



The Global Economic Crisis and Developing Countries: Impact and Response

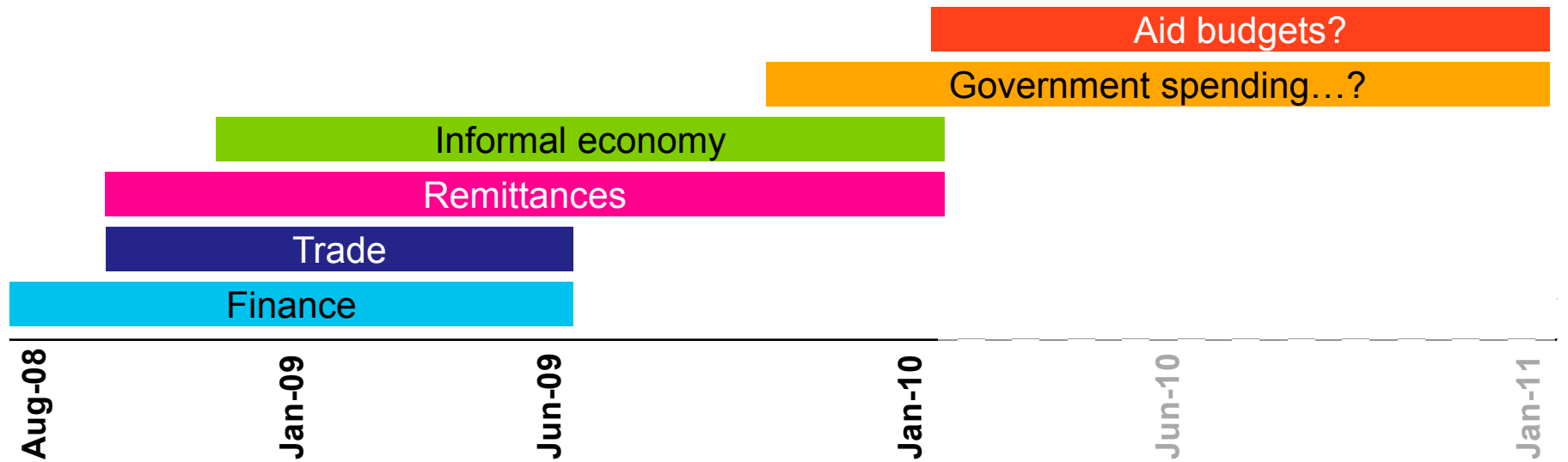
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Oxfam's research on GEC

- **11 country case studies, involving 2,500 individuals; variety of methods**
- **Desk review of other research by multilaterals and academic institutions**
- **Draft overview paper published on 27 January for 4 week public consultation and now being revised to incorporate comments. Please visit Oxfam's GEC webpage: www.oxfam.org.uk/economiccrisis**
- **Publications on this site throughout 2010**



Channels of transmission



Regional generalizations (with health warning)

- **East Asia:** Manufactures trade and labour markets
- **South Asia:** relatively insulated, Sri Lanka worst hit
- **Central Asia:** Remittances and trade with Russia
- **Africa & Pacific:** Commodity exports and revenue
- **Latin America:** Commodity exports & manufactures
- **Eastern Europe:** Financial contagion



Vulnerabilities: workers in export industries



I've never made any mistake, never done anything wrong. It's probably because of my age ...it's very difficult for older people, difficult to get a new job - even youths find it hard.

- 41 year old female garment worker dismissed from a factory in Serang, Indonesia

We have been laid off without receiving salaries for 3 months, and no compensation...

- laid off worker in Thailand



Vulnerabilities: informal workers



“

It is ok for a couple of people to open restaurants, or do business in pig dealings, paddy rice husking, mechanical services or construction. But if all migrants return and do the same things, It would be a disaster, as there are no customers.

”

- retail shop owner, Nghe An, Vietnam



Vulnerabilities: rural households



“

They are unable to send me money because the job opportunities are not there any more. Their support is a huge contribution to the family here because it helps us to support children in school and pay medical bills when one is sick – *resident of Monrovia, Liberia*

”

“

I feel cheated as I wonder how economic problems somewhere in America can make my cash crop suffer here in Malawi. It's a shame that I cannot boil and eat it... - *Malawian cotton farmer*

”



Gender analysis of the crisis

	Transmission	Impact	Response	
Economic Sphere	Finance <i>Gender numbers</i> <i>Gender norms</i>	Capital flight Devaluation ↓ Confidence ↓ Aid ↓ FDI	Credit squeeze ↓ Investment ↓ Asset prices	Support for banks Loans from IFIs ↓ Borrowing Concessions for investors
	Production <i>Gender numbers</i> <i>Gender norms</i>	↓ (Export) demand	↓ Output ↓ Employment ↓ Enjoyment of rights	Subsidies for selected industries Loosening labour laws
	Reproduction <i>Gender numbers</i> <i>Gender norms</i>	↓ Remittances ↓ Informal paid work ↓ Govt social expenditure	↓ Earnings ↓ Nutrition ↓ School attendance	↑ Unpaid work ↑ Informal paid work ↑ Social protection

Adapted from Diane Elson, University of Essex



Resilience to the crisis

- **Countries and households dealt better with the economic crisis, so far, than we expected;**
- **Families supported each other, shared food, information, money, kept kids in school;**
- **Many of those affected are not receiving formal support;**
- **What are the limits of resilience – for families and nations, in the context of ongoing shocks?**



Sources of resilience: pre & post crisis

- **Social Networks**
 - Friends, families, churches, community organizations;
- **Economic Structures**
 - Diversification v monodependence; financial integration; domestic resource mobilization; regional v global integration; access to natural resources
- **Role of the State**
 - Fiscal space; effective bureaucracies; rule of law; strong agricultural and fishery sectors
- **Social Policies**
 - Essential services; social protection; automatic stabilizers



Lessons

- **Volatility matters as much as average flows/stocks**
- **People are making enormous efforts to cope, at a long term cost**
- **Real-time impact monitoring and genuine dialogue with affected communities is needed for an adequate response**
- **Analysis of impacts in financial, productive and reproductive economy and appropriate, gendered responses**
- **Social protection comes of age and needs extension – especially into the informal economy**
- **Require sustainable financing so countries can keep spending**

