Left Behind in the Global Economy

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The purpose of this research was to learn how women of lower educational and economic backgrounds are impacted by the global economy. The focus was to learn what these factors mean for these women in the future and if the gap between rich and poor classes can be closed. Various factors that contribute to women's role in the global economy are discussed. Issues associated with the global economy are discussed to provide insight on how these affect society in the United States and the importance of the global economy changing to represent and benefit all people.

Introduction

At age seventeen Lynn became the mother of a baby girl. Despite being a teen mother, Lynn graduated from high school, but did not have the option to attend college due to a lack of financial resources. She chose to enroll in job training classes to become certified in clerical and front office work, as well as assist doctors and nurses with patients. In addition, Lynn belonged to a low socioeconomic background and was forced to seek aid through welfare when the father of her baby was sent to prison for 25 years, leaving her to raise her baby alone. Although not enough to sustain a comfortable living for her and her baby, the low income she received from working still placed her in an income bracket too high to obtain welfare for only one child.

Susan comes from a lower middle class background, was married at age 19, became a mother, and could not afford to attend college, nor had the time. After years of working her way up from a part time job assisting a daycare center, to working with a pediatrician, she landed a job working with insurance policies of a popular hospital, which she currently holds. As an assistant to her department's manager, she has more knowledge about her field than her boss, but cannot be promoted any higher or be given adequate pay because she does not hold a Bachelor's degree.

Both of these women are acquaintances of the author and have witnessed first hand the inequalities present in today's society. These women come from two different backgrounds and
situations; however, they act as case studies that share the common lack of a college degree. In today’s economy, globalization is increasingly shrinking our world, creating a greater interdependence between and among nations (Friedman). Transnational corporations are becoming more powerful in both the economic and political realms, which are greatly influencing society at the local level of labor and wages (Sassen). In today’s workforce a high school degree will no longer earn a person a reliable, decent paying job that allows for upward mobility. This is due primarily to factors like outsourcing, the devalorization of workers, greater reliance on technology, and the necessity of a college degree (Sassen). The question that stands is: If the importance of obtaining a college degree continues to shape the structure of work in the United States, then what implications does this create for women with no more than a high school degree? More specifically, those from a lower socioeconomic background?

Individuals most victimized by this trend of the global economy are women who do not have education past high school, most often belonging to lower socioeconomic backgrounds (Sassen). Numerous reasons prevail for an individual being unable to attain a higher education, most notably being a lack of financial resources and responsibilities to the family and household (Shavit). However, “higher education is the gatekeeper of managerial and professional positions in the labor market,” (Shavit) which are increasingly the only jobs available that allow for a comfortable living. Without a higher form of education it can be nearly impossible to obtain a good paying job and support a family, especially if the family is headed by a female. Therefore, as the importance of having a college degree increases, the amount of jobs and resources available for women without higher degrees decreases.

Although the source of all problems in the world cannot be pinned on globalization, the global economy has played a key role in the “feminization of poverty,” as well as the increased
struggle for US women of lower socioeconomic backgrounds (Chang). This paper will take a look at what the global economy means in terms of employment for US women who do not have a college degree. More importantly, it will assess if our frequently changing global economy will continue to provide hardships for women from poorer backgrounds, or, if globalization will someday allow room for women of all economic and educational backgrounds.

**What is the new global economy?**

As technology and communication improves, the borders that once represented a separation in nations, cultures, and people continue to disappear. The global economy has created a “new economic geography of centrality, one that cuts across national boundaries and across the old North-South divide,” (Sassen, 1998, p. xxv) bringing countries and corporations closer together than ever before. In a macrocosm sense, the basis for global production and the global market is “a pyramid shaped hierarchy consisting of a small number of US-based manufacturers and retailers at the top, several thousand Third World based contractors in the middle, and massive numbers of Third World workers at the bottom, most of them women” (Harley, 2007, p.88). This same basic structure can be seen on a local level in the United States where large corporations rely on the long hours and low paid labor of women. The best example of this structure can be seen in the reemergence of sweatshops here in the United States (Ross, 2007). A sweatshop can be defined as “a business that regularly violates both wage or child labor and safety or health laws” (Ross, 2007, p.26). Women are forced to adhere to long hours, poor safety conditions and low pay because if they do not, companies will simply find women who will. The global economy rests on the importance of materials and premise that materials lead to profit, therefore, the more profit the better.

Technology and improvements in telecommunications such as the internet are also key
elements to the operation of our global economy. These improvements allow businesses to control and operate productivity from anywhere in the world. A letter that may have taken three days to two weeks from Los Angeles to New York, now takes seconds via email (Friedman). Globalization allows anyone with access to a computer to reach anyone or anything in the world. As a result, the world can be thought of as shrinking, giving true meaning to the phrase "it's a small world after all" (Sherman). Major business centers such as New York, Los Angeles, Hong Kong, and London are able to work together as transnational corporations, while simultaneously connecting to cities like Bombay, Mexico City, and Bangkok for everything from natural resources to labor pools (Sassen, 1998, p. xxv). For example, in the new global economy, a car can no longer be considered American or Japanese. Where the motor may be constructed in America, the tires may be imported from Japan, the muffler from Germany, and the windows from London. How then can one nation take claim? (Reich, 150-153) These new transnational corporations continue to merge and gain power in both the economic and political realm, which in turn are having a major impact on people at the local levels of society.

The "new" global economy is not so new. In terms of globalization and improved communications, the global economy we are currently in is not too unique among anything we have seen before (Friedman, p. xiv). Thomas Friedman, a New York Times columnist and Pulitzer Prize winner, describes our current global economy as the second era of globalization that formed following the end of the Cold War. He concludes that the first era of globalization existed prior to World War I. Before 1914, countries did not require passports, nor did immigrants use visas. In addition to easier access physically into different countries, "the inventions of the steam ship, telegraph, railroad, and eventually telephones...shrank the world from a size large to a size medium" (Friedman, p. xiv). However, the difference lies with the
increase of information technology (IT) and computer based systems.

*And globalization does what to women?* The United States acts as a core country of the
global market (Sassen, 1998). As more manufacturing jobs are outsourced, there is a larger
availability of white-collar jobs in the form of computer and technical jobs (Gerdes, 2006,
p.187). Therefore, it demands more training through higher education in order to sustain our
economy’s change in employment needs. Some would argue that globalization and the new
global economy are believed to benefit all people as well as raise everyone’s standard of living.
Unfortunately, this proves false for the majority of people. Transnational corporations,
politicians, and “global boosters” claim that the global economy creates more jobs for
individuals who lack skills and education. However, “US-driven globalization has not only not
reduced poverty around the world, but exacerbated the gap between rich and poor nations,”
especially here in the United States (Harley, 2007, p. 90). As the global economy changes, the
US labor market also shifts, creating an “increased bifurcation between high level professional,
technical, and managerial jobs, on the one hand, and lower level, low paid service jobs, on the
other” (Harley, 2007, p. 56). These low waged, part time, manual jobs are increasingly the only
jobs available to women who do not possess the education required to obtain one of these high
level jobs in order to provide a decent lifestyle for themselves and their families.

In addition to widening the gap between rich and poor nations, the global economy is a
main factor in the widening the gap between rich and poor classes here in the United States.
Competition to produce the greatest output at the lowest cost has “revitalized the garment-
sweatshop,” factories known for their poor working conditions, long hours, low pay that does not
meet minimum wage requirements, and violations of state and federal safety standards (Harley,
2007, p. 88). Within these sweatshops and factory jobs, there is an increasing “exploitation of
female labor” (Harley, p. 90) since factory work is now seen more as female work. Considering
women typically make 78 percent of men’s hourly wages and men tend to hold higher positions
in corporations, the gap between executives and female factory workers is even greater than that
of executives and male factory workers (Giddens, 2006, p.179). In an interview with Professor
Grace Chang, she stated that “the global economy claims to create more jobs and equal
opportunities for everyone, especially women, but it is important to look more closely and see
that these available jobs are exploitative and basically scraps.” She went on to refer to
globalization and the global market as “an equal opportunity exploiter” (Chang).

Increasingly, women are being forced into low waged factory jobs when they do not
posses the required degrees and education for higher paid positions. Factory jobs that were once
considered blue-collar work are now referred to as women’s work. As the global economy
becomes more competitive, factory jobs are becoming more like sweatshops and wages continue
to decrease. This fall in wages continues to create challenges for women who do not have a
college education, and those who are the primary sources of income in female headed
households must struggle to sustain their families and avoid poverty.

The Single Mother Household

A developing phenomenon occurring in society is the increase of female headed
households. In the 2006 American Community Survey by the US Census Bureau, nearly
8,305,456 families with children under 18 are headed by a female with no husband present (U.S.
Census Bureau, 2006). This growing family structure places women at a greater disadvantage
economically. In addition to maintaining a job to provide for the family, single mothers “must
also find someone to take care of the children while at work” (Giddens, 2006, p. 183). As stated
earlier, women on average earn 78 percent of men’s hourly wage, therefore single mother
households “are at a much higher risk of slipping into poverty than male headed households” (Kimenyi, 1995, p.44). M. Buvinic claims that the income gap between men and women continues to grow and as a result, the increase of female headed households has been associated with the increase of families in poverty here in the United States.

Divorce plays a major role. Growing rates of divorce and separations are key factors in the dramatic increase of female headed households. More often, women are awarded custody of children, which poses a challenge in a single mother household to maintain a decent standard of living. Richard Peterson, author of Women, Work, and Divorce, states that “children have a negative effect on earnings of both currently and formerly married women” (1989, p.9). Many women are not prepared to support themselves or their children following a divorce (Peterson, 1989, p. 93). Women who were homemakers during the marriage usually do not posses the necessary work skills or education needed to provide a comfortable living for a family with dependents, which places them at an even greater disadvantage economically.

Women tend to experience a drop in income after a divorce, especially within the first year, whereas men often experience an increase in income (Peterson, 1989, 5). In a study of the no-fault divorce law in California, Peterson discusses the finding that most women were made worst off under the no-fault law than the fault-based law.

Peterson explains that the reason for this was because the aim of the legal reform was (1) to reduce the antagonistic nature of divorce by eliminating the need for grounds to divorce, (2) to base financial awards on needs and resources rather than on how much blame each party shared for the breakdown of the marriage, and (3) to treat both parties equally, based on gender neutral rules (1989, p. 5).

These reforms often led to fewer alimony awards and insufficient child support because “judges
were interpreting equal treatment to mean both men and women should support themselves after divorce” (Peterson, 1989, 5). However, this interpretation failed to recognize the gender inequality present at the time of this reform, as well as the gender inequality that still exists today.

“In households where women control resources, they prefer...to invest scarce resources in child well being” (Buvinic, 1997, p.148). Woman in poorer, single mother households tend to work harder and longer hours than men, yet are paid less on average and spend the majority of their income to support the family. Sociologist, Lenore Weitzman claims that “divorce is a major cause of impoverishment of women and children,” which may lead us to “a two tier society with an underclass of women and children” (Weitzman, 1985). Gender inequality acts as a drawback for women. As divorce becomes more rampant in society, single mother households are more prevalent, making women and children vulnerable to poverty and its negative implications.

The Feminization of Poverty: Gender and marital status are the two most important factors in determining a family’s poverty status in the United States. Increasingly, “female headed households have the highest poverty rates of all ‘high poverty’ groups” (Kimenyi, 1995, p.44). In 2000, almost 30 percent of Americans living in poverty consisted of “single-parent families headed by women,” which is incredibly higher than the 11 percent of all people living in poverty (Giddens, 2006, p.183). In our current economy, jobs are becoming more technological, requiring more skills and higher education. This leaves women who are single mothers, semi skilled, poorly educated, and low income at an extreme disadvantage, as well as vulnerable to the exploitative jobs made available by the global economy (Chang, 2008; Giddens, 2006, p.183).

Unpaid labor and domestic work. Aside from paid labor necessary to provide food, clothing, and shelter, women also find themselves working a “second shift” of unpaid labor.
"Sociologists calculate that working women perform fifteen more hours of housework per week than their husbands," or male counterparts, and in single mother households, the number can be expected greater (Giddens, 2006, 235). Women in lower paid jobs are forced to work more hours and as competition in the global market increases, so does the amount of hours worked. As a result, "poor women can be caught in a vicious cycle of deprivation: Unable to cope with too much work, they hand over child-care responsibilities to older daughters" (Buvinic, 1997, p.147). In a situation like this, it is common for daughters to drop out of school or not pursue higher education in order to help at home, which contributes to the cycle of a lack of education, and the feminization of poverty (Buvinic, 1997, p.147).

This continuous cycle leads to an increase in children, especially girls, who do not attend college or receive a form of higher education. Race, gender, and socioeconomic status continue to play a major role in the likelihood of an individual attending college. Women have made great strides in entering the realm of higher education, "the changing status of women is perhaps one of the most notable social trends in twentieth-century America." (Shavit, 2007, p.172) However, there has not been much change in the number of individuals entering college who come from a poorer economic background. These disadvantages that a woman faces when she comes from a lower socioeconomic status and family background impacts her ability to attain a higher education more than the progress women in general have experienced. For many families living near or below the poverty line, going to college is the least of their concerns. Women specifically who are responsible for sustaining their families and perhaps second or third generations of families, do not have the time or resources to attend school or return to school (Chang). "While the overall educational level of the population has risen, the gap in educational attainment between the well educated and the poorly educated has also increased" (Shavit, 2007, p. 167) due
to factors specifically associated with inequalities in the labor market and economy.

**Work and a College Education**

A high school education is no longer considered a viable level of education that can earn a woman a respectable job that provides food and basic necessities for her family. As stated earlier, the lack of a formal education makes women vulnerable to low paying jobs that take advantage of their situations. Women from lower socioeconomic backgrounds are forced to work in sweatshops, domestic work, and minimum waged service jobs, such as fast food restaurants. The problem with these jobs is that they do not provide adequate wages, benefits, or upward mobility; however, these women need a form of income. This causes them to be exploitable, vulnerable and taken for granted (Chang). In addition to a lack of jobs, “as participation in global trade increases, more and more American jobs are at risk,” (Gerdes, 2006, p.186) due to outsourcing and off shoring.

*The race to the bottom.* The philosophy behind the global economy is the “race to the bottom” ideology. This means that a corporation will go overseas, in order to find the largest labor pool at the cheapest cost. By targeting countries like China and cities such as Los Angeles, large corporations have a huge selection of workers to choose from who are in desperate need of work, therefore, they are willing to put in long hours at very little pay (Harley, 2007, pp.90-91). Corporations never run out of available workers because there is always someone willing to work for less. Large businesses are increasingly becoming transnational because by moving their headquarter to other countries they often face less restrictions in terms of environmental precautions and safety regulations (Sassen, 1998, 2006). This race to the bottom philosophy directly impacts the United States because more manufacturing and factory work are being transferred to other countries (Gerdes, 2006, p. 185). Although these jobs may be undesirable,
they are often among the few available to women with little education. Outsourcing merely reduces the number of jobs available for these women and makes finding work more difficult. Yet, those who support outsourcing are oblivious to the affects it has on poorer women and contend that it will help all American because it will provide more office work.

Robert T. Perry, one of the writers in *Globalization: Opposing Viewpoints* argues that outsourcing and globalization benefit the United States. Perry concedes that, although we may lose jobs [manufacturing work] to foreign workers, we also may gain jobs and boost economic activity. For example, data suggests that, in terms of office work, the US insources more than it outsources...Office work refers to the category of business, professional, and technical services that includes computer programming, telecommunications, legal services, and so on (Gerdes, 2006, pp. 181-182).

But, where does this leave those who do not have the adequate schooling or requirements to obtain these jobs? He goes on to argue that the problem does not reside within globalization and outsourcing specifically, but with the lack of policies available for workers to get through times of unemployment. He believes that “it's far more appropriate to have policies that focus on protecting the people at risk, not the jobs,” and goes on to declare that “such policies should aim to do two things during difficult transitions: help workers get through hard times and help workers become more flexible” in order to better adapt to changing labor markets (Perry, Gerdes, 2006, p. 185). It is true that there should be policies to help workers, but the reality of these policies actually occurring is not likely. More importantly, the government can “protect the people at risk, not the jobs” for only a short time before it is necessary that jobs become available to those with less than a formal education.

Outsourcing can no longer be justified as a benefit to Americans for making more jobs
available because, in reality, the jobs it supposedly creates are being outsourced as well. Globalization advocates saw “the loss of manufacturing jobs as inevitable,” yet acceptable considering “[the United States] would prosper because high paying computer and technical jobs would be ours” (Piatak, Gerdes, 2006, p. 187). However, even these jobs are no longer secure “as corporations rush to replace their American technical employees with foreigners” (Piatak, Gerdes, 2006, p.187). Clearly, the issue of increased outsourcing in the global economy proves that no jobs are completely secure. Unfortunately, those without adequate schooling are the most vulnerable to loosing their jobs. Poor women are the ones primarily employed in the manufacturing jobs that are being outsourced the fastest. This places them at a detrimental disadvantage in the global economy, with little alternatives in the job market.

Perry’s ultimate solution to the issue of low skilled workers loosing their jobs to outsourcing and globalization “is improving the performance of the US education system” because “education is the bedrock of our current edge in technology and productivity” (Perry, Gerdes, 2006, p.185). But how does he expect to achieve this when the most victimized in the global market continue to fall behind the rest? Perry himself states that “in the long run, of course, the solution is simple to state, but difficult- and costly- to implement” (Perry, Gerdes, 2006, p.185). It is obvious that education in important in the current global economy, but for many, college or any other type of formal education is not easy to obtain.

*They can just go to school, can’t they?* Attending college or returning to school is both expensive and time consuming. For many individuals, college is not an option because they do not have the financial resources to afford tuition, books, and supplies. This is a huge drawback because having a college degree can greatly increase a family’s income. A 2006 American Community Survey created by the US Census Bureau found that the yearly income of a person
with a Bachelor’s degree compared to someone with less than a high school degree is nearly doubled, and almost tripled when compared to the average person with a Graduate or professional degree. However, the cost of college tuition has dramatically increased over time and in many situations, even two income middle-class families struggle to put their children through college (Shavit, 2007, p.170). This being said, it is clear how a struggling mother with only one income may have a hard time putting her kids through school or return herself.

A growing option for individuals who may not be able to afford a four year university or Ivy League school is to enroll in community colleges. Community colleges are more accessible than four year institutions since them “have an open-door admission policy, charge low tuition, and are located within commuting distance of student's homes” (Shavit, 2007, p.167). However, many women who head a family in poverty are still unable to afford this option. Even when a woman may decide to go to school, she may be unable to find the time to return. Most single mothers are busy working extra long hours in order to make enough to provide the essentials for her family, as well as maintain her home and find adequate child care while she is at work. It can be much more difficult for a poorer woman to find childcare while she is at work because “the poorer the household, the longer the women work” (N/A, 1997, p.144). Poorer women make much less than their economic counterparts so it takes twice as many hours of work to receive a decent paycheck when she is barely receiving minimum wage. If a single mother is having a difficult time finding someone to watch her kids while she works, it is very likely she will have trouble finding someone to look after her children while she attends school.

In addition, a growing issue with community colleges is that they are preventing students from receiving Bachelor’s degrees. Increasingly, the majority of students enrolled at
community colleges are receiving specialized vocational degrees rather than their AA (Shavit, 2007, p.167). This poses a problem because many of the office jobs, clerical work, and data entry positions that students receive degrees in are becoming outsourced to countries like India and China (Geddes, 2006, 187). Community colleges tend to “enroll a disproportionate number of working class, minority, and female...students,” (Shavit, 2007, p.167) due to many of the factors previously discussed. Therefore, these individuals are most likely to be faced with a shortage of jobs since the jobs being outsourced are the ones that community colleges grant degrees and specialty training in. If the majority of community college students are working class, minority, and female students, then these are the individuals left unemployed and financially insecure due to the affects of the global economy.

**The Growing Gap Between the Rich and Poor**

The increase in students enrolling to two year and four year institutions has improved the overall education level of the population, but it has also widened the gap between the well educated and the poorly educated (Shavit, 2007, p. 169). This in turn, has an affect in the growing disparity between rich and poor classes in the United States. The increasing gap between the two economic classes is made apparent in the book *Winners and Losers in Globalization*.

Guillermo de la Dehesa, author of *Winners and Losers in Globalization* states that in the United States, the average difference in earnings between a shop floor worker and the chief executive of the average large companies multiplied by almost six between 1990 and 1998, and on average it reached more than 400 times in the 500 largest US corporations (2006, p. 33).

This is a ridiculously large difference in pay distributed among workers. “Corporate
globalization was promoted as something that would eventually benefit all people of the world. It would help reduce poverty [and] create more jobs” (Moe-Lobeda, Gerdes, 2006, p. 28).

However, the global economy seems to benefit only those in the highest income brackets, while those on the opposite end of the spectrum barely make enough to survive. The number of individuals that live below the poverty line continue to increase and as the poorer class becomes larger, the middle class continues to shrink. Without a steady middle class, our economy will only become unhealthy and disproportionately poor.

**Conclusion and Future Consequences: Could we all be at Risk?**

As a young woman who has experienced first hand what it is like to grow up in a single mother household, I found it important to look at the larger picture of these issues from an academic perspective. My mother had me at a young age, my father was not around, and even without having me, my grandparents did not have the financial resources available to put their kids through college. Growing up I saw the differences between what we had compared to those of my peers, yet I never fully understood what factors led to these differences. I specifically remember a time in school when the latest trend was having a yo-yo, but unlike my friends, I did not have one. I kept asking my mom for one, I mean, it was just a little toy, but her only reply was “not right now, we’ll see if maybe later.” It was in small, seemingly insignificant events like this that I learned there were reasons why we did not have certain things that other families did. I would often ask my mom why we did not have these things and why we would go days at a time eating only potatoes and beans. I hate beans! She would simply answer, “I’m sorry mija, that is what we have to work with right now.”

As I got older I learned to accept these “things” and many of our daily hardships seemed natural to me, especially regarding the absence of my father, I simply stopped seeing it
as any different from my peers’ family structures. However, the one time it really became clear to me that not having my dad around was not exactly normal was my senior year in high school. I was voted Homecoming Princess and as part of the tradition, our fathers had to escort us down the football field. My mom escorted me and it was when all of my classmates kept asking “why did her mom escort her and not her dad? Where is her dad? Is he not in the picture?” that I knew having a single mother was no more normal than eating potatoes and beans every night. I am not the only child to grow up in a single mother household and the way family structures are changing, there will only be more like me. Therefore, I think it is important to look at how our present economy affects all types of people here in the US. I do not believe that we can ever call our global economy successful or beneficial unless it allows an equal opportunity for everyone.

It is clear to me that not all people will agree to question the global economy solely on the basis of helping the lower socioeconomic class prosper. However, if not for that reason alone, we must look at the current situation of outsourcing as a preview to what could be in store for the future. Blue collar, factory work used to be a respectable job that made enough to sustain a family on one income. Yet, this is no longer the case. Most manufacturing and factory work has already been outsourced to countries like China and India and a growing trend in medical outsourcing has also begun to emerge. So where will this end? If we cannot count on jobs as elite as those in medicine to remain secure and rooted in the United States, then what jobs can we count on in the future?

Even more alarming is the deteriorating of the middle class. In my research I have found that our shrinking middle class is not an issue of the lower class unable to pull themselves up, but that our middle class is being pulled back into the poorer class. A large and prosperous middle class has always been a sign of a steady and healthy economy, but what happens when
the gap between our rich and poor classes continues to grow? I do not consider our current economy as responsible for all of the problems in the world today, but I do believe that we need to draw the line somewhere and ensure equal opportunities, jobs, and securities for our future generations.
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