

# What We Learn from the Financial/Economic Crisis

2009 EFG Meeting  
July 15, 2009 Manila

Yasuko Muramatsu  
EFG Member

The views expressed in this presentation are those of the author and do not necessarily reflect the views and policies of the Asian Development Bank, or its Board of Governors or the governments they represent.

The Asian Development Bank does not guarantee the accuracy of the data included in this presentation and accepts no responsibility for any consequences of their use.

# Japanese economy at the time of the financial crisis (FC)

- % of the population age 65 and over: 23.1% (2005) and above 30% (2025) projected.
- Total fertility rate: 1.29 (2007)
- The economy recovered from the lost decade of the 1990s in terms of positive GDP growth rates and corporate profits, but at the cost of increases in precarious and less remunerative work opportunities.
- Under “neo-liberal” fiscal and social policies, the incidence of poverty had been increasing even before the current financial crisis.
- The FC hit hardest the groups already in the most vulnerable position in the economy: From the view point of violation of human rights as well as potentials for long-run development, the issue of reproduction and transmission of poverty of single-mother households to the next generation is under public debate.

This financial crisis created 347 million unemployed workers in the past 1 year, an increase in 77 million as of May 2009

Total unemployment rates:

$$F+M = 3.9\% \rightarrow 5.9\% (+0.2\%)$$

$$M = 3.9\% \rightarrow 5.4\% (+0.1\%)$$

$$F = 3.7 \rightarrow 4.9\% (+0.3\%)$$

The government does not take positive initiatives to develop gender-disaggregated statistics (GDS). To promote effective policy measures for equal employment, GDS are an essential tool.

# Data sources

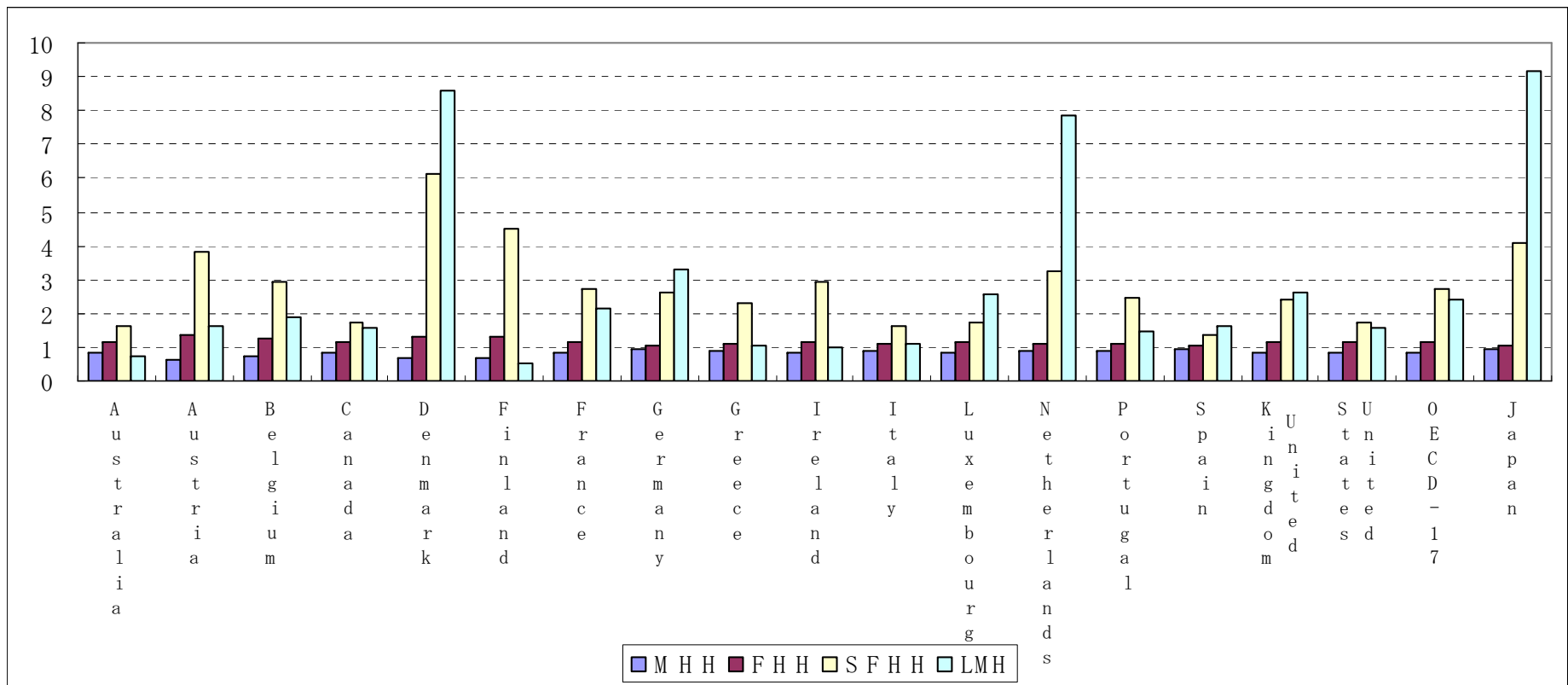
- The Japanese Bureau of Gender Equality recently published an interim report on men and women facing socio-economic difficulties in their lives and well-being. Those who are identified: **Single parents and their children, insecure job holders, undocumented migrants, foreign “trainees”, and the disabled.**
- Data in this presentation (data for charts) are from this interim report (unless otherwise specified).

## Need to mainstream gender concerns in the stimulus economic and social policies

- Immediate and large job losses took place in the export manufacturing industries (car, machine and electronics) which employed a great number of male “dispatched workers” (i.e. factory workers hired through agencies).
- There is a lag in the impact of the financial crisis on women’s employment as it affects other industries with low labor productivity and heavy reliance on female part-time workers.
- Women are less likely to remain in the labor markets when employment opportunities are more restricted. Special attention is needed to scrutinize the impact on single-mother households.
- What is needed is to establish more gender equal and just employment practices and structure of Japanese economy and society. To that end, the stimulus economic and social policies must ensure heavy investments not only in “hard” infrastructure but also in social infrastructure which will create immediate and longer-run potentials for sustainable growth and development.
- Sex-disaggregated statistics should be developed urgently.

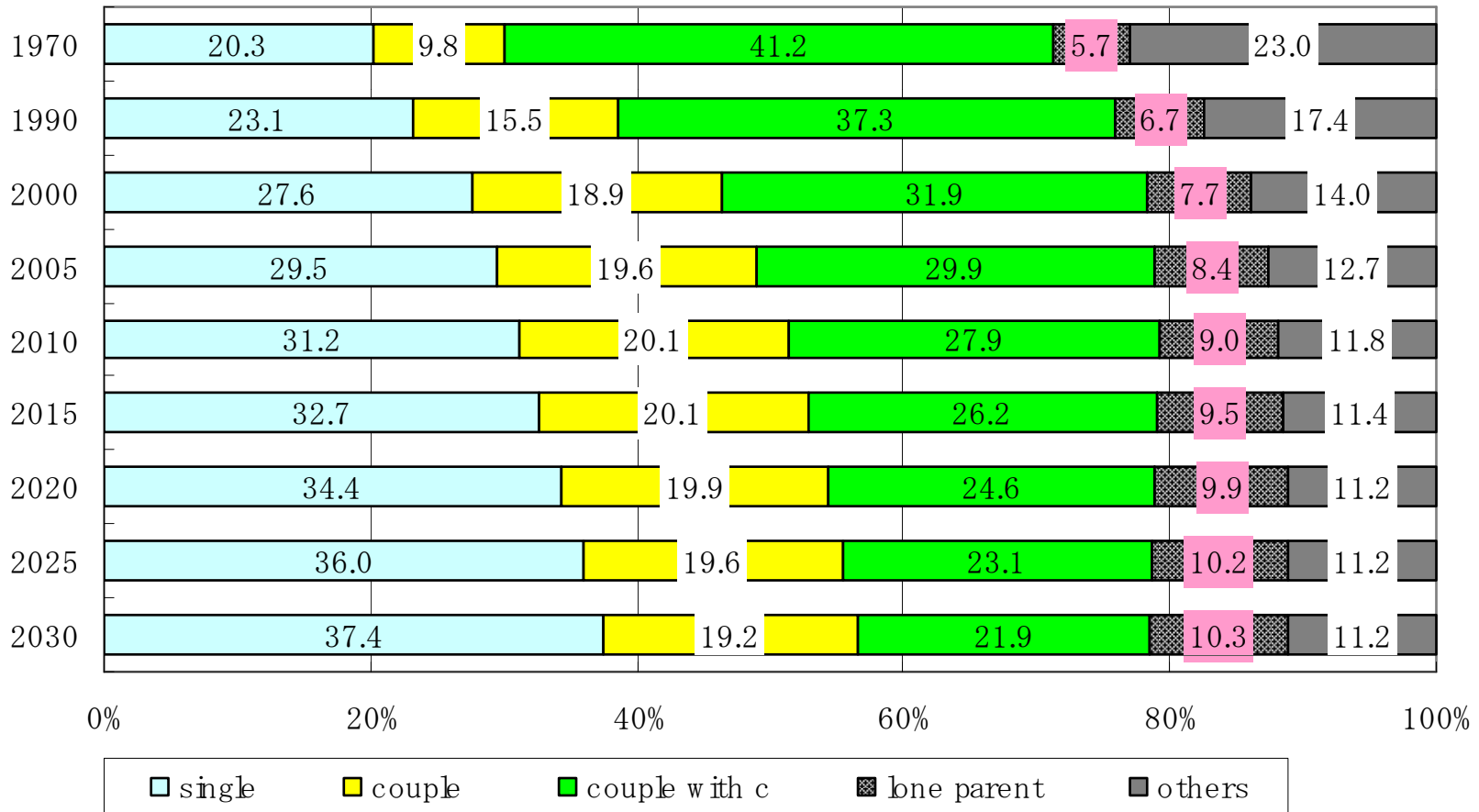
# Chart 1

## Risk of falling into poverty by type of household



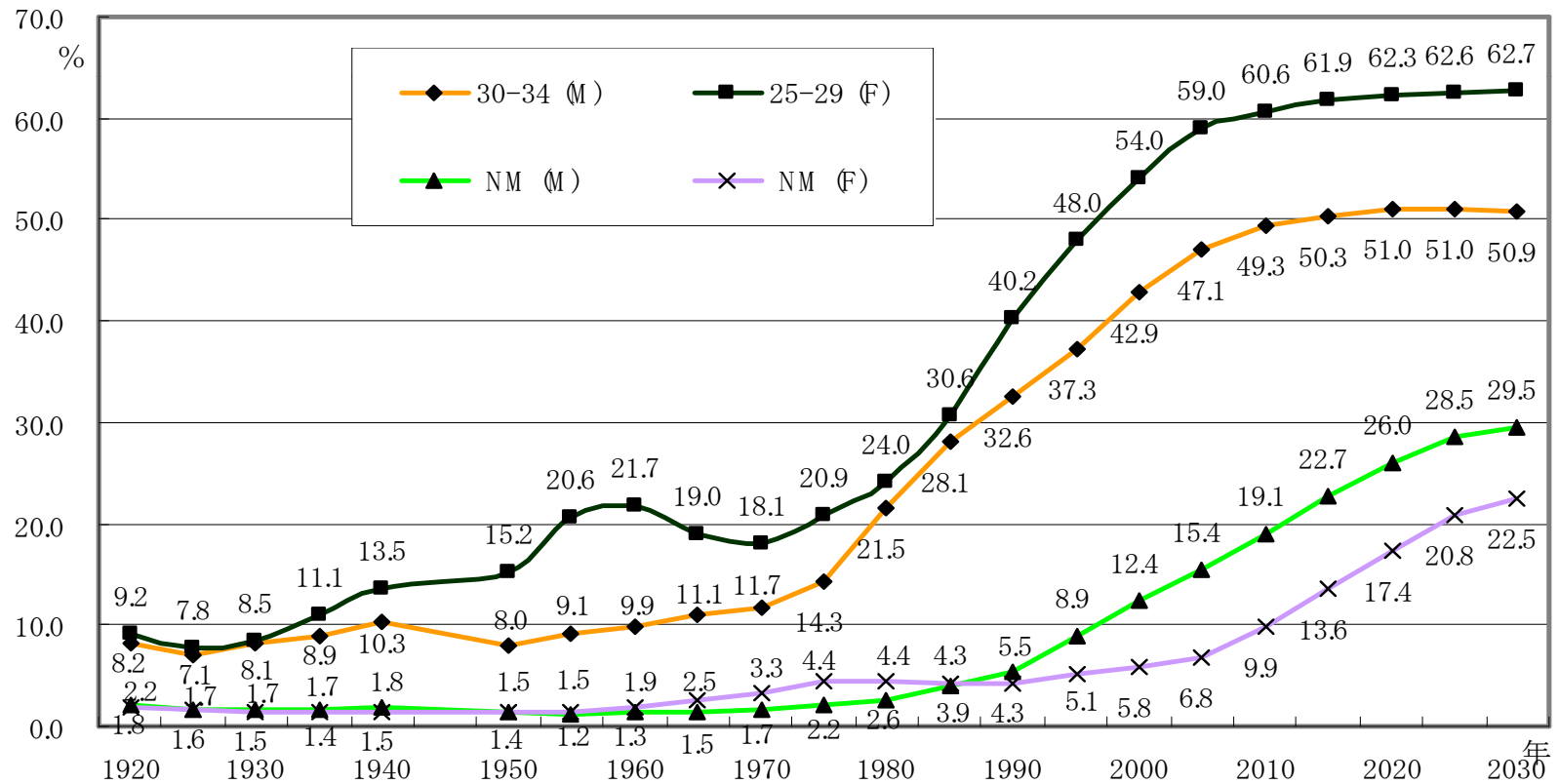
## Chart 2

### Projected change in household composition by type



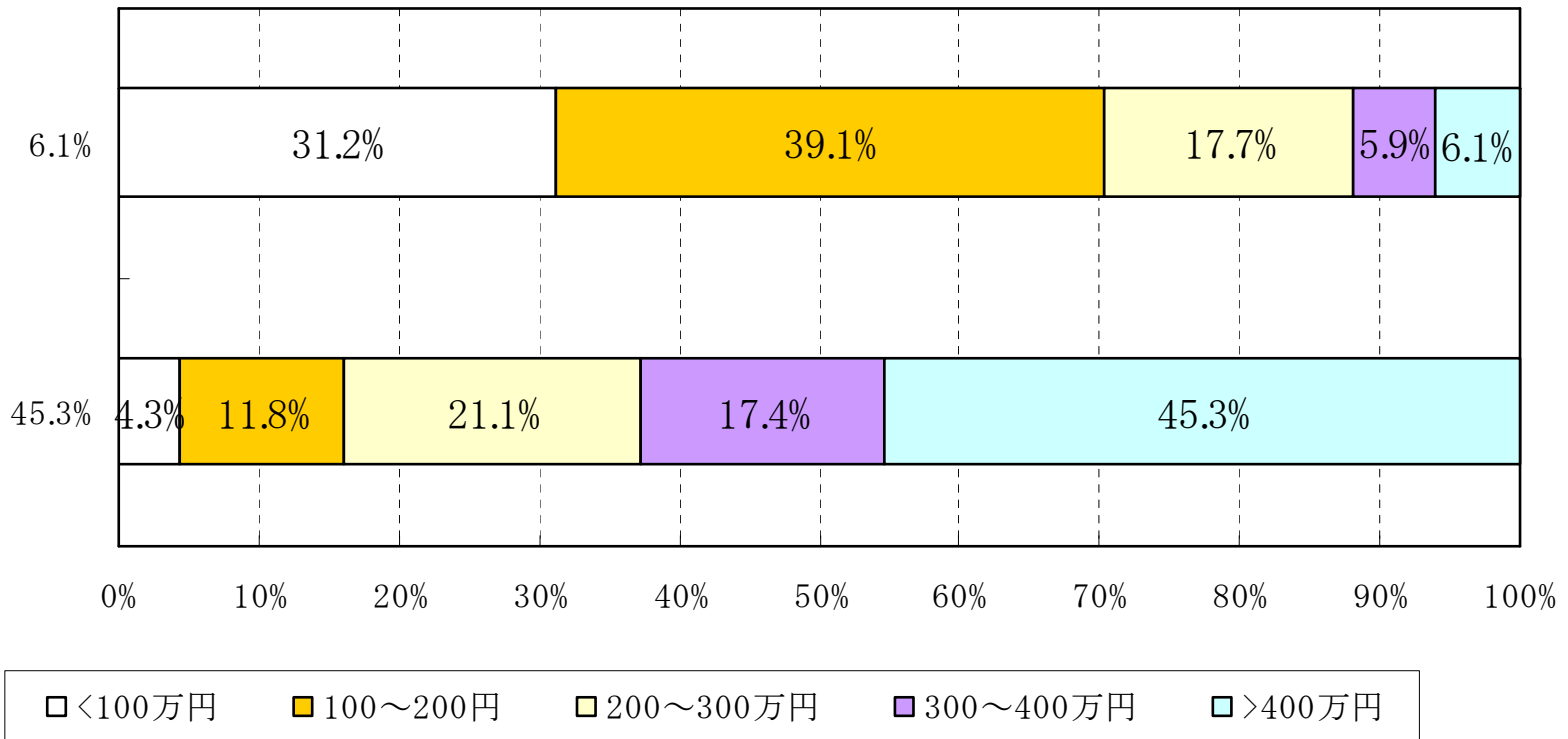
# Chart 3

## Changes in the rates of never married



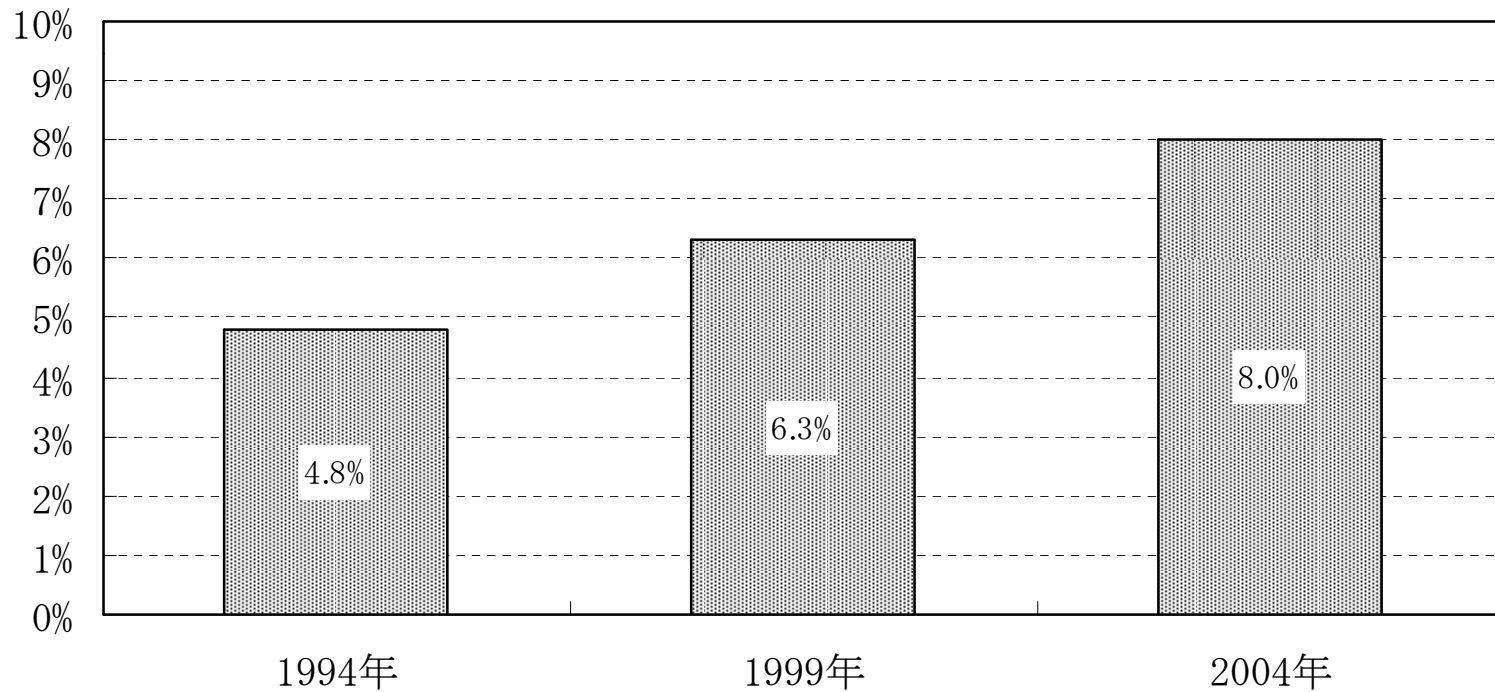
# Chart 4

## Percentage share of annual income by FHH and MHH



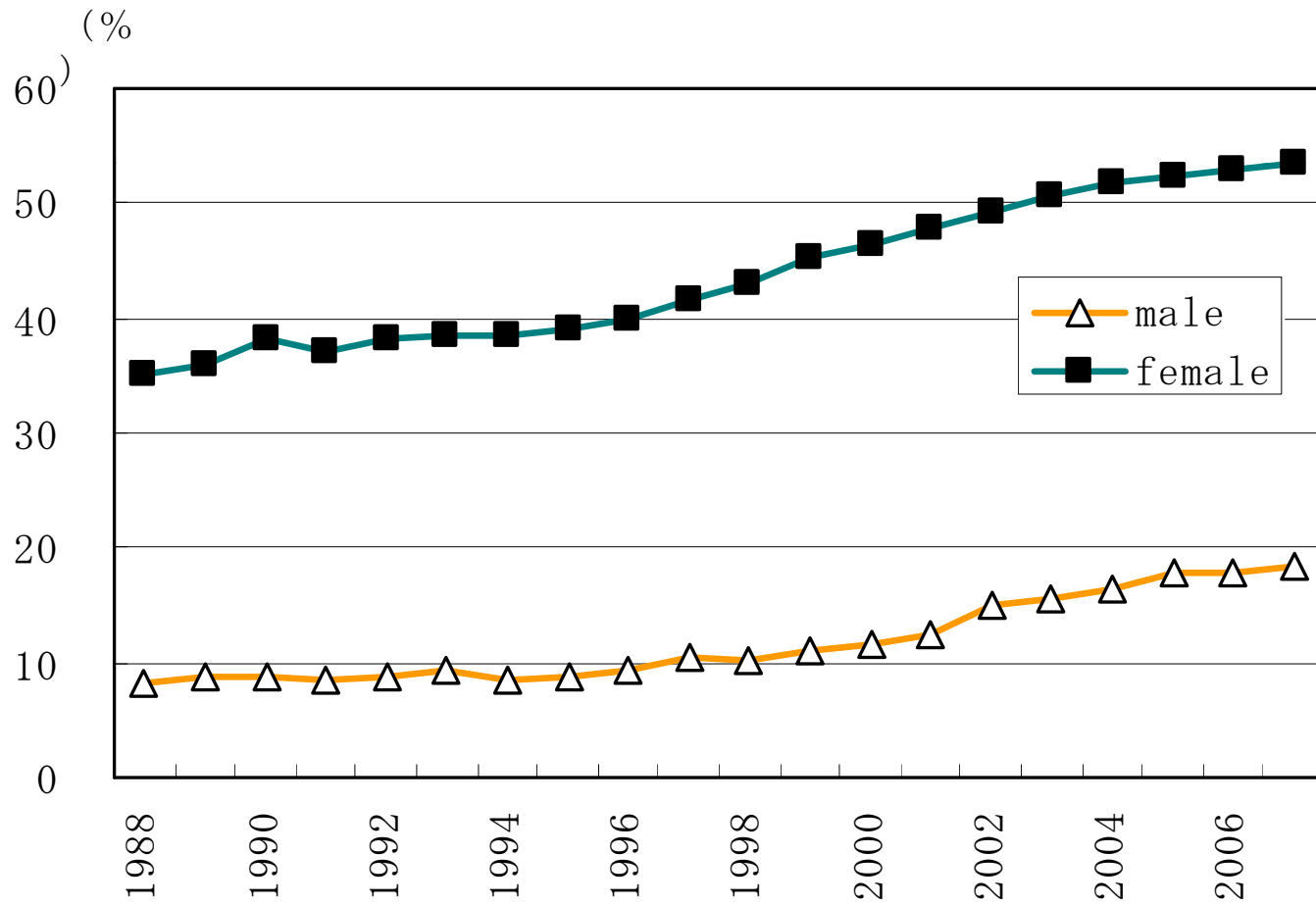
# Chart 5

Percentage share of single-mother households among households in which women are the main breadwinners



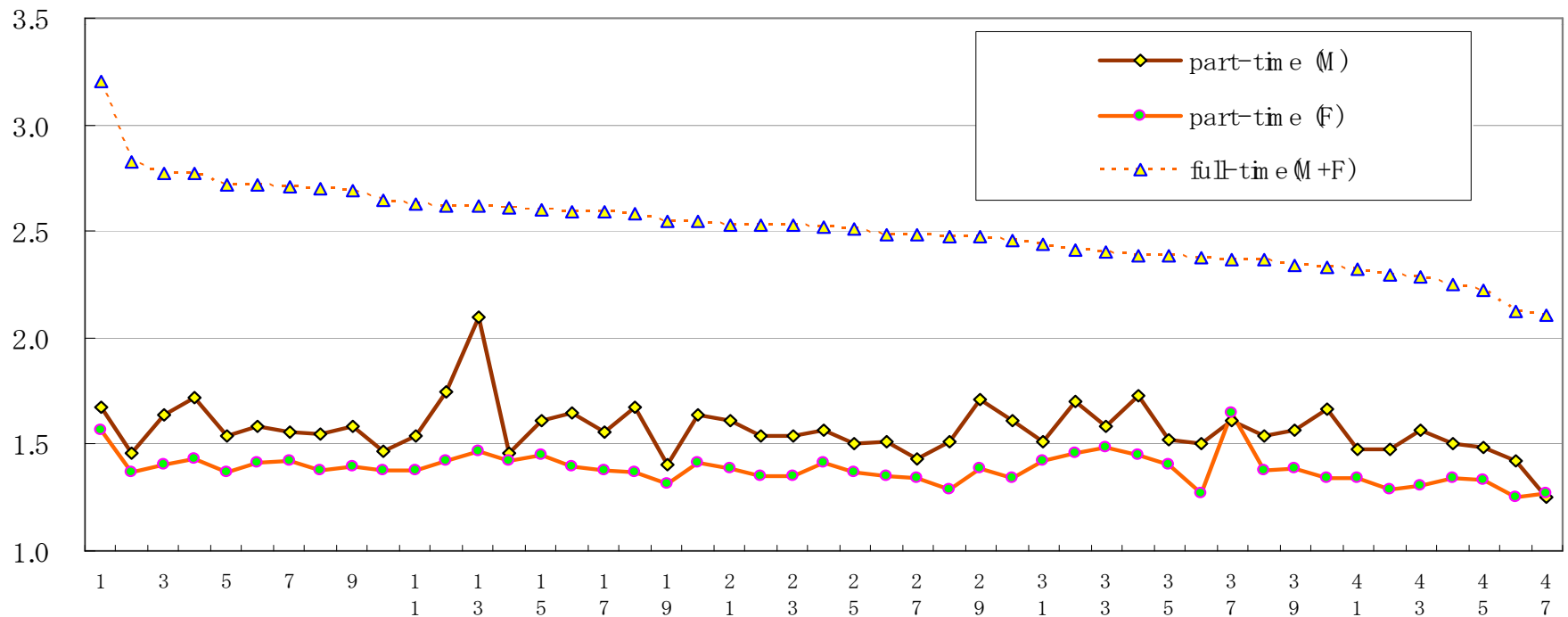
# Chart 6

## Increases in the share of “informal” workers



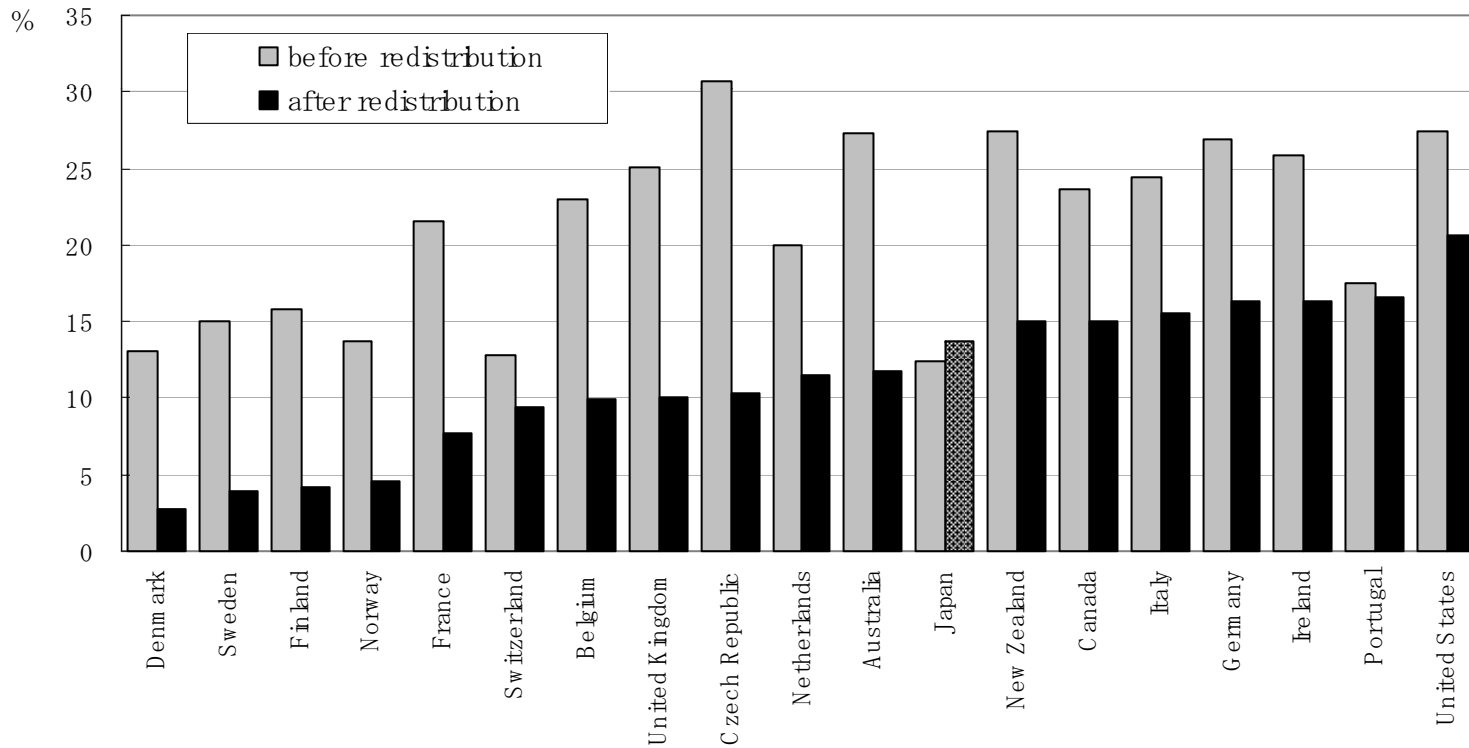
# Chart 7

## Comparison of the minimum wages and part-time workers' wages (2006)



# Chart 8

## Incidence of poverty of households with children



# Implications of policy responses to the financial crisis to achieve immediate and longer-run poverty reduction (investment in social infrastructure and human resources)

- Taxation and subsidies reforms (redistribution policies)
- Reform of provisions of social services (more broad-based social safety nets)
- Policy changes towards gender equality in employment and payment (structural shift from a male breadwinner model to an equal partner model: tax system and social policy)
- Investment in human capital (in particular child support, education and health care for women and children)