

ECONOMICA

WOMEN *and the* GLOBAL ECONOMY

PODCAST: Tipping the Economic Scales: A Conversation with the Feminist Economist Lourdes Benería

HOST: Welcome to the International Museum of Women and this podcast for *Economica: Women and the Global Economy*.

Lourdes Benería is a professor of gender and economic development at Cornell University. Her book *Gender, Development and Globalization: Economics as if People Mattered* explains how considering economics from a feminist perspective changes the way we understand basic concepts like work, wealth and value.

LOURDES BENERÍA: *The economy actually should not be about making money and benefits for the multinational corporations, but to provide for everybody whatever is needed.*

HOST: *Economica* curator Masum Momaya sat down with Lourdes Beneria at the 2009 conference of the International Association for Feminist Economics. They began by discussing the relatively new idea of accounting for women's work.

BENERÍA: Women work more hours than men, first thing. Depending on countries women may work as much as 15 hours a day and men tend to work whatever the average working day is. Because when they get home they may or they may not work, may not do anything at all.

And second, in most of what women do does not show up in national income accounts. And the effort of accounting for women's work has been first, let's know all of this, how many hours of work and how important it is for human wellbeing. Because feminist economics one of the big pillars of feminist economics is emphasis how human provisioning, welfare provisioning is very important. And the economy should not so much about making money and benefits for the multi-national corporations, but to provide for everybody whatever is needed. Human provisioning as the basic pillar of feminist economics. And you have to start somewhere and one way that we're starting is to find some information about paid and unpaid work and who does it.

MOMAYA: So the implication is if women's work and if unpaid labor is not counted it can't really be addressed in sort of provision, in terms of welfare provisioning and allocation of resources and things like that. I just want to make sure...

BENERÍA: Well mostly we need to know information in order to, for example, think about policy, think about the kind of programs that we should think about in development. I remember in the 1980s when there were so many programs on structural adjustment going on in different countries, right?

MOMAYA: Could you tell us what structural adjustment is for those us—

BENERÍA: Yes, structural adjustment, in many countries they were having problems with the balance of payments but especially with the foreign debt problems. So they need borrowing, went to the IMF, and "Yes, we will give you a package of money but with conditions."

Those conditions became the so-called structural adjustment programs conditions. Which were conditions such as, you have to open up your economy to foreign investment, you have to open up your economy to let more goods from other countries come in, so if you are too protectionist, you have to lower your tariffs, you have to let more foreign capital come in. In a way, that was the moment when globalization was pushing. It was a way to globalize the economy even though the standard explanation would be, it's a way to clean up the economy so that it doesn't generate so much debt.

It's also a way to make economies more competitive so that they—whatever they produce can be exported instead of generating too many imports, generate exports. It's also a way of keeping inflation down because if we let foreign goods come in there would be a pressure for internal prices to go down and be competitive with prices that come from outside.

And this actually happened you know, for example, in Latin America inflation went down. It was one of the good things about structural adjustment programs. So there were some positive results and some people got very rich. Some people got poorer than they were before.

MOMAYA: Were these structure adjustment policies, were they gender neutral in terms of how they impacted women?

BENERÍA: No, because the kind of consequences that I was mentioning, for example, to the extent that a family was a having hard time because those members of the family that were working lost their jobs. With the decrease in family income you cannot afford some of the things you buy in the market. It could be a restaurant meal or taking the clothes to the laundry or taking the kids to a special program for which you have to pay or even Sunday outings, all these kinds of things you start cutting. And so what happens when you start cutting is that somebody has to do the work of cooking and shopping or

doing the laundry instead of taking it out, you do it at home. Somebody has to do all of that, so often what we saw was an intensification of women's work because it is women who mostly do the domestic work related to these chores. That was one way by which it was clearly—it led into an intensification of women's work.

Or, for example, there was, in the Latin American countries, there were what was called as a result of the crisis in Peru, the Andean countries in particular, Peru and Bolivia, they developed, especially in Lima, it became very famous, what they called [*Speaks in Spanish*], collective dining rooms. They were organized by *barrios*, by neighborhoods, in Lima for example. They would feed lots of families that all of a sudden were left without a job or didn't have access to any income.

So they developed this and of course who was cooking? I remember in the case for Lima, there were some of those dining places, collective dining rooms that were feeding 200, 300, 400 people. And who was organizing that? Women. Imagine what it means, you have to have a lot of skills to organize meals for so many people. And that lasted for a while, for as long as...was very critical for many. You know, people eventually found their ways out of the crisis or didn't. Then of course, you cannot organize these things with free labor for a very, very long time.

But what was interesting about this [*Speaks Spanish*] was that some of the skills that women had became very valuable. You know, how to go shopping and get themselves together as a group, how to contact, for example, international foundations or NGOs or people that could help them organize that. Some of them became leaders, community leaders and they were not before. It was interesting experience.

MOMAYA: In addition to shifting women's patterns of work in terms of their responsibilities for home and care did it also shift—did structural adjustment policies and the globalization that they were promoting—also shift patterns of women's work in paid employment outside the home in terms of the kinds of jobs that were created?

BENERÍA: Yeah, good question. Actually, I wanted to say that, I wanted to mention the fact that yes, that the structured adjustment policies did affect women's work in—not just because it intensified domestic work but also because, to the extent that the male members of the family lost their jobs, somebody had to bring income in. So many women started to look for jobs in the labor market. So there was a gradual increase in women's labor force participation rates.

And often oldest daughters—and this is something I know from the case in Mexico—oldest daughters, to the extent that was an intensification of women's work inside the household and the mother then had to go and work somewhere to get an income. Who would do some of the, you know, babysitting and cooking and all that? The oldest daughter. So yes, the answer to your question is yes there was really a pressure on women's labor force participation or finding some form of income earning activity.

MOMAYA: What kind of jobs were women finding at that stage? I know it varies by country and by context, but—

BENERÍA: Well, many women became wage workers. Wage workers in the globalized industries. For example, women moving into, let's say the case in Mexico into the *maquilladora* industry. And not just *maquilladora* factories but for example, the *maquilladora* work in the case of Mexico it's also sometimes done at home. What they call the domestic *maquilla* which is subcontracting to women that work in their living room and so, women that may not have had the need to do some work. For example, polishing plastic goods that have been going through plastic injection machines and they're making pencils. And when they come out they're not perfect so with some tools, very, very unskilled kind of job that you can do at home. You just polish it and then you send it back so it gets assembled and then it gets sold in the market. So all the way from *maquilla* like in factory *maquilla* or the way to living rooms, what there they call domestic *maquilla*.

And of course we found more and more women working as wage workers in free trade zones across the world. And again, the problem is that you don't know the extent to which this was a trend or it was the result of a structural adjustment. But obviously under globalization we can say this is the trend that we have seen very clearly, women increasingly working in wage work in multinational corporations, or domestic capital looking for women as wage workers because they can get paid the least and it's a labor force that was latent there and had not been really exploited as a labor force.

Now, more and more women have been incorporated into globalized production. You see that not just in the many, many, many free trade zones that exist in the world but also in all kinds of countries from Bangladesh to Indonesia, from Mexico to Costa Rica and the Caribbean and South America. And maybe to a less extent in Africa but yes, Northern Africa has lots of international capital that has moved from Europe to Northern Africa for example.

MOMAYA: It seems like from what you're describing that there's seem to be a model at work in terms of capital going where things—where it costs the lowest to produce and people being squeezed on some level. And I'm wondering if feminist economists have just written against this model of doing things or of looking at economic development in general through this particular race? To me it seems like a race. And then, I guess, alongside that, where can the pressure come to shift things in a different direction?

BENERÍA: Well feminist economists have certainly written about this. There is articles, books written you know, my own book mentions the shift of production into, well, first from high income countries to lower income countries and also within countries from the formal economy into the more informal kind of production, to the extent that the informal economy has grown, during the period of globalization, has grown a lot. I remember when I was a student, a graduate student in the early '70s and looking into Latin America. That was when we started to begin talking about the informal sector, we

used to call it sector. I remember in my economic development course the Professor said, well for the case of Latin America it's about 1/3rd of the labor force are immersed into the informal sector. But you know, the informal sector will tend to disappear as economies develop, we should expect that as the economies of Latin America increase, there will be a decrease in the number of people involved in the informal sector.

Well, if you look at reality now that we are in 2010 almost, the opposite has happened. The globalization, there has not been a decrease, there's been a huge increase. The majority of workers are in this informal, kind of precarious forms of employment. This would be what I would call subsistence informal economy you know, people barely making it, subsistence economy.

But there is other people that make it better in the sense that they make more money. It's beyond subsistence they may make a little bit of money. For example, a microenterprise that has not really developed fully as an enterprise but is still managing to have for example, somebody working from his or her family house including the employment of other people—maybe five workers, ten workers. But it's done in a very informal way, they are not registered anywhere, it's very irregular economy.

MOMAYA: No protections?

BENERÍA: No protection, no fringe benefits, no insurance benefits, for example no access to medical insurance. It tends to be precarious kind of production. Contracts may not exist, in some cases they might. There may be short term contracts, they may be very unstable contracts. It also refers to people coming in and out of the labor force. Now I have a job, now I don't have a job. I work one month, but God knows whether I will find a job next month, so all of this.

There is also people that are professional people working in the informal economy, people that do some consulting work without a contract. It's not just the lowest, unskilled work that's affected but also higher skilled work that gets, you know, there may be different degrees of integration into the informal economy.

MOMAYA: I wanted to step back and sort of name what you've described as this model at work where capital goes where it's cheap to operate and workers get squeezed. It's difficult for workers themselves and for governments to exert pressure against this system. So where can that pressure come from and what can alternatives look like to the current set up, which in my mind seems unsustainable from the way that you've described it because fewer and fewer people can really survive.

BENERÍA: Well no, no I don't think—some people can survive.

MOMAYA: Okay.

BENERIA: And that's because you can ask the question; how come it's been lasting for all these years? And it's because some people do survive perhaps not well enough, perhaps not like they would like to survive but people find a way of surviving. In fact sometimes I wonder how people have been able to survive all these years because people can be very ingenious and they found ways to survive. Also this has fed a lot of international migration, which is another issue. Some people that don't survive well enough have found solutions somewhere else.

So I think what we need to be realistic about the globalization and how it has effected all of us, is that it has created ways, not only for surviving, but doing well for many people. And because of that, there is less opposition to it. But then there is a large number of people that have not being well and actually now with economic crisis I'm really worried about the increase in poverty levels across countries. You know, the UN has just come out with a report saying that we could have as many as one billion people with hunger by next year and that's very concerning.

So you have on the one hand, the people that are facing hunger and then you have on the other hand, those who have done very well thank you with globalization, including some of us that are professional people including professional women. So we need to think about the fact that what globalization has done is to polarize the world. For some people, they have done very well, and those are the ones who will defend globalization and will say, "Look! We're doing really well."

So we have to think in terms of different classes, different class of financial groups and different class positions and a hierarchal society where some people can take advantage of a specific—the way for example some financiers or even if they were small financiers, they saw a tremendous opportunity when privatization took place some people became millionaires. Because all of a sudden a public bank was sold and it was sold for very little money and a very clever businessman said, "Ha ha, I'm buying it." Some of them have become billionaires as a result.

This is what is very important for us to understand, that because of the different positions which people find themselves in the global economy, some people have taken lots of advantages or the globalization has been very good for them. I'm not saying it's the majority but it's enough people that we don't find enough opposition. And those who are really at the bottom and the many women that are at the bottom of this ladder, are feeling quite powerless to organize and say, well this is not working for us, we have to do something.

On the other hand we do have for example, let's say if we compare the World Economic Forum in Davos, Switzerland that takes place every year and as a counter movement the World Social Forum. Well we have this big social forum every year that talks about, really has been protesting against the results, some of these negative effects of globalization and WTO and all these things. But it's very hard to organize. It's very hard to really make it be a social force that really makes a difference in the long run.

So it's there as a potential and it's there as a way of helping people understand what's going on. But to move from there to really finding alternatives, even though we can think about them, but to implement them is really hard. I was hoping that the current economic crisis would really push these alternatives that people have been thinking about forward. But I'm becoming a little pessimistic.

MOMAYA: Do you know of any that are in the works or examples?

BENERÍA: No, but for example, discussions about why couldn't we organize production in cooperatives. Make production of goods, different kinds of goods like automobile production, let's make cooperatives. And there are models like this you know, in Spain there is the so-called Mondragon Cooperatives that work, really they are very efficient.

What it is, it's a town called Mondragon and since the 1950s it was organized around cooperative production. So the members of the cooperative, the workers, if you are hired you become a member of the cooperative. Then, that means that whatever the cooperative does including the making of profits becomes a part that is owned by everybody. And there are decisions made, well we made profits this year are we going to reinvest them again or are we going to share them among our cooperative members and so forth.

The cooperatives since the '50s have grown quite a bit and now they're also global. They have some, for example, a supermarket chain that's organized as a cooperative internationally including, there are several in the United States that come from Mondragon. There is also production in China coming from, but if it's in China it makes a little suspicious, why did they go there? They were also looking for lower wage workers. So, they're far from perfect but still I think that because they work and they're very efficient that we do have a model that's worthwhile studying.

There are also other cooperatives in the world that you know, like rural cooperatives, food production organized in a way that you have from the production around the fields all the way through where the consumer organized in a way that it minimizes the benefits of middlemen, for example.

There is also the local food movement that is growing. I think the local food movement is really interesting because it puts also together, much closer together, the producers and the consumers in a way that's also good for our health. Because you know, farmers markets, you know, people can go there and say, "Look, I don't like this because you use fertilizer, you should not use fertilizer." It's kind of a dialogue that would be very good. It minimizes transportation costs and the use of energy. I like the local food movement. So there is a lot of things that could do a lot of good if they grew in a much big proportion that we have now. Cooperative banks, savings banks, organized by members that put their deposits there, all this. But remember that this that normally gets done at the smaller level but the big economy is out there extremely powerful and the reason

why I'm not so optimistic is because it's still very powerful. What I see being done in Washington and Europe and all these rich countries, circles is a continuation of the same, of sort of like, yes once we get out of the crisis we'll go back as if nothing had happened. So this is my big source of pessimism. That we have not—you know, what comes out of Washington for example now is, let's regulate the economy in a way that we never again have a financial crisis. But that is not going to fix all these other problems.

MOMAYA: You mentioned that globalization has created this polarization in terms of some people benefitting extremely and being wealthy and others being poorer or more people slipping into poverty. What do you think are the some of the social costs of that polarization and the fact that in most communities they live side-by-side?

BENERIA: Well, it would be hard for me to talk about social costs of this polarization. I am totally against this polarization because I don't believe in inequality. I could accept some degree of inequality for many reasons. For one thing, people as they get older in life they may have a higher wage than when they started. I can accept that, that's all right. But I think the polarization that we've seen under globalization, one way would start thinking about social causes. For example, the way in which it has pushed for economies that are unsustainable by the production of luxury goods that we don't really need. And the push towards many families buying another apartment and another house and having you know, so many consumer goods they cannot even use them.

We've seen that. Remember when we started to hear about Madoff, the number of things that he had bought, a luxury boat in Nice, France and some other kinds of things, I don't even remember. When you read about how these people live you think, I don't want to make a value judgment on how they live but if we live and let our society develop in that direction that some people have a lot of things—not just one luxury thing, but many luxury things—when other people are starving. It seems like there is something totally wrong about this kind of societies.

Plus, this polarization creates the push for other people that have less to want to have the same. And so, this leads towards lots of consumption that creates an unsustainable economy because obviously we know this is very tied to the ecological crisis. More cars and more things that we can throw out like cellular phones and mobile phones that then create garbage. We don't know what to do with the garbage.

So it's the push towards an unsustainable economy and I really think we have to take very seriously the fact that what we have we cannot afford. The earth where we live cannot afford that. I don't know whether you have read the book *The Revenge of Gaia*.

MOMAYA: I've heard of it.

BENERIA: Well, Gaia is among the people that have been talking about climate change and all this. Gaia is the earth and it's very clear that the earth rebelling against the maltreatment and it's unsustainable. We will suffer the consequences, generations to

come will suffer the consequences of the fact that the climate is changing but also the earth, the seas, the oceans cannot stand anymore what we have been giving them.

So, we have to take that very seriously and as long as we have such degrees of inequality it seems like we will continue having what we've seen during the past two decades. I think the past two decades have been a disaster in that direction of creating more polarized societies and the pressure to judge people according to how much they make, how much have luxury goods and more things.

I see younger people with wrong values from my point of view. I don't want to impose my values on them but at the same time, I am a '60s person and the change between the '60s and the '90s was tremendous. In the '60s we used to think, "Well, no I don't want to go to business school, I don't want to just make money in my life, I want to do something else." The '80s saw a tremendous change; "I want to go to business school and make money, I want to become an investment banker." And everybody became an investment banker and the purpose was to make money however you made it.

There is something fundamentally wrong with this kind of values from the perspective I'm talking about, that it leads towards to this kind of economy and this kind of values of not thinking about what humans are about and what our life should be about and what welfare is about. I don't think more is necessarily better, it may be worse.

HOST: You've been listening to Feminist Economist Lourdes Beneria in conversation with Masum Momaya, curator for *Economica: Women and the Global Economy*, at the International Museum of Women in San Francisco.

This is one of a series of talks with experts who attended the 2009 conference of the International Association for Feminist Economics in Boston, Massachusetts.

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