

Gender Implications of Global Recession: GMS Context Key Themes & Strategic Ways Forward

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Key Themes – Findings

- Significant gender impacts in formal employment (especially in female dominated export industries), informal sector, and household coping mechanisms.
- Flow-on negative effects on support sectors, household and individual wellbeing can not be understated. Vulnerabilities of migrant workers are exacerbated.
- Urban-rural impacts (falling remittances and reverse migration).
- Informal sector is not an adequate buffer for economic shocks.
- Risk of losing gender equality and poverty reduction gains.
- Women's increasing burden of women's work – paid and unpaid.
- Inadequacy of social protection
- Limited attention to gender analysis in economic recovery packages to date

GMS Context

- Women are majority of workers in several sectors affected by the recession—export industries, tourism, agriculture, services and handicrafts
- Large numbers of women are also migrant workers, both registered and informal
- GMS countries are still recovering from food and fuel price hikes in 2008, political instability in Thailand and concerns with H1/N1 virus
- Concern about cumulative impact on the poor in the GMS, especially women

GMS Countries

- Overlapping histories
- Increasingly integrated economies
- But also, extremely diverse
- Stark differences among countries in population size, level of economic and human development
- Hence, scale and impact will vary

Development Context in the GMS

Source: ADB, Key Indicators for Asia and the Pacific 2009

	Cambodia	Lao PDR	Thailand	Viet Nam
Population (millions, 2007)	13.8	5.9	65.8	85.2
Life Expectancy (yrs, 2007)	59.5	64.4	70.6	74.2
GDP (\$ millions, 2007)	26,039	13,067	520,734	221,330
GDP per capita (\$, 2007)	1,885	2,227	7,919	2,599
GDP growth (% , 2007)	10.2	7.8	4.9	8.5
Income below \$1.25/day (%)	40.2	44.0	<2.0	21.5
Underweight children (%)	36	37	9	20

Women's Economic Participation in the GMS

Sources: Government authorities, MDG progress reports, country gender assessments

	Cambodia	Lao PDR	Thailand	Viet Nam
Agriculture (% , latest)	52.5	54.0	44.3	51.6
Manufacturing (% , latest)	53.5	38.0	54.1	51.7
- Garments (% , latest)	80-85.0	85.0	>75.0	80.0
Services (% , latest)	27.0	57.0	>50.0	>50.0
- Tourism (% , latest)	55.0	>50.0	65.1	70.0
Small business ownership (% , latest)	62.0	63.0	NA	41.1

U.S. Imports of Apparel

Source: U.S. Office of Textiles and Apparel, July 2009

Country	2008 (\$ million)	YTD 2008 (\$ million)	YTD 2009 (\$ million)	% Change
GMS:				
Cambodia	2,376	1,379	1,058	-23.3
Lao PDR	30	18	13	-25.5
Thailand	1,668	983	724	-26.4
Viet Nam	5,224	2,869	2,838	-1.1
Other:				
Bangladesh	3,442	1,939	2,062	6.3
China, P.R.	22,923	11,474	11,888	3.6
India	3,073	1,986	1,832	-7.7

Impacts: Tourism Services

- Women represent more than 50% of the tourism workforce in the GMS, with higher percentages in some areas (e.g., hotels/guesthouses, restaurants/food and handicraft sellers)
- Tourism in all GMS countries was hurt by a “perfect storm” of factors (Thai airport closure in late 2008, global recession and concerns about H1/N1 virus)
- Sharp drop in long-haul, high-spending tourists in Q1 2009
- Reports of some temporary hotel closures and staff layoffs (e.g., in Siem Reap); reduced work days/hours
- Some estimates suggest 4,000 job losses in tourism in Lao PDR – about 50% women.
- Spillover effect on related businesses (e.g., tuktuk drivers, food sellers, handicraft makers/sellers) – the latter 2 with women



Impacts: Handicraft Production

- Diverse sector in terms of variety of handicrafts, scale of production and market (e.g., in-country tourist market vs. export market)
- Estimates suggest in Vietnam women make up 42% of the sector
- Gender profile in sector also varies (e.g., women dominate in weaving)
- MARD Viet Nam (Jun 09) estimate 50% of craft business would go bankrupt resulting in job losses of 5 million workers (more than 2 million women)
- Tourism officials expect slowdown in handicraft sales due to tourist slump
- Reports of financial difficulties in some Thai “one tambon one product” villages and Vietnamese craft villages – linked partly to level of indebtedness

Impacts: Agriculture

- Both women and men are active on farms; feminization of agriculture – women increasingly manage farms when husbands migrate for work
- Small farmers already hurt by fuel price hikes (rising input costs); incurred debt to cover costs
- Falling commodity prices (e.g., cassava) and temporary Thai import bans (e.g., on maize) caught Cambodian and Lao farmers by surprise – difficult to repay debt
- Some plantations in financial trouble → layoffs or less work for plantation workers, including women
- Female migrant workers from CAM/Lao working on farms in Thailand
- Large numbers of female seasonal migrant workers from Cambodia/Laos in Thailand

Impacts: Migration

- Complex migration patterns in GMS (internal, cross-border and overseas)
- Official sources track registered migrants (e.g., under 600,000 registered GMS migrants in Thailand; 91% from Myanmar and 4.5% each from Cambodia and Lao PDR; 46% women) [IOM 2009]
- Vast majority of migrants within GMS are undocumented, and estimates vary widely (e.g., 2-4 million GMS migrants in Thailand)
- Gender segregation in migrant jobs (e.g., mostly women in domestic work, light manufacturing, services – seasonal/agricultural laborers and sometimes entertainment industry; mostly men in construction and fisheries)
- MOLISA (Viet Nam) reported in June 2009 that 10,000 guest workers (approx 3500 women would return home)
- 35% foreign migrant workers (Viet Nam) are women

Impacts: Migration, continued

Impacts of crisis on migrant workers, especially women, vary:

- Migrants have been laid off from overseas jobs – some with large debts (see UNICEF Viet Nam study)
- Reduced hours and layoffs in factories and some tourism establishments (especially low-wage jobs) affect migrant workers in Thailand
- Migrant workers, including women, seem to prefer to find other work in the city rather than returning home; some incur debt or join entertainment establishments to cover expenses and to continue remitting funds home (see UNIAP study in Cambodia)

Impacts: Access to Financial Services

- Women are majority of small business owners in Cambodia and Lao PDR; also active in small businesses in Thailand and Viet Nam
- Concerns related to crisis:
 - Financial institutions funding microloans may tighten credit
 - Micro-borrowers may have difficulty repaying loans due to business slump
- Some reports of tightening of credit and repayment difficulties (e.g., Cambodia)
- Government and donor-funded lines of credit seem secure, and stimulus measures may increase amount of credit available
- NGO-funded projects may be subject to future budget constraints

Impacts: Initial Stimulus Measures

- All GMS governments have introduced various stimulus measures, including support to affected industries and introduction or expansion of social safety net programs
- Little evidence of attention to gender concerns in design of new stimulus measures (except food security projects), so hard to estimate gender benefits
- Baht 2,000 payment in Thailand and Tet bonus in Viet Nam went to registered individuals/households, so migrant workers most likely did not benefit
- Public infrastructure spending is likely to benefit mainly men through construction work (unless gender targets are included)

Some ADB Initiatives

Cambodia Emergency Food Assistance Program

- Implementation of the Program covering the global economic crises period
- Program includes
 - Compensatory Consumption Support (e.g. Social Safety Nets)
 - a. **Rice Distribution to the poor (\$3.2m)** – Oct/Nov 2008, 200 communes in 6 provinces around Tonle Sap, 68,323 families benefited (342,853 people) – provided to women.
 - b. **Workfare (\$13m) (food and cash for work)** – Food for work being implemented by WFP. Cash for work is being piloted in 4 provinces as of July 2009, mostly involves road rehabilitation and canal digging.
 - c. **School Feeding** – to be implemented by WFP in 4 provinces
 - d. **Scholarships for poor children** – will start in 2 provinces in October, for poor students in grades 6 and 9 to help transition to next grade.
 - e. **Rice for ECLC volunteer teachers** – in 2 provinces, support for 2 school years 2009/2010. First distribution end July 2009. 61 teacher in Oddor Meanchay and 40 teachers in Kg Thom will get 15 kg/mo. Most are women.

Key Themes — Recommendations

- Learn from the past (1997 Asian Financial Crisis)
- Value and legitimize women's contribution as economic actors and targets of economic policies.
- Re-balance labor markets.
- Expand gender-responsive social protection and social services.
- Use gender analysis to inform ongoing economic recovery packages, including through monitoring of sector-specific gender impacts
- Extend support ('formalize') to the informal sector
- Use crisis as a window of opportunity

Strategic Ways Forward

- Economic stimulus packages and emergency relief – have we been focusing on the right things? Have we targeted the right groups? How do we know?
- Longer-term economic recovery – what *should* we be investing in?
- Best practices for building gender-responsive social protection?
- How to ensure ongoing gender analysis of impacts and recovery?
- How to avoid repetition and/or accumulation of negative gender impacts from future crisis?
- How to best support (and ‘formalize’) the informal sector?