

# Women Paying the Price

*The impact of the global financial crisis on  
women in Southeast Asia*

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## Foreword

East Asia is an economically fast moving and dynamic region, which has provided many lessons to the rest of the world, no less so during this current global financial crisis. Having suffered a major financial meltdown in the 1990s, East Asian governments have demonstrated in their response to this financial crisis that they have learned critical lessons by providing timely stimulus packages and have proactively targeted those who generally are more vulnerable to shocks.

But have governments really understood the impact of the crisis on the least resilient and tailored their support to meet their needs?

Oxfam recognises that women experience poverty differently from men; at times of acute pressure women are expected to bring in income, run a household, care for children and elders and more. This study seeks to identify and recognise how the financial crisis has impacted on women in order to test whether East Asian governments are doing enough to support the most vulnerable – the evidence we have collected points clearly to the fact that women have been particularly and directly impacted by the financial crisis and therefore on the households they support; and that governments, by directly addressing the key challenges identified can ensure that more people do not slide back into, or further into, poverty.

Oxfam requests key stakeholders in the region to take note of the research findings and recommendations and to work with us and with others to develop and implement critical policies and solutions.

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Lastly, I would like to give thanks to all the research participants whose names I wish I could mention here. It is my hope that this research will bring about positive policy outcomes that address the issues of poor people, particularly women, who have been affected by this crisis.

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## Executive summary

This report analyses the impact of the current global economic crisis on women in five Southeast Asian countries: Cambodia, Indonesia, the Philippines, Thailand and Vietnam. This research aims to provide up-to-date information and recommendations to policy makers in both the public and private sectors on how the economic crisis is affecting women workers in the aforementioned countries. The results of the research will be shared with civil society organizations, government agencies, regional and global institutions, academic institutions, trade unions, donor agencies, NGOs, and the media.

Specifically, there are three primary objectives. The first is to assess the impact of the financial crisis on women in Cambodia, Indonesia, the Philippines, Thailand and Vietnam. The second is to assess the gender specificity of governments' and regional institutions' responses to the crisis. The third is to develop a set of policy recommendations for governments, regional institutions, and donors. Eight specific research questions were developed to guide each of the individual country researchers. These questions focused on how the crisis is affecting female employment in export-oriented industries in terms of job losses, working hours, and conditions for those women who have managed to remain employed in those industries. Other issues examined include women's family welfare, including education and health; women's coping strategies; domestic and international remittances; and the availability of micro-credit for women's small businesses.

The research employs a qualitative research methodology involving a secondary literature review; a review of relevant documents from both the public and private sectors across the region as well as those of external donors; and analysis of relevant databases from such sources as the World Bank, the Asian Development Bank, the International Monetary Fund, and the International Labour Organization. Moreover, the research incorporates the results of discussions with country researchers/participants at a regional research workshop, along with a synthesis of the commonalities of the impacts of the crisis from the five country reports.

The report is organized in the following manner. The introduction is followed by a brief general literature review setting the background of the problem, relating the current economic crisis with the Asian financial crisis in 1997. The literature review is followed by the individual country reports: Cambodia, Indonesia, the Philippines, Thailand and Vietnam. Following the country reports is a general summary pointing out the commonalities of how the crisis has impacted women and the various ways in which the public and private sectors from each country have responded. The report concludes with both short-term and long-term policy recommendations.

The study found that the human costs of the current global economic crisis on people in Southeast Asia have been severe. The poor, and vulnerable and disadvantaged groups, including women, have been disproportionately affected through job losses as the crisis has impacted each country to varying degrees. The export industries, namely, electronics, textiles, garments, footwear, auto-parts and tourism, have been particularly affected in a region where women form a majority of the workforce. While there are differences in the extent and severity of the consequences within the five countries considered in this report, there are also several commonalities including the specific sectors and people who have been affected along with the types of responses from the grassroots and the individual governments.

The individual country reports indicated that the female employment situation in the export manufacturing and service sectors, e.g., textiles, electronics, and tourism, have

been seriously affected in each country with large numbers of women either losing their jobs or being forced to accept reduced working hours for less income.

Women in the five countries under review employed several strategies to cope with the crisis. Many looked for new or even second or third jobs to make up for lost income due to downsizing and reduced numbers of workers or working hours. As a consequence, women had to reduce their own and their family's consumption, spend less on entertainment, buy lower quality food and reduce the number of meals they consume. They also had to share their resources and used their family network for support. Large numbers of women have taken whatever work they could find, including jobs with poor or unsafe working conditions, as well as illegal and dangerous jobs such as prostitution and drug dealing.

With the loss of income or severely reduced income, along with reduced resources from the government's health care system, many families can no longer afford adequate health care. In terms of the effects of the crisis on education, the five countries in question did not find the impact to be significant, especially for basic education, because the government provided this for free. However, if the crisis is prolonged, there may be a problem, as parents will not have enough money for other items such as clothes, pocket money for school, and transport.

Due to the decline in domestic demand in the developed countries, there have been both internal and external reductions in demand for migrant workers who generally find employment in the cities, export factories of their home countries, or abroad. For countries that have a large number of migrant workers, the decline of remittances has affected the workers' families, who wait back home and are dependent on the money they receive. While domestic remittances from female migrants declined, with some countries seeing greater declines than others, it is clear that the amount of external remittances has definitely been affected. Rather than serving as financial support for their families in the countryside, many women who migrated to the cities for work have now become dependent on their rural families for support.

On the micro-credit situation, it was found that women faced difficulties in obtaining money for their business interests due to the fact that financial institutions have tightened their loans. Moreover, with fewer donors and less government support, women have been directly impacted. Several strict regulations and rules make it less likely that women will be approved for loans. Many women who want to start a small business lack previous business records and other documentation required by the lending institutions.

In terms of responses to the crisis, most governments in the region have attempted to ease the crisis by using macro and micro economic policies, such as sustained low interest rates and stimulus packages, to increase job opportunities or to prevent a low employment rate. Governments have also tried to encourage people to spend more. The ASEAN governments' responses to the crisis have, to a certain extent, succeeded in rendering the current crisis less chaotic compared with the Asian financial crisis in 1997. However, these measures have not been sufficient to bring back normalcy to people's lives, especially since there are no policies or measures that directly target the situation faced by women. Most of the money has focused on the construction of mega-projects such as infrastructure, which is usually capital intensive rather than labour intensive. Furthermore, to the extent that new jobs are created, they tend to be male oriented.

The recommendations are divided into short-term and long-term measures and are targeted to remedy women's problems. This is because once women can stand firmly on their own, the effect will extend to the whole family, since all five countries share a similar cultural value which emphasises the importance of family ties. The policies and measures selected aim to solve short-term and long-run problems.

## **Short-term policies and measures**

1. Ensure that job promotion during the crisis is pro-women.
2. Increase domestic purchasing power via stimulus packages that flow directly to low-income earners. Also, these packages should not only target those in the formal sector, but also those in the informal sector; particularly women, as they are usually the ones who take responsibility for their family's basic needs.
3. Develop and enforce effective regulations and labour inspection of all types and sizes of businesses and firms – including the informal sector.
4. Provide both financial and legal support to those agencies that work with and assist women who have suffered exploitation, whether in the workplace, at home, or on the streets.
5. Make arrangements between the government and financial institutions, most especially those belonging to the government, so that these institutions provide provisions that will enable women to access credit, in turn allowing for the establishment and operations of women's small businesses.
6. Collect gender disaggregated data in order to craft appropriate policies and measures.
7. Ensure that all institutions, international agencies, government, NGOs, and private enterprises encourage women, especially those in the less advantaged levels of society, to participate in the economic and political arenas, as their opinions and experiences will help in shaping a better society and development of the country.
8. Encourage ASEAN to take a leading role in the creation of a monitoring mechanism to oversee the crisis and the task of crisis prevention.

## **Long-term policies and measures**

1. Education and training must be appropriate for women in terms of type and time. Non-traditional fields for women such as engineering and law should be encouraged and promoted instead of only the traditional women's roles of education and nursing. Government skill training units should stop/reduce traditional skills training such as hairdressing, cooking and dressmaking for women. If these programmes are to be continued, they must be improved in quality and involve more creativity. The training in non-traditional roles for females such as computer technicians, mechanics, electricians, plumbers, welders, carpenters, management and marketing personnel should be encouraged for women. Soft-skills that are needed for success in any workplace should also be taught to women.
2. Equity of employment opportunity is necessary for women's development and empowerment.
3. Each country should work together with others in the region to set rules to prevent foreign investors from taking advantage of workers, especially contract workers, in terms of work load/hours, wages and welfare.
4. Each country should have an effective labour inspection system for all businesses, large and small, to monitor how employers treat their workers and to ensure that such treatment is fair and follows legally mandated guidelines.
5. Social protection measures for all workers, including women, in both the public and the private sectors, must be legislated and adhered to. As necessary, these measures must also be enforced. Such measures will include, at the least, adequate retirement pensions and healthcare that are gender neutral.

6. Governments should establish or cause to be established by factories support for women workers and their dependents, such as free or minimal-cost day care centers and care centers for the elderly.
7. Specific institutional reforms must be crafted and enacted, not only for financial institutions and systems but also for education and governance, in order to eliminate traditional social values that retard the development and empowerment of women and thus that of the country.
8. The recommended measures will not succeed without cooperation among all institutions, i.e., the international organizations (such as UNDP, UNIFEM, the World Bank, and the Asian Development Bank), governments, the private sector, NGOs, the academic sector and most importantly, women workers themselves.

In terms of the limitations of this research, the most serious constraint was the difficulty in obtaining up-to-date data, in particular gender disaggregated data.

# 1 Introduction: background and rationale

The current financial crisis began in the United States in 2007–2008 and has become global in scope and impact. The Southeast Asian region has not escaped the effects of the crisis, which has impacted different countries in the region to varying degrees. Nevertheless, all economic and social sectors have been severely affected, especially those sectors of the economy which are dependent upon external demand. Macroeconomic indices such as GDP, employment, and export of goods and services have been in a decline since 2008, but the last quarter of 2008 and the first quarter of 2009 experienced the most severe downturns.

The crisis is affecting the Southeast Asian region which is facing similar problems to those which appeared during the 1997 Asian financial crisis. Although Asia learned from the 1997 financial crisis and the financial sector was reformed, ‘many economies in Asia are [again] either in recession or face significant growth slowdown. Over all the economic growth in the region dropped sharply in the first quarter of 2009’ (Lohani, 2009). In developing Asia, economic growth fell from 9.5% in 2007 to 6.3% in 2008; the figure was estimated to be 3.4% in 2009 (Lohani, 2009). The economic slowdown will cause an increase in the number of people living below the poverty line. The impact of the crisis has been felt in both the social and economic spheres.

Women workers in the region are the most vulnerable to the effects of the economic downturn. Indeed, given their predominance in the export oriented industries most affected by the current crisis, as well as their status generally as temporary, low-skilled, low-wage workers, it is not surprising that women have been more severely and more widely impacted by the current crisis. Job losses have especially serious consequences for these female workers because they have no social safety nets to fall back on. They also find it next to impossible to cross employment sectors because of their limited education and skills (Sirimanne, 2009).

Given the serious effects of the 1997 Asian financial crisis on women workers in the region, for example, with their predominance in the export sector, as well as the lengthy, in some respects still ongoing, recovery process, this study will investigate the effects of the current 2009 economic downturn on women workers and their families in five countries in the Southeast Asia region (ASEAN), namely, Cambodia, Indonesia, the Philippines, Thailand and Vietnam. The aim is to examine these countries from a retrospective view in order to determine how the different countries are responding to the 2007–2008 crisis thus far, examining responses from both the private and public sectors.

A recent Oxfam discussion paper noted the affects of the current global crisis:

*. . . [it] is having a devastating impact on their livelihoods, their rights, and their families. Women are often first to be laid off, with employers leaving pay outstanding and evading legal obligations to give notice and pay compensation, and governments turning a blind eye, with devastating knock-on effects. Last year, women’s wages were putting food on the table and children through school in millions of families. Now, the lives of women who were already suffering from poor labour conditions have become even more precarious.*

*Failure to act now, to protect the rights of women living in poverty from the economic crisis, will have a disastrous impact on global development in general, and women’s rights, livelihoods, and families in particular (Emmett, 2009).*

### ***1.1 Purpose of the research***

The purpose of the research is to provide up-to-date information and recommendations to policy makers in both the public and private sectors on the impact of the current economic crisis on women workers in five Southeast Asian countries. The results of the research will be shared with civil society organizations, government agencies, regional and global institutions, academic institutions, trade unions, donor agencies, NGOs, and the media.

### ***1.2 Research objectives***

1. To assess the impact of the financial crisis on women in Cambodia, Indonesia, the Philippines, Thailand and Vietnam.
2. To assess the gender specificity of individual governments' and regional institutions' responses.
3. To develop a set of policy recommendations for individual governments, regional institutions, and donors based upon the specific impact and responses.

### ***1.3 Research questions***

In order to best address the general research objectives, eight specific research questions were developed to guide each of the country researchers:

1. How is the current crisis affecting the female employment situation in export manufacturing and service sectors, e.g. textiles and electronics?
2. How is the current crisis affecting income and/or working conditions for women in areas such as the garment sector where overtime may have been reduced or women have been asked to do more work for the same pay?
3. How is the current crisis affecting family welfare, e.g., nutrition, children's education, and health status?
4. How is the current crisis affecting public spending for health, education and welfare purposes, e.g., are women having to spend more for health clinics and school fees?
5. How is the current crisis affecting the labour burden on women? Do they have to take on second jobs or spend more time taking care of the family because of reduced social services?
6. How is the current crisis affecting how women are coping with the crisis and managing their resources to survive?
7. How is the current crisis affecting remittances both domestic and international?
8. How is the current crisis affecting the availability of micro-credit and its impact on female businesses?

### ***1.4 Research methodology***

The study employed qualitative research methodology as follows:

- a secondary literature review;
- a review of relevant documents from both the public and private sectors across the region as well as those of external donors;
- analysis of relevant databases, e.g., the World Bank, the Asian Development Bank, the International Monetary Fund, the International Labour Organization;

- discussions with the country researchers/participants at a regional research workshop; and
- synthesis of the commonalities of the crisis impacts from the five country reports.

### ***1.5 Limitations***

One serious constraint on this research is the difficulty in obtaining up-to-date data, in particular gender disaggregated data.

### ***1.6 Organization of the report***

The report is organized as follows. A brief general literature review sets the background of the problem relating the current economic crisis with that which occurred in 1997. The literature review is followed by country reports from Cambodia, Indonesia, the Philippines, Thailand and Vietnam. Following the country reports is a general summary pointing out the commonalities in the crisis's impacts on women and the responses – both public and private – to those impacts in each country. The report concludes with both short-term and long-term policy recommendations.

## 2 Literature review

Throughout Southeast Asia, women have been more severely affected by the crisis than men (King Dejardin, 2009). This can be attributed to several reasons, all of which fall under either gender-specific inequalities in labour markets or differences in social norms regarding notions concerning male and female social roles (Sirimanne, 2009). First, larger numbers of women work in export-oriented industries, which have been affected by a slump in demand. Moreover, women are at the lowest levels of casual, temporary, low-paying, and insecure employment with minimal or no social insurance support. With significant reductions in demand for such export goods as clothes, textiles and electronics, as well as for services such as hotels and restaurants where women workers are also predominant, it was no surprise that women were the first to be laid off (King Dejardin & Owens, 2009). King Dejardin and Owens (2009) pointed out that in Thailand during the 1997 crisis, 95% of those who lost their jobs in the garment industry were women, and in toy manufacturing 88% of those laid off were women. As acknowledged 'breadwinners', men tend to be favoured over women in terms of job retentions, social security entitlements and rehiring. Women are also burdened with caring for family members on top of their roles as workers outside the home (Sirimanne, 2009).

The consequences of losing a job also affect women more severely. For poorer families, the woman's income is very important for the family's subsistence and the children's health and education. Since women workers in most Southeast Asian countries are concentrated in lower paying jobs, they generally are able to save less. Therefore, they are extremely vulnerable to loss of employment or reduction in wages or to increases in the prices of essential items (King Dejardin, 2009). For example, in the 1997 crisis in the Philippines, if a male worker was laid off, 65% of households reported a loss of income. However, if a female worker lost her job, 94% of households faced financial difficulty (Chavez, 2001). Indeed, the situation today is not much different from that in 1997 in terms of women being at the forefront of the adverse effects of the current economic downturn (Emmett, 2009; King Dejardin, 2009; Uy, V. 2009).

As a recent UNIFEM working paper noted, a significant difference, however, is that the experience of the 1997 crisis can provide important insights into dealing with the current crisis in such areas as developing and implementing effective gender-sensitive economic stimulus packages; providing effective social safety nets; and establishing effective monitoring systems to enable assistance to be effectively targeted to those most in need (Guina, 2009).

The current economic crisis could cost the jobs of some 27 million people overall in the greater Asia-Pacific region, while 140 million others could slip into extreme poverty in 2009 alone (Emmett, 2009; ILO, 2009; King Dejardin, 2009; Lohani, 2009).

Specifically, the current crisis has impacted Southeast Asia in five broad areas: 1) exports affected by declines in overall trade; 2) employment impacted by aggregate demand; 3) remittances affected by reversals in both internal and foreign migration; 4) liquidity and availability of loans affected by tightened credit markets; and 5) the governments' potential ability to finance domestic stimulus policies affected by strained fiscal budgets (Guina, 2009). Each of these five areas needs to be investigated in terms of women workers in each of the five Southeast Asian countries focused on by this research.

King Dejardin and Owens (2009) have demonstrated the gender bias of the crisis in Southeast Asia, noting that 'working women will be affected more severely, and differently, from their male counterparts'. These consequences, both in their severity and differences for female as opposed to male workers, will be examined in this research within the five broad areas of impact of the crisis noted in the previous paragraph.

### 3 Macroeconomic overview

Although these ASEAN countries learned lessons from the previous Asian financial crisis in 1997, it is still possible that the global financial crisis will affect their economic development through the end of 2009 (ADB, World Bank, 2009). As global aggregate demand declined due to the shrinkage in demand in the USA and other large economies such as the EU and Japan, the economies of developing countries, including the Asian five, were significantly affected. A large decline in export value means shrinkage in investment and thus less demand for labour. Therefore, export-oriented industries, for example textiles, garments, and electronics that include semiconductor parts, throughout the countries being examined in this report have been closing factories and laying off workers. The major export industries of these developing countries are labour intensive. Since the majority of workers in these industries are women, they too have been significantly affected by the slowdown.

It has been reported by both the Asian Development Bank and the World Bank that the global financial and economic crisis will have significant impacts on the vulnerable sector of the population in Asia (2009). Growth in developing Asia as a whole will drop by some 3%. The crisis will keep more than 60 million people in poverty. Because most of these countries depend heavily on export industries, they need demand from abroad to fuel their growth. Paul Krugman noted, at a symposium on the global financial crisis in Malaysia in August 2009, that the slump in exports from Asia is unlikely to be protracted. However, given the current lack of any holistic measure to tackle the problem, economic recovery will not occur without increased government spending in the region.

As shown in Table 1, the countries in the region have experienced a significant decline in the GDP growth rate, export, and industrial outputs as a result of falling oil prices and global demand. The growth rate decreased approximately by two to three percent across the region from 2007 to 2008. However, a drop in GDP growth rate in Indonesia was minimal from 2007 to 2008 due to their strong private consumption and investment; however, in the fourth quarter of 2008, the growth fell from 6.1 percent to 5.2 percent due to a decline in exports.

The impact of the economic downturn on the real sector such as exports has been carefully observed. In the past decade, the region has accelerated its pace toward the integration of global trade. The region enjoyed the progress of an export-led growth policy, which generated comparative advantages that stimulated the competitive export sectors. However, the volume of exports in all five countries in the region has declined because of the current recession. The growth of exports, particularly in export-oriented industries such as garment and textiles, electronics and automotive, in real terms fell for all countries except Indonesia in 2008. Although trade figures for 2009 are not yet available, the EIU indicates that sharp contractions in the world markets will have a negative effect on the region's exports in 2009.

Consumer prices were still at high levels for the whole year, especially in Cambodia and Vietnam. The high inflation rate was a result of sharp increases in global food and fuel prices from 2007 as well as strong domestic demand. However, this phenomenon only occurred over a short period. The inflation rate for 2009 is expected to fall sharply across the region compared to the inflation rate in 2008.

**Table 1: Selected macro index**

<b>Cambodia</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
GDP at constant prices (billion Riels)	26867.60	–	–
Growth of GDP	4.90	2.60	-2.00
Export growth (percent)	10.20	3.40	-12.00
Value of merchandise exports (US Dollars)	3971.20	–	–
Inflation, average consumer prices (percent)	5.85	19.69	5.23
Unemployment rate (percent)	–	0.70	–
<b>Indonesia</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
GDP at constant prices (billion Rupiahs)	1963974	–	–
Growth of GDP	6.30	6.10	3.60
Export growth (percent)	8.50	9.50	-10.40
Value of merchandise exports (US Dollars)	126458	–	–
Inflation, average consumer prices (percent)	6.03	9.78	6.11
Unemployment rate (percent)	9.10	9.40	–
<b>Philippines</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
GDP at constant prices (billion Pesos)	1368.6	–	–
Growth of GDP	7.20	4.60	2.50
Export growth (percent)	5.40	-1.90	-11.00
Value of merchandise exports (US Dollars)	66417	–	–
Inflation, average consumer prices (percent)	2.80	9.30	3.44
Unemployment rate (percent)	6.30	7.40	–
<b>Thailand</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
GDP at constant prices (billion Baht)	4244.6	–	–
Growth of GDP	4.9	2.6	-2.0
Export growth (percent)	7.80	5.10	-13.80
Value of merchandise exports (US Dollars)	152459	–	–
Inflation, average consumer prices (percent)	2.24	5.47	0.52
Unemployment rate (percent)	1.4	1.4	–
<b>Vietnam</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
GDP at constant prices (billion Dong)	461466	–	–
Growth of GDP	8.5	6.2	4.5
Export growth (percent)	15.50	14.70	-6.20
Value of merchandise exports (US Dollars)	45498	–	–
Inflation, average consumer prices (percent)	8.35	23.12	6.00
Unemployment rate (percent)	4.6	4.7	–

Source: Key Indicators for Asia and the Pacific 2008, *Asian Development Bank*; *Economic Intelligence Unit (EIU) 2009*; and *International Monetary Fund, World Economic Outlook Database, April 2009*.

## 4 Impact of the global financial crisis on women

Demand shrinkage for manufactured goods from Southeast Asia on the part of the United States of America and other large importing countries is assumed to have two effects. The first effect is that as peoples' incomes decline, they consume less, hence there is also a decline in demand for goods and services. This causes a reduction in the hiring of service industry workers as well as other workers. This process greatly affects migrant workers from developing countries and results in a fall in the amount of remittances they send back to their families in their home countries. Moreover, if they are laid off from their jobs in the service industries or because building projects have been put on hold due to the slowdown, the migrant workers return home, contributing to the unemployment situation there.

According to the World Bank, as the recession deepened in the USA, the EU, and the Middle East, remittances sent home to developing countries have fallen to about US\$290 billion in 2009 from US\$305 billion in 2008. For some Southeast Asian countries, such as the Philippines, migrant workers' earnings are the most important part of export revenue. The IBON foundation in the Philippine reported that, in the first quarter of 2009, overseas remittances fell from 11 out of 20 countries accounting for 96% of such remittances.

Up to 200,000 Indonesian workers out of more than 4 million expatriate Indonesian workers worldwide might need to return home if the international economic crisis remains severe. In the urban areas around Jakarta, migrant export sector workers started to return home in late 2008 when their contracts were not renewed. Others have had their working hours reduced. More workers had to take lower-paying or more dangerous jobs.

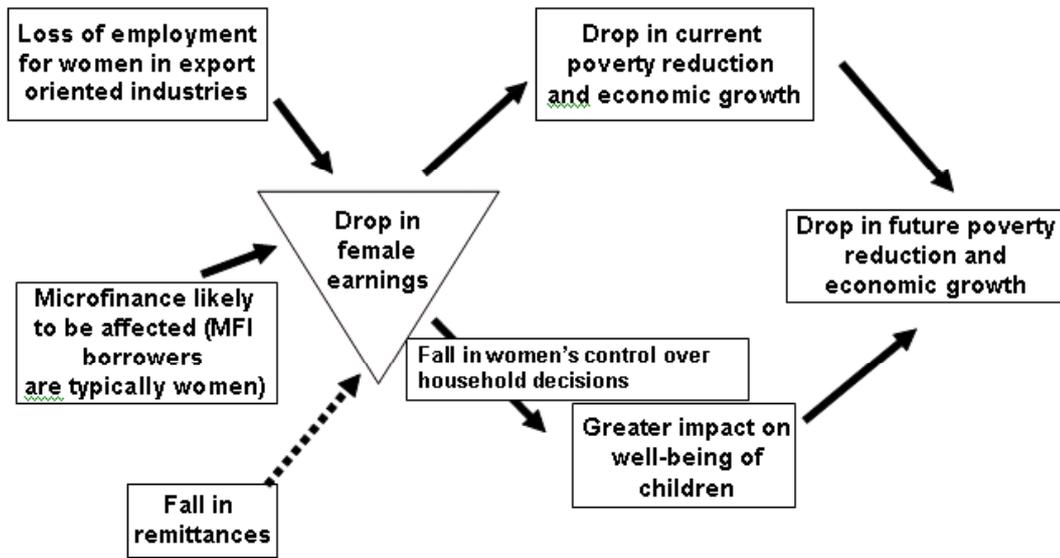
The second effect of the demand shrinkage for manufactured goods from Southeast Asia in the developed importing countries is a growing increase in unemployment in the latter's export sectors, where large numbers of female workers can be found. These two processes can cause an accumulation of a large labour surplus. Given that the majority of migrant workers and workers in the export sector are women in the countries under review, the crisis is greatly affecting them.

The ILO has predicted that the number of people under the poverty line in Asia increased by 50–120 million during the period from 2007 to 2009. According to ADB, the majority of workers in the lower segment in the global supply chain of exported products are women. They have been heavily affected by the crisis as a result of job losses, particularly in the garment, textiles and electronics industries. The employees of these industries, heavily hit by the current crisis, are almost 80 % women and about 20 % men.

Exports are an engine of growth for developing countries; however, as demand for their exports slows down, their GDPs are negatively affected. This will not only affect women directly due to job losses, but also indirectly if governments feel that it is necessary to cut public spending. Such measures might be taken due to falling tax revenues as a result of the decrease in business and individual incomes as well as foreign aid.

The effects of the economic crisis are not only experienced by the women and their families who have lost their jobs and incomes either entirely or in part, but also by their long-term welfare as shown in figure 1. Children and the elderly will be adversely affected in terms of family and personal care such as health care, nutrition, schooling, child and elderly care. Moreover, the more hardship the family experiences as a result of the crisis, the more domestic violence against women occurs.

Figure 1. Loss of women's earning can have long-term welfare impacts



Source: PREM Gender and Development, World Bank, February 2009 accessed from [http://pslforum.worldbankgroup.org/docs/WBFinancialCrisis\\_0903.ppt](http://pslforum.worldbankgroup.org/docs/WBFinancialCrisis_0903.ppt)

Following are the individual country studies, which are based mainly on the reports submitted by researchers from Cambodia, Indonesia, the Philippines, Thailand and Vietnam,<sup>1</sup> with some gaps filled by other sources.

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<sup>1</sup> Oxfam's country case studies on the global economic crisis are available at [http://www.oxfam.org.uk/economic\\_crisis/](http://www.oxfam.org.uk/economic_crisis/)

## 5 Country reports

### 5.1 Cambodia

#### *Impacts of the crisis and coping strategies*

Cambodian women have been severely affected by the current global economic crisis. Job losses in the garments industry, where women form the bulk of the workers, have meant not merely loss of income for these women but for the families they support. Fewer urban jobs across all sectors have led to a reduction in remittances sent home to the rural areas, where more than a million households depend on these remittances as their only source of income. The same applies for overseas migrant workers forced to return home with no prospects for employment there. The loss of remittance income both in-country and from abroad has deeply affected family welfare, with less money available for food, education, and health care. It has also led to an increase in the numbers of young Cambodian women entering the sex trade as a means of survival for themselves and their families (UNDP, 2009).

#### **Impact on the labour market**

The impact of the global downturn has had a potentially devastating effect on Cambodia's exporting industries. Cambodia's exports are overwhelmingly dominated by garments, accounting for 75% in 2002 and 65% in 2008. According to data from Ministry of Commerce, garment exports in the first four months of 2009 dropped by 27% compared with the same period last year. This downward trend is likely to continue well into the second half of the year with most garment factories reportedly running at only 60% to 70% capacity. The Garment Manufacturers Association in Cambodia (GMAC) reported that orders are down by almost 40% and, more worryingly, that they have orders for only a few more months, in contrast to previous years when orders normally lasted for four to six months. As 90% of garment products are exported to the US and EU markets, economic recovery in these countries is directly linked to recovery of the garments sector in Cambodia.

The total number of workers in the garment industry was reduced from 352,955, mostly female, working full-time in September 2008 to 290,439 in May 2009. This means that as many as 63,000 workers, or 18% of the total workforce, have been laid off in the past eight months. Moreover, many have been temporarily suspended or have lost opportunities for overtime work. Since the majority of workers in the garment industry are females, the impact of the downturn has fallen disproportionately on women. Some 50 factories have closed their doors. The corresponding loss of salaries for the workforce has been estimated at US\$6.2 million on a monthly basis. This does not include the reduction in income for a number of workers who remain on the job. A recent small-sample survey conducted by the Cambodia Development Resource Institute (CDRI) found that earnings of those still in the workforce dropped by 18% in real terms between May 2008 and May 2009, and remittances to their families in rural areas have declined by 6% (Hang, 2009).

The laid-off workers who could not find paid work were faced with limited access to cash and were consuming less than before. Those who decided to stay on in rented accommodations in Phnom Penh feared that they would run out of savings to pay their rent. Some have been looking for jobs but have had no luck. They are concerned that they will have no money to support their families at home. Some have even asked for rice or money from their families in the rural areas, a worrying reversal of what had previously been urban workers remitting money home to the countryside. Some have borrowed

money from others to live on with the expectation that they would find a job soon. They were worried they would have no money to pay for treatment if they become sick. If the situation does not improve, these laid-off workers, mostly young women, are likely to fall further into debt or be forced to undertake socially undesirable jobs such as prostitution.

A survey of 33 laid-off workers located in Phnom Penh, Kandal, Kampong Speu, Kampong Thom, Kampong Cham and Prey Veng provinces detailed what they have been experiencing. All the interviewees were females, reflecting the overwhelming majority of women in the garment workforce. They were on average 25 years old, having spent an average of 6.2 years in school. Despite their young age, they supported an average of four dependents. They had all been out of employment for between one and seven months, having been employed in the sector for 2.9 years on average. Earnings from the job varied from US\$60 to US\$120 per month, averaging US\$83.20. They were able to save US\$34.40 on average to support their families. The amount of savings made to support families varied from zero to US\$76.

After being laid off, 30% of the sample in the study could find paid work, while 46% did unpaid family work and 24% reported being idle. For instance, a 19 year-old single woman from Kampong Speu was unemployed for four months. However, she then found another job with another garment factory and continued to earn US\$80 a month. She could save US\$40 to support five dependants at home. In her current employment, the contract was only for one month at a time, a big change from before. There were three buildings in the factory where she now works. Each building accommodates 200 workers, but one of them was closed due to the lower demand for garment products from the US.

A number of laid-off workers decided to stay in the same rented accommodation and expected to return to work again in the same factory, in another factory or even in other jobs. In so doing, they lived on their meager savings or the income of their partner/spouse and could not save any money. However, the majority of the laid-off workers interviewed now stay with their parents (58%). This included some whose households moved to Phnom Penh and settled in the periphery. Among the rest, most of them stayed with their husbands or friends, generally in rented accommodation near the factory. A few stayed with their relatives and siblings.

The crisis has affected both men and women almost equally in terms of numbers of paid/wage jobs. Within the survey samples, 36% of the households have members whose jobs have been affected by the downturn between November 2008 and July 2009. Of all 664 household members whose jobs were affected by the crisis, 49% were female. However, women in female-headed households tended to be relatively more vulnerable compared to those of male-headed households. The three outstanding difficulties were sickness/health expenses, decreased income /job loss, and lack of money to repay loans.

### **Impact on migrant workers and remittances**

The crisis has also had a significant impact on family welfare. The government's revenue collection has seriously fallen short of expectation, compromising its ability to respond to the social effects of the crisis. For the first five months of 2009, revenue dropped by 11%, compared with the same five months in 2008. It remains to be seen whether the government will be able to meet its target by the end of 2009. The prospects do not look promising, due to the reduction in trade and economic activities, and there is no clear indication of when they are likely to pick up.

The loss of remittance income has also been a major impact of the crisis. As a UNDP News Release in April 2009 noted:

*Fewer urban jobs equates to fewer remittances sent home to rural areas, where 80% of Cambodians live. 1.5 million rural people depend upon migrant remittances (mostly from women) as their major source of income. Early indications show that many unemployed workers are returning to their villages, where livelihood opportunities outside subsistence agriculture are severely limited. To survive, more and more Cambodian women and children may find themselves in the informal economy for lower wages, poorer conditions, and greater risk of sexual exploitation and trafficking.*

Since the mid 1990s, many young Cambodians have flocked to Phnom Penh and other urban areas to work in the ever-growing garment factories, booming construction sites and tourism-related industries. Before the global financial and economic crisis hit Cambodia, about 360,000 mostly young female workers were employed in garment factories around Phnom Penh; about 270,000 mostly young male workers earned their living from construction sites across the country; and another 70,000 engaged in tourism-related industries. There are no exact figures of how much these migrant workers send home each month, but a study by CDRI found that 93% of them remitted money home (Lim, 2007).

On average, a migrant worker sends about US\$20 home. According to these figures, internal migrants send home about US\$150 million per year to rural Cambodia or about 8% of the total income of rural households. As a result of the crisis hitting the tourism, garment, and construction sectors, many are now laid off, resulting in significantly fewer remittances being sent back to the rural areas. It is estimated that about 20% to 30% of workers in garment factories, construction sites and the tourism industry have lost their jobs since late 2008 resulting in a loss of between US\$30 million to US\$45 million in the form of remittances with the corresponding impact on household incomes.

Apart from internal migrants, a large number of Cambodians work abroad in Thailand, Malaysia and Korea. Thailand is overwhelmingly the most popular destination for undocumented Cambodians owing to loose or non-existent border patrols. The number of undocumented Cambodian migrant workers abroad is estimated at between 200,000 and 220,000, and they send an estimated US\$300 million annually to the country (World Bank, 2009). It was at first feared that most of them would be forced to return home as a direct consequence of the crisis in order to free up jobs for local Thais. However, a high ranking official at the Ministry of Labour and Vocational Training (MoLVT) revealed that only a small percentage of them are returning home as they are usually involved in so-called '3D jobs' (difficult, dirty and dangerous) which are largely shunned by Thai workers. Even though only small numbers are returning, remittances are expected to drop, as those remaining in Thailand are expected to earn less.

The reduction of remittances from urban to rural areas due to the decline of industry could mean a reduction in inputs to agriculture in addition to the worsening levels of consumption in rural areas. Most of the garment workers come from rural areas and send about US\$20–40 to support their families in their home villages. Since 63,000 have been reportedly laid off, along with construction workers and other occupations, a large number of households in rural areas has been without this financial support for a while. These remittances are used for consumption, but also for purchasing inputs for farming such as fertilisers. As farmers will likely use little or no fertilisers, production is likely to decline. There have been reports from NGOs and various micro-finance institutions (MFIs) that many households request delays in repayment of their loans and that non-performing loans have increased from very low levels to approximately 2.5%. If the situation does not improve soon, MFIs may face difficulties or have to incur some losses.

### **Social impacts of the crisis**

A survey of 1,070 households randomly selected in 15 villages representing different characteristics of agro-economic systems in Cambodia was conducted by the Cambodian Economic Association in July 2009 to assess comprehensively the impact of the global economic downturn on households in the communities. One of the most striking findings was the level of high indebtedness. In the whole sample, 70% of the households reported having outstanding loans from informal moneylenders, ACLEDA, MFIs and relatives. Most of the debts have been taken on in 2009. Being unable to repay the loan is one of the major concerns. Compared with the previous survey in the same communities in June 2008, only about 50% were indebted. However, focus group discussions found that the women who took out loans were those with 'thick skins'. This is because in Cambodian culture, borrowing money is considered to be an embarrassment.

In their everyday lives, there are various ways people cope with their present circumstances. It has been observed that the most common strategies that people use are to rely on less preferred/less expensive food, to increase fishing activities, or to seek alternative/additional jobs. Other strategies include borrowing food or relying on help from friends or relatives, purchasing food on credit, taking out loans, and eliminating spending on health.

The crisis has impacted children through such changes as nutrition, school attendance and poverty. It has also adversely affected the coping strategies of families, the situation on child labour, and the sale of productive assets. The reasons for such changes are due to the lower purchasing power of household incomes, reduced income due to job losses, and deteriorating living conditions in families and communities. The situation is made even worse given the already high income inequality, rapid urbanization, social polarization, poor rural development and the effects of climate change on households' livelihoods.

What is even more worrisome is the increase in the use of various strategies to deal with the crisis, which could have devastating effects on the well-being of children through changes in nutrition and exposure to diseases. Another common coping strategy is pulling children out of school.

The economic downturn causes households to lose significant amounts of income, with many affected households taking measures by reducing expenditure on essential commodities. The families engaged in informal employment are particularly at risk. Distress migration could be an undesirable outcome for the children, in terms of their access to education and health. While it is not conclusive that the loss of income affects the education, health and nutrition of children, it is likely that the reduction in consumption adversely affects children's well-being. The reduction of health and education expenditures can have long lasting consequences on child growth and human potential. It is also, of course, primarily on women as the effective caretakers of the household that these difficulties fall. The effects on mothers and girls, who might be eating last or otherwise be deprived of essential commodities when the whole family is affected by the crisis, deserve special attention.

### ***Government responses to the crisis***

The government has responded with a fund allocation of US\$ 7.5 million to retrain some of the laid-off workers for one to four months and to provide micro-credit for them to venture into small businesses after the training. The government is also encouraging greater investment in the agricultural sector in order to facilitate the absorption of workers back into rural communities. No studies or surveys to date have been able to state exactly how many laid-off workers returned to rural areas, how many have found other types of employment, and how many are remaining in the city continuing to look for jobs.

Sixty percent of the trainees who entered the training programme set up by the MoLVT for the purpose of mitigating the negative impact of rising unemployment were laid-off garment workers. According to a high-ranking official in charge of this intervention programme, each trainee receives US\$1 per day for food and US\$10 per month for accommodation. While the industry reported that 63,000 workers were laid off, the training programme was designed for only 41,000. However, as mentioned, only 60% of the 29,255 recruited trainees were laid-off garment workers. According to a number of unions interviewed by a non-government organization (NGO) project, many wanted to participate in the training programme but could not afford to survive on a subsidy of US\$1 a day. They needed to find other work in order to earn extra income to support their families or dependants.

### ***Conclusion and policy recommendations***

As in many other developing countries, Cambodian women are the mainstay of the family and are also an essential part of economic development. The current crisis has put these roles at risk and also has the potential to retard the process of female empowerment in Cambodia. As the UNDP's Douglas Broderick has pointed out:

*Investing in women and children is the best way to ensure long-term prosperity. There is real opportunity in this crisis to transform ongoing vulnerability into sustainable futures for all Cambodians. Social safety nets in health, education, food, and work can help break the poverty cycle and we must not lose sight of this focus (UNDP, 2009).*

Specific recommendations, which must be gender-sensitive, are as follows:

1. The government's Emergency Food Assistance Project (US\$40 million), which has been alleviating the negative impact of high food prices in 2008 as well as the economic downturn on poor households, must continue. The component to provide smallholders with quality rice seeds and fertilisers will not only help them to increase yield in the immediate future but also will acquaint them with quality inputs that can have lasting effects in local productivity and livelihood improvement if they continue to demand them from the market. It is important that the assistance is not just a one-off. There is already a government institution that is running smoothly.
2. Food for Work Programme (led by the World Food Programme for decades) should continue. The RGC provides 2,000 tons of rice annually to WFP to be redistributed to vulnerable groups through its Food for Work Programme. Expansion of food and/or cash for work will not only provide essential basic goods to the poor but will also help to build basic infrastructure that will provide further benefits. Gender considerations should be taken into account in project formulation and implementation.
3. School feeding and scholarships for poor communities and households also call for expansion for better coverage. The programme currently reaches about 500,000 students, while the targeted scholarship programme reached almost 29,000 students in 2008. The food rations programme for their households provides supplementary food and nutrition for mothers and children. Scaling up these programmes will provide far-reaching benefits for poor households and their children, particularly the female children who tend to drop out first when their families face hardship or simply lack of income. Gender consideration should be taken into account in project formulation.
4. Training programmes specifically targeting laid-off women workers need to be devised and implemented. Projects needed to be scaled up to train these workers. Thus far, 29,552 workers have participated in the project, which aims to retrain 41,000 workers. Only 60% of the trainees have been laid-off workers from the garment industry. For various reasons, many laid-off workers cannot participate

in the training programme although they would receive enough money to support themselves. The project was correct in allowing others who are not laid-off garment workers to participate in the training. The scholarships offer trainees basic goods needed to survive during recessionary times. This kind of project should be scaled up and expanded to many provinces to offer the opportunities to those in need of skills. This would raise the competitiveness of Cambodia and make it a more attractive investment destination for foreign direct investment (FDIs).

5. Build more roads, bridges, health centers, community markets and schools using as much labour as possible. More effective spending on infrastructure should be a high priority because it will not only expand economic activities now but also improve the foundations of economic competitiveness and growth. Whenever feasible and viable, techniques that employ more female labour should be considered in infrastructure projects.

## 5.2 Indonesia

### *Crisis impacts and household responses*

The first impacts of the global economic crisis were felt in Indonesia in the fourth quarter of 2008 when economic growth fell from 6.1% to 5.2% due to a significant decline in exports (Sarwono, 2009). Exports were hit for two main reasons: drops in commodity prices since the middle of 2008 and weakened external demand for export goods after September 2008 (Tititheruw et al., 2009). Manufacturing is, nonetheless, a significant sector in the economy as a proportion of GDP (26.8%); it also experienced the most significant downturn in the fourth quarter of 2008 (Sarwono, 2009). The fourth quarter of 2008 recorded the lowest levels of export growth since 1986 (1%). By January 2009, year-on-year export growth had dropped 36.08% (Tititheruw et al., 2009). This has affected female employment, since women are concentrated in the textile and garment industries, and the affected sectors have a high proportion of women workers.

### **Economic impact on labour market**

The Department of Manpower recorded 65,200 dismissals, geographically concentrated in West Java, as a result of the crisis by 28 August 2009 (Depnarkertrans, 2009). The majority of layoffs recorded were in textiles and garments, wood and electronics. Government figures fall far short of the number of layoffs reported by Apindo (Indonesian Employers Association), which reported between 150,000 and 200,000 workers, including outsourced and daily workers (David and Baskoro, cited in Tititheruw et al., 2009).<sup>2</sup>

Women are concentrated in the lower segments of global supply chains, where jobs are insecure, wages are low, and working conditions are poor (ILO, 2009). This factor, combined with the impact of the economic crisis on employment, lead to an increased likelihood that women will lose their jobs. A focus group held for this research in West Java included women who had worked at the same factory for between 8 and 14 years. They reported that they were dismissed supposedly due to the economic crisis and a downturn in orders. Some, who had retained their jobs in the footwear industry on the

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<sup>2</sup> The official figures do not adequately capture practices of increasing labour market flexibilisation. A national union has been tracking dismissals and changes in conditions across its network of factory-based unions since October 2008. Their data, while not comprehensive by any means, tell a different story to the official figures.

outskirts of Jakarta, stated that since 2008 they perceived that their factory found it is easier to dismiss workers. The factory had started a 'training programme' where candidates work for three months, and then only some are accepted as fixed-term workers. Workers targeted for dismissal are moved into the surplus department where they do not have anything to do and are subject to anger from other workers who are overworked.

The factory has also re-hired younger workers on a variety of more flexible, lower paid arrangements including short-term contracts, internships or outsourcing. The workers fought for their rights to the legally mandated formula for severance pay, staging an eight-day protest at the provincial office. The factory relented, but had already employed other contract workers. Of the 73 dismissed workers, 17 took the severance payment, while the other 56 did not, as they are asking for reinstatement. They simply want their jobs back.

Many companies are using 'the economic crisis' to hasten moves to a more flexible workforce. Labour market 'flexibilisation' moves workers onto less secure pay and conditions – predominantly through shorter term and lower paid contracts. The practice aims to bring young women into factories for training or internships paid beneath the minimum wage, and only a small number of them are accepted into minimum wage contract jobs. This practice provides only a maximum of two years of employment, and only 15 months of which is on the relevant minimum wage. This process finally leads to increasingly precarious working conditions where workers are more easily dismissed and earn lower wages. The situation is becoming more precarious for contract workers. Previously if their contracts ran out, they could find new work. Now it is much harder to find another job (Fillaili, 2009).

In the interim, they are trying to find other work. The ten women in the focus group were seeking work through outsourcing, contract work at a factory, or work in the informal sector. Two were selling fried food while four others were working in the local workshop informally. They had found it hard to find formal jobs. One obstacle cited was the need to bribe – between 1.5 and 2.15 million rupiah – to be accepted for a job.

Indonesia has a social security and insurance programme for workers (Jamsostek) but still no coverage for the unemployed, or workers in the informal sector, who constitute the majority. This increase in the precariousness of work has implications for household income, food consumption and other factors. It further pushes formal sector workers to take up additional work, often in the informal sector. Workers, both fixed and on-contract, are experiencing changes in income and conditions as a result of the downturn in production. Union data across 40 factories show 12 factories have reduced hours or suspended workers, affecting an unknown number of workers.

In one focus group, women who were employed full time were all also undertaking work in the informal sector to pay for household expenses, including collecting plastic glasses, trading small birds, trading school uniforms, singing in small bars, or engaging in prostitution. They also reported reduced income from the informal sector due to increased competition. Other informants noted seeing an increase in informal workers on the streets. Some of them experienced an increased labour burden as they took on more work to make ends meet, either due to increasing prices or reduced income.

The potent combination of decreased earnings along with high food and fuel prices has compounded the situation for many households. This inflationary pressure on households has increased the competition in the informal sector as fixed and contract workers take on additional work to make ends meet. Participants in focus groups confirm that price hikes on their own were stretching families with a stable income, while those who have reduced hours, wages, or who have been dismissed are limiting food intake, borrowing money and taking other actions to cope.

The women who were still employed spoke of a lack of choice of food and an inability to buy meat or fish. The women who were now unemployed faced starker choices: those who had been unemployed for over a year now only consumed food twice a day instead of three times, and they were eating less for each meal. They could not include fish, chicken or meat anymore. They were thinning the milk they gave to babies and feeding children less, including not being able to give them money for food at school. The women dismissed in March 2009 had decreased their food intake:

*For the first three months my kids found it very difficult to go from rice and tofu and just eat soup and the cheapest thing.*

They found it difficult to buy rice and did not buy chicken or meat. Some women had stopped using formula milk and were using water or tea with some sugar. Two women reported that their kids were becoming thinner. The nutrition of children was at stake although parents were often forgoing their own food to allow their kids to eat. Even with such sacrifices, there was not always enough food for their children.

### **Social impact of the financial crisis**

The impact of the crisis on education is unclear and requires monitoring over time. None of the women in the focus groups had taken their children out of school. Parents reported eating less, selling assets and making other choices to enable their kids to remain in school. The Indonesian government's School Operational Assistance programme (BOS) supposedly provides free education. The policy has not overcome the costs of education, as parents have to cover schoolbooks, uniforms and registration fees (Fillaili, 2009). Some of the women considered 'school free of costs to be a lie because we have to pay for books and uniforms'. Until now, they kept children in school: 'It is better for us not to eat than for our kids not to go to school'. There was no distinction between the treatment of boys and girls with respect to education for the families interviewed.

Beyond food and education expenses, the crisis has had a broad reach. For laid-off workers, the loss of income was affecting every part of their finances and they were struggling to pay for their regular expenses. In two focus groups, dismissed workers had experienced problems with paying for housing. A common coping strategy for household debt and housing was to sell assets. Seven of nine women in one focus group had sold household assets or returned vehicles and mobile phones.

Women who lost their jobs may also face divorce or violence at home. In one focus group, women spoke of the emotional toll that losing their jobs had taken on the household. For half the women, this had led to increased conflicts. Despite these instances of breakdown in family relationships, the critical coping mechanism for all workers we spoke to was reliance on their social networks and families. These social networks were supporting them through loans of money, providing food and care for children.

### **Impact on migration and remittances**

The loss of household income during the crisis may increase the pressure for women to migrate. The risks of underage migration and trafficking could be increased. The impact of the economic crisis is slightly paradoxical: it increases the risk of job losses and abuse for some women workers, while increasing the pressure to migrate for other women.

Women's internal and external migration for work has increased significantly in the past 30 years in Indonesia. By the end of 2008, there were 4.4 million Indonesian workers overseas<sup>3</sup> and women constitute around 80% of these workers. Women migrants are

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<sup>3</sup> There are approximately 2.1 million in Malaysia, 1.4 million in Saudi Arabia and almost 1 million in Hong Kong, Taiwan, Singapore and the United Arab Emirates.

concentrated in domestic work, health and some unskilled or semi-skilled labour in export industries. The government's target is to increase foreign exchange earnings from remittances from USD\$8.6 billion in 2008 to USD\$15 billion in 2009, thereby encouraging and facilitating increased external migration (Susilo, 2009). Many NGOs see this as the 'commodification' of migrants – a dangerous trend that pushes more people into migration without sufficient protection from abuse.

Remittances from internal migrants in Indonesia are being affected. In all focus groups, migrant families were reducing or had stopped sending remittances to their families. In some cases, families in urban areas were now receiving reverse-remittances from families in the village to support them to stay and look for additional work. Internal migrants may not have access to social protection in their village of origin or in their new home, often industrial areas where they work in export-oriented industries. Particularly in the poorest regions, the families of external migrants often do not fall into social protection schemes, such as direct cash transfers, as they are receiving income from overseas and may have made improvements to their homes. When migrants lose their jobs and return home, they may no longer be included in the village headcount and therefore may not be eligible. Similarly, families may be missed despite having lost their income and having no savings.

### *Government responses to the crisis*

At a macro-economic level, the Indonesian government responded quickly to the economic crisis to stabilise financial markets and develop a stimulus package equal to 1.4% of GDP. A key factor for the fiscal position of the Indonesian government was the reduction in spending on fuel subsidies, which more than halved, creating fiscal space for alternative government spending (Bank of Indonesia, 2009a). While Indonesia has lowered its levels of public debt in recent years, debt repayments still constitute a significant part of the state budget. Debt servicing reduces the funds available for funding public services: housing, electricity, water, health, and education. Interviews with civil society pointed to existing privatisation of electricity, water and health and the lack of a social floor that provides social protection to all citizens. However, the government has not reduced its spending on poverty alleviation services in the 2009 budget. In line with pre-crisis plans, funding for 'poverty allocation' was increased to US\$7.1 billion in 2009, a 50% increase from funds allocated in 2008 (ILO, 2009a). The government was able to maintain its plans to increase these funds due to Indonesia's good fiscal position.

In response to the crisis, the government negotiated stand-by loan facilities of up to US\$5 billion with donors, predominantly the ADB, World Bank, Japan and Australia, if conditions in international capital become too restrictive (ADB, 2009b). This has provided balance of payments support. There has been no trigger to draw on these funds based on the current economic conditions. Instead, Indonesia has raised funds through domestic and international bonds and ensured its access to currency swap arrangements within ASEAN that provide additional assurance for international reserves (ADB, 2009a).

The government has continued or expanded social programmes in response to the economic crisis as follows:

- The School Operational Assistance programme (*Bantuan Operasional Sekolah - BOS*) has continued to support access to education.
- A National Health Insurance Scheme for the Population (*Jaminan Kesehatan Masyarakat - Jamkesmas*) exists to target and support the poor with free services in the *puskesmas* and *pustu* and *posyandu* (integrated health service posts).

- The Rice for the Poor programme (Raskin) began in 2000 initially as a social safety net programme to reduce the impact of the 1997/98 crisis. Some of the women in the focus groups were buying Raskin rice at a reduced price.
- The Unconditional Cash Transfer Programme (BLT-*Bantuan Langsung Tunai*) instituted in response to the fuel crisis in 2005 has been continued. No women in our focus groups had received these.<sup>4</sup> Each poor household receive Rp 300.000 (about US\$ 30) and each term is for three months. There are no conditions attached when using this fund.
- Conditional Cash Transfer (*Programme Keluarga Harapan* – PKH). This programme provides cash transfers to poor and almost-poor households if they meet prescribed conditions, including sending children aged 6 to 15 years (back) to school and the use of *Puskesmas* when any member of the household needs treatment. The cash received by the household varies depending on household composition.
- National Community Empowerment Programme or *Programme Nasional Pemberdayaan Masyarakat – Mandiri (PNPM-Mandiri)*, aims to reduce poverty, strengthen local government and community institutions, and improve local governance. This poverty programme is expected to cover all 80,000 villages and cities in the country by 2009. PNPM Mandiri has women as a specific target: in rural PNPM, there is an allocation for credit and savings specifically for women’s group.

A critical issue for these programmes, especially those with increased budget, is the federal and provincial governments’ ability to spend the money effectively and based on broad community demands. Donor officials interviewed raised serious concerns about the ability of the government to disburse the budget because the regulations around the budget and the silo approach within the government departments make it difficult to shift funding to where it is needed. Although the funds are allocated, there it is important to continue to monitor its implementation in order to ensure that it reaches vulnerable groups in real need.

The stimulus does not contain particular new measures aimed at women and does not recognize their specific vulnerability due to high levels of participation in export-oriented industries and migration. Those close to the government note that gender is not being discussed specifically within the formal Government Monitoring and Response Committee. The government has initiated monitoring efforts through BPS and Bappenas, supported by the World Bank and UNDP. While this monitoring effort will capture changes at a provincial level and qualitatively investigate changes in particular transmission channels, some potential gaps include monitoring impacts on the informal sector, the ability to capture accurate data of returning migrants, the hidden impacts on domestic workers internally and externally and a sufficiently strong gender focus.

### ***Conclusion and policy recommendations***

Indonesian women have been the most vulnerable group affected by the current crisis, given their responsibilities for their families. Large numbers of women in the export-oriented industries have either lost their jobs or had their working hours reduced. The decline in overseas remittances has affected families dependent on them for family welfare. Government response has been robust, though lacking in gender sensitivity. The following suggestions should be carried out with a specific focus on gender:

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<sup>4</sup> They cited three reasons for not receiving the payment: they were not eligible because they were employed; they were not counted in the village headcount because they were migrants (and had not registered themselves at new location); or they were victims of corruptive practices of village officials.

1. Engage women's groups and civil society through appropriate mechanisms to contribute information and analysis to the Monitoring and Response Committee of the government;
2. Enforce labour laws to protect women workers' rights more effectively: the labor law is inconsistently enforced, leading to abuses including lack of severance pay and union busting;
3. Build an effective social floor by expanding social protection, particularly unemployment insurance to workers in the informal sector.<sup>5</sup> The economic crisis could be a good opportunity for Indonesia to achieve this suggestion. Social protection and insurance need to be extended so that informal sector workers are covered, particularly, if they are to withstand economic volatility.
4. Fill the gaps in the monitoring effort by providing effective monitoring of migrants, particularly domestic workers. Ensure that these efforts impact the informal sector and encompass a stronger gender analysis which includes consistent collection of gender disaggregated data;
5. Expand government diplomacy for migrant worker protection bilaterally and in regional and international forums, with a particular focus on the Middle East (this can be an extension of the recent agreement with Hong Kong and current negotiations with Malaysia);
6. Ensure the presence of safety nets for laid-off migrant workers and inclusion of their families in social protection programmes; and
7. Design any infrastructure or public works programmes so as to allow for women's employment – through separate worksites, shifts for women during the day and men at night, and other measures employed in other countries.

## 5.3 The Philippines

### *Crisis impacts and coping strategies*

Due to the US financial meltdown and the global crisis, the Philippines economy slowed down considerably in early 2009, with a GDP growth of 0.4% from 3.9%. According to the National Statistics Coordination Board (NSCB), the Philippines economy is now teetering into recession, as seasonally adjusted GDP sank by 2.3%, the lowest in the past 20 years. Industry registered its lowest growth for the last twenty years, as it sank by 6.6% from a 0.1% increase in the previous quarter. The manufacturing sector slumped to a negative 7.3% from a growth of 2.4% recorded last year. The last time the manufacturing sector experienced negative growth was in the second quarter of 1998 to the first quarter of 1999. Moreover, the negative growth posted by the manufacturing sector was the lowest since the third quarter of 1985.

The weakening of the manufacturing sector was due to declining demand for exports, the total for which during the period dove deeper to a negative 18.2% from negative 7.7% last year. This occurred as merchandise exports registered a higher double-digit negative growth in the first quarter of 2009. The lacklustre performance of merchandise exports was attributed to the slump in both principal merchandise exports and other exports to a negative 30.5% from a negative 13.7%, and a negative 20.1% from 7.1%, respectively. Meanwhile, exports of non-factor services decelerated to 4.9% in the first quarter of 2009 from 5.9%. Specific casualties of the global financial crisis in the Filipino manufacturing

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<sup>5</sup> The Government is working on a social protection law to address social protection in a more integrated way and this is expected to be passed in 2010.

sector during the period under review were the electronics, semiconductors, automotive parts and the textile and garment industries.

### **Economic impact on labour market**

There are no available gender-disaggregated data on retrenchments and lay-offs that have occurred in the Philippines since the onset of the global financial crisis. It is safe to say, however, that formally employed women in the electronics, semiconductors, telecommunications and garments industries, as well as the other industries engaged in production for export, have been the hardest hit by the crisis.

The geographical focus of the Philippines study is the Calabarzon area where many of the crisis-triggered company closures and retrenchments have occurred. Also known as Region IV, this area is the second largest contributor to the total of unemployed women in the Philippines, at 18.7%; with the National Capital Region (Metro Manila) coming in first, at 24.8%; and Central Luzon, third at 11.5%. This is according to data as of March 2009 from the National Statistics Office (NSO), which also showed that out of the estimated 2.5 million unemployed persons based on the October 2008 Labour Force Survey (LFS), 929,000 were women (36.8% of the total unemployed women). This translates to an unemployment rate of 6.5% for women, lower than the unemployment rate reported for men (7.0%). Across regions, the highest unemployment rate among women was reported in NCR, where 11.7% of the region's labour force is unemployed. Calabarzon and Central Luzon follow with 9.0% and 7.9%, respectively.

According to the GABRIELA National Alliance of Women, women comprise 70% to 80% of the Filipino workers that have been retrenched due to the impact of the global financial crisis. Most of the establishments that have closed down or have laid off workers were from the electronics industry in the export processing zones. Data from the Department of Labour and Employment shows that in Region IV alone, a total of 10,344 workers in Calabarzon were displaced from October 2008 to January 19 2009. The Philippine Senate has also said that more than 40,000 workers in the Calabarzon area were set to lose their jobs by the first half of the present year. Of these, 35,000 will be from electronics and automotive parts factories inside the Laguna Technopark.

In the study area, there were several forms of retrenchment implemented by companies located there. These include layoffs, which affected 9,421 workers during the period under review. In addition, 3,469 workers were subjected to retrenchment (719), forced leaves (2,000), dismissals (250), and redundancy (500). The same data indicates three cases of companies implementing reduced working weeks and three companies actually closing down. One of the latter was Intel Corp., whose closure led to the loss of 1,800 jobs.

According to FGD participants from the export processing zones where the incidence of 'job loss' is frequent and regular, retrenchment often takes place as soon as an employee's six-month contract ends. In that case, the women prepare to find other jobs with other companies based within the special economic park or export processing zone. This process entails yet another round of police and security clearances as well as fit-to-work medical check-ups, easily costing the individual at least P2,000 and months of application processing and follow-ups. Once hired, when the six-month probation runs its course, the worker goes through the same cycle once again.

The loss of their jobs has definitely pushed women workers of crisis-affected companies deeper into poverty. This is especially true of FGD participants coming from the garment sector. They also come from the informal sector, i.e., small enterprises making rags and foot socks out of discarded clothing materials, and belong to the ranks of the urban poor.

The clearest expression of poverty is the inability of vast numbers of Filipinos to meet the most basic needs for subsistence. Traditionally, food is the biggest expense of poor Filipino households. Over the years, food accounted for almost 60% of expenses by the

bottom 30% of the income group. But the FGD participants' experience shows that job loss, coupled with the steady rise in prices of basic commodities, has downgraded food consumption in terms of both quantity and quality. One woman participant spoke of the doubling of the price of canned milk (as distinguished from infant formula milk) she uses to feed her baby. This is the same woman who is skipping meals to ensure the baby has milk. Another participant admitted to being choosy with her food until she was retrenched: 'I used to be choosy, but now whatever food is on the table is fine with me', she said. Even her son, she added, has learned to settle for whatever is served. 'What one can eat', she said, 'is what one should eat'.

One participant found a solution to her own daughter's inability to raise money for her grandchild's milk. After the daughter was laid off from work, she settled for a chocolate-flavored drink, and not the usual canned milk. This chocolate powder drink comes in single-serve packs at the more affordable price of P5 each. One FGD participant sometimes needs to sacrifice the midday and mid-afternoon snacks so that the money can be used instead to transport the children to school. One home-based woman worker said the household has not given up snacks, but these are now no more than one piece of *pan de sal* with a cup of coffee.

Another cited the difference of the variety of rice they used to buy, from the government-procured rice they have been consuming as a cost-cutting measure:

*Sometimes we don't buy rice anymore; we depend on the free rice distributed to the grade one students of public schools.*

The labour burden on women has increased in the face of the crisis, as they are forced to evolve 'alternatives' to cushion the blow of poverty. This is borne out by stories told in the FGDs by participants who said they have had to take on 'second jobs' or 'sidelines' and other alternative income sources that will bridge the family from one day to the next. One participant in the FGD with home-based workers from the province of Rizal said that:

*I keep a small [mom 'n' pop] retail store. I also do the laundry, which means an extra P250. I'm also a trimmer, though the earnings from this are paltry, only 10 centavos per rag.*

Her companion, on the other hand, uses the sewing machine for occasional dress repair and alteration jobs when it is not being used in the fabrication of rags and foot socks. But the machine is best optimized in the run-up to the town fiesta when neighbors want new curtains, cushions and bed covers. Another member of this group works three half-days a week as a janitress at a privately-run nursery school.

*I clean the classrooms of a private school, for which I earn only P2,000 monthly. But the work is only for half the day.*

However, it is up to the woman to ensure that there is food on the table and that the most immediate needs of the household — water and healthcare — are met. For this, she has come up with ingenious ways of producing the money needed to buy sustenance.

Among the common stop-gap solutions is moving back in with parents, which is not entirely alien to Filipino mores. Whether at home or migrants in foreign lands, Filipinos are known for their extended family network of siblings, cousins, aunts, uncles, nieces, nephews, in-laws, and even neighbours and godparents, as a source of economic security, especially for poor families. In fact, the typical Filipino family structure is the extended family. Filipino homes can be populated by three, even four families co-existing under one roof and sharing in the household's resources.

Housing typically represents the second largest expense in the family budget, ranging from 8.8% in 2003 to 9% in the latest 2006 income and expenditure survey. Thus, any savings on the monthly rental eases up considerably the burden brought by the crisis.

Not surprisingly, the participants who own, and do not rent, their houses are faring better in making the household budget fit, despite the income squeeze across the board. These homeowners spoke of their difficulties, on the other hand, of earning for an entire household of children and grandchildren. Even though they are past their reproductive years, they look at the burden of providing for the multiple-family household as primarily their own.

Another narrated how everyone in the household contributes to meeting the expenses. 'My daughter [whose family lives with her] also helps in preparing the materials and assembling the parts of a rag. The pay that she gets is what we spend on food as she and her husband stay with me', one woman said. One woman, trapped in the 'casualization' cycle at the export processing zone, relies on a distant relative for loans when she is out of work for her daily subsistence. 'I just borrow and borrow money and when I'm able to find work, that's when I pay', she said.

### **Social impact of the crisis**

The global financial crisis has also affected women workers in terms of welfare and quality of life – the reduction of spending on leisure and recreation. For the lower-income households, one of the most obvious effects of the crisis was giving up fast-food meals, the equivalent of 'splurging' when there is extra money. One participant cited the middle-class 'belt-tightening' of foregoing a new piece of clothing.

In terms of other expenses, many participants also experienced interruptions in their electric service due to the failure to settle their bills promptly. The monthly electricity bill occupied the number-two slot in the majority of the participants' expenditures, next to food. This is consistent with the findings of the 2006 Family Income and Expenditure Survey, which revealed that fuel, light and water are among the household's highest expenses at 6% to 7% of their total income.

As for education, since basic education is free, it is not a major household expenditure. For 72% of poor households, the highest educational attainment is primary school, which explains the minimal spending on education.

In terms of the role of international remittances, official macroeconomic data as of the first quarter of 2009 shows 'Net Factor Income from Abroad' rising to 40.8% from 36.2% last year. Compensation inflow jumped by 26.9% from 6.1% in 2008. The government (NSCB) has attributed this upward movement to increased deployment owing to increased demand, despite the crisis, for the services of overseas Filipino workers (OFWs). Remittances grew by 2.8% to \$6.98 million during the first five months of 2009 from \$6.79 million during the same period last year. Remittances, valued at \$16.4 billion in 2008, up from \$6.1 billion in 2000, account for almost 10% of the country's GDP (Domingo, 2009).

In addition, there is as yet no available data on the impact of the crisis on the availability of micro-credit for women and their ability to do business in the Philippines. But according to the United Nations Population Fund (UNFPA)-Philippines, women are also suffering from the tightening of microfinance lending and decreasing access to micro-credit. They make up the majority of microfinance clients (85% of the poorest 93 million clients of microfinance institutions in 2006) and as credit dries up, their earnings from micro-businesses will drop. This, in turn, means less income for them, less decision making power, decreased capability to allocate resources towards health services or health fees, and worse nutrition for themselves and their children.

Finally, there is also no available gender-disaggregated data on micro-enterprises, which earlier studies have found to be the nature of businesses engaged in by women in the informal economy. In 2007, labouring and unskilled work were the most common occupations for women, while it was in wholesale and retail trade industries where women workers and/or businesspersons (especially those operating neighborhood retail

stores) dominated. The profile remained much the same in 2008, when women also dominated in the services sector as low-skilled labourers and as sales businesspersons (retail trade being located in the services sector).

### ***Government responses to the crisis***

In response to the crisis, the government is implementing two initiatives aimed at increasing the purchasing power particularly of the poorest and most vulnerable Filipinos, on one hand, and creating new jobs and protecting existing ones, on the other. The first is the Php330 billion Economic Resiliency Plan (ERP), which targets small- and large-scale infrastructure development; provides tax breaks for both corporations and individuals; and strengthens social safety nets. The second is the Comprehensive Livelihood and Emergency Employment Programmes (CLEEP), aimed at generating a total of 824,555 jobs from a variety of projects.

To protect workers in the export sector, the government also has the following programmes in place:

- Quick Response Teams (QRTs) in DOLE regional offices; maintain early warning systems to track struggling firms;
- Job placement facilitation;
- Livelihood formation/enhancement;
- Assistance in claiming unpaid salaries;
- Advocacy for companies to adopt alternatives to layoffs;
- Promotion of non-wage benefits; and
- Emergency employment.

Labour groups and civil society organizations, however, are critical of ERP and CLEEP on the following grounds:

- ERP funding is just not enough to stimulate economic activity amid the global downturn;
- ERP will expand the budget deficit of the government, which will then impose more debts, leading to more onerous taxes to bridge the gap;
- The cost of ERP's expanded social protection component will actually be shouldered by ordinary income-earners;
- CLEEP is the continuation of a flawed orientation in job generation for exports; and
- CLEEP will create unreliable and insecure jobs.

### ***Conclusion and policy recommendations***

The current global crisis is having a significant effect upon Filipino women. Job losses internally in export-oriented industries as well as losses overseas for international migrants have fallen heavily upon female workers. Loss of income has led to a variety of coping strategies as the women seek to protect their families from the worst ravages of recession.

Following are policy recommendations that can help to ease the negative impacts the crisis has on Filipino women workers:

1. Develop and implement the bailout plan being proposed by economists and labour groups that will put money into the hands of retrenched, laid-off and otherwise jobless workers to allow them to address immediate family and economic needs;

2. Spur agricultural development to create jobs in the countryside;
3. Review training programmes for OFWs in re-entering the mainstream national economy at the end of their overseas work contracts;
4. Establish an overseas workers' welfare fund and overseas workers' investment programme;
5. Provide protection to workers, women in particular, from vulnerabilities they continue to be exposed to in the globalized working environment;
6. Establish a universal scheme of unemployment insurance; and
7. Institutionalise effective, viable standards for women workers in the informal economy.

## 5.4 Thailand

### *Crisis impacts and coping strategies*

#### **Economic impact on labour market**

The impact of the crisis on women in Thailand can be seen via the labour market, as the proportion of Thai women workers is very high and gainful employment is their major source of income.<sup>6</sup> The contraction in global demand has led to a decrease in exports, tourism, and Foreign Direct Investments (FDIs). In turn, manufacturing production and capacity utilisation has declined, which result in decreased demand for labour in related industries. The labour market adjustment has resulted in reduced working hours, underemployment, unemployment and dismissals. The reduced income and adjustment to the difficult labour market were among reasons for the changes in the patterns of consumption and other coping strategies, which in turn affect women's social conditions.

While the number of unemployed women remains more or less the same (1.5 percent compared to men's 1.3 percent in 2008), about 125,700 women (in four exporting industries) are subject to being laid off or moved from decent work to more depressed employment. In addition, between 2007 and 2008, 319,000 women from other occupations were pushed to work as services workers and sale workers. On the other hand, in 2008, the number of women moderately underemployed was 1.91 million and of women severely underemployed was 0.88 million. This number, however, decreased from the 2007 levels. This phenomenon implies that women try to work longer hours during economic hardship to supplement their family income. In 2008, women's working hours per week increased to an average of about 45 hours.

A few risky sub-sectors within the manufacturing sector have been hard hit by the global crisis, namely, electrical machinery and electronics, textile and garments, motor vehicles and parts, and furniture and decoration. These industries are dominated by women. Women's employment in the four risky sub-sectors alone declined by 12,500 persons from 2007 to 2008 and by 113,200 persons between 1Q 2008 to 1Q 2009, compared to men's employment declines of 59,800 between 2007 and 2008 and 201,300 between 1Q 2008 and 1Q 2009. It is cautioned that the decline in employment in these sectors does not necessarily mean layoffs. Some individuals may have moved to other industries voluntarily, or some may have found employment in other industries right after a layoff. However, this does not mean that women are not facing any difficulties.

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<sup>6</sup> According to the Thailand's National Statistical Office (NSO), the labour force participation rate of Thai women was 64.1 percent in 2007 and increased slightly to 64.3 percent in 2008.

The reason that women's employment declined less than male employment could be because their wages are lower than men's, or perhaps because in these sub-sectors women are more efficient than male workers. The level of layoffs in 2008 is, however, lower than in 2007. The total of layoffs by quarter in 2007 was 241,499 persons compared to 219,996 in 2008. This number understates the real situation of layoffs by the fact that it includes only those laid off workers insured with the social security system.

Although total employment increased from 36.19 million in 2007 to 36.83 million, a net increase of 641,000 workers per year with a rate of increase of 1.8 percent per year, there is one sector with a decrease in employment: manufacturing. Total employment in this sector decreased by 178,000 persons (-3.0 percent per year). In the hotel and restaurant sector, although there was an increase of employment of 39,600 persons year-on-year, the rate of increase slowed down from 4.1 percent in 2006-07 to 1.4 in the 2007-08 period. The figures give an impression that employment has shifted to agriculture, wholesale and retail trade, and construction.

The employment structure by gender in 2008 has changed very slightly, particularly in manufacturing, where more women dominated. Employment in manufacturing decreased from 5,851.4 thousand in 2007 to 5,673.4 thousand in 2008, with a decrease of employment of 178,000 jobs. As a result, the share of employment in manufacturing has dropped from 16.2 percent in 2007 to 15.4 percent 2008. The number of women exiting this sector between 2007 and 2008 was 33,100 compared to 144,900 men. This resulted in an increase of F/M ratio from 1.08 to 1.13. Surprisingly, employment in the hotel and restaurant sector increased for both men and women, with more women absorbed (29.5 thousand women compared to 10.0 thousand men). However, although employment in this sector still increased, its growth rate is less than it was in the previous year.

During 2007-2008, there were shifts of women workers to more difficult but lower paying jobs in three occupations. The proportion of women in services and sales increased from 9.2 percent to 9.9 percent; in craft and related trade work from 3.7 to 3.8 percent; and in elementary occupation from 6.0 to 6.1 percent. In terms of numbers, the increase of women in services and sales occupations alone was as much as 319,000 persons. The crisis also forces women into informal work such as home working. According to surveys by NSO, in 2007 the number of women home workers was 337,526 out of the total of 440,251, accounting for 76.7 percent of the total. This type of work is vulnerable to a decline in exports because the work is not permanent and depends on transitory demand.

### **Social impact of the financial crisis on women**

The crisis affects the health of people, even in the short run. The increased burden; more work for less money; change in work conditions; tension, etc., could result in health problems. In addition, as expected, there was a decrease in health expenditure by household overall, as people spent significantly less after the crisis than before it on health services. Expenditure on public and private services have both reduced. Expenditure on medical services declined steeply, but self-medication expenses rose slightly.

Underweight or malnourished children are an indicator of the mother's health and well-being. During the current crisis, the number of malnourished school children declined from 650,802 persons in 2006 to 484,884 persons in 2008. This phenomenon does not necessarily mean that the current crisis does not affect women. It could mean that there has been much improvement in the country's health programme, or other factors could be attributed to this improvement.

Stress, caused by economic hardship, loss of a job, decreasing wages and earnings, among other factors, results in mental health problems with implications for a person's physical health. In the worst case, mental health problems can result in suicide. During

the 2008 crisis, women's suicide rate increased by 8.6 percent, while that of men's declined 0.9 percent.

The growth in the number of abandoned children, particularly in Bangkok, is also worrisome, as it reflects the weakening of the family as an institution. There is a possibility that the current crisis will have a similar impact, but there are no data available.

Focusing on the social impact on education, there is no updated data on the number of students who dropped out of school, or related educational phenomena by gender. Whether the current crisis will affect women's education in Thailand is a subject for more investigation. Education is usually a long-term decision. If the current crisis recovers in a short time, the impact on women's education may be minor.

A particular type of crime which involves women is prostitution. Although the number of prostitution cases between 2007 and 2008 declined from 36,042 to 34,197, the year-on-year comparison between 1Q 2008 and 1Q 2009 shows an increase from 10,507 cases to 12,562, representing an increase of about 20 percent.

Drug abuse and trafficking also increased, possibly due to supply factors. Drug trafficking is an easy source of income for those who are bold enough (and those who are in desperate need of extra income, including women). In villages, in schools, and in the alleys, amphetamines could be obtained. Recently, a female TV comedy actor was arrested for possessing or consuming drugs (TV news, various channels). She pleaded guilty and confessed that she was depressed because of the lack of work due to the economic slowdown. In fact, many women have been arrested for drug-dealing. The evidence shows that the number of narcotic drugs cases increased from 150,464 in 2007 to 213,717 in 2008, while the number of female drug addicts increased from 1,101 in 2007 to 1,172 in 2008.

In the focus group discussions, interviewed women workers had double or triple roles: to gainfully work; to look after their own families; and to support their parents back in their hometowns. One had to take care of a disabled husband; one had a paralysed elder brother; and one lived together with a grandmother and a niece in Bangkok. Many send remittances to support parents in the provinces. Although most of them maintained that their lives after the crisis were not much different because before the crisis they were already poor, many stories were told about their increased difficulties during the crisis. Many had been pressured by their employers by having their overtime reduced, having their shifts and/or normal working hours reduced, or having their pay and welfare cut.

For two years, one of the garment companies in Samutsakorn had tried many ways to pressure workers to resign, even before the onset of the economic crisis. The workers said that this is a trick to avoid the payment of severance pay or to avoid the reprimand of unfairness when the labourers are laid off. The factory at the same time recruits new workers to replace those leaving the factory. The factory in question had pressured off 400–500 workers in two years. Before the close-down (insolvency) of the factory, there were eventually only 41 workers left. Finally, the business was closed without formal announcement in advance. During two years of high pressure, the workers had noticed the company's announcements for job vacancies daily, so they had not thought that the situation could be as critical as to close the business.

Their lives were miserable because of unemployment and reduced income and the psychological problems, due to the unfairness of the employers. The laid-off workers had neither been paid their salaries for three months nor their severance pay. When they made complaints to government officials they were ignored or even scolded. Many of them could not afford to send remittances home as they themselves were starving. Various coping strategies have been employed by these women. Some women

considered going back home to the provinces and starting a small business. Some workers were too old to be hired by new companies.

There is a gap in social security. Those workers who had not been paid their salaries for three months had not paid their social security premiums for the same duration, because of lack of money and because their employers did not pay their contribution either. Many complaints have been made about the poor service of the social security system. On the other hand, a provident fund is usually available in large companies. The workers interviewed did not have or could not afford that type of saving.

Some women viewed labour unions as complicated, as they have to be registered and are subject to many rules and regulations. They think that government authorities do not understand labour unions. Sometimes, union leaders are laid off and the labour union collapses. Union leaders are always at the top of the list of those who will be laid off.

### *Government responses to the crisis*

The Thai government has responded to the crisis through a fiscal stimulus, including several measures to assist those who have lost their jobs. The government response is worth more than 1.2 trillion baht (Department of Employment, 2008). The more active government policies and measures to respond to the financial crisis, particularly to its impact on the labour market, were seen during the last quarter of 2008, when the financial crisis became more serious.

The Ministry of Labour (MOL) initiated a Plan to Prevent and Mitigate Unemployment Problems resulting from the financial crisis. The main targets of this plan are 3,000 enterprises, 700,000 laid-off workers, and 8,000 new graduates who will soon enter the labour market. The Plan includes:

1. Developing monitoring mechanisms or systems to follow up on the situation concerning laid-off workers and to inform responsible agencies for an appropriate course of action, including providing counselling and assisting the laid off workers to claim their compensation or severance pay;
2. Conducting surveys of those who were laid off or became unemployed;
3. Creating new occupations for those who were laid off and became unemployed;
4. Creating public works to provide transitory jobs for those who are suffering during the financial crisis and cannot find employment;
5. Developing the skills of those who are laid off and helping the unemployed to upgrade their skills and to increase their opportunities to find new jobs. The skills development includes language training courses for those who are seeking employment overseas;
6. Establishing short-term vocational training programmes for those who were laid off or unemployed for the promotion of self-employment; and
7. Increasing the liquidity of enterprises to continue their operations without closing down or laying off workers.

Of course, all of these government response projects are not directly gender sensitive. There is no special provision for women workers. In fact, Thai women workers do not ask for many special privileges. For example, on 8 March 2008, the Women Workers Integrated Group and Civil Societies, a private sector development organization for women workers, together with a network of women from four slum areas in four regions – a group about 500 workers – demonstrated and submitted a petition to the Prime Minister. The petition requested the government to 1) set up child day-care centers for workers' children in industrial estate areas in a sufficient quantity and quality to meet the needs of workers; and 2) to give women adequate representation in tripartite

committees. On the International Women's Day, 9 March 2009, the same group and women members of the State Enterprises' Labour Unions, submitted the same petition to the new government (Bandhit 2009, 22–23).

On 4 November 2008, the cabinet approved a national budget of 1.835 trillion baht, inclusive of an additional economic package of 100,000 million aimed at stimulating the economy. The main target of the economic package was farmers and the poor. The economic package budget is aimed at creating employment with major conditions that the money has to be spent very quickly, activities have to be in the form of projects, and the projects must be completed in one year (by the end of 2009). Therefore, assistance from the government was available, but usually missed the target, i.e., did not solve the workers' problems.

The campaign of '2,000 baht for National Rescue', which provided a one-time payment of 2,000 baht to workers earning less than 15,000 baht per month, was of little help. The government campaign of employment service is good, but the offered vacancies do not usually match the skills or competencies of the workers who are seeking employment. Often the new work place is too far from workers' residences. Workers have to look for and move to a nearer one. However, they did not have enough money for a deposit on a new residence.

The government's skill training does not ensure job opportunities. Women who had been laid-off from insolvent companies took a course on 'Thai Dessert Cooking' for ten days. During their training, each of them received a daily allowance of 120 baht per day for ten days. Their training was completed, but they have not yet started up their own businesses due to the lack of funds.

The 'loans for workers' measure is not working. A collective group of ten workers received a loan of 50,000 baht. Women workers in the focus group thought the process was not easy because banks have to check their credit records and liability. Every worker has debts of different amounts.

On 'free education', although schools do not charge tuition fees, there are other costs such as food, transportation, etc. Some schools collect contributions of 600–800 baht from each student. Therefore, this campaign does not help workers to save much.

Many women said that the monthly allowance of 500 baht for the elderly was not effective. Their elderly parents in the provinces had not yet received any money and did not know when they would be paid. This campaign seems helpful for workers to save on the expense of supporting their parents. However, parents of many workers are under 60 years of age, so they do not yet benefit from the initiative. All workers can do is to ask their parents to economise, as they can no longer afford to send remittances on a monthly basis.

Women workers would like to request that the government pays more attention to workers who are employed by foreign investors in large companies. Those foreign employers should be compassionate and take proper care of their workers. Foreign companies come and go, leaving behind workers who are not adequately protected. In addition to the request of this group of women, many women workers' groups have demanded that the government set up child day-care centres for their children.

Many workers and union leaders remain highly sceptical of the efficacy of these government measures. In addition, none of these government projects is gender sensitive.

### ***Conclusion and policy recommendations***

Thai women are highly vulnerable to the effects of the financial crisis because they are over-represented in sectors in which the crisis has caused numerous job cuts in export

manufacturing, the garment industry, electronics and services. In addition, they tend to be employed in precarious jobs where they are more likely to be fired first or to experience aggravated working conditions. Lastly, women tend to be responsible for family welfare, so will be adversely affected by cuts in public spending on safety nets and by reductions in remittances.

Thai women are also susceptible to other social impacts of the crisis; however, the assessment of the social impacts of the current crisis is difficult for three major reasons. First, there is a dearth of up-to-date data on the changing social conditions (such as health, education, crime, etc.) as they affect women. Second, when data are available, they are not disaggregated by gender, making it difficult to assess the impact on women. Third, the impacts of the crisis on the social condition of women are usually hard to interpret because of their complex structure and the fact that the factors are interrelated. Nonetheless, it is clear that social impacts of the crisis centre on health, potential drug addiction and trafficking, and domestic violence. Following are recommendations for government, regional institutions, and donors:

1. The government, regional institutions and donors should work together closely in a collaborative manner and share information on the situation of women, particularly during the crisis.
2. The government, regional institutions and donors should try to understand women's situation and provide assistances based on up-to-date information and assessments of their problems.
3. Information, such as on the social impacts and coping strategies of families and individuals, should be collected and disseminated as quickly as possible in response to the crisis.
4. Most failures to provide assistance to the victims of the economic crisis are due to poor, inefficient, and unreliable data, and the absence of a database. The list of crisis victims should be broken down by gender, age, and location.
5. The government, with assistance from regional institutions and donors, should urgently respond to the needs of women workers. At least three needs can be identified: 1) the setting up of child day-care centers for workers' children in industrial estate areas so that there are sufficient places and at the quality that meet the workers' needs; 2) allowing women to be adequately represented in tripartite committees, and 3) monitoring foreign investors' ignorance of and maltreatment of workers, particularly women.
6. The government should strengthen or improve the quality and effectiveness of the design and implementation of measures to respond to the crisis. This includes the identification of victims to more efficiently reach the right targets.
7. Training programmes that face difficulties in recruiting trainees should be examined along with opportunities that trainees have to apply the skills they acquire after their training.
8. Other problems of the government measures expressed by workers should be reviewed as soon as possible. Regional institutions and donors should set some conditions for the government to meet in this endeavour.
9. The government should give priority to strengthening women's security, which should include at least five components: employment security, income security, health security, family or home security, and security from violence and crime.
10. In the event of a crisis, the role of women should be strengthened and empowered. In particular, employment promotion during a crisis should be pro-women.

11. In the short run, a call center should be immediately set up to register those in trouble. In the rural areas, the local administration organization may be encouraged or ordered to set up a help center to deal with both financial and social problems. Women can be employed to serve at the call centre, and women can be given a priority to receive public assistance.
12. In the long run, a more systematic and efficient income security system should be developed which places emphasis on assisting women. At the same time, education and training should be made available to crisis-affected women together with follow-up measures to ensure they can become employed again.

## 5.5 Vietnam

The effects of the global financial crisis have spread through Vietnam's entire economy. Like many other Asian nations, sluggish growth and large fluctuations in economic activity have imposed high costs on the Vietnamese economy through several channels – mainly in the real sector including exports (both goods and services and labour), tourism and industrial outputs, foreign direct investments, and overseas remittances. The indicators for Vietnam reveal that the country has experienced declines, especially the GDP growth rate which dropped from 8.48 in 2007 to 6.18 and 4.0 in 2008 and 2009 respectively.

### *Impacts of the crisis and household responses*

Vietnamese women are over represented in the export sector and live in deteriorating conditions due to the current global financial crisis. A growing body of evidence suggests that female workers are the hardest hit and most vulnerable. Their living conditions have become dismal due to their loss of employment; reduction in income and consumption; decline in the quality of their food, reduction in their leisure time; difficulties in paying their children's school fees and for health care services; and increases in overall household burden and debt.

Based on the national research field survey (rapid assessments) and development of case studies collected from a collaborative research field survey on the impacts of the economic crisis on poverty in Vietnam,<sup>7</sup> women in export-oriented manufacturing, particularly the garment and textile industries, have been the hardest hit by the crisis, both economically and socially. Vulnerable groups of female migrants have also experienced a double hit with falling remittances as their lower net income and disadvantaged socio-economic status make them even more vulnerable to social problems such as trafficking and sexual harassment. In non-agricultural sectors, women are losing jobs in the craft villages which rely significantly on export orders. Women in this sector are suffering a heavy blow, as there has been a sudden decrease of international orders.

### **Female workers dealing with job losses and reduced income**

According to the first round rapid assessment, the net income of interviewed day labourers has decreased. However, average working days per month were reduced by 50 percent in the same period. As a result, they have insufficient income to pay for the expenses of living in the city.

Workers' lower net earnings negatively affect the personal savings which they use to remit money home and to support their family's daily expenses. Some of them have to

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<sup>7</sup> The work was fully implemented by the Vietnam Academy of Social Sciences (VASS), with support from Oxfam GB, the World Bank and ActionAid, and carried out throughout 2009.

cut living costs by spending only on essential needs and changing their lifestyles by eating leftovers or instant noodles. Some of them even skip meals during the day:

*Money has now lost its value. For Tet last year, the rice price was only 5-7 thousand dong per kilogram, now it is 10 thousand dong. Most difficulties appear right after Tet, when there is a lot less work. Normally, I buy meat for my children 3-4 times per month. After Tet this year, I have received less work, so I could not buy meat. The little money that I earned is only sufficient for some oil, vegetables and some bean curds for every meal.*

A female day worker from Phuc Tho district (former Ha Tay and now Hanoi).

With limited official support, informal coping mechanisms are the women's only option to maintain the same level of income they previously received. At the very least, these mechanisms provide very basic means of subsistence and ease the lives of the poor. The evidence shows that these day labourers are coping with the economic downturn by sharing accessible resources. As rural people from the same village move from the villages to the cities, including both men and women, they normally live together by pooling rent, food and even work. There are job-sharing arrangements among day labourers in the city. With fewer opportunities, unemployed labourers are compelled to take whatever job they can find, and they are willing to share the work for less income. They also borrow money from each other during their idle days.

Social networks and community-based assistance are also contributing to the easing of the hardship of poor people by providing job information among workers so that some of them can perform better than others in this challenging period. Some examples include the sharing of mobile phones among workers, friends, and families. The respondents in various group discussions explain that 'practical' labourers, who have either motorbikes or mobile phones, have more opportunities to be hired by regular clients, or can quickly reach employers before the others who commute by bicycle or on foot.

### **Female migrants and falling remittances**

The current crisis is squeezing rural migrants into the big cities such as Hanoi, Da Nang and Ho Chi Minh City. Their lower net wages and disadvantaged socio-economic status make them even more vulnerable to social problems such as trafficking and sexual harassment. In addition, their families and other dependents will be at risk especially to sickness because of a drop in remittances.

Low-paid migrant workers are finding their own strategies to survive since employment has become uncertain and somewhat hopeless. They find it hard to gain employment during the crisis and have less income. The immediate reaction of some workers who originated from rural areas is to return home. Estimates from provincial administrative sources suggest that 25 percent of those migrants returned home in the first quarter of 2009. Others remain in urban areas to seek available jobs on a temporary basis. Some skilled workers are finally accepting supplementary, low-paid and less productive jobs, such as garbage picking or odd jobs on the street. In some cases, they work part-time (reduced work hours or overtime payment) and take the opportunity to return to study or to enroll in a training course.<sup>8</sup>

With inadequate education and lower skills development, a large number of female workers are exploited. Most of them have been recently forced to become temporary employees with very low wages. The average salary for female migrants is approximately 35,000-50,000 VND per day (US\$2-\$2.8) for light jobs, such as cleaning, loading or unloading goods, and serving in restaurants. Some of them have experience in

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<sup>8</sup> A number of training centres, provided by the local government around industrial parks, have offered various courses which accommodate a new market of laid-off workers.

very high work intensity or work very long hours on the same job, but for the same pay. They also lack information on the extent of coverage of social protection and other security schemes, such as severance payments, health benefits, or trade unions, or are excluded from them. They are basically exploited by the employers, who frequently violate the legal procedures for dismissal. Their earning-related jobs do not meet the fairness standard.

The current recession has also affected many communities and businesses surrounding the industrial parks. Many small investors, who previously invested in hostels for rent, are now in trouble since their rental earnings are falling due to the lower numbers of tenants. The hostel owners suffered from a financial shock due to the drop in rental demand. Most of the hostels have had to close between 50 and 70 percent of their rooms, despite offering lower rental fees. The associated services for migrant workers are also stagnant (e.g. sales of breakfast, food and groceries). Day labourers who worked in a catering company serving the workers observed that the workforce has been reduced by 30 percent since late 2008.

### ***Government responses to the crisis***

With regard to fiscal policy, the Government of Vietnam has released several urgent measures to prevent a sharp economic slowdown and particularly to stabilise domestic consumption among consumers as well as to create opportunities for growth and development.

The government's decision on the stimulus package was officially announced and amounts to US\$1 billion. Even though this package is relatively small compared with those of other Asian countries, it shows Vietnam's strong determination to keep its economy on a stable path. The focus was to assist small- and medium-sized enterprises (SMEs), where women work, to access financial capital for the next 12 months and to help them to complete their projects in 2009. This was carried out in February 2009. Beyond the short-term measures, on March 2009, a second measure was announced in which US\$17.6 billion would be spent on more long-term development. The government has initiated various social support programmes aimed at poverty reduction, welfare improvement, education, health, employment and human rights.

The first composition of the package is the soft loan programme, generated to help SMEs with a four percent interest rate discount with a maximum duration of 12 months. Eligible enterprises include those that had to decrease their total workforce by at least 30 percent and those with more than 100 employees. The discount rate helps borrowers to reduce lending costs by 30–40 percent and to keep product prices lower by 2.5–2.6 percent.

The Government of Vietnam also issued the decision on tax solutions to stimulate investment and sales. The solution was to reduce the amount of corporate income tax payable by 30 percent for the fourth quarter of 2008 on income from such activities as manufacturing fiber, weaving, dyeing and sewing, and the manufacturing of leather footwear. For personal income tax, individuals who have earnings from business, salaries or wages paid for employees by employers (regardless of the payment date), inheritances and gifts were exempted from personal income tax from January to June 2009.

Social assistance under the stimulus package also covers the provision of one-time cash transfers to the poor or near-poor; the first time for such unconditional transfers.

### **Critiques of the fiscal stimulus packages**

1. According to the EIU 2009, the loan subsidy programme has grown rapidly and has strongly impacted the acceleration of economic pace. However, its process is not in line with the mechanism that the government had planned. Many firms

borrowed funds simply to pay off existing debt, instead of using the loans for their working-capital needs.

2. Rapid expansion in loans under the subsidised programmes could create a sharp increase in inflation corresponding to a rise in real estate prices (EIU, 2009).
3. There are growing concerns over its sustainability in terms of meeting financial gaps. The main risk arises from the government's debt management and fiscal stance.
4. There is also a risk for the subsidy programme that the expansion of credit will lead to an inefficient allocation of resources.
5. The stimulus package is comprehensive, but less attention has been paid to rising unemployment and negative real-wage growth. The US\$1 billion economic stimulus package focuses primarily on stimulating demand and investment and raising domestic credit growth.
6. Gender-sensitive programming has not been clearly stated. The current plan does not stimulate gender equality. The main target is poor people in general. However, the packages miss the real targets, especially poor women and women workers who have lost their jobs.

### ***Long-term policies to ensure social security***

Given the inherent weaknesses of short-term measures, longer-term concerns have been planned to specifically address policies on labour and employment, poverty reduction, and social policies which partly include gender interests. These include policies on labour and employment focusing on social security systems and unemployment insurance; the policy on poverty reduction; and gender policy and gender law.

Vietnam has affirmed that gender equality is one of the country's national development objectives. Appropriate policies have been formulated to ensure the equal rights of men and women. The National Committee for Advancement of Women in Vietnam (NCFAW) plays the key role in implementing a range of interventions at both local and national levels to achieve this objective. They have made great efforts to promote gender equality and empowerment by implementing the National Strategy and Plan of Action for the Advancement of Women by 2000, 2005 and 2010. In practice, some progress on equality has been made. However, it has not been entirely uniform. Evidence shows that almost half of the targets in the Plan of Action for the Advancement of Women for the period 2001–2005 were not fully met.

### **Policy recommendations for governments**

A central goal at the policy level should be a shift from pro-poor policies at the macro level to the micro-level and an increased focus on vulnerable women. Again, the emphasis of this research is to highlight different ways to help policy makers formulate relevant policies to make women visible. The following are policy recommendations for governments:

1. Create jobs for both women and men by investing in physical and social infrastructures and social reproduction;
2. Ensure that neither companies nor female employees exploit the situation to further their unfair gains, or to further exploit one another;
3. Initiate active labour market measures, for instance, targeted training and public employment schemes for women;

4. Decrease the burden of unpaid care work on women and girls. A policy such as changes in family law would be effective in promoting gender equality and increasing women's empowerment;
5. Expand and improve the social provisions of health, education, nutrition, water and sanitation;
6. Provide social safety nets to help mitigate the adverse effects of different shocks to household income and to prevent inter-generational transmission of poverty, in particular from women to girls and also from women to older women;
7. Promote individual and household savings, since savings are necessary for the welfare of family members as a means to smooth income;
8. Strengthen women's unions to be more active in society;
9. Promote women's participation in the decision making process, which would lead to positive correlations between economic development and gender equality;
10. Integrate gender into government budgeting processes; and
11. Ensure that existing laws are applied fairly to women workers, especially regarding rights and obligations in the garment sector.

## 6 Regional perspectives

The human costs of the current global economic crisis on Southeast Asia have been severe. The poor, and vulnerable and disadvantaged groups, including women, have been disproportionately affected through job losses as the crisis has impacted each country to varying degrees, especially in export industries, including electronics, textiles, garments, footwear, auto parts and tourism, in a region where women form a majority of the workforce. While there are differences in the extent and severity of the effects of the crisis within the five countries considered in this paper, there are also several commonalities, including sectors affected, people affected and their grassroots responses, and government responses.

In terms of the eight guiding questions listed at the beginning of this paper, the individual country reports have indicated that the female employment situation in the export manufacturing and service sectors, e.g., textiles, electronics, and tourism has been seriously affected in each country. The Industrial Council of Thailand forecast that between 700,000 and 1 million workers in export-based industries in the country would lose their jobs in 2009. By late 2008, there were more than 40,000 layoffs in Indonesia. In the Philippines, some 250,000 workers plant and machine operations and assembly were sacked. In Vietnam, 300,000 additional workers in the formal sector could lose their jobs in 2009 (Mohideen, 2009). The majority of these workers are women.

### 6.1 Commonalities in the impacts of the crisis on women and the responses

#### *Job loss*

Job losses resulting from the decline in internal and external aggregate demand have led to several problems in the employment situation: reductions in working hours and overtime pay and changes that entail more work for less pay – all of which mean reductions in household income. Women had or developed several coping strategies to deal with the situation they faced. More women have turned to work in the informal sector where working conditions are less secure and less physically safe. Moreover, there is no social protection. Large numbers of women were forced to take any jobs available to them although they may face being exploited or cheated by their employer. Many women took on more than one job to survive and to support their families.

Some women have turned to work in illegal and dangerous jobs such as prostitution and drug dealing. Lack of work and loss of income not only cause difficulties for the women workers being affected by the crisis, but also negatively affect those who rely upon them. With less income, these women have been forced to cut not simply what may have been considered 'luxuries' in their lives, but far more importantly, necessary goods and services have been sacrificed. In some countries, such as Vietnam, where the cost of housing is out of the reach of many, the workers have had to share the rental cost or have even had to move back in with their parents. They have to share whatever resources are available to them. Many have found it necessary to turn to their family networks in order to meet their daily living needs.

#### *Reduction in consumption*

In most of the countries in question, not only has there been less consumption in general, but there have also been decreased amounts and lower quality of food and lower quality health care for the whole family. The worst of the situation is that the children, who are the future of each country, have been deeply affected by the crisis. In some countries, for

example the Philippines, parents have skipped meals so that their children can eat. In some cases, low-quality baby food, such as canned milk or chocolate milk, have been substituted for fresher, healthier but more expensive food. Some had to forego all health care services. As some governments cut public spending on health care, these reductions most severely affect women, especially ageing women. In some countries, like Thailand, the government tried to cut health care spending on government workers who had opted to work in the government sector although it paid less due to the provision of health-care protection.

### ***Education***

In terms of the effects of the crisis on education, the five countries in question did not find these to be significant, especially for basic education, because the government provided this for free. However, if the crisis is prolonged, there may be a problem, as parents will not have enough money for other items such as clothes, pocket money for school, and transport. Although at this point there is not enough evidence to conclude how the recent crisis has affected children's education, during the last crisis in 1997, children were taken out of school or had to enrol in cheaper schools.

### ***Migration***

Reduction in demand for migrant workers due to the decline in domestic demand in developed countries has led to reductions in both internal and external demand for migrant workers. These migrants are people who go to work in the cities or factories in their home countries or abroad. For countries that have a large number of migrant workers, the decline of remittances has affected the workers' families waiting back home for such money. While domestic remittances from female migrants dropped for all countries to varying degrees, external remittances have varied. The Philippines, which has a very high number of female migrants abroad, reported that remittances have increased. For Indonesia, the numbers of migrants dropped from one economic zone but increased in another. Moreover, it was reported that in some countries, a reversal of remittances has occurred. Some domestic female migrants in the Philippines and Vietnam have had to borrow money from their rural families in order to remain in the large cities and continue to look for work. Although remittance income may not have been significantly affected in some countries, the potential exploitation and ill treatment of female migrants has also been pointed out as a cause for concern.

### ***Trafficking***

On the dark side of the impacts of the crisis, women workers who have lost their jobs not only face the dangers of narcotics trafficking or prostitution, but also divorce, familial conflicts, and domestic violence. It was also reported that during the 1997 crisis in Thailand, the general crime rate increased. This is something which could occur again during the current crisis.

On the micro-credit situation, it was found that women have had a difficult time obtaining money for their businesses, due to financial institutions being very tight with loans. Similarly, fewer donors and less government support have directly impacted on women. Several strict regulations and rules make it less likely that women will receive loans. Many women who want to start a small business lack previous business records and other documentation required by the lending institutions.

### ***Responses***

Women in the five countries under review employed several strategies to cope with the crisis. Many looked for a new or even second or third jobs to make up for lost income due to employer downsizing, reduced numbers of workers, or working hours. The women reduced their own and their family's consumption; spent less on entertainment;

bought lower quality food and reduced the number of meals; shared their resources; and relied on their family networks. Although they tried very hard to cope with the crisis by themselves and with the help of their families, they still face various challenges that they cannot solve independently. For example, they have difficulty obtaining credit, even very small amounts, to start a small business because they are unable to provide past business records. Moreover, many of these poor women do not have and are unable to acquire sufficient skills in business, such as marketing and management, in order to create and run a successful business. For the most part, training in these skills is not available to them.

Most governments in the region have attempted to ease the crisis by using macro- and micro-economic policies such as sustained low interest rates and stimulus packages to increase job opportunities, to prevent a low employment rate, and to encourage people to spend their money. The ASEAN governments' responses to the crisis have, to a certain extent, succeeded in rendering the current crisis less chaotic compared with the 1997 Asian financial crisis. However, these measures are still not sufficient to bring normalcy to people's lives, especially since there are no policies or measures that directly target the situation faced by women. Most of the money has been focused on the construction of mega-projects such as transport infrastructure, which is usually capital-intensive rather than labour-intensive. In addition, to the extent that new jobs are created, construction tends to be male oriented.

According to the assessment of the crisis and how it impacts the poor, labourers, and especially women, we realize that there is no such thing as 'one model fits all'. We have, therefore, selected those suggestions that are applicable to all five countries. The recommendations are targeted to remedy women's problems because we believe that once women can stand firmly on their own, the effect will benefit the whole family. This is because we observe that these five countries share a similar cultural value of the importance of family ties. The policies and measures selected aim to solve short-run and long-run problems.

## 7 Conclusions and policy recommendations

Short-run and long-run policies and measures will focus more on women, especially for long-run policies, in order to protect and prevent problems that can impact women in the future. The crisis, from an optimistic perspective, has enabled policy makers to think about the social situation and to make several significant reforms that might prevent adverse effects in the future.

Although several organizations continue to promote free trade, it has been observed that some of the countries studied here have been too dependent on world demand, which has rendered them much more vulnerable to the global economic shock. These countries should reconsider the balance between domestic and external business. The question which should be asked, however, is whether or not attempting to become wealthy through exports while spending domestic resources on bolstering the export sector will really improve the welfare of all the country's people.

### 7.1 Short-term policies and measures

1. Job promotion during the crisis should be pro-women. For example, increase the numbers of projects that utilise labour-intensive employment where low-skilled women can participate, especially in rural areas where reverse migration has occurred in many countries during a downturn.
2. Increase domestic purchasing power via stimulus packages that flow directly to low-income people. Targets should be not only those in the formal sector, but also those in the informal sector, particularly women, as they are usually the ones who take responsibility for their family's basic needs. This can be done by giving jobs, providing training programmes with living stipends, providing some limited free daily necessities (such as transport, electricity, water, etc.,). However, these measures must be implemented and administered efficiently and carefully. For example, training programmes with stipends must be for laid-off workers who need money and training, not for college students who actually do not need it but who apply simply to receive the stipend. Such government stimulus programmes must be carefully selected and must anticipate market needs in the future.
3. Effective regulations and labour inspection for all types and sizes of businesses and firms – including in the informal sector – must be developed and enforced, as many employers may continue to try to avoid the labour code to exploit labour, especially low-skilled female workers during an economic downturn.
4. Both financial and legal support should be provided for those agencies that work with and assist women who have suffered exploitation whether in the workplace, in the home, or on the streets.
5. The government should make arrangements with some financial institutions, most especially those belonging to the government, to provide credit for women to establish and operate small businesses. Current rules and regulations employed by several financial institutions that prevent women from receiving equal treatment in obtaining loans must be abolished.
6. Gender-disaggregated data must be collected in order to craft appropriate policies and measures. In all of the country reports contributing to this study, mention has been made of the lack of gender-disaggregated data, which makes truly useful analysis of the situation very difficult. Such disaggregated data are

needed at all levels so that policy makers can base their decisions on sound information.

7. All institutions, international agencies, governments, NGOs, and private enterprises, must encourage women, especially those in the less advantaged levels of society, to participate in the economic and political arenas, as their opinions and experiences will help in shaping a better society and development. This can start right away, as it will be a long process in the ASEAN countries before women's voices will be really heard.
8. ASEAN should take the leading role to create a monitoring mechanism to oversee the crisis and the task of crisis prevention.

## 7.2 Long-term policies and measures

1. Education and training must be appropriate for women in terms of the type of programmes provided and when they are offered. It is laudable that several governments provide free education that lasts many years; however, greater emphasis should be placed on the quality of the education. Non-traditional fields for women such as engineering and law should be encouraged and promoted instead of only the traditional roles of education and nursing. Government skills training units should stop or reduce provision of traditional skills training in hairdressing, cooking and dressmaking for women. If these programmes are to be continued, the quality must be improved so that they include more creativity. The training in non-traditional skills for females such as programmes to train future people to repair computers, mechanics, electricians, plumbers, welders, carpenters, managers, and marketing personnel should be encouraged for women. Soft skills that are needed for success in any workplace are also needed for women.
2. Equity of employment opportunity is necessary for women's development and empowerment. Lack of fairness in job types and positions is a severe obstacle for women's progress. It is necessary that the authorities enact laws and regulations that promote and enforce gender equity in all workplaces. For example, there should be appropriate quotas for women in all kinds of jobs.
3. Each country should work together with others in the region to set rules to prevent foreign investors from taking advantage of workers, especially contract workers in terms of work load/hours, wages and welfare.
4. The focus in each country should not be simply on the number of employed persons, but also on the quality of work.
5. Each country should have an effective labour inspection system for all businesses, large and small, to monitor how employers treat their workers and to ensure that such treatment is fair and follows legally mandated guidelines.
6. Social protection measures for all workers, including women, in both the public and the private sectors must be legislated and adhered to. They should, as necessary, also be enforced. Such measures will include, at the very least, adequate retirement pensions and health care that are gender neutral.
7. Governments should establish, or cause to be established with the factories, support for free or low-cost day care centers and elderly care centres for the dependents of women workers.
8. Specific institutional reforms must be crafted and enacted, not only dealing with financial institutions and systems but also with education and governance, to

eliminate traditional social values that retard the development and empowerment of women and thus of the country as well.

9. To create sustainable economic and social development for each country, external and internal balances must be seriously considered. The biased-growth model should be rethought. A focus on exports, although accumulating foreign reserves, actually burns out the domestic resources - not only natural resources but human beings. Moreover, having a large portion of international items in the GDP means being heavily reliant on global markets, therefore, the country is less independent and more open to external shock.
10. The recommendations mentioned above will not succeed without cooperation among all institutions, i.e., international organizations (such as UNDP, UNIFEM, the World Bank, and the Asian Development Bank), governments, the private sector, NGOs, academics, and most importantly, women workers themselves.

All of these policy recommendations must be based not simply on economic considerations, but must also be guided by notions of human well-being, i.e., they must derive from a people-centered approach that recognises the necessity of gender equality in all spheres of development.

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