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A PAPER SUBMITTED TO IUSTORIA

TITLE OF THE RESEARCH PROJECT: THE EFFECT OF GENDER EQUALITY ON
ECONOMIC DEVELOPMENT IN CHINA

Abstract

The contribution of women is fundamental for the progress of economy. An entrepreneurship is one of the forms of economic empowerment for women, because it helps to generate gender equality, development, and employment. Different aspects such as legal, cultural, and economic factors play an important role at the moment to understand the human behavior. The purpose of this paper is to analyze the gender equality and empowerment of women in China throughout history and laws to observe how law shapes the society and how society affects laws.

Key words: gender equality, equality of rights, responsibilities and opportunities of women and men.

Introduction

Under what conditions does economic development improve gender equality? Promoting equal employment for women and giving the same opportunities as men in social and economic activities is the way to improve social productivity and economic vitality. Therefore, gender equality is a basic national policy in China. The interest in female entrepreneurship in developing countries has increased because females have been assigned a special role in the society (Eastin & Prakash, 2013). Moreover, the government attach great importance to this issue, and laws such as the Labor Law, the Employment Promotion Law and the Law on the Protection of Women's Rights. Each of these laws stipulate that women's equal employment rights shall be protected and gender discrimination in employment is prohibited.

Gender equality has been a constant fight over the years. So, the business environment for women reflects the complex interplay of different factors such as physiological, social, cultural, religious, economic and educational factors (Tambunan,2009). In order to understand Confucius philosophy and how it influences the role of gender equality in the economy it is important to examine the reasons for these laws in these modern society.

How society affects law

The traditional Chinese law was more a moral code because Confucian ideologues preferred to rule by internalized morality rather than the rule of law, which tends to make law a secondary form of social control and aspirational rather than coercive by nature (Ruskola, 1994). Consequently, the moral code becomes the legal code. That gives the law flexibility and makes legislation a secondary form of social control. Even though, law is a necessary tool of social control, the traditional Confucian virtues try “to stabilize a society that was ordered according to a hierarchy of age, and divided into kin-groups based on male dominance and male descent lines” (Elvin,1984, p.111). Confucius predicated the subjugation of women to men.

This philosophy has caused gender inequality and discrimination. For instance, in Confucianism, women must follow “the rule of the three-fold obedience, which means they must be obedient to their father in childhood, to their husband during marriage, and to their son in old age. These three-fold obedience rules illustrate how a woman’s status is defined in relation to men, creating an impression that are innately inferior to men” (Mun, 2015, p.634). This dependent relationship was part of the Chinese institutional character. For the simple reason that during these years Chinese women were seen as males’ accessories. These cause the denial of dignity and business rights. Therefore, Chinese women have never possessed real economic power and have instead depended on their husbands or fathers for survival.

One classic Confucian proverb states it is a virtue if a woman has no ability, meaning a woman’s duty was simply to care for her husband and raise her children (Wells, 1996). The Confucian idea that women are subordinate to men influences women. Moreover, Confucius believed that the female moon only reflects the glory of the male sun and childbearing was a woman’s most important role (Ruskola, 1994). This notion of what it is to be a female results in

them being shy and unassertive. Due to this, women are not adequately prepared for leadership positions.

Chinese women have suffer discrimination through thousands of years of feudal society. As a result, after the founding of the People's Republic of China in 1949, the socialist system and laws facilitated a high level of women's participation in both political and economic life (Alon, Deng, Wang, 2011). In this way, the Chinese government eliminated discrimination against women and improved in different aspects of gender equality. For instance, access to education was one of the implementations, thus the nine-year-long compulsory education requirement in China was enforced. Since 1949, the state has issued a number of regulations and laws to provide protection in the workplace for women by ensuring equal opportunities including the PRC Women's Rights Protection Law, the PRC Labor Law and the Women's Work Protection Regulations (Alon, Deng, Wang, 2011).

During the cultural revolution 1966 to 1976, the government led by Mao attempted to eliminate class gender inequities by exterminating the Confucian ideas of male superiority (Leong, 1996). The government started to reform some laws that tried to discriminate against women, such as, the marriage laws because they permit polygamy and bride prices. Additionally, women were also encouraged to pursue careers traditionally reserved for men, such as tractor drivers and politicians.

Economic reforms allowed women to participate actively in the economy. Women can now run their own business and enjoy the choices of capitalist economy offers. With this in mind, as women become more highly educated and trained, negative stereotypes of their competence will dismiss (Leong,1996). In China, Confucianism is heavily ingrained in society. A woman's status is restrained by Confucian values in the corporate world. Aside from this, women are viewed as

inferior not only because of their gender role, but also of their status as an employee, women face the dual challenge of having to accept their inferior, subordinate place (Mun, 2015).

Apart from that in 1995 Beijing Platform for Action established different areas of particular concern such as women and the economy; women and poverty, violence against women, human rights of women, education and training of women, institutional mechanisms for the advancement of women, women and health, women and the media. The Platform for Action envisions a world in which all women can exercise their freedoms and realize all their rights such as living without violence, attending school, participating in decisions and having equal pay for equal work (UN Women,1995). These are enormous improvements in women's lives. On the top of that, nowadays women commemorate these moments as one of the most relevant events of women empowerment.

It is important to mention that in Asian countries the effort of women fighting against gender discrimination is weak, this may in part be due to women being less sensitive to discriminatory behavior, perceiving them as norm under Confucian Values (Mun, 2015). Taking this into account, Chinese women are more likely to respond passively to gender discrimination due to their cultural heritage. Even after all of the changes made towards an equal opportunity society, it is necessary that laws be enforced.

How law shapes society

Nowadays, laws have changed and the achievement of gender equality is the basic national policy of China. In the Constitution of the People's Republic of China and the Law of the People's Republic of China on the Protection of Women's Rights and Interests, it is stipulated that women in the People's Republic of China enjoy equal rights with men in all spheres of life, including political, economic, cultural, social and family life. Also, the Labor Law of the People's Republic of China specifies, women shall not be subject to discrimination due to their ethnic background, race, gender, religious belief, etc., and women shall enjoy equal employment rights with men (Art 12, 1994).

Furthermore, on May 31st, 2007, was promulgated the measures of Guandong Province for the Implementation of the Law of the People's Republic of China on the Protection of the Rights and Interests of Women. Article 2 established that the protection of women's lawful rights and interests is the common responsibility of the whole society. The people's government and relevant departments at all levels shall, according to the basic national policy of equality between men and women, take necessary measures to ensure women enjoy equal rights with men in respect of political, economic cultural, social and family life. Moreover, the Standing Committee of the People's Congress of Shenzhen City in southern China adopted the Regulations of the Shenzhen Special Economic Zone on Promoting Gender Equality. This is the first local administrative regulation advocating gender equality in China. On February 18th, 2019, the Circular of Nine Departments Including the Ministry of Human Resources and Social Security and the Ministry of Education on Further Regulating Recruitment Activities to Promote Equal Employment for Women.

The National Human Rights Action Plan of China (2012-2015), is an important measure taken by the Chinese government to ensure the implementation of the constitutional principle of respecting and safeguarding human rights. Since the promulgation and enforcement of the National Human Rights Action Plan of China in 2009, the Chinese citizens' are aware of human rights. So, it is a part of national effort to give the same opportunities for women to participate in economic activities.

Law of the People's Republic of China on the Protection of the Rights and Interest of Women, promulgated on October 26th, 2018. This law is formulated to protect the legitimate rights and interests of women, to promote the equality between men and women. Article two of this law established that women shall enjoy equal rights with men in various aspects such as political, economic, cultural, social and family life. It is a basic State policy to realize equality between men and women. In addition, article 3, the State Council shall formulate a program for the development

of Chinese women and shall incorporate it into the plan on the national economy and social development.

In developing Asian countries, there is the potential to empower women. Especially because the level of economic development reflected by the level of income per capita and the degree of industrialization is still low (Sinha, 2005). Based on this the World Economic Forum (WEF, 2007) produces an annual report on global gender gap ranking based on the gender gap index. The index is based on four critical areas of inequality between men and women, 1) Economic participation and opportunity: outcomes on salaries, participation levels and access to high-skilled employment. 2) Educational attainment: outcomes on access to basic and higher level education. 3) Political empowerment: outcomes on representation and decision-making structures. 4) Health and survival: outcomes on life expectancy and sex ratio. Nowadays, women have more opportunity to participate in these four areas that this paper will analyze only the economic participation through entrepreneurs.

Entrepreneurs

At the beginning women started working because “there where insufficient family income, dissatisfaction with the salary offered for employment, difficulty finding a job and lack of flexibility in their schedule to accommodate household responsibilities” (GEM, 2010, p.26). In the past, Chinese women were not so active because they were in charge primarily of household chores, the lack of access to formal credit made it hard for a woman to run her own business, and traditions, customs and culture sometimes had a negative influence. On top of that, some studies observed significant gender influence on the probability of engaging in opportunity entrepreneurship versus being unemployed or in paid employment. (Bergmann & Stenberg, 2007). Thanks to all of these different reasons, women try to improve their life conditions for themselves and their families.

Taking this into account, entrepreneurship emerges from an individual's creative spirit into long-term business ownership, job creation, and economic security. Moreover, women bring commitment because they care about economic empowerment, entrepreneurial development and innovation. The magazine Forbes showed that the proportion of women listed grew from 4% to 7% from 2004 to 2007. In fact, female entrepreneurs represent only 20% of the all Chinese entrepreneurs even though 98% of these women are ultimately successful (Forbes China, 2007). The rate of Chinese female activity in 2016 was 63.3%. Despite this breakthrough by 2018 the rate of participation in the out of work of women is 63.7% (Saiz, 2016). The World Economic Forum (2018) points out that gender economic parity could add an additional 2.5 trillion to China's GDP. Small businesses are having more influence in Asian developing countries, that is why the female workforce is increasing. A series of entrepreneurial policies specific to motivating female entrepreneurial activity have been formulated and carried out by the Chinese government. These policies include subsidies for professional training, small-loan guarantees and also preferential tax treatment, providing beneficial conditions (Information Office of the State Council, 2005).

In China, many women may not have sufficient confidence in their ability to start a firm (Langowitz & Minniti, 2007) In addition, credit and start-up costs can be a disadvantage for women. Furthermore, China has an institutional environment characterized by an incomplete legal system to give credit for everyone. In the province of Jiangsu, regulations are in place so that loan departments in banks and credit guarantee organization will cooperate and give priority to supporting women entrepreneurs via a simplified process (Woldie & Adersua, 2004). However, after China accession to WTO the adjustment of industrial structure provides more opportunities for women entrepreneurs to succeed (Li, Zhang, 2009).

Gender equality and the empowerment of women are important factors for the sustainable development of a country. Likewise, it is necessary to create and maintain workplaces where men and women have the same opportunities. Gender discrimination prevents many women from living

the productive and rewarding life they deserve, this hinders the overall progress of development. (UNDP, 2014). It is important that women have the same ability to access economic resources. The participation of women in the workforce has steadily increased in recent decades and at the same time the gender gap has been shortening (International Bank for Reconstruction and Development, 2010). Creating opportunities for women to participate in economic activities helps in the reduction of poverty.

The Universal Declaration of Human Rights (1948), states at “everyone has the rights and freedoms proclaimed in this Declaration, without distinction of race, color, sex, language, religion, political opinion”. Consequently, it is understood that every human being have fundamental rights and society cannot snatch any of them. Therefore, cannot be a subordination of rights of vulnerable groups, as is the case of women.

International Labor Office (ILO) report that most regions in the world are making progress in increasing the number of women in decent employment, but that full gender equality in terms of labor market access and conditions of employment has continue to improve. A report of 2008, shows that the labor force participation rates in South Asia are traditionally low for women. Compared to 100 men active on labor markets only 42 women participate by either working or looking for work. Whereas, East Asia, is the region with the highest labor force participation rate for women what means that exists small gender gaps. In this region, the gender gap in economically active females per 100 males continues to be among the smallest in the world.

There are three categories of female entrepreneurs; chance, forced and created entrepreneurs. These categories are based on how their business got started. Chance entrepreneurs are those who start a business without any clear goals or plans. Their business probably evolved from hobbies to economic enterprises over time. For example, the women that have their own spa. Forced entrepreneurs are those who were compelled by circumstances to start a business, so their

motivation is financial. Created entrepreneurs are those who are located, motivated, encouraged and developed through entrepreneurship development programs (Tambunan, 2009). According to Das (2008), the most common reason to start an entrepreneurship is the need for a challenge. The urge to try something and to be independent and to show others that they are capable of doing well in business. Female entrepreneurs start their business without specific business knowledge and training or no management experience before starting a business.

Chinese women entrepreneurs fall under one of the following groups: 1) State-owned managers who gained company share or options through system reform. 2) Enterprise managers, or self-employed persons who started by having mastered core technologies or who accumulated a small amount of capital and developed their businesses. 3) Domestic or overseas university students who finish their education and decided to start venture-based operations due to increased demand for highly-educated entrepreneurs because of the rapidly changing industry structure. 4) Laid off workers who created star-ups to capitalize on prior industry experience. 5) Technical experts in foreign and stated-owned capital enterprises who utilized their own technological and managerial experiences to start their own enterprises Shi (2001). This can also depend on the internal and external factors.

Entrepreneurial external factors how it names indicates depends on external environment. Baumol (1990) argued that society's rules and norms create incentives that influence the form that entrepreneurial activity takes. This influences an individual' by signalling which choices are acceptable as well as determining which norms and behaviors are socialized into individuals in a given society. On the other hand, internal stimulation is characterized as pull or push factors based on different personal position, nature and desire. Push factors refer to necessities such as unemployment, redundancy, recession, financial reasons, and dissatisfaction with current employment. Pull factors are related to a need for independence, achievement, financial reasons,

personal development, self-fulfillment, social status and power (Glancy, Greig, & Pettigrew, 1998). All of these factors give reason to why women want to start their own business

In general, interest in female entrepreneurship in developing countries has significantly increase. The reasons can be different but one can be due to the role of entrepreneurship in the economic development process (Gries & Naudé, 2010). Consequently, in the process of entrepreneurship, females have been assigned a special role because they are look like the poorer and discriminated gender, but also because they are seen as a critical driver of their unique role in the household (Horrell & Krishnan, 2007). Therefore, we can see that the vision of women in society has to continue improving because sometimes women are only working in economic activity characterized by low capital and skills.

Another reason can be the rise of interest in female entrepreneurship as a result of the rapid increase in the number and proportion of female entrepreneurs in the developing world (Kevane & Wydick, 2001). Some the female entrepreneurs are have based their businesses on household health, resulting in the economy developing more in this area. Also, it brings more chances for females to get a job. Nevertheless (Manning,1998), the reason for the increasing number of female owned enterprises is partly due to the increase in women's educational level, and the economic pressure that women face in their household. Supporting and expanding female entrepreneurship is important not only to empower women, but also to reduce poverty in developing countries.

“Chinese female entrepreneurs tend to be aged 25-44, emphasize education and knowledge, balance work and family lives, are service-business oriented, and are often entrepreneurs by necessity”(Alon, Deng & Wang, 2011, p.13). Bearing this in mind, Chinese women are looking for better living and personal success. Furthermore, women entrepreneurs in developing countries are predominantly in family firms, that are passed from an old generation (Minniti, Naude, 2010). On

account of that, it is important to mention that women in China have more opportunities to enter the informal sector and family networks.

However, in China the situation of women's employment in China is relatively good and has one of the highest female labor rates. There are many reasons why women start their own business. On the top of that, women entrepreneurs create new jobs and competition between businesses, which helps boost the economy.

Conclusion

The relatively low representation of women can be attributed to many factors such as the low level of education and lack of training opportunities that women had in the economy and society. Confucius values support male superiority, male domination and female subordination and have a great influence in Chinese society. Therefore, understanding the history of a country is an important step in understanding female entrepreneurship.

The promotion of gender equality and the empowerment of women is necessary to achieve a sustainable world and to eradicate poverty. It is vital to promote the growth of female run companies, as well as to improve access to different sectors. Despite the progress that women have made in the economy, it is necessary to continue working on the promotion of gender equality.

Throughout this paper throughout this paper it has been discussed how the culture and beliefs of a certain place affect the creation of laws. Just as it can also be reflected how the laws work to have a better society, in this case seeking gender equality.

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