

Economic crisis: Skyrocketing unemployment in Asia hits women and young people hardest

Monday 2 March 2009, by [MOHIDEEN Reihana](#) (Date first published: 1 March 2009).

February 23, 2009 — Recent International Labour Organisation (ILO) reports on global and regional employment trends paint a stark picture of rapidly increasing unemployment in 2008; the situation is expected to worsen in 2009 with the prediction of massive job losses. The message is clear: workers and the poor are already paying heavily for the capitalist economic crisis. Especially hard hit are working-class and poor women and young people.

After four consecutive years of decreases, global unemployment rates increased from 2007 to 2008, with the ranks of the unemployed jumping by some 10.7 million people, from 5.7% in 2007 to 6.0% in 2008 (the highest year-on-year increase since 1998).

Women were particularly hard hit, with unemployment increasing to 6.3% for women compared to 5.8% for men. Young people were also hard hit with youth unemployment increasing by 0.4% in 2008. The ILO assesses that very little progress has been made in youth employment levels and that young people have fewer work opportunities than other sections of the workforce.

The largest share of global jobs created was in Asia, while net employment creation in the industrialised economies and the European Union (EU) in 2008 was negative. In the industrialised countries and the EU the total number of unemployed increased by 3.5 million in 2008 or around 33% of the total increase worldwide, with more than half of these being women.

And unemployment will get worse in 2009. The ILO presents several scenarios based on projected estimates of GDP growth rates and concludes that a more "realistic" scenario for 2009 will see unemployment increase by 30 million people over 2007 figures (an "optimistic" scenario based on International Monetary Fund estimates of GDP growth rates in November 2008, which have now been revised downwards, puts the increase at 18 million unemployed). A "worst case" option, which given recent trends in decline in growth rates and job losses, is probably the more likely scenario, sees global unemployment increase by 51 million people. [\[1\]](#)

Under the "realistic" scenario, the number of unemployed people in Asia would increase by 7.2 million to a rate of 5.1%. Women are likely to be harder hit: even in the most optimistic scenario, the number of unemployed women would rise by 4.4%, as compared with 3.8% for men. According to the "pessimistic" ILO scenario, the number of unemployed people in the Asian region could spiral up by 23.3 million. A drastic increase of those in extreme poverty of a staggering 140 million is projected in 2009.

Youth are also likely to be disproportionately affected by the crisis: already in 2008, youth in Asia were more than three times as likely as adults to be unemployed. In South-East Asia, the youth unemployment rate stood at 15% in 2008. This figure is likely to rise sharply as young workers will be among the first to be sacked, while first-time jobseekers are likely to find themselves at a substantial disadvantage when competing against a rising pool of more experienced (and recently unemployed) jobseekers. In China, for example, an estimated 6.1 million new college graduates will enter the labour market in 2009, joining the 4 million from previous years who are still seeking employment.

During the last two months of 2008 there were more than 40,000 layoffs in Indonesia. In the Philippines, some 250,000 workers in plant and machine operation and assembly were sacked. In Vietnam 300,000 additional workers in the formal sector could lose their jobs in 2009. In China, tens of millions of workers have lost their jobs and some 20 million migrant workers who were laid off have returned to their homes in the rural areas, thus causing massive pressure on the rural economies.

An analysis of seven industry groups most affected by the crisis to date [2], based on labour force surveys of Thailand and the Philippines and the 2004 Living Standards Measurement Survey of Vietnam, shows that the impact of the job losses follows gender lines. Women dominate garments, textiles and electronics, at the ratio of two to five female workers for every male worker and are thus experiencing some of the initial blows of job losses. [3]

These job losses represent a massive attack on the living standards of the working class, especially women, many of whom gained some level of regular employment due to the partial industrialisation of the 1980s and 1990s. Any remaining gains made in the standard of living of the working population in this period are now being wiped out.

An indication of this massive attack on the living standard of working people in the region is the rise in what's politely described as "vulnerable" employment, i.e. irregular workers, without any job protection or social insurance, usually working out of their own homes, who also constitute the urban poor in the big Asian cities. Currently, some 80% of those in this category in South Asia are women. Based on current growth estimates, the numbers of those in this category would increase by 21 million in Asia in 2009. If the economic crisis gets worse this category could increase by 61 million in 2009. These numbers essentially represent workers with regular jobs who are now being laid off and new entrants into the labour force, i.e. young workers.

Based on early 2009 trends, growth in the Asian region is now expected to fall to its lowest level since the 1997 Asian financial crisis. Current forecasts indicate that economic growth in the Asian region will drop to 2.3% in 2009, with 2.7% growth projected in Indonesia, Malaysia, Singapore, Thailand and the Philippines, compared to a forecast of 4.2% in November last year. Recent weeks have seen a frantic flurry of downward revisions to growth forecasts across the region by central banks.

In China the government's target for growth in 2009 is 8%, but the IMF expects growth to decline to 6.5%. In India current government estimates are 6.5% to 7.5%, but IMF projections are for a fall of growth to 5.1%. Indonesia officials expect a further deceleration in 2009 to between 4.5% and 5%. In South Korea some analysts project negative growth for 2009. In the Philippines growth is expected to fall as low as 2.2% from 7.2% in 2007. Singapore's Ministry of Trade and Industry now expects growth to fall to between negative -5% and -2%. [4]

P.S.

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* Reihana Mohideen will be a featured guest at the World at a Crossroads conference, to be held in Sydney, Australia, on April 10-12, 2009, organised by the Democratic Socialist Perspective, Resistance and Green Left Weekly. Visit <http://www.worldATACrossroads.org> for full agenda and to book your tickets.

Footnotes

[1] ILO, *Global Employment Trends*, January 2009.

[2] Identified by the ILO as: garment textiles, garments, footwear & leather products, electronics (plus electrical and telecommunications products), car manufacturing and auto-parts, hotels and restaurants (key parts of tourism), and construction.

[3] *ILO technical note*, Asia in the Global Economic Crisis: Impacts and Responses from a Gender Perspective, February 2009.

[4] ILO, *The fallout in Asia: Assessing labour market impacts and national policy responses to the global financial crisis*, February 2009.