellers at fixed prices, making them price takers with very limited control over their inputs. When this situation is combined with a competitive selling environment where sellers are forced to keep their retail prices low, it means that profit margins are very thinly squeezed. In some ways such a relationship more resembles a principal/agent one than an "equal" supplier/buyer one.

While there would be unequal power relations in any such relationship, this imbalance is heightened when gender is also factored in. In many cases, the supplier will be male (and often white as well) while the buyer who sells to the public is typically an African women. This situation leaves little room for empowerment or financial advancement.

This analysis suggests that a progressive approach to the informal sector cannot rely on regulating narrowly defined employer/employee relationships which most labour legislation focuses on, but also needs to regulate these other more complex relations. A first step towards this would be a comprehensive data base on those participating in the informal sector. This would enable more effective regulation as well as the inclusion of such activities in the revenue and expenditure net. This would obviously require some investment of resources by the state. Furthermore, government and other stakeholders need to draw up comprehensive development strategies for the informal sector.

The limitations of GEAR with respect to redistribution were discussed earlier, in terms of the unlikelihood of this actually filtering down to women who are in a weak position within the household. Dealing with this would require, at one level, a long-term approach aimed at transforming these power dynamics. In the short-term, however, the state can play a pro-active role in trying to ensure that the benefits of development and redistribution do actually reach women. For example, this could include the direct provision of services which alleviate the burdens which are associated with reproductive labour - such as the provision of clean safe water to relieve women from fetching water.

Moving on to the formal sector, there are many aspects of a more gendered approach which already form part of COSATU policy. These would include the ending of discrimination and segmentation, education and training, public works programmes which are specifically directed at women and which include some

sort of empowerment, enhancing of employment security and protective legislation, protection of atypical workers in the formal sector, and so forth.

The following are some of the key policy recommendations which apply to paid labour:

Job creation strategies

Employment creation should target women in particular to ensure that job creation does not benefit men primarily (as a result of the legacies of discrimination). This means that employment creation schemes (such as public works programmes) must take into account the position of women in the economy, their reproductive role and the need to combine employment opportunities with training and skilling for future employment.

'Harmonising work and family responsibilities'

The harmonisation of work and family responsibilities was identified as an objective in the Beijing Platform for Action. This requires action to transform the traditional gender-based division of labour. This means that there should be equal sharing of family responsibilities. Workplaces should provide facilities and offer more flexible working time arrangements to accommodate parental responsibilities. The state should provide social support services and infrastructure to enable parents to cope with family and work responsibilities (ILO, 1996:14).

Education and Training

Education is extremely important both in terms of access to employment and in individual development and empowerment. The approach to education and training should begin at school, where there are gender biases in the subjects offered, and girls and boys are channelled into gender stereotyped occupations. Furthermore, government needs to ensure that girls, particularly from poverty-stricken families are able to have access to education.

Women should have access to training and retraining opportunities at the workplace, as well as adult education and functional literacy. In addition, skills training should be accompanied by support in finding a job or setting up self-employment schemes. Women should also have access to information and education on their rights as women and as workers.

Employment Equity, Affirmative Action and Developing a Regulatory Framework

The effective implementation of legislation to promote equity and to eliminate discrimination in the workplace will clearly benefit women if approached in a gender-sensitive manner. Affirmative Action is necessary in addition to the removal of discrimination in order to overcome present inequalities. Furthermore, women in particular are most vulnerable in the labour market (in the informal sector in particular) and therefore require protective legislation and regulation to ensure that they are able to contribute effectively in the economy and to eliminate the discrimination that women experience.

Empowerment of women in decision-making

A central element of an integrated strategy is the empowerment of women to participate in decision-making and policy development on key economic and social policies. According to the Beijing Platform for Action, governments are encouraged to: "*take measures to ensure women's equal access to and full participation in power structures and decision-making.*"

Women are highly under-represented in decision-making. According to a UN report (in ILO, 1996:61) while women represent over 40% of the (formal) labour force, they account for less than 20% of management and 6% or less of senior management. While there are some women that have penetrated the 'glass ceiling' they are often found in particular lines of work, such as human resource management in the private sector, and welfare, health or education in the public sector. Therefore, employment equity legislation and affirmative action policies must be implemented to challenge these inequalities.

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