

features

# When Women are Badly Bruised by the Bubble



By Reihana Mohideen

## **At the Centre of the Chips.**

Women workers at the  
Seagate factory in China.

Photo courtesy of  
Robert Scoble from  
Wikimedia Commons.

*The recent International Labour Organisation (ILO) reports on the global and regional employment trends paint a stark picture of rapidly increasing unemployment in 2008 as a result of the global economic crisis. The situation is expected to worsen in 2009 with more massive job losses. Low income workers and the poor are already paying heavily for the economic crisis, with women being the hardest hit.*

*Global unemployment rates increased from 5.7 per cent in 2007 to six per cent in 2008 of some 10.7 million people – the highest year on year increase since 1998. Unemployment rate for women is higher with 6.3 per cent compared to 5.8 per cent for men. Young people constitute much of the unemployed, with fewer work opportunities.*

## **Work Scenes for 2009**

The ILO presents several worrying scenarios this year. A more “realistic” scenario will see unemployment increase by 30 million people. A “worst case” scenario—which given recent trends in decline in growth rates and job losses, is probably the more likely scenario—

sees global unemployment increase with 51 million unemployed people.<sup>1</sup>

Under the “realistic” scenario, the number of unemployed in Asia would increase by 5.1 per cent to 7.2 million. But even in the

most optimistic scenario, the number of unemployed women would rise to 4.4 per cent, compared with 3.8 per cent for men. Meanwhile, under the “pessimistic” scenario, the number of unemployed in the Asian region could spiral up by 23.3 million. A drastic and staggering increase of those in extreme and working poverty to 140 million is projected in 2009.

Youth are also likely to be disproportionately affected by the crisis. Already in 2008, youth in Asia were more than three times as likely as adults to be unemployed. In Southeast Asia, youth unemployment rate stood at 15 per cent in 2008. This figure could rise sharply, as young workers are likely to be among the first to be sacked, while first-time jobseekers are likely to find themselves at a substantial disadvantage when competing against a rising pool of more experienced and recently unemployed jobseekers.

Last year, some 250,000 workers in plant and machine operation and assembly were sacked in the Philippines while over 40,000 were laid off in Indonesia in the last two months of 2008. In China, tens of millions of workers have lost their jobs and some 20 million migrant workers have returned to their homes in the rural areas, thus causing massive pressure on the rural economies. Meanwhile, some 300,000 additional workers in the formal sector could lose their jobs in Vietnam in 2009.

### **Reenacting the 1997's Impact on Women**

An analysis of seven industry groups most affected by the crisis to-date<sup>2</sup>—based on Labour Force Surveys of Thailand and the Philippines, and the 2004 Living Standards Measurement Survey of Vietnam—shows that the impact of the job losses follows gender lines. Women dominate garments, textiles and electronics at the ratio of 2 to 5

female workers for every male worker and are thus experiencing some of the initial blows of job losses.<sup>3</sup>

These job losses represent a massive attack on the living standards of low-income women, who mostly gained some level of regular employment with the partial industrialisation of the 1980s and 1990s. Any remaining gains made in the standard of living of the working population in this period are now being wiped out.

Based on early 2009 trends, growth in the Asian region is now expected to fall to its lowest level since the 1997 Asian financial crisis.

- Current forecasts indicate that economic growth in the Asian region will drop to 2.3 per cent in 2009, with 2.7 per cent growth projected in Indonesia, Malaysia, Singapore, Thailand and the Philippines, compared to a forecast of 4.2 per cent in November last year.
- In China, the government's target for growth in 2009 is eight per cent, but the International Monetary Fund (IMF) expects growth to decline to 6.5 per cent.
- In India, current government estimates are 6.5 to 7.5 per cent, but IMF projections are a fall of growth to 5.1 per cent.
- Indonesian officials expect a further deceleration in 2009 to between 4.5 and 5 per cent.
- In Korea, some analysts project negative growth for 2009.
- In the Philippines, growth is expected to fall as low as 2.2 per cent from 7.2 per cent in 2007.
- Singapore's Ministry of Trade and Industry now expects growth to fall to between negative 5 and 2 per cent.<sup>4</sup>

This follows the experience of the 1997 Asian crisis. In the Philippines, unemployment rose to 12 per cent for men and 15 per cent for women in 1999.<sup>5</sup> After the crisis, the decline in labour force participation rates for women of all ages exceeded those for prime-age men, except in Indonesia. The decline in hours worked by women were greater than that by men in the formal sector, with hours by men declining by 1.4 per week and by women, 2.9 per week. At the other extreme, the incidence of long hours for women increased, rising from 20 per cent in 1994 to 24.9 per cent in 1998. For men, it fell following the crisis.<sup>6</sup>

There were also significant erosions in real wages in countries such as Indonesia, Thailand and South Korea. In Thailand, real wages declined particularly for women in urban areas.<sup>7</sup> There was also a drastic drop in incomes in the informal sector which is almost exclusively the preserve of women (Sing, Zammit, 2000)<sup>8</sup>.

Young workers, including young women workers, are especially vulnerable during an economic crisis due to their lack of experience, slowdown in hiring and seniority practices. Youth unemployment rose to very high levels during the Asian crisis. In 1998, young male unemployment rates ranged from 11.2 per cent in Thailand to 20.8 per cent in South Korea, with female youth unemployment ranging from 8.6 per cent in Thailand to 22.1 per cent in the Philippines.<sup>9</sup>

Recent migrant workers are also likely to lose their jobs. There is evidence from the Asian crisis that a majority of South East Asian region's migrant workers expelled from some of the crisis countries were women (Singh, Zammit 2000).<sup>10</sup> With the feminisation of overseas migration, women migrants who tend to predominate in unregulated domestic, entertainment and agriculture jobs are more likely to lose their jobs and be increasingly vulnerable to working in exploitative conditions.

**At the Crossroads.**

*With the financial meltdown, more and more people are expecting to lose their jobs. Younger people are among the most vulnerable given the freeze hiring measures in companies and the strong competition with newly retrenched workers who are more experienced.*

Photo courtesy of  
Wikipedia Commons



Many Asian economies rely on remittances from overseas workers, as well as rural to urban migrant workers. In countries such as the Philippines, the world's fourth largest recipient of remittances after China, India and Mexico, the growth of remittances from overseas Filipino workers is predicted to slow down to as low as six to nine per cent of the Gross Domestic Product (GDP), compared to 10 to 14 per cent of GDP in 2008.<sup>11</sup>

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***High food prices can have a disproportionate impact on women's nutritional status. Cutbacks of food consumption in the household due to high food prices and food insecurity are first borne by women and girls.***

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### **Women at the crux of the crisis**

With the crisis, women work harder inside and outside the home to make up for reduced incomes, inadequate social protection and government cutbacks in social services. This results in increasing time pressure on women in "making ends meet."

During the 1997 Asian financial crisis, women also took on extra income generating activities to make ends meet. In the Philippines, both male and female unemployment rates rose between 1997 and 1998. However, the mean weekly work hours for those employed moved in opposite directions for men and women, with those falling for men and rising for women.

Among the factors that may explain an increase for women is an increase in the hours of work undertaken by home-based women working on subcontract. In the

Philippines, findings show that subcontracted home-based women workers took on second and even third jobs in the informal labour market during the crisis (Lim, 2000). This increase in average hours that women spend in paid work is in a context where women spent almost 8 hours a day on housekeeping and childcare, compared to 2.5 hours for men.<sup>12</sup>

Resource-strapped families also end up pulling children out of school, resulting in an increase in child labour. Girl's education tends to suffer, with long-term negative implications for women's income-earning power, reproductive health and even the well-being of future generations.

High food prices can have a disproportionate impact on women's nutritional status. Cutbacks of food consumption in the household due to high food prices and food insecurity are first borne by women and girls.

According to an Oxfam research on food price increases in Cambodia, mothers and elder sisters eat less than the other members in the 21 per cent of researched households. In the worse cases, eight per cent of mothers and elder sisters skip meals so that other household members have enough to eat (CDRI, 2008).

With food price increases and reduced household income as a consequence of the economic slowdown, staples tend to consume more of the household food expenditure, resulting in a reduction of micro-nutrients which are present in vegetables, meat, fish and other sources and which are needed particularly by girls and women. Pregnant and lactating mothers are often considered the most at risk due to the poor nutrition.

Studies also show that stress and conflict within households become commonplace as a result of diminishing resources, increasing incidents of domestic violence and women's involvement in prostitution.

***Migraine for Migrants.*** One of the sectors affected by the financial crisis are women migrant workers who are usually employed in the service sector as domestic workers and entertainers. In the photo are Filipino women migrant workers who are queuing at Hong Kong's Immigration Office for the renewal of their contracts.

Photo courtesy of  
Wikimedia Commons

## Of Imperatives and Alternatives

Women must not bear the burden of the crisis. It is essential that spending on social protection systems and social services is maintained and even increased when economic shocks strike. Public provision of basic social services ameliorates the impact of gender inequality within households while cutbacks in these services affect women and girls disproportionately.<sup>13</sup>

Nevertheless, except in Malaysia, education and health budgets were severely cut in countries affected by the crisis of 1997 just when the need was the greatest. In 1998, for example, Thailand's public health budget shrank by nine per cent and education budget fell six per cent.<sup>14</sup> Some of the current fiscal margins have already been used up by governments as they were forced to respond to the food price crisis through emergency assistance and increased safety nets, thus putting more pressure on budgets for social protection and essential social services such as health and education.

The Asian financial crisis and the 2008 food price crisis also exposed the inadequacy of existing social protection systems and the need to strengthen them and address their inherent gender biases. While improvements have been made since the 1997 crisis, critical gender gaps continue to persist.

A majority of wage support policies such as severance pay and unemployment insurance are still biased in favour of prime-age male workers. In China, Vietnam and Thailand, women are often not covered by their husbands' pension funds.

In general, women are disadvantaged by social protection systems that are linked to labour market status as they are



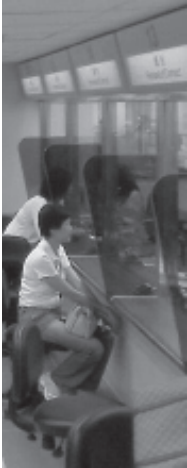
concentrated in non-standard conditions of employment, lower-wage employment, and the informal economy.<sup>15</sup>

Social protection systems should be designed not only to mitigate and protect, but also to promote the livelihoods. They could have a greater impact if they incorporate women's needs as workers *and* mothers.

In developing countries, a majority of the poor, including poor women, obtain security through informal mechanisms. These informal mechanisms include community and social networks and patronage. But even in these informal systems of social security, there is an inherent gender bias, with the burden falling disproportionately on women due to their role as primary carers in the home.

Any economic stimulus package must start with job protection with an immediate moratorium on lay-offs, and genuine job creation in order to stimulate national consumption and economic recovery. Restructuring the economy by breaking from export-dependent neoliberal policies is crucial. Other important measures include:

- In nationalising banks and financial institutions, governments must ensure that the funds are used not for profits but for social development that creates jobs. The nationalisation of banks, instead of their continued privatisation, is the only step forward to prevent the collapse of the banking system and the entire economy.
- The banks' books must be opened. Bank oversight must be strengthened as must the mechanisms of strict regulation. This, to make the national banking systems transparent for they are public service institutions carrying the populations' savings.
- Massive increase in budgetary allocations for social spending. Priorities are employment security, a living wage, public health and education, and housing.
- The repudiation of public debt and an immediate moratorium on debt payment.
- Withdrawal of onerous taxes such as consumption taxes on the poor and vulnerable.
- The shifting of the military budgets and war expenditures towards productive endeavour and job creation.
- For migrants, the immediate creation of a social fund that covers their smooth reintegration, decent local employment and livelihood and substantial welfare projects.
- For farmers and agricultural workers, the implementation of genuine agrarian reforms that include a land-to-the tillers programme, access to agricultural credit and assistance, job security and market access.
- Policies that guarantee women's access to and control over resources, including land and titling rights.
- Payment for women's unpaid labour in the home, as introduced in the Venezuelan constitution.
- The introduction of gender budgeting in economic policy making, covering the budgets of all line ministries, to ensure that women benefit from all economic policy measures.
- Participatory budgeting to enable civil society and women's organisations to participate in the budget process such that government processes become more transparent, accountable and receptive to the needs of women and the poor.
- The discourse on new financial architectures must take into account gender equity considerations, such that the development of new institutions with new responsibilities are based on a framework of enabling gender equity, providing spaces which are accessible from the kitchen for public dialogues on priorities and alternatives which address the needs of poor women and men. ■



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#### Footnotes

- <sup>1</sup> ILO, *Global Employment Trends*, January 2009.
- <sup>2</sup> Identified by the ILO as: garment textiles, garments, footwear & leather products, electronics (plus electrical and telecommunications products), car manufacturing and auto-parts, hotels and restaurants (key parts of tourism), and construction.
- <sup>3</sup> ILO Technical Note, *Asia in the Global Economic Crisis: Impacts and Responses from a Gender Perspective*, February 2009.
- <sup>4</sup> ILO, *The fallout in Asia: Assessing labour market impacts and national policy responses to the global financial crisis*, February 2009.
- <sup>5</sup> [www.unifem-eaasia.org/Resources/GlobalEconomy/Section4.html](http://www.unifem-eaasia.org/Resources/GlobalEconomy/Section4.html)
- <sup>6</sup> ILO, *WB 2001*, pp 391
- <sup>7</sup> <http://www.unescap.org/drrpad/publication/protecting%20marginalized%20groups/cb1.pdf>
- <sup>8</sup> Singh, *Zammit*, pp 1261
- <sup>9</sup> *Ibid* pp 17
- <sup>10</sup> Singh, *Zammit*, pp 1261
- <sup>11</sup> ADB draft working paper on the *Global Economic Slowdown and the Impact on Poverty and Non-Income MDGs*, January, 2009.
- <sup>12</sup> Elson, D, *A View from the Kitchen*, 2002, pp 8
- <sup>13</sup> Pp 18
- <sup>14</sup> ADB draft working paper on the *Global Economic Slowdown and the Impact on Poverty and Non-Income MDGs*, January, 2009.
- <sup>15</sup> ILO Technical Note, *Asia in the Global Economic Crisis: Impacts and Responses from a Gender Perspective*, February 2009.