Feminising Development in the Global South:

The Gendered Impact of Private Capital Flows on Economic Justice

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In an age of globalisation marked by technological advancement and expanding markets, the movement of capital has become increasingly abstract and fluid.[1] This abstraction renders capital flows difficult to regulate and their socio-economic effects difficult to trace, with particularly destabilising consequences for economies in the Global South. Women and men are affected asymmetrically by volatile capital movements during processes of economic development; in many contexts, marginalised groups become risk absorbers within these systems.[2] This essay argues that the shift from net official flows to unregulated private capital inflows has restructured debt and trade regimes in ways that feminise development and responsibility, producing gendered disparities in welfare outcomes and economic returns in the Global South.[3]

This essay first situates the transition from official to private capital flows within broader neoliberal financial restructuring. It then traces how sovereign indebtedness and export-oriented development became mutually reinforcing, linking debt servicing to the expansion and deregulation of special economic zones (SEZs). The analysis subsequently examines how these trade and debt regimes reshape labour markets through the feminisation of export work and, more profoundly, through the transfer of economic risk and social reproduction obligations onto women via fiscal contraction and household indebtedness. The essay concludes by considering policy reforms aimed at mitigating these gendered structural injustices.

This essay draws on the feminist agenda for economic justice, rooted in feminist political economy, as a critical lens through which global debt and trade regimes can be analysed, foregrounding how structural adjustment, market liberalisation, and capital mobility reshape both production and social reproduction in gendered ways.[4] Rather than treating women's increased labour force participation as inherently emancipatory, this framework interrogates how neoliberal restructuring redistributes economic risk and intensifies unpaid care responsibilities. While some women experienced gains in income or bargaining power, feminist analysis cautions that incorporation into global markets often occurs under conditions of precarity, where labour market inclusion coexists with intensified vulnerability and the externalisation of social costs.[5] This framework therefore guides the analysis that follows, evaluating capital mobility not merely in terms of growth or efficiency, but in terms of how it allocates risk, responsibility, and economic return across gendered lines.

To understand how these dynamics emerged, it is necessary to trace the historical shift in the composition and governance of capital flows. The post-war evolution of capital flows reflects shifting development paradigms and North-South financial relations. In the decades following World War II, bilateral and multilateral assistance and net official development assistance (ODA) dominated capital transfers from the Global North to the Global South. By the 1970s, however, external debt flows accounted for nearly a quarter of investment resources in developing economies.[6] The recycling of petrodollars and negative real interest rates fuelled extensive bank lending to newly industrialised countries, increasing exposure to financial volatility and culminating in the 1980s debt crisis.[7] In response, many debtor states adopted structural adjustment programmes and fiscal

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[1] LLM use declaration: Claude Sonnet 4.6 (web-based version, Anthropic) was u sed selectively during the final revision stage for sentence-level restructuring and grammatical refinement. Individual sentences were submitted manually for rewording assistance. All arguments, analysis, and content are entirely the author's own; no AI-generated ideas or text were incorporated into the manuscript.

austerity measures as conditions for continued access to international finance.[8] Mounting debt pressures increased governments' reliance on foreign direct investment as a source of foreign exchange, incentivising the deregulation and expansion of export processing zones (EPZs) to attract and retain mobile capital. In this way, debt dependency and export-oriented restructuring became mutually reinforcing pillars of the neoliberal development model: sovereign indebtedness intensified the need for foreign exchange, while deregulated export regimes supplied it through the intensified exploitation of feminised labour. The resurgence of private capital flows in the 1990s further displaced net official flows[9] consolidating a development model reliant on volatile cross-border finance and debt.

This debt dependency did not remain abstract, it was inscribed onto the bodies and labour of women through the restructuring of global trade regimes. In export processing zones (EPZs) and special economic zones (SEZs), international firms relocate production from the Global North to regulatory environments with weaker labour protections. International firms' ability to threaten exit allows firms to pressure host governments to suppress wages and relax labour standards, shifting production risks onto workers and suppliers while preserving profit margins.[10] Within this model, women are disproportionately recruited into export-oriented industries, as gendered assumptions about docility and dexterity justify lower wages.[11] This process, often described as the feminisation of development, enhances export competitiveness and foreign exchange earnings while concentrating women in low value-added segments of production and positioning them as economic shock absorbers.[12] Under these conditions, women frequently face excessive overtime, limited leave entitlements, weak retirement provisions, and inadequate occupational safety protections.[13] Many are also excluded from social insurance programmes due to the informal or temporary nature of their employment.[14] Female workers face discrimination, blacklisting, and unfair dismissal, limiting their ability to organise effectively and reinforcing their dependence on firm-defined employment terms.[15] They are frequently treated as disposable labour and are vulnerable to sexual harassment.[16] Proponents of export-led growth interpret women's increased labour force participation as evidence of empowerment and modernisation. However, such interpretations risk conflating labour market inclusion with substantive economic autonomy, particularly where working conditions remain precarious and social protection is weak, often resulting in exploitation that outweighs gains in bargaining power or material security. In this way, trade regimes structured around mobile capital and export competitiveness directly produce gendered disparities in economic returns.

The gendered burdens of export labour do not end at the factory gate. These labour vulnerabilities are compounded by the fiscal contraction that follows external borrowing, frequently requiring governments to reduce public expenditure in healthcare, education, food subsidies, and transportation in order to comply with loan conditions. As social provision contracts, households increasingly rely on private borrowing to secure basic necessities, and private debt becomes a 'coercion mechanism' that compels individuals, particularly women, to accept precarious employment under unfavourable conditions.[17] When household shocks occur, women who bear primary caregiving responsibilities are compelled to undertake paid labour 'no matter how poor the remuneration and disagreeable the activity' in order to sustain household income and often forgo their own consumption to ensure their families are fed.[18] This dynamic reflects the feminisation of responsibility: the systematic transfer of economic risk and social reproduction obligations onto women under conditions of financial austerity.

The feminisation of responsibility takes concrete, historically documented forms that illustrate the human cost of these structural pressures. Tauli-Korpuz notes that during the Asian financial crisis, the South Korean government promoted the nationwide mantra 'Get Your Husband Energised,' urging women to absorb the social and psychological consequences of bankruptcy, unemployment, and debt accumulation by providing moral and emotional support.[19] These expectations extend beyond the household: when public provision is retrenched, women are frequently drawn into communal kitchens, resource pooling, and community-based financial initiatives such as micro-financing.[20] Such dynamics erode women's economic autonomy, limit opportunities for education and formal employment, and contribute to their continued concentration in informal or precarious sectors. The result is a self-reinforcing cycle of economic injustice in which women contribute equal or greater labour yet receive diminished economic returns.

Recognising these interlocking mechanisms of exploitation, it is worth noting that multilateral actors have acknowledged the instability of the current financial architecture and proposed reforms aimed at greater regulatory oversight and transparency;[21] yet, such reforms remain insufficient unless grounded in a gender-sensitive framework that recognises how debt, austerity, and capital mobility restructure labour markets and social reproduction. Policy responses must therefore include strengthened capital account management, the selective regulation of short-term capital inflows, and careful evaluation of foreign direct investment based on long-term developmental benefits rather than immediate foreign exchange gains.[22] Greater policy autonomy would enable states to mitigate volatility and avoid excessive dependence on mobile capital. At the international level, expanded concessional financing and debt relief mechanisms would reduce the coercive pressures that push costs onto households and intensify gendered inequalities.

Such reforms are necessary steps toward aligning development policy with the feminist agenda of economic justice. However, they cannot fully eliminate structural discrimination within global financial systems, nor can capital controls or debt relief alone transform deeply entrenched gender hierarchies. Failing to address the financial architecture that externalises risk onto women's labour will leave efforts toward gender equality structurally constrained. Capital flows must therefore be governed not solely by the imperatives of profit and competitiveness, but by commitments to social protection, labour security, and gender equity within a reconfigured global financial architecture.

References

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[3] This essay utilises the binary of the Global North (developed) and South (developing) to illustrate the flow of capital from one region to another and does not intend to exert it as an ideology. It must be acknowledged that this article focuses on debt and trade related to gender and development and not on capital accumulation, wherein the stated binary would not hold as wealth no longer moves in the same patterns as it did pre-2008 financial crisis. [iii]

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