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Toward a Vision of Sexual and Economic Justice
Thought Paper

Economic justice, bargaining power, and sexual justice

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Sexual justice—broadly defined as equitable achievement of sexual well-being, and the right to sexual orientation and expression—has not been a focus of economics research until recently. Even now, conventional economics has not had a way to talk about this subject, perhaps due to the absence of a framework and tools to explore issues of identities, social norms, and intergroup inequality.

Political economists have, however, pursued approaches that offer an entry to issues of sexual justice. Feminist economists in particular have underscored that issues of economic and sexual well-being and justice can be explored through the lens of bargaining power.

Power influences our probabilities of achieving well-being because it determines the breadth of choices available to a person and enhances the ability to negotiate with others in order to act on those choices. Those with weaker power have limited choices and are thus less able to act upon their sexual desires and reproductive decisions, or to control access to their body (and protect themselves from sexual violence) than those with more economic power. In particular, an individual's ability to control her or his body, make and enforce reproductive choices, and maintain sexual health is directly related to relative bargaining power—vis a vis members of their family, household, communities, intimate networks, and with respect to legal and political bodies.

What then are the determinants of bargaining power at these various levels? A major component of bargaining power is a person's comparative economic status. This is especially significant at the micro-level—in the family and household, and to some extent, in the community. The more income a person has, or the more access to those things that provide for material well-being, the better able a person is to have her or his desires reflected in household decisions about how to share resources, and importantly, also about sexuality. Unequal bargaining power between men and women in heterosexual relationships (in favor of men) undermines women's ability to control their fertility, access to their bodies, and the manner in which sexual contact occurs.

A woman's bargaining power is related to her fallback position—that is, the next best outcome should a negotiation (over fertility, when and where to engage in sexual relations, etc) fail. Typically, the next best outcome would be the economic conditions of each of the parties in the event of divorce or dissolution of the household. With regard to heterosexual households, when women's job prospects are more limited than men's, women's bargaining power in the household is weak. Income under women's control then has been found to improve women's ability to express and protect their sexuality, use household income to fund their reproductive health, and significantly in many countries, diminish son preference that leads to the “missing” women phenomenon (Sen 1990) due to sex selective abortion, infanticide, and unequal investments in girl children's well-being.

It is not just a woman's access to income that can influence her ability to negotiate. The state can play a major role in equalizing status within the household. For example, the state, which devises family law, sets rules on how assets are to be divided after divorce. The more the rules favor men, the less bargaining power a woman has in the relationship. The state may also establish rules on child custody and support. In South Korea, until 1988, men automatically gained custody of children, and there was no provision for alimony. This weakened women's position within the relationship, led to an overemphasis on their reproductive role, and inhibited their ability to work in the paid labor market.

Within lesbian and gay households, the determinants of bargaining power and sexual well-being have received less attention, though some work suggests that economic equality contributes to more equitable bargaining power and thus sexual equality in such relationships.

A key then to sexual equity within the household or family is the type of job and how much income a person can earn in labor markets. There is ample evidence that heterosexual women continue to suffer wage discrimination relative to men, and that lesbians and gays pay a "wage penalty" for their sexual orientation (Badgett and Frank 2007). A variety of factors contribute to this outcome, including job crowding, job segregation, and norms and stereotypes that contribute to the devaluation of the labor provided by these groups. Low wages and income further reinforce low bargaining power in other domains—the home, the state, and the community. Discrimination in housing, credit, and retail markets compound wage discrimination.

Communities also influence bargaining power. In particular, if social norms punish women more than men for divorce, then women's fallback position is weaker. In such cases, women in heterosexual relationships are less able to prevail in negotiations over sexuality within relationships—be it fertility, sexual intimacy, or abuse and violence. Similarly, in the case of gay and lesbian partners where the state does not have equalizing rules, sexual inequality in the relationship is not counterbalanced by laws that protect members of the household equitably.

This tells us that in order to promote sexual justice and equality at the micro level, we need to work towards both equitable access to income, and rules and legislation that counterbalance inequality that might exist between household partners.

Class matters, too. Even in gender equitable households, where income is low, women and men are less able to access resources needed for reproductive care than those whose control over income is greater. Absolute status matters less if the state can step in. If the state provides universal access to reproductive care, state-subsidized child care, paid parental leaves—all programs that reduce the care burden of women (and men who engage in such work), this better enables women to participate in paid labor, improving their bargaining power within the household. Women (and men) will be better able to achieve sexual well-being, even if poor.

While differential bargaining power can help us understand some of the critical pressure points we need to address to create the conditions of "choice and voice" for those who suffer from sexual injustice, we need a broader set of tools to gain some traction on how to achieve the goal of sexual justice. A rights framework may be a useful approach, so that issues of sexual orientation and expression do not get defined only as issues of preferences. Too frequently, economists view people as making constrained choices, based on an analysis of the costs of benefits of decisions. Such a lens, however, reduces some sexual decisions or acts to a calculus of costs and benefits, rather than focusing our attention on fundamental sexual rights—as important as the right to shelter, the right to food, education, and health care. For example, lesbians and

gays may be reluctant to reveal their sexual orientation, due to fears of the economic and social costs. Whatever the benefit of being out, the costs are greater. A rights based approach would not require individuals to make such painful calculations and costly “choices.”

Given these linkages, there are several pressing concerns globally that affect economic and sexual well-being and justice. In particular, the current economic policy environment and structure undermine the bargaining power of some groups, in particular women. A philosophical shift has occurred with the reification of “economic man”—a self-interested, individualistic being with little human connection. The rhetoric that flows from this iconic figure is that we are individually responsible for our economic status; failure to achieve well-being is due to individual weakness or deficiency. This framework began in the early 1980s to replace an earlier lens of the “basic needs approach” to economic development—the idea that a primary goal of the state was to ensure that basic economic and social needs were met. Not surprisingly, the spread of neoliberal policies has undermined the role of the state—an entity that has the possibility of redistributing income, ensuring a social safety net, and equalizing inequalities at the micro-level, in the household, and in the community in particular. As a result, we do not have a policy environment that enables us to be governed by a rights-based approach.

Three channels have transmitted the changes that have shifted bargaining power globally towards corporate interests, away from the state (especially in developing countries) and workers and small farmers: trade reforms, investment liberalization, and financial liberalization.

Financial liberalization in particular has resulted in two negative effects on sexual well-being. First, global interest rates are higher due to liberalization, resulting in a slowdown in the growth of employment (and rising absolute joblessness), and greater inequality to the benefit of financial capital—or what economists call “rentier interests.” Women more than men are likely to face joblessness and underemployment.

As an example, in the Caribbean, slow growth due to the combined effect of trade, investment and financial liberalization, has redounded negatively on women whose unemployment rate is twice that of men, despite their high educational attainment (Seguino 2003). Underemployment or unemployment can drive women (and men) into sex work with concomitant negative health effects (Kempadoo 2004). Globally, to the extent women lack economic opportunities more than men, they are unable to negotiate with partners for fidelity or condom use, resulting in risks of contracting STDs and HIV/AIDs.

Slow growth and inequality are not the only negative consequences of financial liberalization. Economies have also become more susceptible to economic “shocks” and volatility. These phenomena almost always weigh more heavily on the poorest citizens, with gender implications. Women have tended to be the “adjusting variable” during economic crisis. In low income households, women are expected to spend more time in paid labor to make up for lost male income in response to economic crisis, and frequently must also face increased rates of domestic violence as norms of masculinity are challenged by men’s reduced ability to provide for families. Research from Central and Latin America, regions that have some of the highest rates of domestic violence globally, demonstrates the linkages to the severity of income inequality (Larraín 1998).

Further, the dual impact of investment liberalization and trade reforms has permitted firms to roam the globe in search of least cost labor to produce goods that can then be traded. Thus, an important dynamic in the West has been the deindustrialization of industrialized countries with jobs moving to middle and low income countries, and women the primary source of labor. These jobs—whether women are hired directly by multinationals or work for local subcontractors who

are part of a global commodity chains (such as a sweatshop in Thailand producing for Wal-Mart which globally sources)—pay low wages and provide few possibilities for moving up the ladder to better paying jobs. They offer little means for women workers to organize. The jobs have little security. With the first sign of a decline in demand, businesses lay off these workers, largely women. Because women's income is intermittent, the evidence suggests that their wages afford women very little bargaining power in the household (Kabeer 2002).

These combined factors—women's weak bargaining power within the home and more generally in sexual relations, as well as the pressure to engage in sex work—have negatively affected women's sexual health. One result has been a significant increase in women's HIV infection rates among those 15-49 in a short period of time, from 1997 to 2003 (Grown 2005). Declining nutritional status in some countries, due to structural adjustment and austerity measures, has contributed to higher infection rates, particularly among women in Sub-Saharan Africa. Changes in trade agreements—mistakenly called trade liberalization since in many cases, this has led to re-regulation in favor of corporations, such as pharmaceutical companies—have also had an impact on sexual justice, by raising the cost of imported drugs related to sexual care, including HIV/AIDS medication and other reproductive drugs, supplies, and vaccines. Higher prices for these goods and services have reduced access.

More broadly, the shift in the macroeconomic policy regime that pressures countries to conform to the “Washington Consensus,” or what Naomi Klein (2007) describes as “shock doctrine,” has constrained the state from adequately funding social safety nets and public expenditures. As a result, comprehensive reproductive services are less available. As a stark indicator of a reversal of progress in this arena, data on maternal deaths per 100,000 live births shows a rise in numerous countries from 1990 to 2000 from the poorest (Nicaragua, Tanzania, Zimbabwe, Mauritania) to middle income countries (Trinidad and Tobago, Panama, Russia) to some of the richest (US, UK) [World Bank 2006].

The expansion of neoliberal economic policies then has led to greater economic volatility, inequality, and declining well-being and precariousness for those at the bottom of the distribution. An ironic example of these trends is Russia, a country in which women had greater access to paid work before the shock treatment of the early 1990s and unbridled “liberalization” of the economy. The resulting economic crisis has contributed to the resurgence of gender unequal norms in which jobs are slotted for men when scarce. The rise of sex work and sex trafficking and Russian women's migration, often under dangerous conditions, demonstrate the worsening of gender inequality, with women's choice set in how to provide for themselves shrinking due to economic crisis.

A second and telling example is the case of South Korea, a country that has had the most rapidly growing economy in human history until recently surpassed by China. Women's labor has been pivotal to this growth, with labor-intensive export industries a key to moving the country up the industrial ladder and women forming the overwhelming majority of the workers in such industries. Forty years later, we continue to see women's wages little more than half men's, despite what would appear to be their greater economic value. Female sex selective abortions are on the rise, so much so that female to male population ratios are in decline. Somehow, the process of rapid growth that has employed female labor has not been enough to give women more bargaining power in households and in society, or more voice to articulate for more gender equitable norms. It suggests that employment is not enough to give women more bargaining power. In the case of South Korea, it is likely that a major reason for the continuation of sexual injustice in that country (along with gender economic injustice) is that the state's growth strategy

was based on low cost female labor, a strategy that conflicts with the goals of empowering women and achieving social and economic equity.

How do we then achieve greater sexual and economic justice in the context of globalization? A policy framework that reinvigorates and extends the role of the state is required, such that the state can provide a social safety net, support public expenditures for sexual health (including reproductive care), buffer the economy from the vagaries of economic volatility (by limiting capital flows, using fiscal and monetary policy to create employment and exit from recessions more quickly). A focus on well-being more than “free markets” would enable states to negotiate trade and investment agreements that protect and support employment and wage equity, and access to essential medical goods and services. This is not an exhaustive list; it is illustrative in that it serves to remind us that the diminished capacity of the state to act on behalf of vulnerable citizens, especially women, has contributed to an exacerbation of sexual inequality. Macroeconomic policies, including industrial and agricultural policies, that make growth more compatible with equity, also can play a key role (Seguino and Grown 2006).

Such policies cannot alone overcome norms of heterosexism or sexual subordination of women, however. Change at this level requires activism as much as increased economic empowerment of groups negatively affected by such norms.

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