

Women's Work in Times of Economic Adversity.

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I. INTRODUCTION:

This paper will focus on Korea, Thailand, and Mexico. These three countries were chosen because they suffered from severe and similar financial crises during the last decade. On one hand Korea and Thailand were, along with Indonesia, the most affected countries in East Asia by the economic turmoil of 1997. On the other hand, Mexico was strongly hit in December 1994, by one of the most profound crises caused by financial conditions resulting from its economic vulnerability.

Several comparisons have been made between the 1994-95 Mexican financial crisis and the 1997 East Asian economic turmoil. Some scholars have even suggested that Asian countries should learn from the Mexican lesson arguing that the policies implemented resulted in a rapid process of economic recuperation. Even though there is not a single argument that explains both cases, it seems that conditions such as the appreciation of the real exchange rate, the growing short-term external debt, and the size of the external current account deficit, combined with the weakness of the financial sector, played an important role in the eruption of the crises.

The first part of this paper will briefly describe the main causes of the economic crisis in East Asia trying to highlight as well the social achievements made by the Korean and Thai governments prior to the crisis. Then it will state some of the similar factors found in the crises including the Mexican case.

Secondly, it will discuss the general conditions of women workers within the three countries, pointing out some of the main similarities and differences found in the pattern of feminine labor markets. This will allow us to determine how current conditions of women workers and prevailing discrimination in these countries make women more vulnerable in situations of economic crisis.

Finally, this research will study the negative social impact of the economic crises on women in Korea, Thailand and Mexico, focusing on employment. For the case of Korean and Thai women, this paper will focus on the impact of the Asian economic crisis of 1997. While analyzing Mexico's case, it will examine the trend of women worker's participation in labor markets during times of economic adversity, specifically in recent years, after the Mexican crisis of 1995.

The processes of economic globalization and regional integration make countries more likely to be affected by the contagion of economic crises originating outside of their borders. The recent examples show that once a country experiences a situation of severe economic crisis it will soon be spread throughout the region or could even have adverse effects for countries overseas. Economic crises are immediately reflected in the macro figures of the economy, however, their

impact soon reaches the individuals and the households of the affected countries. Among the most affected groups are the vulnerable ones such as the poor, handicapped, elderly, children, and women. Even though women are not a vulnerable group *per se*, the unequal conditions of labor markets or in the workplace, as well as the cultural and social prejudices against them place women as a vulnerable group to be more adversely affected by the crises than men.

The central argument of this paper is that economic crises impact mainly women, regardless of the number of female dismissals in the formal sectors shown by the official figures. The women are the most affected since they are the first to be fired due to their vulnerability in the workplace. Given the traditional notions that consider men as the most important breadwinner, hiring and firing policies are often influenced by the idea that women can be dismissed since they depend on their husband's support. The fact is that women are usually responsible at home for the production of services and goods that are essential for the survival of their family members. Therefore, when prices increase and purchasing power decreases, women are forced to stretch the reduced budget of the household, a situation that often leads them to experience all possibilities of work that enable them at least to provide the minimum living necessities for their families.

In writing this paper I experienced some limitations in terms of sources, as there is no complete or accurate information about the impact of the crises on gender related issues, specially for the Mexican case. For this reason some of the data included is connected with the general social impact in the affected countries, highlighting issues such as violence, education and health. It has to be noted, however, that the long-term consequences of the negative social impact of the crises within the societies of these countries is still difficult to assess.

II. THE CRISIS:

After three decades of miraculous expansion, the economies of East Asia registered impressive achievements of social and economic development. However in 1997, the region went into a period of economic and financial turmoil that quickly developed into a social and human crisis. The changes produced by the Asian crisis in terms of deterioration of people's standard of living have been compared with those brought on by the debt crisis in Latin America during the decade of the 80's.¹

According to the World Bank, poverty had declined in East Asia in quantity and severity, whereas life expectancy at birth, infant mortality rates, and literacy

¹ According to the World Bank, the region reduced the number of poor people by half: from 720 million to 350 in the last 20 years before the crisis. So, while in 1975 six out of ten East Asians lived in absolute poverty this figure decreased to two in ten in 1995.

indicators had all improved, generating real improvements in people's lives. The main factors that contributed to the region's social progress and inclusive development were: small holder-based rural development, rapid growth in demand for non-agricultural labor, widespread public provision of basic education and health services, "flexible" labor markets and low labor markets dualism, upgrading work force skills, and investing in education ahead of demand.²

During the decade of the 90's Korea had witnessed an unprecedented growth. It was registering an annual growth averaging of 7.7%. The key factor driving its growth was the promotion of the export of goods and non-factor services. However even though macrofigures seemed to be healthy, since 1996 conditions started to deteriorate. Industrial output began slowing from an annual growth rate of 14% in 1995 to 8.4% in 1996, just a few months after. The rate of manufacturing sales fell from 20% in 1995 to 10% in 1996. Moreover, the economy of the industrial conglomerates (*chaebol*) was remarkably in trouble since, in 1996, 20 of the largest 30 chaebols registered a rate of return below the cost of capital.³

Real wages fell by 2.3% during the last quarter of 1997 and the inflation-adjusted real income of households fell by 4.4%. The shock led to a decline in the Gross Domestic Product by the end of 1998 of 6.5%, and interest rates had fallen up to 30% at the peak of the crisis. The real per capita household income declined by 20%. All these conditions of abrupt crisis led the Korean government to sign a rescue package with the International Monetary Fund (IMF) worth US\$58 billion in December 1997 and to implement some structural policies in order to reform the financial and business sectors as well as the labor market.⁴

Prior to July 1997, Thailand was renowned as a newly industrialized country (NIC) since over the decade the Thai economy had been the fastest growing economy, not only in the region, but worldwide. Since the decade of the 1980's the country started to implement policies in order to achieve economic liberalization, market opening, and intensified global competition. Factors such as moderate inflation, stable exchange rate, healthy foreign exchange reserves and a rapid decline of absolute poverty levels were highlighted by the international financial institutions to recognize Thailand as an example that other countries might follow.⁵ As a result of export-oriented industrialization, promotion of foreign investment, tourism, and investment in infrastructure, the country appeared to be the model of developmental success.

² The World Bank, "The Road to Recovery", p. 76

³ MCLEOD, Ross "East Asian in Crisis: from being a miracle to needing one?" London, 1998, pp.66-84

⁴ Some of the structural reform policies implemented by the government included aspects such as revision of labor law, introduction of a legal framework for a manpower leasing services and relaxation of restrictions of the operation of private employment agencies.

⁵ MCLEOD, Ross; "East Asian in Crisis: from being a miracle to needing one?"

However, since 1996 the Thai economy started to show some difficulties, entering into a deep and long-term depression. On one hand, in order to liberalize the economy, the Thai Government opened its financial market in 1993 by providing permission through Bangkok International Banking Facilities (BIBF), which resulted in over-borrowing for investment in non-productive sectors. On the other hand, over-consumption on imported luxury items and reduced export competitiveness, resulted in rapid trade and account deficits, making Thailand the developing country with the highest deficit in current account. As a result of the internal and external pressures, the Central bank of Thailand announced a "managed floating baht" on July 2, 1997.⁶ Following the decision to float the baht the exchange rate collapsed. Once the Thai economy showed signs of deterioration, the confidence of investors disappeared, affecting economic and political stability. Soon after the explosion of the crisis in Thailand a process of contagion started to spread out to the other countries of the region. The GDP had fallen 6.5% in Thailand by the end of 1998.

By the end of 1998, the Korean won and the Thai baht had lost 40% and 46% of their value, respectively. An estimate of the increase in poverty in 1998 shows that by October an additional 12% of the Thai and Korean population fell into poverty as a result of the crisis⁷. According to the World Bank, the crisis aggravated conditions underlying each of the following issues: protracted poverty and rising inequality; concerns about labor rights; and rising demands for formal mechanisms to offset household insecurity.⁸ In Thailand the income share of the rich increased from 20.5 to 22.5% and in Korea from 22 to 24%.⁹ What began as a currency and financial crisis turned immediately into a social crisis with disastrous impacts on individuals, households, businesses, and governments.¹⁰

The Mexican crisis in 1994-95 was described by Michel Camdessus, former Manager Director of the IMF, as "the first financial crisis of the twenty-first century" highlighting the volume and velocity of the capital flows involved.¹¹ The process of structural change started in Mexico in 1986 when the country joined the General Agreement on Trade and Tariffs (GATT). Some similarities between the Mexican and the Asian crises have been discussed by the international

⁶ "Health implications of the economic crisis in the South East Asia region", World Health Organization, March 1998.

⁷ In the Republic of Korea and Thailand, 85.5% and 80.6% of people fell into poverty due to unemployment and 14.5% and 19.4% due to inflation respectively.

⁸ The World Bank, "East Asia: The Road to Recovery", September, 1998.

⁹ PERNIA, Ernesto, "Social Consequences of the financial crisis in Asia: the deeper crisis", Manila Social Forum, December, 1999.

¹⁰ FRANCES, Jeanne; "Surviving the crisis", Economic and Social Commission for Asia Pacific, October 1999.

¹¹ ORTIZ, Martínez, Guillermo, "What Lessons Does Mexican Crisis hold for recovery in Asia?" Finance and Development", Vol. 35, No. 2, June, 1998.

financial institutions such as the IMF and the World Bank. The weakness of the banking systems, the existence of an exchange rate peg and the increase in the short-term external debt are just some of the common features that characterized crises across the Pacific.

According to Guillermo Ortíz, Governor of the Bank of Mexico "the foreign exchange and financial problems encountered by Mexico in 1994-95 and by the Asian economies in 1997-98 caught many by surprise, given that these economies were considered to be fundamentally sound and even held up as models for others to emulate".¹² Problems such as huge fiscal deficits or high levels of inflation, causes of financial crises in other countries, were not an apparent problem in Mexico or in Asian economies. Both, the Mexican and the Asian economies, were experiencing very buoyant financial markets for the assets of the countries in question and, therefore, were attracting great inflows of capital. However, in Mexico, as in Asia, investors abruptly changed their direction, provoking massive outflows of capital leading to a severe crisis in national financial systems.¹³

The Mexican government, just as Korean and Thai governments did, had to negotiate an emergency financial package with external resources in order to meet the most urgent internal needs and international obligations. Contrary to the Asian cases, the Mexican government had achieved a remarkable economic transformation that allowed the country to enjoy a healthy macro-economy but no real improvement in social issues, especially in the reduction of poverty, was registered. As Kelly Thomas has pointed out "the expected benefits from liberalization either did not materialize or were dominated by the negative effects of the government's wage suppression policy...the failure of liberalization to alleviate poverty appears to have multiple causes, including the shift toward more skill intensive manufacturing and the declining terms of trade of labor intensive exports"¹⁴

III. GENERAL FEATURES OF WOMEN WORKERS:

As it has been recognized in international forum there are still many obstacles to achieving the equity of women in labor markets. Among those factors that also make women nowadays more vulnerable when a crisis arises we find: higher unemployment among the female population, unfair labor practices, occupational segregation, lower salaries, insufficient social security systems for working women, and a higher number of women as non regular workers.

¹² Ibid.

¹³ Ibid.

¹⁴ THOMAS, Kelly; "The effects of economic adjustment on poverty in Mexico", UC-Riverside, August 1997, p.165

The economic success experienced by the East Asian countries prior to the crisis of 1997 could not be achieved without the participation of women in the labor force, especially in the export-oriented sector. However female workers "either in high-level professional positions or in low-level manual labor, have been discriminated compared to their male counterparts in the working world".¹⁵

Economic participation of women:

In Korea married women's work is still determined mainly by age, urban residence, household characteristics of the husband's socioeconomic status, family income and fertility. Younger women with preschool children living in urban areas within a household of good economic conditions, have a lower probability to join the workforce.¹⁶ However the participation rate is much higher in rural areas. This pattern followed by the Korean women is known as the "M shaped curve" since their participation in the work force is high before they get married and decreases right after they engage in family life, re-joining the labor market once their children are enrolled in elementary school.¹⁷ Figures from 1996 show that from 13.6% of those women workers between 15-19 years old, the curve reaches a peak of 66% between 20-24 years, and starts decreasing afterwards, to 51.1% for 25-29 year-olds and 49.1% for those between 30-34 years. After 35 years, their participation in economic activities starts increasing again to reach 60.1% for 35-39 years of age, up to the peak of 65.6% for 40-44 year-olds, decreasing again afterwards.¹⁸

In the case of Mexico the M shaped curve, prevalent mainly in the industrialized countries, remains nowadays as a myth since recent data show that the acquisition of family responsibilities does not inhibit the active participation of women. The prevailing stages of economic crises have urged women to play an active role with their contribution to household income. In fact, the participation of women between 20 and 49 years has been increased by approximately 4.0%.¹⁹ According to Brígida García "Consistent with a longer-term trend, the Mexican workforce, as predicted, became more feminized, as women's rate of participation rose faster than men's. While greater differentiation and inequality characterized both female and male employment, change in the demographic

¹⁵ GELB, Joyce; "Women of Japan and Korea", Temple University Press, Philadelphia, 1994.

¹⁶ CHIN, Soo Hee; "The Determinants and Patterns of Married Women's Labor Force participation in Korea"; in *Korea Journal of Population and Development*, Vol. 24, No. 1, July 1995.

¹⁷ According to Moon Kyung Choi, in 1995 the average number of jobs held by Korean women over the life cycle is two, starting their first job at the age of 19 and leaving it at the age of 24. Then they return to the labor force at the age of 30. Therefore, at the time when they return to the labor force they have about 5 years of labor force experience and 6 years of labor force interruption. They stay in the job for about 6 years and leave the job at the age of 36 and remain unemployed since then.

¹⁸ KIM, Taehong, "Women's participation in the labor market tends to be influenced by the life events such as marriage, childbirth, and child rearing" in *Women's Studies Forum*, 1997.

¹⁹ Fourth Mexican Report to UN-CEDAW, 1998.

composition of the workforce differed among women and men. Older, married women with children and with lower levels of schooling became more common in the female workforce, a shift that occurred during the economic crisis of the early 1980's and persisted throughout the subsequent years of moderate recovery".²⁰

For the case of Thailand, the pattern followed by women is similar. Regardless of their civil status or age they join and remain in the work force during an important part of their lives, including the stages of their marriages and the birth of their children.

Occupational segregation:

According to the Center for Labor Information Service and Training, in Thailand the workforce consists of 34.4 million people and women constitute the 45.8%. They are employed in all sectors, but 80% are concentrated in the export oriented manufacturing sector.²¹ Among the industries with a great number of female workers are the wholesale and retail industries, the hotel industry, community, social and personal services industries.

In Mexico, the rate of participation of women in the labor force in 1997 counted for 37%. Women are concentrated in the sectors of services and commerce, especially working as saleswoman, domestic workers and teachers or in occupations that segregate them to perform activities related to their domestic tasks.

In Korea the participation of women working in the primary sector decreased while the proportion of women workers in manufacturing and the tertiary sector have increased. The largest number of women workers were in production work followed by those engaged in the agricultural, fishery, forestry, sales work, service work, clerical work, and professional, technical and managerial work to a lesser extent.²² The rate of participation of women in the labor force in 1996 counted for 41%.

In all three countries there has been a remarkable participation of women workers in the labor intensive industries such as textiles, clothing, electronics and computers. This fact has led to a remarkable growth of women's employment in the formal sector of export-oriented industries, mainly manufacturing. Moreover, the participation of women in these countries in the primary sector has decreased while in the services and trade sector they tend to work more. This

²⁰ GARCIA, Brígida and Orlandina DE OLIVEIRA; "Socioeconomic transformation and Labor Markets in Urban Mexico, El Colegio de México, 1992, p. 224

²¹ "Asia Pacific Labor Law Review" 1999, p.70

²² MIHYE, Roh; "Women Workers in a Changing Korean Society", Temple University Press, Philadelphia, 1994

concentration of women in some sectors of the economy makes them more vulnerable to be impacted when a crisis situation arises.

Furthermore, in both regions of the Pacific Rim the idea persists that the economic contribution of women to the household is secondary. However, in some societies, women are responsible for most of the food and living provisions. As long as families face economic difficulties women continue to engage in remunerated activities. So, their role is not secondary, but represents an important supplement to the household income.

The trends show that an increasing number of women are joining the formal employment sector mainly in community and social services. However, a great number of female workers are employed as domestic servants or can just afford being self-employed in petty trade or as clerks in micro or small-scale production activities. According to the ILO "economic liberalization and deregulation by governments, together with efforts by the private sector to minimize production costs and enhance international competitiveness, have led to a more flexible workforce and the casualisation of employment"²³

Another factor of inequality women must face is related to the differentiation in salaries. By law women and men are equal in these three countries. This means that legislation explicitly establishes the equity of men and women concerning the right to equal remuneration. However, in practice, women suffer discrimination and are in general paid lower than men. Due to lack of investment in female human resources, women are relegated to the lowest paying jobs and the most disadvantaged positions in the workplaces.²⁴

Furthermore within the three countries, society has assigned the responsibility to women for the domestic and reproductive chores, as an inherent task to their sex. According to Jeanne Frances, "in so doing, it renders invisible social reproductive labor which does not only subsidize the cost of maintaining the present labor force, but also ensures the production of the future work force".²⁵ So, one of the main inequalities with which women must deal is the domestic and child-care workload assigned to them by society. In fact, men are socially seen as the main breadwinners and women as their dependents, responsible of

²³ "Gender issues in the world of work". ILO/SEAPAT. International Labor Organization. South East Asia and the Pacific Multidisciplinary Advisory Team.

²⁴ According to the Forth Korean Report to CEDAW, in 1995 the average salary of women was equivalent to the 61.5% of male average salary. For the case of Thailand, the combined Second and Third Report to the CEDAW registered that the female wage as a percentage of male wages for agricultural workers was 66%% and for manufacturing workers was 75.2% in 1998.

²⁵ FRANCES, Jeanne; "Surviving the crisis" Economic and Social Commission for Asia Pacific, October 1999.

the home and children care. This situation forces women workers to face a "double working day".²⁶

IV. SOCIAL IMPACT OF THE CRISES:

The case of Korea.

Employment:

Among the most affected countries in the East Asian crisis, only Korea has an employment insurance plan, started in 1995, although coverage is limited to enterprises with more than 5 workers. The newness of the insurance and its short initial scope allowed that in January 1998, unemployment benefit was paid to only 18,000 out of the then total of 90,000 unemployed people. As a result of the rapid increase in unemployment, the number of jobless reached a record level of 1,240,000 in February 1998, and peaked at a record level of almost two million. This reflects the fact that most workers who lost their jobs could not count on unemployment benefits when crisis arose.²⁷ The country has also relied on rapid growth and lifetime jobs to provide a minimum of social security for its citizens.

The financial crisis had severe consequences for the Korean labor market since the economy experienced a contraction in industrial sector and a hard rise in unemployment from 2.1% in October 1997, to a peak of 8.6% in February 1999.²⁸ The World Bank estimates that urban poverty doubled from 9% in 1997, peaking to 23%, before settling to about 16% in end-1998.²⁹

For Korea, the employment trend at the end of 1997 showed that women were more adversely affected by the economic crisis since the unemployment level for men had increased by 20.8%, whereas for women it increased by 60.6%.³⁰ In March 1998, the number of unemployed increased by 722,000, noting that the number of employed men, comparing with the year before, fell by 5.8% whereas the number of employed women decreased by as much as 12%.³¹ In May 1999, female unemployment had increased to 559,000 showing a rise by 5.1% more than the rate of male unemployment. At that time only 30.8% of women workers

²⁶ Mexican Report to CEDAW.

²⁷ LEE, Eddy. "The Asian Financial Crisis: The Challenge for Social Policy", ILO, 1998.

²⁸ CHO, Woo-Hyun, "The Asian Crisis and Addressing Unemployment in Korea", Soongsil University, Korea, 1999.

²⁹ SEVERINO, Jean Michel, "Is Asia Rising?", Report prepared for a Presentation to the World Bank Board of Executive Directors, July 13, 1999.

³⁰ HWANG, Gum-Hee; "Unemployment Policy of IMF's Administrative System Era", 1998.

³¹ CHO, Han-na; "Changes in the Employment of Women in Korea before and after Financial Support from the IMF", Korean Women Workers Associations United, 1998.

were regular workers comparing with 61.4% of men registered as regular workers.³²

Most of the unemployed women workers were engaged in female dominated industries such as the electronics, garment and shoes. According to the National Statistics, the rate of female unemployment was seven times higher than the male unemployment rate since the third quarter of 1997. Due to the fact that 62.7% of women workers were working in businesses with less than 5 employees unable to pay social security benefits, a situation of crisis forced women workers out of their working places.³³

Many women workers who were employed in very small companies were forced to resign by their employers. In some cases about 75% of the workers who volunteered to retire under voluntary retirement programs launched by companies were women, and 40% of them were married. When they did not accept to retire voluntarily they were threatened to be sent to remote branches of the companies. Actually, the authorities did not manage to avoid unfair practices within the private companies.

In the public corporations the policies were not better. In the first half of 1999, the Equal Rights Counseling Center reported that there were prevalent discriminatory dismissals against women workers and married women workers whose partners worked in the same place. Women working in the same place as their husbands were the target, and the first victims forced to resign. There is still the prevalent idea that it is normal that women, rather than men, are dismissed under the economic crisis. However, a post-crisis survey showed that about 40% of unemployed men over 40 years old depended on their wives' incomes,³⁴ showing that in times of economic adversity women have to take over the breadwinner role.

In the case of women, for instance, regular workers account for 32.9%, temporary workers 46.6% and day workers 20.5%³⁵. This implied that around 67% of wage earning female workers were irregular and vulnerable. Under the crisis, women became more likely to be hired as temporary workers while their participation as regular workers decreased. Under the excuse of necessary restructuring, many companies discriminated against women and forced regular female workers to become irregular workers. This kind of policy affected mainly

³²WANG, Soon; " Summary of a report on the Present Situation of Woman Employment"; Korean Women Workers Associations United, 1999.

³³ SON, Young Ju, "Korea 's economic crisis has made the situation of women workers worse", Korean Women Associations United, 1998.

³⁴ Womenlink, Korea, 1998

³⁵ According to the Korean Women Workers Associations United, the terms of "temporary workers" and "day workers" are a type of "irregular workers" which have certain terms of contract while regular-based workers do not have written contracts.

married women making them more vulnerable and unprotected. Regular female workers who were dismissed were afterwards re-employed through temporary employment agencies. These were only some of the unfair labor practices appeared during the crisis.

On the other hand, research conducted by the Ministry of Labor registered that about 80% of part-time jobs were held by women. This process of feminization of part-time employment was more remarkable in the case of finance sector. "In the case of Cheil Bank, Hanil bank, Seoul Bank and the Korea Exchange Bank, 100% of the part-time workers were women".³⁶ It was noted that women were contracted as part-time workers even though they worked the same hours than men. So, the facts showed that the finance sector still implemented discriminatory forms of employment rather than promote flexibility as it had been argued. One of the other sectors that has contributed to spread the part-time employment is the service sector, which usually concentrates a large amount of women workers.

Other negative effects of the crisis in the field of women's rights can be described as follows: In terms of maternity protection and occupational diseases, women workers found it to be very difficult to claim their rights under the economic crisis. They were often asked to take unpaid maternity leave, to resign to breast-feeding breaks, or to accept early retirements. Women who already were on maternity leave were warned to give up thinking of returning. Cases like the policies implemented by the Shin Han Industrial Co., which had a ratio of 3 male to 7 female workers, show that the company forced workers to perform overtime with heavy workloads and implied that older workers would be targeted for retrenchment, simply announcing that "the company had to lay off old workers".³⁷ Cases of verbal and physical abuses in the workplace were commonly reported mainly by the Action Center for Unemployed Women's of the Korea Women Workers Associations United.³⁸

Some scholars, like Hwang Gum-Hee, argue that the official effort to create jobs did focus on creating more opportunities for men. Besides, many of these new jobs were low wage jobs including cleaning the environment, tending green forests, recycling, organizing resources, which lasted about 2 to 8 months. Jobs for unemployed married women were still harder to find.³⁹ In general the official measures to ameliorate rising unemployment were short-term and inefficient.

³⁶ "Organizational Strategies of irregular women workers", Korean Women Workers Associations United, November 1998.

³⁷ LEE, Myong-sook, "Stop using the economic crisis as an excuse to victimize women workers!", Korean Women Workers Association United, 1999.

³⁸ To consult all specific cases related to violence in workplace, please see the web site of the Center: <http://www.kwwnet.org>

³⁹ GUM-HEE, Hwang; "Unemployment Policy of IMF's Administrative System Era", Korean Women's Workers Associations United, 1998.

Those countermeasures, considered negatively by society, can be discussed in two ways according to Hwang Gum-Hee. First, a lack of information about the real situation of unemployed women workers, due in part, to the patriarchal and male-centered sexist pattern of the unemployment policy. Second, the government's countermeasures were short-termed both in its planning and its enforcement.⁴⁰

Violence:

Violence did increase in the workplace, including verbal violence, violent behaviors and sexual harassment. The Sexual Violence Relief Center received increased numbers of sexual harassment and abuse complaints, amounting to 20 calls a day since the onset of the crisis. However many women were reluctant to report it due to worries and fears of dismissal. Another Korean NGO reported that the number of cases of domestic violence had doubled. Apparently a national campaign to provide support to "suffering" fathers, unintentionally had excused their violent behavior against their wives. Moreover, "the feeling and disappointment of loss due to losing one's job contributed to increase incidents of sexual domestic violence by men who assault their wives".⁴¹ The World Bank surveys showed that some other problems related to crimes, suicides, the increasing number of orphans, the separation and breakdown of families and mental shocks were present.

Education:

In Korea, the crisis appears to have had a negative impact in educative aspects, but the outcomes were not as severe as was expected. Immediately after the crisis, in which it was supposed that the schools would register a tremendous drop out of children, as in the case of Indonesia, the most negative impact was on kindergarten enrolment, due partly to income effects and to some extent to reduced demand for child care among young women who had been laid-off. Besides, "household expenditures on tutoring declined by 24% overall, 39% among the lowest income groups versus 13% among the highest income groups".⁴² Families decided to decrease the expense in luxuries such as clothing, traveling or recreation activities to avoid the dropping out of their children. The number of children changing from private education to public school was not remarkable. As it was mentioned earlier, the only significant change was the decline in tutoring expenditures.

Health:

Korean government has tried to deal with the health problem by improving the efficiency of the pension fund management and it has also adjusted the health

⁴⁰ Ibid

⁴¹ Ibid

⁴² PERNIA, Ernesto; "Social Consequences of the Financial Crisis in Asia: The Deeper Crisis", Manila Social forum, November, 1999.

insurance to improve protection of poor beneficiaries. These two major programs are trying to face any future crisis, with the minimal impact on population. Suicide became also a problem during the crisis time. Some women lost their husbands when they were unable to cope with crisis and decided to commit suicide. In Korea, the Straits Times Journal reported that the suicide rate increased by 36% in a short period of three months (from January to March 1998) due to the impact of the crisis.

Positive Effects of the Crisis:

One of the positive effects of the crisis is that governments have become aware of the importance of social security plans to protect people when a situation of crisis arises. The Korean government for instance has adopted new policies for job creation, which includes four new programs:

- The largest program in terms of allocated resources offering start-up loans for unemployment professionals and managers to set up their own ventures or small firms to create new jobs;
- A program targeting job creation in existing small and medium sized enterprises. This program provides loans for job creation and for improving working conditions with the aim of attracting nationals to replace foreign workers who currently hold many of the "dirty, difficult and dangerous" jobs in these enterprises;
- A program to offer start-up loans for the employed covered by the Employment Insurance System (EIS), so that they can become self-employed; and
- A program to create temporary job opportunities in public works for those long-term unemployed who are outside the scope of the unemployment benefits system. The program is expected to create 50,000 temporary jobs in the public sector.⁴³

The case of Thailand:

In early 1996 Thailand seemed to be a model of developmental success since for almost a decade the Thai economy had been the fastest growing in the world, experiencing a moderate inflation, a stable exchange rate and healthy foreign exchange reserves.⁴⁴ Moreover, Thailand had experienced the largest proportional reduction of poverty between 1975 and 1995, from 8% to less than 1%. However, in 1998, poverty incidences increased from 11.4% in 1996 to 12.3% in 1998 pushing one million Thais below the poverty line.

⁴³ The regional impact of the financial crisis 7

⁴⁴ McLEOD, Ross and GARNAUT, Ross; "East Asia in Crisis: from being a miracle to needing one?", Routledge, 1998.

Employment:

In 1998 at least two million workers were laid off, a fact that represented a "sharp increase compared to 1997, when 'only' 300,000 workers were retrenched [laid off]".⁴⁵ The number of lay offs of employees from January 1997 to July 1998 showed the number of affected women close to men. However the firing policies commonly applied to female concentrated industries such as garment, shoes and leather, food and beverage processing, toys and gifts, jewelry and precious stones, lead us to assume that there was a higher number of women who were fired compared to those officially registered.

Although all age groups registered a remarkable reduction in employment, young workers from 16 to 24 years of age were most severely affected by the crisis. However, while desegregating the information by sex, a survey conducted by the Arom Pongpangan Foundation -Labor Resource Center found that 60% of the unemployed were women over the age of thirty.⁴⁶ The problem of being re-hired was worse for women workers over the age of 35 in the export oriented industries, since these jobs usually require patience, accuracy and speed more than formally trained skills. Exacerbating this situation is the fact that as women grow older, they face greater difficulties in securing a job even in the lowest paying sectors.

The crisis created problems for female workers regardless of their civil status. Whether they were single, married or head of households, they all worked to contribute to their family's income. The majority of those fired were married and had children, though figures show that 27% of all households in urban areas of Thailand are headed by women. Therefore, if we notice that "70% of the 1200 women workers in the Dynamic factory in Bangkok were married with families and most of the 760 female workers laid off from the American-Melon Textile factory in April had school children"⁴⁷ we can estimate the severe impact of the crisis for women.

According to the Centre for Labour Information Service and Training, about one third out of the 66 state enterprises would be laid off following privatization since one of the conditions set by the IMF was the privatization of state enterprises, and over 55% of those laid off workers are women.⁴⁸ In some cases economic crisis allowed companies to implement unfair labor practices against women workers taking advantage of their low capacity of negotiation and organization. As in the case of Korea, some companies escaped from their responsibilities such

⁴⁵ Asia Pacific Labour Law Review, Asia Monitor Resource Center, 1999, p. 71

⁴⁶ KARNJANAUKSORN, Teerarat and CHAROENLOET, Voravidh; "The impact of the economic crisis on women workers in Thailand: Social and Gender Dimensions", ILO, 1998.

⁴⁷ UNIFEM: Women and Global Economy: challenge and opportunity in the current Asian Economic Crisis. December 10th, 1998, p.3

⁴⁸ Asia Pacific Labour Law Review, Asia Monitor Resource Center, 1999, p. 72

as maternity leave, benefits for older employees, compensation for health accidents, and so on. Another unfair labor practices faced by workers were related to wage and welfare reductions forcing workers to accept lower salaries and overload of work. Unfortunately, in Thailand the level of trade union organization is remarkably low. The 245,000 union members registered nationwide represent only 3.5% of the 7 million industrial workers and this category of workers account only one fifth of the country's workforce of a total of 34 million.⁴⁹

The reduction in the family's income strongly impacted their standard of living, though the trend indicates that in cases where both husbands and wives lost their jobs, the responsibility of maintaining the family survival usually fell on the women.⁵⁰ The traditional segregation of women to household chores assigns them the control of domestic resources in order to perform the reproductive tasks even though no resources are available or they are scarce.

Women workers were losing their status as regular workers, gaining instead the status of part-time, temporary, or casual workers, usually under insecure forms of employment. When women were unemployed they tried to make a living in the petty trade of informal sector as a strategy to cope with the crisis. According to ILO "in hard times, women are more likely than men to exploit every possibility for work or income, including precarious activities and poorly paid work at home or in the unstructured sector, and including that which requires a change of residence or emigrating to the city or to a foreign country"⁵¹

The current social security plan in Thailand has only a partial coverage for sickness and accident, but there is no unemployment insurance, family allowance or retirement benefit. It can be said that there is a reduced welfare system. So, as the country has virtually no employment insurance, it has relied upon friends and family ties. These ties have been named "togetherness", which are the numerous links existing in families, communities, and in the civil society.

In Thailand the crisis led to an increase in child labor by 0.35 million.⁵² Also, NGOs reported an increasing number of children in the street and market places, and stated that the number of beggars increased. In Provinces such as Teperak, women had to send their children to the garbage site every day to support their families.⁵³ Child labor contributes to reducing poverty of households only in the short run since children have often to drop out school risking their education,

⁴⁹ "ILO calls for new policy responses to the crisis in Asia" ILO, April 1998.

⁵⁰ KARNJANAUKSORN, Teeranat and CHAROENLOET, Voravidh; "The impact of the economic crisis on women workers in Thailand: Social and Gender Dimensions", ILO, 1998.

⁵¹ "Women and the world of work: the social costs of progress", ILO, 1995.

⁵² "Gender dimensions of the East Asian crisis" The World Bank, 1999.

⁵³ ROBB, Caroline, "Social Aspects of the East Asian Financial Crisis: Perceptions of Poor Communities", The World Bank, July 15, 1998.

and so the opportunities for a better future. Unfortunately this has been used as one of the coping strategies of the poor families to face the crisis.

A survey of child labor conducted by the Foundation for Children Development reported that many children workers were affected in different ways: laid off without dismissal pay; reduced their expenditure by either eating less or consuming cheap and low quality food; went back to their original rural areas; remained jobless and suffered from stress. Compared to previous years younger children, both girls and boys, were found to run away from home and be at risk of drug addiction, sex work and sex abuse. In 1997, the Office of the Narcotics Control Board estimated that 190,000 school children were involved in drug trafficking and consumption.⁵⁴

Violence:

Even though women are more vulnerable to violence, discrimination, rights violation, occupational health problems, abuse, and so on, male dominated society gives more safety to men from a cultural point of view. Actually, the male dominated attitudes combined with economic hardship created many tragedies which women of the lower economic and social class were the victims.⁵⁵

The Women's Rights Protection Center reported an increase in number of cases of violence against women: in 1996, 389; in 1997, 534; and in 1998, 812. Rural NGO's in Thailand were concerned that urban unemployment would decrease remittances to rural areas, since a huge number of families in the countryside are dependent on the money and remittances sent by their relatives, especially by their sons and daughters, working in Bangkok or urban zones. The increased unemployment in urban areas, particularly in the industrial sector, forced people to migrate back to the rural areas. In January 1998, a government survey reported some 188,000 workers returning to rural areas.⁵⁶

An estimated 70,000 dismissed women workers turned into prostitution in 1997-1998.⁵⁷ Despite the original plan to avoid cuts on health budget in 1999 changes in the allocation of resources had severe implications for gender, equity and health seeking behaviors. For example, condoms that used to be provided by the provincial health departments to sex establishments were no longer free. People are afraid that the cost of condoms could increase HIV prevention efforts, since

⁵⁴ PIRIYARANGSAN, Kanchada, "Children as losers in economic development: Strategies and policies to promote the best interests of children in East and Southeast Asia", Manila Social Forum, December 1999.

⁵⁵ KARNJANAUKSORN, Teeranat and CHAROENLOET, Voravidh; "The impact of the economic crisis on women workers in Thailand: Social and Gender Dimensions", ILO, 1998.

⁵⁶ "Social Impact of the Asian Crisis" APEC Economic Committee, September 1999.

⁵⁷ PRUKSAKASEMSUK, Somyot; Asia Pacific labor Review, Asia Monitor Resource Center APEC Labor Rights Monitor.

the public health community commended Thailand's 100% condom use brothel campaign.⁵⁸

Education:

In response to the crisis, budgets on social services and development were cut back "having an impact on 2/3 of the schools eliminating milk programs and reducing purchases of teaching materials".⁵⁹ In regards towards education, a situation similar to that of Korea arose in Thailand: "households made optimal relocation decision reducing expenditures on tobacco and alcohol, clothing and footwear, and the household while increasing expenditures on education".⁶⁰ For that reason, the shift from public to private education was minimal. In Thailand, problems in the educative area were found in the schools facing financial problems.

It is important to note that even with the crisis "the education sector continued to expand current expenditures for basic education (pre-primary, primary and secondary level) at a faster rate than other levels".⁶¹ Also, some problems in education were faced with the Student Loans Scheme (SLS), a program established in 1996, prior the crisis, to expand educational opportunities for students from low-income families by reducing the parental burden of education financing. This program was supportive during the crisis as it helped parents and students to complete their education. However, loans were rationed given the increased demand.

Health:

The social expenditure in health was cut dramatically, due to problems in the government budget. So, expenditures on public and private services were both reduced. Expenditure on medical services declined steeply, but self medication expenses rose slightly, suggesting that more expensive treatments may have been postponed.⁶² In the case of malnutrition, routine data as well as surveys have shown no increase in the number of cases.

Furthermore, essential goods such as medicines became scarce, impacting mainly the poor and the vulnerable groups. According to Piriyarangsan, social expenditures were remarkably reduced. The 1999 budget allocated to Public Welfare Department for protection of those "in extreme needs" was cut by 14.6%, hardly affecting the poor and beggars, neglected children, handicapped children, AIDS orphans, prostitutes, the elderly, ethnic minorities and those

⁵⁸ "Social Issues arising from the East Asia Economic crisis", The World Bank, January 1999.

⁵⁹ "Social Impact of the Asian Crisis" APEC Economic Committee, September 1999.

⁶⁰ East Asia: The Road to Recovery, First Thailand Social Monitor, and pp. 16

⁶¹ Second Thailand Social Monitor, World Bank, p.7

⁶² Second Thailand Social Monitor, World Bank, p.18

affected by natural disasters. In addition, the resources allocated for preventative social work such as child and youth development, mental health promotion, and prevention of drug addiction, was trimmed down by 52.6%.⁶³

In general, other social problems, similar to those erupting in Korea related to the crisis, were registered such as: a significantly increased number of orphans in 1998, a rising number of suicides and a remarkable number of abandoned infants.

Positive Effects of the Crisis:

The Thai government developed three mechanisms to avoid the negative effects of the crisis, which can be used for future financial problems:

1. Minimizing the effect from rising unemployment through measures to alleviate unemployment in urban areas and promote employment generation in the rural areas to absorb returning migrants;
2. Assisting the underprivileged groups of people and those affected by the crisis through assistance measure in the areas of social welfare, education and health;
3. Preventing and alleviating social problems, especially drug use and crime, as wells as promoting commendable social values.⁶⁴

The Mexican case:

Employment

In Mexico in the year 1995 alone nearly 1.5 million people lost their jobs. The most affected sector impacted by the crisis was the construction sector, which is mostly composed of male, low-skilled workers. It is hard to know to what extent women were impacted as a result of the massive dismissals in the different sectors. In contrast to the Korean and Thai cases, the export oriented industries in Mexico helped as a buffer for the economy since one of the main policies implemented by the Mexican government was the promotion of exports,⁶⁵ considering the maquiladora export processing sector as the engine for economic growth.⁶⁶

⁶³ PIRIYARANGSAN, Kanchada "Children as losers..."

⁶⁴ East Asia: The road to Recovery, First Thailand Social Monitor, p. 17

⁶⁵ According to the Bank of Mexico, "the extraordinary growth rate of exports in 1995 was partly due to the sharp real depreciation of the Mexican peso, which made exports more profitable and induced many firms to redirect their production towards international markets".

⁶⁶ According to 1998 Human Rights Watch Report of Mexico, a 1997 Business Week article noted that "Soaring exports from these plants [maquiladoras] are helping Mexico to pull out of its worst recession in sixty years"

The economic crises in Mexico, which had been noted since 1982, affected the levels of well being of the population and led to a more rapid process of incorporation of women into the labor market. These crises in Mexico have been reflected in the deterioration of employment conditions in the labor markets.⁶⁷ Women are still concentrated in disadvantaged positions in the work force, and in times of economic adversity this concentration has been deeper. Participation of women in the economy has increased mainly in low-wage occupations such as domestic and unpaid work. These have been some of the strategies undertaken by women to increase the family income that has been severely impacted since the mid-1980's.

While analyzing the income level, we find that 20.9% of women received less than the minimum wage in 1991, while in 1995, the figure was 23.6%.⁶⁸ Even before the 1994-95 crisis, the labor market flexibility in Mexico had been very important since it has allowed a remarkable number of unemployed people, especially women, to be absorbed by the urban informal sector. According to Gustavo Márquez, in 1996, 55.1% of job growth was generated by jobs in informal activities such as self-employment or family supporters. Between 1994 and 1996 "the number of informal-sector jobs rose by more than 900,000, while the number of formal jobs fell by 200,000"⁶⁹

The monetary contribution of Mexican women to the family income has become increasingly essential to meet the basic needs of the household, considering the severe drop in the purchasing power of wages resulting from the recession and the adjustment policies. Only in the 1995-96 crisis, real wages in Mexico fell by more than 30%,⁷⁰ however, the minimum wage registered a purchasing power below that registered in 1934.⁷¹ In this context, paid female employment constitutes an essential survival mechanism when families face an urgent need to increase their income. Nowadays the group of women between 35 and 39 years old is the one that shows the highest participation in the labor markets.

In 1995 women increased their participation in labor markets especially in precarious forms of work.⁷² This means women had to attain some kind of

⁶⁷ According to the Mexican Report to CEDAW, of the total employed population in 1995 (33.5 million), 65.6 per cent had no social benefits. In the case of men, the percentage was 67.6, whereas that for women was 61.5. This shows, in some way, the deterioration noted in employment conditions in the labor market as a result of the economic crisis.

⁶⁸ Third and Fourth Mexican Report to the CEDAW, 1998.

⁶⁹ MARQUEZ Gustavo, "The scars of volatility: Mexico 1994-1996" in Latin American Economic Policies, Vol. 8, 1999, p.7

⁷⁰ The Road to Recovery...

⁷¹ FERNANDEZ-VEGA, Carlos; "20 años de crisis (o la nostalgia por 1994)", La Jornada, September, 1996.

⁷² GARCIA, Brígida; "Reestructuración Económica y Feminización del Mercado de Trabajo Femenino en México", March, 1999.

employment as a means to survive and face the crisis, but in the most disadvantaged conditions. Since Mexico does not provide an insurance system for the unemployed, families can not afford to spend their time without holding a remunerative occupation. Educated women just as those from lower socio-economic group face the same level of difficulties in the labor markets throughout their lives⁷³. However their perception regarding the importance of their income for the household varies. For instance, a 1990 survey showed that "a higher proportion of income-earning middle class women perceived their contribution to the family budget as essential and a source of personal satisfaction. In contrast, working-class women more frequently reported that they worked to supplement the housekeeping allowance, which was insufficient to meet essential or secondary expenditures".⁷⁴

Generally, women are active in the informal sector of the economy. Some times the flexibility given by this kind of work allows women to perform their domestic tasks at the same time. Of course women workers in the informal sector have no benefits such as social security system. Their employment is not contract-based and not regulated by government authorities. Thus, this kind of employment is not always registered in the national official data. For example, official statistics register that of the 15.9 million persons who work outside the home, 94.6% are men and only 5.4% are women.⁷⁵

The tertiary sector of the economy has also absorbed an important number of women, especially working in small with precarious conditions. From 1991 to 1995, participation of women in the petty trade increased from 21.6% to 26.1% and in small businesses from 52.3% to 58.6%. By contrast, their participation in technical and professional activities decreased from 6.4% to 6.3%.⁷⁶

In Mexico one of the main features of the open economy has been the supply of cheap and flexible feminine labor. A remarkable number of low educated women have been hired in *maquiladoras*, though the percentage of feminine workers in this sector has decreased over the past years as the plants are transforming their ways of production from low tech to higher skilled technology operations. According to Human Rights Watch report, in 1975 women constituted 78% of the *maquiladora* workforce, whereas by 1993 the number of female workers had dropped to 59%. In 1998, of the 711,392 laborers employed throughout the sector, 42.6% were men and only 57.37% were women.⁷⁷ Women workers in *maquiladoras* face attitudes of sex-based discrimination. However, this kind of

⁷³ GARCIA, Brígida; "Mujer, Género y Población en México", El Colegio de México, 1999, p.281

⁷⁴ GARCIA, Brígida and DE OLIVEIRA, Orlandina; "Gender Relations in Urban Middle-Class and Working-Class Households in Mexico", Westview Press, 1995, p.201

⁷⁵ "Working women shape Mexican consumption" in Market Latin America, September 1997.

⁷⁶ DE LA O MARTINEZ, María Eugenia "Mujeres en la Flexibilidad: ¿hacia nuevas oportunidades?", 1999

⁷⁷ Human Rights Watch Report on Mexico, 1998.

job has allowed women, some from rural areas, to obtain a remunerative activity in order to contribute to supplement their families' income. In fact, *maquiladora* has been seen as an alternative employment preferable to domestic service.

It is important to note that even that more women than ever nowadays are economically active, they have not been able to escape domestic chores. Social and cultural prejudices assign women the main role concerning homework and children rearing. Actually, the participation of male in those kinds of activities is completely marginal. It is reflected in the fact that over 90% of the 11.4 million working women continue to perform domestic work.

Education:

There were numerous drop-outs from school at all levels of education and a big shift from private to public education was registered. As government reduced its expenses in the education field, the loans and scholarships to study were reduced dramatically. The majority of student recipients of government scholarships received no money during the crisis, obliging many post-graduate students to leave their studies incomplete. In this context, it can be said that the crisis represented a great loss of human capital. According to Jusidman "families have had to engage a major number of their members in the labor markets in order to obtain a supplementary income. This has led to a decrease in school enrollment among the population aged 12 or more that normally must study."⁷⁸

Health:

One of the main social problems derived from the economic crisis was the lack of health care. The Mexican Institute for Social Security (IMSS) and the Social Security Institute for State Workers (ISSSTE), the main official institutions of social security, were not enough to resolve all health related problems of the population since their coverage reached only the 36.5% of the total population.⁷⁹ The pharmaceutical industry throughout the country was one of the most affected sectors and many individual pharmacies had to be closed. Problems related to health such as malnutrition and illness increased remarkably. Almost half of children in rural areas reported malnutrition in 1996. In the state of Yucatan, for instance, 60% of children in schooling age who account for a total of 10,000 children reported severe levels of malnutrition. Moreover, 75% of the Indian population in the country showed some degree of malnutrition too.⁸⁰

V. CONCLUSIONS:

As the financial crisis arose in the three countries there are some similarities in the development of the crisis such as:

⁷⁸ "En 1995 se erosionó el 22.6% el minisalario en el D.F", La Jornada, November 5, 1996.

⁷⁹ "SSA: 63.5 de la población, fuera de servicios de seguridad social", La Jornada, April 22, 1996.

⁸⁰ RESTREPO, Iván; "El derecho a la protección de la salud", La Jornada, October 1996.

- A fall in the demand for labor and a reduction in wages;
- Increases in prices of key commodities, especially those that form the largest part of the daily requirements of the poor (rice, cooking oil, etc);
- Reductions in government spending on social services and subsidy programs benefiting the poor and unemployed; and
- Erosion of the social fabric.⁸¹

Those conditions led to some negative effects in the social sphere with problems in areas such as: employment, household expenditure, and household consumption, which become a reflection of the massive dismissals, salary cuts, price increases and reduction in purchasing power. The effect was particularly felt by the most vulnerable groups who have no means to cope with the situation. Women account for a substantial portion of this vulnerable sector since the sexual division of labor still segregates them to the most precarious forms of work. We can conclude that the crises impact women and men differently due to their unequal position in the labor markets and the workplaces.

An important impact of the crises which directly affects women, is the rise of prices for food provisions and basic commodities, since women have the primary responsibility for controlling and stretching households budgets. It was noticed that in times of economic adversity, women tend to create new strategies or mechanisms in order to contribute to the family income. This means that sometimes petty trade in the informal sector, or self-employed activities, are usually performed in very precarious conditions.

Discrimination is still prevalent in the workplace since the traditional thought considers that men are the main breadwinners and see women only as their dependents. Female workers often face the lack of recognition as independent workers with family responsibilities. As it was noted, mainly in the cases of Korea and Thailand, some policies implemented during the crisis, targeted women to be the first victims of the dismissals.

According to the available data within the three countries, we have seen that an increasing number of women join the labor markets under insecure forms of employment such as informal sector, part-time, temporary, contract-based work and unpaid work. This kind of employment has a minimum of any legal and social protection. Governments need to create a social security system good enough to protect workers in the informal sector, and all forms of precarious work, which consists mostly of women. It should create a universal pension system or at least provide the minimum services to finance health care for these kinds of workers and their families. Moreover, in Mexico and Asia most households are unable to protect themselves from risks associated with

⁸¹ East Asia: The Road to Recovery, First Thailand Social Monitor, p. 10

disabilities and aging. Most rely mainly on personal savings, informal family and community links.

It is an urgent need to invest in feminine human resources. Women workers have to be trained, in order to be reintegrated into employment of better quality. It has been documented that women face more difficulties to be hired again since they lack of the adequate training and skills demanded by the competitive labor markets.

Public policies are not designed explicitly to reduce gender inequalities in employment within the workplace. Governments, along with trade unions and employers, should implement affirmative measures in order to fulfill their commitments and obligations adopted at national and international level. A situation of crisis, as it was the case in Asia, often leads employers to implement unfair labor practices in the workplaces. So, national authorities should be aware to ensure that the law is enforced, especially at that time.

Education was important for Korean, Mexican and Thai families as a way of social mobility. In the three cases, families preferred to cut expenses in luxuries rather than to drop their children from school. This is important to note, because even though there were many negative aspects of the crisis there were also some positive outcomes as the awareness of families towards education investment.

As we noted, health was one of the social fields affected by the crises. Generally, people reduce their quality of food and this kind of strategy will only show its effects in the long term. Cases of malnutrition have been documented, especially regarding the schooling age children and the most vulnerable groups, such as the Indians in the case of Mexico.

As noted earlier, the main social problems related to the Asian economic crisis of 1997 can be summarized as: high unemployment; declining standard of living; increasing job insecurity; more overtime work; inadequate social welfare; shift to the informal sector; increasing number of diseases, mental disorders and suicides; prostitution; domestic violence; sexual harassment and violence in the workplace; and child labor.

The three countries that suffered from the financial crises use it as an opportunity for accelerating agendas of social reform. These agendas includes: development of human resources, better quality of jobs, improvement of legislation, job creation, redesign and restructuring of the financial, health and education systems.

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