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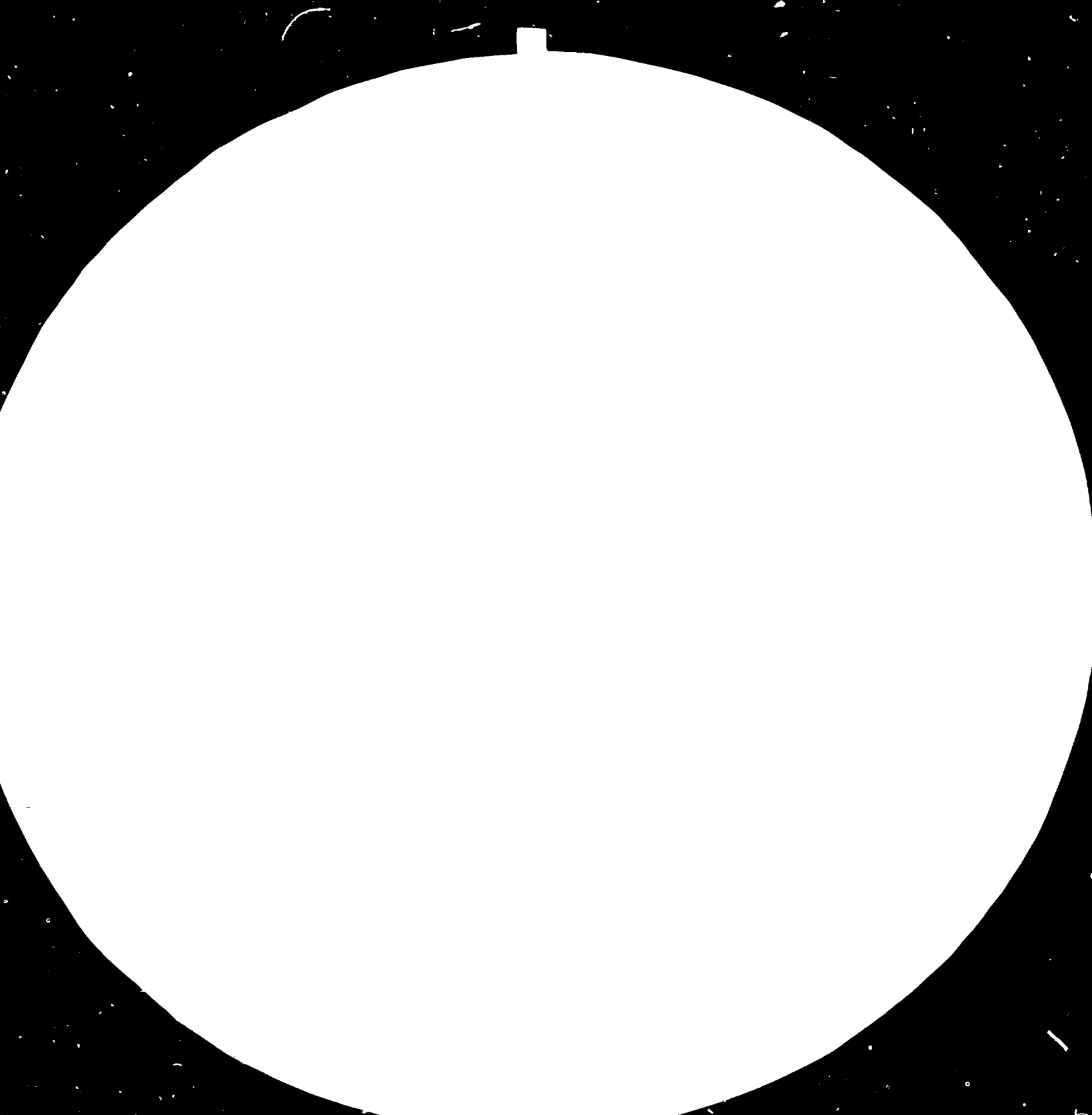
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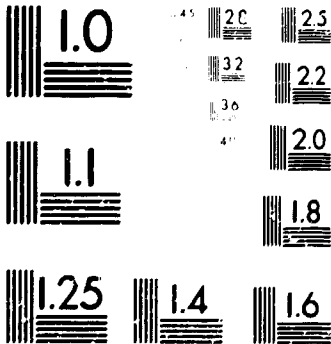
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"The Tenth Round Table of Developing Countries
Industrial Development and Co-operation among
Developing Countries from Small-Scale Industry
to the Transnational Corporations"

Zagreb, Yugoslavia, 15-17 September 1982

Transnational Corporations and the Role of Women in Development *

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1292

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** IDC: Institute for Developing Countries

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An another field of the activities of TNCs is their specific role v/s women in development. In the course of the industrialization of DCs the traditional role of women is undergoing dramatic changes. In many countries the female labour force has emerged as the major manpower resource for industrial development. The use of this resource has been discovered and utilized primarily by the TNCs in search of new and cheaper locations for their labour-intensive production lines. The allocation to the DCs is simply another way a TNCs can remain competitive in specific production activities. This way women in DCs have become one of the critical elements in global economy and a "key-resource" for expanding of the TNCs.

The main characteristics of redeployed industries are: labour-intensive production process, high female intensity of employment, both in developed and developing countries, and high concentration of low skill tasks in the production process. Industrial reallocation to the DCs for export purposes has, so far, been highly concentrated in relatively few industries; the two most prominent being textiles and garments industry, and electronic products.

While garment industry employs a relatively low technology and is labour-intensive, because it is difficult to mechanize it, the electronics industry combines high technology with unskilled, labour-intensive processes in certain stages of production such as assembly. The common characteristic of both manufacturing processes redeployed to the DCs are low-skilled tasks which can be learned in periods varying from one day to two weeks. This also means the women learn few, if any, transferable skills. Thus, experience gained in factory-work does not enhance their prospects of obtaining another kind of employment.

The redeployed industries are also highly vulnerable to cyclical market fluctuations and long-run market and technology changes. Because of this, temporary or permanent lay-offs are common. Companies may reduce their labour force or even close down because they are shifting to new, cheaper one at a very short notice. This makes jobs unstable and insecure and can also have severe effects not only on national economy of DCs.

The redeployed industry has a strong preference to the employment of young female labour force. Approximately over 70 per cent of the labour force in the free trade zones consists of women between 16 and 24 years of age. They are particularly useful, so the explanation goes, because of their delicate fingers, their working temper and their readiness to carry out momentaneous jobs. Also, women are less inclined to organize themselves in trade unions and are prepared to accept exceptionally low wages, as the lack of employment

opportunities forces them to accept whatever job is available.

The work that TNCs export to the DCs is not only the most tedious, but also the most hazardous part of the production process. The countries they go to are, for the most part, those which would guarantee no interference from safety or health inspections. Even where government regulations of hours and working conditions exist they are often either lax or are not enforced at all. As a result most factory women in DCs work under conditions that have already broken or will break their health within a few years, often before they have worked long enough to earn more than a subsistence wage. It is estimated, on the basis of fragmentary data from several sources, that TNCs may already have used up or cast off as many as 6 million women workers in DCs, i.e. women who are too ill and too old (this means being over thirty), too exhausted to be useful any more. These pressures pay off in profits.

When briefly analysing the female employment in redeployed export oriented industries in DCs and under position of women within these societies we are inclined to conclude that very few, if any of the expected benefits are cure. Industrialization is limited only to few industries, or better to few manufacturing processes, and is, thus, not incorporated in the national economy. TNCs are primarily interested in the profitability of their own production, and are therefore, not interested in development of the host country, because of the low cost of labour, imported inputs, the net value added is minimal and the actual foreign currency

earnings are below the expected. Industrialization with the help of TNCs has a very limited value for the DCs, esp. if we consider development not only as the growth of GDP, but where the principal objective is the welfare of the people. The central purpose of social development has put forward in the report of the Secretary General of the UN at the 35th Session of the Commission for the Human Rights. It is the creation of conditions for free and multidimensional development of men and women in harmony with the interests, needs and goals of the human community. And as it was recognized, the Lima Programme on mutual assistance and solidarity stated that the full and complete development of the developing nations requires the maximum participation of men and women in all spheres of their national activity.

The participation of women as equal partners in the economic, social and political development of DCs is one of the essential conditions for the successful development, but it requires profound structural changes in the economy and in the social life of each country and at the global level. It is not a question of "help to women" but of necessary changes for the sake of overall development. The globality of women's problem is not the unique fate of women as a sex, but lies in the fact that discrimination against women is a part of the general crisis of economic and social international relations which cannot be solved in the existing international economic system. To improve the status of women and their role in the process of development should be an essential component in every dimension of development as well as an integral part of the global project for the establishment of the New international economic order.

