



“World Economic and Financial Crisis: What Will It Mean for Women?”

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Check against Delivery

Good morning. It is a great pleasure to be asked to speak here today. I want to thank Mrs Yu-Foo Yee Shoon, Minister of State for Community Development, Youth and Sports and Chair of the APEC Women Leaders Forum Steering Committee, and Ms Chua Sock Koong, Chair of this meeting. Let me also take the opportunity to thank Mrs Yu-Foo Yee Shoon, who signed on to UNIFEM’s Say No to Violence campaign on behalf of the Women’s Leaders Forum.

UN Secretary-General Ban Ki-moon recently warned that the global economic crisis could “plunge millions more into poverty and risk social and political unrest.” For this reason, he said, “our efforts to restore economic growth should be seen as an opportunity to take some of the hard decisions needed to create a more equitable and sustainable future.” Such a future demands we look closely at how the crisis, and efforts to respond to it, is affecting women as well as men.

The downturn is now global. The World Bank warns that as many as 53 million more people could be trapped in poverty, added to the more than 100 million impoverished by the food and energy crisis in 2008. Hundreds of millions of people all over the world are losing their jobs, their income, their savings, their homes, and their ability to survive.

The threat to gender equality and sustainable development is serious. Access to health care is already falling, obliging women to take on an increasing burden of unpaid care-giving and further restricting their opportunities for paid employment. By 2007, girls already accounted for 54% of the world’s out of school population, a percentage likely to go higher as households cope with falling income. Some children may never return to school. Incidences of abuse and violence against women also increase during hard times, as seen in the 1997 Asian financial crisis. Falling household incomes could increase infant and child deaths, especially of girl children.

However, it is said that in every crisis there is an opportunity. Global crises such as this one can upset the business-as-usual way the world operates, shining a spotlight on the *costs* of a global economic system that has resulted in increasing inequality, across and within countries. A World Bank policy statement points out that in each of the areas most impacted by the crisis, policy responses that build on women’s roles as economic agents can go a long way towards mitigating these negative effects. These responses are good for women and for development, yielding ‘high returns in terms of containing current and future poverty’.

However, it is in the area of jobs and livelihoods, where the impact of the crisis is likely to be most profound, that the opportunities to shape more equitable development may be greatest. The manufacturing landscape is likely to be totally changed, creating lasting challenges for countries to get people back to work—and provide good jobs to get back to—particularly for women.

Gendered Impact on Employment

The ILO predicts that in Asia alone up to 113 million people may be unemployed in 2009. While men's job losses initially increased faster than women's, especially in industrialized countries, more recent data show that the job loss rate for men is slowing, while that for women keeps going up, reaching as much as 7.4 per cent in 2009, compared to 7 per cent for men. Up to 22 million women may lose their jobs, jeopardizing gender equality gains both at home and at work.

Women are especially vulnerable in developing country export industries, where they comprise up to 70-80 per cent of workers. These have been major sources of export earnings in recent years, fuelling the rapid economic growth that many countries experienced, especially in East and Southeast Asia. But shrinking consumer demand has drastically impacted developing country exports, especially in textiles and electronics. After the 1997 crisis, an analysis of seven industry groups in Thailand, the Philippines and Viet Nam found that the impact of job losses follows gender lines. Women dominate garments, textiles and electronics at a ratio of two to five workers for every male worker, and are thus experiencing some of the first lay-offs.

The ILO also predicts that women will be pushed into insecure jobs at a faster rate than men.ⁱ Even before the crisis, the vast majority of workers were already in the informal economy, as economic growth failed to translate into more secure jobs. Over 60 per cent of the labour force in Asia, and almost 80 per cent of the female labour force – are in informal employment, 'lacking any form of social protection against hardship, family illness, disability or old age'. In India for example, which grew at a rate of 5 per cent annually over the last 10 years, approximately 370 million people, or 9 out of 10 employees, do not have formal social security.

At the same time as job losses push people into informal work, that work is also harder to find. The collapse of construction affects the vendors who sell food and drink to construction workers for example, and, as prices for waste materials plummet so too do waste-picker livelihoods. The OECD reports that 70 per cent of job losses in Asia are in the informal sector. These are the losses that do not show up in unemployment figures—and so are neglected in stimulus measures.

Toll on Migrant Workers

The crisis is taking a particular toll on migrant workers, up to 75 and 80 per cent of whom are women, especially from South and Southeast Asia. The growth of migrant workers over the last decade contributed to a steady growth in remittances, which peaked at \$305 billion in 2008.ⁱⁱ However, migrant workers are among the first to lose their jobs in economic downturns. Many of them are forced to return home-- Some 20 million of the 130 million migrant workers in China had already returned by February this year due to lack of work.

Remittances are expected to decline as much as 8 per cent in 2009. In South and Southeast Asia this may be closer to 4 per cent, in part owing to continued out-migration in countries where employment prospects are even worse. In the first two months of 2009, both Nepal and

Bangladesh reported significant increases in the flows of workers leaving for work abroad. This may change if immigration controls are tightened in destination countries.

Currently, many migrants are staying on, finding any work they can, working longer hours and often earning less. However, protectionist measures are already being felt in countries concerned about lost jobs. Migrant workers, especially those with low skills, are increasingly vulnerable to exploitation and trafficking. The risk is particularly high in Asia, which already has a very high level of forced labour.ⁱⁱⁱ An ILO representative observed that “migrants, including young women and even children—are more exposed to forced labour, because under conditions of hardship they will be taking more risks than before.”

Monitoring country level responses: making stimulus packages work for gender equality

The gender-specific ways in which the crisis is impacting on real people makes it critical to monitor how countries are responding. Already countries have adopted a variety of measures to stimulate renewed growth and to mitigate the impact of crisis on peoples’ lives.

A study of stimulus packages^{iv} that UNIFEM commissioned in 13 countries in Asia Pacific, points out that it is useful to classify support measures into two types: those designed to restore macroeconomic stability through job creation and support to business; and those intended to cushion the impact of the crisis on families and individuals-- in part to maintain consumption.

Each of these areas has gender dimensions. While in most cases the majority of public investment is directed to infrastructure and public works, for example, it is important to see what kinds of infrastructure are being targeted, and who will benefit from this support, primarily in terms of jobs. While in most countries construction work is mostly done by men, women make up some 10 per cent of construction workers in the US, accounting for nearly 1 million jobs; while in India, they make up nearly 30 per cent, primarily in the unskilled and casual jobs.

We also need to look beyond jobs to see who the infrastructure will serve—will roads assist women to get their goods to market, or their children to schools and clinics, will schools and clinics be provided in rural areas, or indigenous communities – and if so, will there be money to staff those schools and clinics, and will women be encouraged to apply?

Also important is which industries are targeted for support. Many countries have funneled huge amounts of money to bail out their banks; are they likely to find an equal amount for the so-called ‘real economy’? What other industries are being supported? The UNIFEM study showed that while the auto industry is a priority in several East Asian countries, including the Republic of Korea, Australia and Japan, many countries, including China, India, Thailand and Vietnam are also targeting support to small and medium enterprises and export industries where women predominate, including textiles, tourism and handicrafts. Infrastructure projects can include upgrading public housing and health clinics and schools as they do in Singapore.

Looking at support to individuals and families, we need to ask how they will affect women’s unpaid labour, which increases in economic downturns. Are they limited to tax cuts, or do they include cash transfers or food and clothing subsidies? What sort of provisions are made for those who lose their jobs—not only those in formal employment—but those in the informal economy

as well? What provisions exist for guaranteeing access to microfinance—which sustains livelihoods for millions of women in low income countries? What support is available for victims of more gender-based violence, which increased during the 1997 Asian financial crisis and is already on the increase in many countries, according to ESCAP and US reports.

Finally, we need to find out what support is available to returned migrant workers. In April, UNIFEM, in partnership with the ILO and the European Commission, convened a three-day Regional Forum on the Gendered Impact of the Economic Crisis on Asian Migrant Workers. This brought together governments, trade unions and women’s groups to document the impact of the crisis on migrant workers in different sectors, including electronics, garments, tourism and domestic work, examine the roles of different players to see what strategies migrant workers are adopting to cope with increasing hardship and explore how sending and recruiting countries can work to mitigate the impact on migrant workers and their families. The recommendations will be captured in policy briefs and other reports to enable women migrant workers to become better advocates and to make local authorities more effective in negotiating more secure contracts.

Looking forward

I have focused on the impact on employment not only because it is expected to be so far reaching, but also because it highlights the need for policymakers to rethink some fundamental economic assumptions, including the outdated male-breadwinner notion of household economies. The global economic crisis is propelling countries large and small to examine new areas of economic growth, particularly in the ‘green economy.’ A *Time/CNN* article reports that green projects account for 81 per cent of economic stimulus measures in the Republic of Korea and 38 per cent in China—part of what Korea envisions as a “new paradigm of qualitative growth”. As the green economy becomes the growth engine of the future, it offers an opportunity to make sure they are not once again fuelled by women’s low-wage labour- starting by providing training and information to enable women to compete equally with men.

Similarly, as developing countries begin to re-invest in agriculture and rural development in an effort to stimulate new growth, they have an opportunity to invent a new kind of ‘green revolution’, this time focusing on women small farmers, who are the majority of food staple producers, in order to break out of dependency on global commodity markets and food imports.

In closing, therefore, I want to suggest that is at times like this, when old models of progress and well-being have fractured, and in some cases collapsed, that outmoded gender stereotypes that make it so difficult to create the “more equitable and sustainable future” envisioned by the Secretary-General can also give way, enabling both women and men to more fully realize their human rights and human potential.

References

ⁱ Global average ranging from 50.5 to 54.7 per cent for women and 47.2 to 51.8 per cent for men. See ILO, *Global Employment Trends for Women*, March 2009.

ⁱⁱ World Bank, *Migration and Development Brief #9*, March 2009.

ⁱⁱⁱ South Asia accounts for 77 per cent of those subject to forced labour worldwide. ILO, *Cost of Coercion*, May 2009

^{iv} Carol Guina, “Making Economic Stimulus Packages Work for Women and Gender Equality,” UNIFEM Working Paper, June 2009.