



Impacts of the global crisis on women in developing Asia

By Jayati Ghosh
2010 Edition

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The Association for Women's Rights in Development (AWID) is an international, multi-generational, feminist, creative, future-orientated membership organization committed to achieving gender equality, sustainable development and women's human rights. AWID's mission is to strengthen the voice, impact and influence of women's rights advocates, organizations and movements internationally to effectively advance the rights of women.

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Introduction

Among policy-makers in Asia, there has been a tendency to see the global recession of 2008–2009 as a mere blip in a process of continuing and dynamic economic growth. Asian developing countries were the first to come out of the crisis; indeed, many of them experienced only a deceleration of still positive growth of output rather than negative growth. Asian trends have preceded a global recovery in which most regions of the world have been declared as coming out of recession, as income has recovered, especially from the second quarter of 2009. Much of this is related to the apparently uncoordinated, but nonetheless synchronized, recovery packages that were introduced in the wake of the crisis. Across the world, including in Asia, governments responded not only with huge bailouts of troubled financial institutions, but also with large fiscal stimulus packages that were effective in staving off depression.

Nevertheless, it is increasingly clear that the recovery remains fragile and downside risks look large. Sovereign debt issues are currently at the centre of concern for financial markets, and austerity packages being followed by

governments, even in countries that do not really need them, are making things worse. At the most fundamental level, the three basic imbalances that caused the most recent crisis of international capitalism have still not been resolved: the imbalance between finance and the real economy; the macroeconomic imbalances between major players in the international economy; and the ecological imbalance that will necessarily become a constraint on future growth, not only because of climate change but because of other environmental problems and the demand for energy.

Without resolution of these problems, sustained growth is no longer possible in the global economy, and the Asian region cannot hope to be immune from this negative impact. Further, even the resolution of such problems is likely to be associated with severe and potentially protracted crises, in different areas and countries. These problems are made worse by the evidence that output recovery has not been matched by any improvement in employment, wages or livelihoods of self-employed workers, and that other negative effects of the crisis have persisted into

the incipient and tentative recovery. In any case, the impact of the financial crisis on material and social conditions in developing Asia has already been far more severe than is suggested by aggregate output figures. Due to the high dependence of most Asian countries, the volatility of global exports has direct and indirect effects on employment. A large part of the population in the region is still absolutely poor. The greater proportion of the work force in all but a few countries is in informal activities, self-employment and vulnerable employment, a proportion that is overwhelming in the case of women workers. Agriculture has been in difficulty in most parts of the region, yet continues to employ a large share of workers, especially women workers. The agrarian crisis has also translated into and been associated with a food crisis, rising prices and declining food self-sufficiency in most countries.

All of these processes have adverse effects on people within countries and particularly on workers, some of which are: decreased employment; decline in real wages and incomes from self-employment; changes in patterns of migration, with reduced employment opportunities in several destination areas; the impact of higher food prices on food consumption; reduced access to health care; reduced access to education; and increased incidence of violence in various

forms due to intensified social tensions. The effects of the crisis also tend to be disproportionately distributed among the population, with certain vulnerable groups, including women and girls, much worse affected than more secure or privileged sections. It is a sad but constantly repeated fact of economic life that financial crises tend to deliver the most harm to those who had usually gained the least from the preceding boom, by reducing wages and chances of employment, destroying livelihoods and constraining public provision of essential goods and services.

Gender discrimination tends to be intertwined with other forms of social and economic disparity, such that region, location, community, social category and occupation also typically determine the extent of deprivation of women and girls. Even so, there are critical differences in the impact of such crises on men and women, determined largely by the greater significance of women in social reproduction and the "care economy", as well as their greater involvement in more vulnerable forms of paid work. Now that the region has experienced more than two years of crisis, it is useful to consider the impact on women in terms of their varied but overlapping roles as paid workers, self-employed workers, unpaid workers, members of households, and citizens with rights and individuals with needs, wants and aspirations.

Women workers in paid employment

Women workers continue to be more adversely affected than their male counterparts in the manufacturing industry, through the loss of employment and falling wages. To begin with, the industries in which they predominate (e.g. textiles and garments) were the most affected by the crisis and even as output has recovered to some extent, employment has not returned to its earlier levels. The pressure on employers to compete in an increasingly hostile environment leads to efforts to reduce labour costs by driving down wages and forcing remaining workers to work for longer hours, often for less pay.

Further, women are less unionized and therefore easier to dismiss, and job segregation assigns them to lower-paying and more “flexible” labour activities, unlike the more diversified and relatively more secure occupations of male workers. It is important to note that loss in such employment affects not only household incomes, but also

gender relations within and outside the household. In Cambodia, for example, 70,000 garment workers, mostly women, have lost their jobs since the crisis began. A recent study by the United Nations Inter-Agency Project on Human Trafficking, quoted in Sothath and Sophal 2010, found that among a

sample of sex workers, 58 percent entered into sex work in the wake of the financial crisis and 19 percent were former garment sector workers. Undocumented migrant workers are more vulnerable to many problems and challenges, including getting infected with HIV, because their rights are not protected.

Coping with job loss in Cambodia

Single, 24-year-old Lath Sreyaun from Prey Veng Province had been unemployed for three months prior to the survey. She had been working as a garment worker for six years, making US\$80 per month. Of this, US\$30 was allocated to support her family of five and various personal expenses.

After tirelessly looking for a job at other factories, but with no luck, Sreyaun decided to look for a job at a Karaoke club. She was offered a job as a Karaoke

entertainer with a base salary of US\$40. She now makes more money on tips from some generous customers. She has not told her family about the change in her job, because she fears that they would not allow her to work in such a place, but the need to keep her brothers at school has forced her to work there. [...] Sreyaun has informed her parents and other relatives that she is still employed, but at another factory. Sreyaun’s greatest fear is that if her conservative community finds out that she works at a Karaoke club, her “virtue” or reputation will be compromised. (Sothath and Sophal, 2010, p. 12.)

Self-employed women

As opportunities for paid employment dwindle, women workers have turned to home-based subcontracting activities, or work in very small units, often on a piece rate basis and usually very poorly paid and without non-wage benefits.

Problems of traditional craft workers in India

Chikan embroidery is a very fine, highly skilled and specialized traditional craft, with both domestic and export demand. Kammu, based in Lucknow, India, and her late husband both worked at this craft for several decades, largely on orders. She still buys her own material, does the cutting with the help

of her daughter, embroiders and even makes garments on occasion. Despite being a very experienced worker, Kammu has only a non-permanent structure for a house, with a leaky roof. She has a handicapped son, for whom she finds it hard to get any medical attention.

Kammu believes that the wages earned in Chikan craft work are not commensurate with the effort and labour involved. Even the very finest and most difficult craftsmanship fetched a maximum of Rs. 50 per day (just above \$1), while ordinary work fetches only Rs. 8 to 20 per day. The recession has made things worse, as Kammu says she earns much less than before. She complains that even

in the present crisis, the Government is not doing anything to support Chikan craft workers.

She is getting old and it is now physically impossible for her to work for more than five to six hours a day, especially with fine and intricate embroidery, thus her wages have fallen further. Her health has been adversely affected, her eyesight is poor and she suffers from constant headaches, backaches and neck pains. Her fingers are sore from doing Chikan work. The future offers little hope. (Adapted from “Global Economic Crisis: Impact on the Poor in India”, UNDP New Delhi, November 2009, p. 26)

Self-employed women in a time of crisis

Kim Latt, is a villager in Ponley Choeung village, Ponley commune, Angkor Borey District, Takeo Province. In addition to her farming, she earns income from producing *hol* (a traditional hand-woven silk fabric used for making dresses). In 2008, she had good sales of *hol* at a higher price, US\$75 per *kben* (a unit of *hol*, which measures 4 x 1 m). With high demand, she could produce 2 *kbens* per month. However, she now produces about 1 *kben* per month, but is not sure it will be sold, due to reduced demand. She has to go and sell it at the market by herself, while last year the trader came to buy it at her house. A *kben* of *hol* is about US\$60 this year. She complains that despite the low demand for *hol* and the lower sale price, the cost of silk remains high, with only a slight decrease. With the low demand and price of *hol* this year, she is earning very little for her family. She has sought other income sources, but no job opportunities were available in her community. (Sotath and Sophal, 2010, p. 13)

There has been decline in access to credit for self-employed women. Micro-credit institutions are largely funded by commercial banks and through aid. Commercial banks in most developing countries, faced with a global liquidity crisis, have significantly cut down on lending across the board. Also, there is early evidence from South Asia that the impacts are already felt on micro-finance programmes (Chandran, 2008; Littlefield, 2008).

Farmers across the region have been hit by rising input costs, volatile crop prices and declines in public and institutional sup-

Waste recycler in India

“My name is Ratanben Jaydev Bhai Parmar. I live in Raipur Gomtipur (a slum of Ahmedabad, India). I am 50 years old. I have been collecting waste for the last 30 years. I have three sons and two daughters. I lost my husband when I was 25. Since then I have been earning a living through collecting waste and taking care of the needs of my family. My sons work in small factories on a temporary basis as and when they are called.

My day begins at five. Once I complete my household chores, I start work at 6 a.m. and collect waste till noon. In the afternoon I sort the waste into bundles. I go on a second round at 4 p.m. and return at 8 p.m. depending on the amount of waste I collect. After a two-day cycle of waste collection, I sell the waste bundles to a scrap shop on the third day. I collect paper, plastic, iron dust, carton, broken toys, plastic bags, hair, coloured and white paper. I usually make about Rs. 50 (about US\$1) for the total waste collected.

Suddenly, after Diwali last October, the shop owner started paying me less for my scrap. Though I quarreled with the owner, I had no choice but to accept the price he offered. I could not understand the problem.

One day, as I was sitting outside my hut in the evening,

other waste recyclers who live nearby discussed the same problem with me. To make the situation worse, the scrap shop owner refused to purchase the waste I collected the next time I went to his shop. He complained that too much waste was piling up in his shop with a shrinking market for it. Other waste recyclers faced similar problems. Then came the shocking news that several scrap shops in neighbouring areas were shutting down. The decreasing prices were not the fault of the shop owner. I was told that the international market for scrap has shrunk.

This has affected me severely. My sons have also lost their jobs when the small factories were forced to shut down due to the financial crisis. We have no money or food in the house. We cannot even afford vegetables. I cannot pay for my grandchildren's education. Now my grandchildren have also joined me in picking waste so that we can supplement my income.

I have heard of other neighbours who are going through harder times. Pashiben, staying next to me, sold her body for clinical research. We all know that it is harmful; but it pays better. My question to you is where has all the money gone? Why do the poor have to suffer? I hear on the news that the government is declaring schemes to revive big industrial houses; but what about us? Are they thinking about us? “ (qtd. in UNDP India 2009b p. 1-2)

port. Women farmers have been worse off because the lack of land titles and other recognition have tended to deprive them of

benefits such as access to institutional credit, extension services, subsidized inputs and crisis relief programmes.

Migrant workers

The crisis has had less of a direct impact on women migrant workers than men, but this does not mean there have been no adverse effects. In Asia, migration, especially cross-border migration, is highly gendered: male migrant workers are more prevalent in manufacturing and construction, and women migrants in services, such as the care economy (nursing and domestic work) and “entertainment”. These care activi-

ties are less affected by the business cycle and more by demographic tendencies, institutional arrangements, and the extent to which women work outside the home in the host country. As a result, women migrant workers’ incomes have been more stable over the cycle and have not fallen to the same extent.

However, internal migration has been affected, with fewer job

opportunities especially at the lower end of the skill spectrum. Also, migrant workers, especially more vulnerable women, have been targeted, when local residents think that they are taking away jobs in a difficult labour market. One major and inadequately recognized concern is the impact of the crisis on universal access to HIV services for migrant women (UNDP, ILO and UNAIDS, 2010)

Women’s unpaid work

The unpaid labour of women has been directly and indirectly affected. The care economy and social reproduction act as a socio-economic buffer in times of crisis. As household incomes decline, families are forced to adopt different survival strategies, which often include non-market provisioning for basic necessities using household labour as well as other means of augmenting access to required consumption. The withdrawal or reduction of access to public services and higher user charges for health and sanitation put a greater burden on unpaid labour within the household, which is typically performed by women.

In Viet Nam, as elsewhere, most time-use studies indicate that women have a greater burden

than men. Most women have to cope with competing burdens of both paid and unpaid work, with a greater burden on informal workers who often cope by means of overlapping activities. Especially during the crisis, there is a tendency for these women to engage in paid home-based activities, such as handcrafts in order to compensate for a shortfall in their income. Consequently, women’s leisure time has ultimately been reduced (Nguanbanchong, 2010).

Surveys have found evidence that women’s unpaid work has increased since the crisis. This unpaid work includes domestic work such as cleaning, washing, sweeping, (as domestic hired help is dispensed with), care work (caring for the sick

and for children) and collecting vegetables, leaves and fruit from common lands and common properties. Roughly a third of the households in the sample reported an increase in the unpaid work of women. It appears that women’s unpaid work has increased because: (i) cash poor households have brought many market-oriented activities within the purview of domestic work; (ii) paid medical services have turned into unpaid services; (iii) unemployed/underemployed men at home need more caring from women; and (iv) women have increased the collection of free goods —fodder, vegetables, leaves, fruits — particularly in the rural areas, as evident from the experience of return migrants. (UNDP India, 2009a, p. 33).

Adverse impact on basic needs and rights

As incomes fall, access to food becomes more difficult, and within the household, women and girls are relatively more deprived. This has been exacerbated by the global volatility of fuel and food prices, which has caused substantial increases in food prices in many countries.

In Indonesia, women interviewed in late 2009 as part of a focus group survey reported that their food consumption had changed because of higher prices. Those who still had employment spoke of reduced choices and the inability to purchase fish or meat. Those who had lost their jobs, and especially those who had been unemployed for more than a year, spoke of even starker choices. They were thinning the milk they gave to their babies or even substituting tea or water with sugar for milk. They were feeding children less and were not able to give them money for lunch at school. They found it difficult to buy rice and had cut down on their own intake. But even when the parents reduced their food intake, there was often still not enough for the children. Some reported that their children had lost weight and become thinner. "For the first three months my kids found it very difficult to go from eating rice, tempe and tofu, to just soup and the cheapest thing available" (Miller-Dawkins, Irwansyah and Abimanyu, 2010, p. 17).

A study of the impact of high food prices in Cambodia found significant adverse effects on children, including a rise in the school dropout rate (CDRI, 2008). The school dropout problem was reported as being highest among the food-insecure households: 13% of them had children dropping out of school in January 2008, rising to 22% by June 2008. Between January and June 2008, the dropout rate almost doubled, affecting more than one fifth of all children in primary school. Wasting among poor urban children increased from 9.6 percent in 2005 to 15.9 percent in 2008.

According to various case studies and quick surveys in the region, the most common strategies employed by a majority of the households include reliance on less preferred but less expensive food, reducing the amount of food consumed, taking out loans and purchasing food on credit. In most cases, women and girls were more affected within the household, as mothers or elder sisters sacrificed food for other household members. (UNDP Delhi, 2009).

Higher user charges for health and education have resulted in a reduction or denial of access to women and girls. There are reports of withdrawal of girls from school and reduced access of

women to medical care, including for reproductive health. In Thailand, expenditure on medical services (both private and public) declined steeply, but expenditure on self-medication went up slightly. (Paitoonpong, Akkarakul and Rodsoomboon, 2009).

There has been an increased inclination to gender-based violence and domestic violence as worsening material conditions combine with a sense of helplessness among men, who then look for outlets for their anger and frustration. There have already been reports of an increase in violence against women within households and outside the household, as well as greater insecurity of women in public spaces. Mental health deteriorates because of stress caused by economic hardship, loss of jobs and other insecurity. The most extreme indicator of mental health is the incidence of suicides. In Thailand, it was found that during the 2008 crisis, women's suicide rate increased by 8.6 per cent, while that of men decreased slightly by 0.6 per cent. The number of recorded prostitution cases in Thailand increased by around 20 percent between the first quarter of 2008 and the first quarter of 2009 (Paitoonpong, Akkarakul and Rodsoomboon, 2009). The number of women drug addicts is also reported to have increased.

Crisis management needs to be more gender-sensitive

Women in public employment schemes: the Mahatma Gandhi National Rural Employment Guarantee Scheme in India

Launched in February 2006, this demand-driven scheme is based on a legal guarantee for employment. The law passed the previous year entitles every rural household up to 100 days of unskilled manual wage employment per year, at the statutory minimum wage for agricultural workers in the state. If employment is not provided within 15 days, the applicant is entitled to unemployment allowance at half the wage rate. The scheme aims to provide work on labour-intensive projects focusing on rural infrastructure, implemented through locally elected bodies.

This scheme has played an important counter-cyclical role, because it provides more wage income directly to unskilled workers and in rural areas. This is much more effective in increasing aggregate incomes than other forms of public spending, due to the higher value of the multiplier in such expenditure. In addition, if it is properly implemented, it has the potential it has to increase both labour productivity and the quality of life in rural areas.

To date, over 25 million households have been provided some employment, and more than 7 billion person-days of work have been generated. The enhanced wage earnings have led to a strengthening of the livelihood resource base of the rural poor in India; have reduced distress migration; and have become an extremely important buffer against both the employment shocks generated by the economic crisis (as migrant workers returned home to their villages) and against the drought that has swept across large parts of rural India in the summer of 2009 as well as other climate changes.

Nearly half the person-days are accounted for by women workers, well above the minimum of 30 per cent stipulated by the law, and also significantly higher than women's share of the rural work force as a whole. In some states such as Kerala, the rate is more than triple the recorded female work participation in other activities, also because Kerala has taken the unusual step of organizing the scheme at the local level with the help of the network of women's self-help groups. Not only does the scheme provide money incomes directly

to participating women, but also, in many states, the wage delivery mechanism is linked to the opening of post office or bank accounts. This involves the access of a much greater number of women in institutional finance from which they have been largely excluded. Intra-household gender relations are also likely to be positively affected.

The scheme therefore has the potential to transform rural economic and social relations at many levels. It is this capacity to engender change that is at once a source of strength and a weakness for the implementation of the programme. This is because it unleashes forces in the rural economy, society and polity that necessarily threaten the status quo and therefore also those who benefit from it. Therefore, it is precisely where it is most needed that there is likely to be the most resistance to effective implementation. In fact, the huge potential of the NREGS¹ has already been evident, particularly in the enthusiastic response of local people, landless and marginal farmers and women workers, wherever information about the programme has been properly disseminated.

Social protection in the Asian region is very weak and needs to be drastically revised. The reliance on the male breadwinner model in relief packages, including in unemployment benefits and cash transfers, adversely affects women. By contrast, even employment schemes that explicitly recognize the right and need for women to work (such as the National Rural Employment Guarantee Scheme in India) have led to major benefits, providing a cushion of income

during the crisis and providing cash incomes to more women, who thereby have better control over household expenditures.

The special needs of women small producers, including for credit, inputs and market access, should be recognized. This requires a focus on the inclusion of women in the provision of financial services, beyond micro-credit. In addition, it is crucial to recognize and address the problems of the increased unpaid work bur-

den of women, which means promoting more universal, better financed and accountable systems of public service delivery. ♦

FOOTNOTE

1 - NREGS is a historic employment scheme in India for providing 100 days guaranteed wage employment for all employment seekers above 18 years of age and willing to do work. The scheme came into force on 5th September 2005 in 200 districts in India and extended to another 130 districts later.

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Impacts of the Crisis on Women's Rights: Sub regional perspectives

New from AWID is this 2010 edition of the brief series: Impacts of the Crisis on Women's Rights: Sub regional perspectives. We are excited to present an update, by region, to the exceptional research conducted in 2009 on the impact of the global financial crisis on women's rights. This update provides relevant new data, testimonies, and voices from women activists on the ground. Each case presents an opportunity to unpack the in-depth challenges faced by different women in diverse contexts while examining possible policy solutions from a feminist perspective. This work takes us on a journey to help us think beyond the financial crisis and its implications, and start reflecting about the new world being created. At AWID we believe these studies contribute to building and supporting women's movements.

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