

Faces of the Crisis Revisited

LAST year, *F&D* profiled six people from different countries, hit by the global economic crisis in different ways. As the recession recedes, we returned to find out how they have coped with the turmoil of the past year.

Changes wrought by the crisis have turned some lives upside down. In Japan, former auto worker Yoshinori Sato survives on welfare, while in Spain, where real estate agent Santiago Baena had once been doing so well, the housing sector is now saddled with billions of euros in foreclosed property. But even a financial crisis is of little concern if your country is slammed by the more immediate problems of natural disaster and epidemic, as in Haiti.

For others, adversity presented an opportunity for a fresh start. In Argentina, where the economy has since picked up, dock-worker Gustavo Ramírez has become a trade union official. In Côte d'Ivoire, cocoa farmer Ignace Koffi Kassi was campaigning in national elections and was too busy to speak with us. And in New York, Shital Patel has found a job—studying the job market.

We share some of their stories with you.



Yoshinori Sato lives on state support in Yokohama, Japan.

Japan

From Bad to Worse

JUST over a year ago, Yoshinori Sato did not believe his life could get worse. It did. When *F&D* profiled 51-year-old Sato in September 2009, he had recently lost his job as a temporary worker at Isuzu Motors Co. in Yokohama, Japan. The factory worker had been forced to vacate his company-owned apartment and was subsisting on welfare payments living apart from his family, who remain in his native Hokkaido.

Since then, Sato's situation has deteriorated. "It has been hard," Sato admits. He has faced health problems and has not seen his family since December—and his lawyers are pessimistic about the outcome of his suit against his former employer to regain his job. After rent, utilities, and transportation, Sato says he is left with about ¥30,000 (\$367) a month for food and other expenses. He divorced his wife so that she too could claim state benefits, and the prospects for reuniting

with his family look bleak. Sato is calm as he speaks, but it is clear that he is angry about his situation.

"We want to be together, but this legal battle is going to take a long time—probably more than a decade," he says.

Temporary workers have long been critical to the vehicle manufacturing industry. At the peak, an estimated 3.8 million workers fell into this category, with the government claiming the use of temporary staffers benefited both employers and workers, who gained greater job mobility. It quickly became clear that the greater advantage lay with companies, which were able to lay off employees more easily.

The economic crisis triggered by the collapse of investment banking firm Lehman Brothers in September 2008 has compounded the plight of temporary workers in the Japanese auto industry, which has suffered a sharp drop in demand. Sato says it is the workers who have borne the brunt of the downturn.

"Large corporations here had large savings and resources, so they were able to survive quite comfortably, but smaller enterprises and subcontractors were in a much more difficult situation," he points out, adding that even regular employees

are now struggling.

“Some have been forced to retire early, others have had their wages cut, and some have even been laid off,” he said. “Large corporations are still earning a profit, but workers’ salaries are being reduced, and large Japanese companies are finding that they can’t earn so much by producing here, so they are setting up their production facilities abroad.”

“I have tried to get part-time jobs, but if I get a full-time job, then it might weaken my position in my legal case,” says Sato, who instead occupies himself with union activities. He volunteers with the All Japan Metal and Machinery Workers’ Union, speaking at meetings and offering advice to others who find themselves jobless.

Argentina

A New Vocation

GUSTAVO Ramírez today acts like someone other than the dockworker whose living standard declined at the height of the world trade collapse in 2009.

Last year Ramírez, along with most of his coworkers at the Port of Buenos Aires, found himself working a reduced schedule when the Great Recession hit the docks of the Argentine capital.

Even then, although his income was lower and things were tighter for his wife and four daughters, Ramírez took a philosophical approach to the harder times. He said in an interview with *F&D* last year that he was able to use the newly free time to do volunteer work for the dockworkers union, an activity he found quite satisfying.

Today world trade has picked up markedly and Argentine shipping is again bustling. As a result, most of Ramírez’s coworkers have experienced a big pickup in hours—and a big pickup in pay.

Things are looking better for dockworkers at the Port of Buenos Aires—and for Ramírez too. But Ramírez no longer works on the docks. He became a union official.

After three years of working on contract at the port, the days he spent volunteering during his forced free time persuaded him to run for union office late last year and work full time on union issues. He won the election and today is in charge of communications for the Single Argentine Port Workers Union.

He says he has found his place in the world. “I’ve always liked politics. I’d been searching for opportunities for activism.” He said he found that opportunity when he began working at the port.

Like most emerging market countries, Argentina withstood the global crisis better than the advanced economies and is now showing signs of recovery. Exports grew by 18 percent in the first six months of 2010, for example.

Ramírez, 38, says the pay in his new job is not very different from what he earned when he started working at the port—but higher than it was last year, when Ramírez’s work schedule was cut from about 24 days a month to 14 or 15 days. Many

Of the 12 people who filed the suit against Isuzu, some have found new jobs or are training for new positions but continue to seek compensation. Some, like Sato, get by on welfare payments. Sato, however, is the only one seeking reinstatement.

Sato says he is committed to his lawsuit against Isuzu and the government, and that means he will probably have to finally give up on his marriage.

“I have told my wife that if she wants to have a fresh start, if she finds a good partner and wants to remarry, then that would be OK with me,” he said. “I would be happy for her.” ■

By Julian Ryall, a freelance journalist working in Tokyo.



Gustavo Ramírez became a union official in Buenos Aires, Argentina.

of his 1,500-odd former colleagues almost certainly earn more than he does today. The sharp boost in their take-home pay is a result of the recovery that began in late 2009.

“Working hours at the port have increased over the past year. Today the average net [monthly] wage for a contract worker is about 6,000 pesos [about \$1,500], compared with half that last year,” reflecting mainly an increase in hours worked and not the 30 percent pay hike the union won this year, he said.

Even though Ramírez has not enjoyed the pay increase his former coworkers received, things are better than a year ago. His family has been able to rent a larger apartment and can now go to the movies or eat at a restaurant “every so often,” he said.

But income is not the driving force in Ramírez’s life. “I used to be a total skeptic, but then it dawned on me that I had a choice: either go out and combat reality in a positive way and find my place in the world or close myself in at home and leave the world to tear itself apart. When I set out to face the world, I did so from a different perspective. When you’re young you believe in the utopia of revolution, but as you grow up you start to understand the processes the country is going through. This year I regained hope,” he said. ■

By Florencia Carbone, a journalist with La Nación in Buenos Aires.



Claude Bruno had been sending remittances from New Jersey, United States, to his cousin, Francette Picard, in Haiti.

Haiti

No Respite

HAITI is often said to be one of the most unfortunate places on earth. This year's events in the small Caribbean nation seem to bear that out. Hard on the heels of the global financial crisis that threatened the remittances Haitians rely on, the new year socked the poorest country in the Western Hemisphere with a devastating earthquake in January.

Francette Picard, a Haitian single mother of two featured last year in *F&D*, was one of thousands of victims caught up in the disaster's maelstrom. Now Haiti faces another catastrophe: a cholera epidemic. *F&D* has been unable to locate either Picard or her daughters.

Even before the earthquake, like scores of other Haitians, Picard, 58, was struggling to make ends meet—aided by occasional remittances of \$30 to \$60 from her cousin Claude Bruno, a 60-something-year-old dishwasher at a rehabilitation facility in New Jersey.

Bruno last spoke to his cousin some five months ago and knows she survived the earthquake. Whether for financial reasons or because of the earthquake, Picard moved out of her home and, the last Bruno heard, was living in one of the tent cities set up around the country to house the newly homeless.

The relocation of the 1.5 million people the earthquake left homeless remains the most pressing humanitarian challenge, according to Jacques Bouhga-Hagbe, the IMF's resident representative in Haiti. "The initial response to the emergency situation [following the earthquake] was good, but the transition to a reconstruction phase has been slow," he said.

To the surprise of many—and unlike remittances to other parts of the world—money sent home by Haiti's sizable diaspora held up well in the wake of the global financial crisis, showing "remarkable resilience," according to IMF economist Aurelie Martin.

Haitians abroad—mostly in the United States—send home 22 percent of the country's gross domestic product (GDP), or

about \$1.5 billion every year, according to IMF data. "Before the earthquake, remittances were the single largest source of foreign currency for the country," says Martin. But they have been bumped to No. 2 by earthquake relief.

Remittances to Haiti jumped in the aftermath of the earthquake and then leveled off. The IMF says they were up by 7 percent as of September 2010, compared with the preceding year.

And that money is now needed more than ever.

The world responded to the earthquake—which caused damage of about 120 percent of Haiti's GDP—with an outpouring of funds and humanitarian support. For example, the IMF has provided \$114 million in emergency financing and forgiven Haiti's \$268 million in outstanding loans for reconstruction.

But even with donor help, the country is grappling with the scale of the catastrophe, and the need to provide food, housing, clean water, and sanitation to its 8 million people is straining the country's limited resources. Even before the disaster, 80 percent of the population lived on \$2 or less a day, according to the United Nations.

The lack of clean drinking water and adequate sanitation contributed to a cholera outbreak. At *F&D* press time, the Haitian authorities were struggling to contain a looming epidemic, which has already claimed more than 1,000 lives and sparked violence against UN peacekeepers, whom many Haitians blame for the outbreak.

Meanwhile 2,000 miles away, Claude Bruno watches events unfold back home. He continues to work at the nursing home in New Jersey, saving money from his earnings to send back to his relatives and hoping that Haiti can find a way out of the maze of its successive misfortunes. Those misfortunes have also exacted a heavy personal price on Bruno: he lost five family members in the January earthquake, including one of his children. ■

By Nicole Braynen-Kimani, an Editorial Assistant, and Hyun-Sung Khang, a Senior Editor, both on the staff of Finance & Development.

United States

Life's Labors

SHITAL Patel was until recently a New York City unemployment statistic. Now it's her job to study them.

Patel has become an economist in the research department of the New York State Department of Labor, where she is part of a team that monitors the ups and downs of the New York City job market. She spent more than a year unemployed after investment bank Morgan Stanley let her go in May 2008.

So when anxious job hunters sit before Patel in a room at the Labor Department's Manhattan headquarters to listen to her brief them on the city's employment and economic prospects, she knows whereof she speaks.

"I've been through it, so I just tell them, 'I've been in your shoes, and it all works out; you just have to remain positive because there are jobs out there,'" said Patel.

What a difference a year makes.

In a rags-to-not-quite-riches story that could have come straight out of Hollywood, Patel was "discovered" by her new employer when she walked through their doors to apply for her unemployment benefits.

Part of the application included handing over a copy of her résumé and attending a presentation by the staff of the Department—the very one Patel now gives to the ranks of the newly unemployed in the city.

Patel's qualifications and skills came up in a search of the Department's database after officials began looking for someone with a background in economics and financial experience, said Jim Brown, a labor market analyst with the Department and now Patel's new boss.

Patel applied for the job and was selected above a number of applicants.

"We talk to a wide variety of audiences, so we were looking for someone with both analytical and presentation skills who was comfortable discussing data in less technical ways," said Brown.

One of Patel's responsibilities is talking to people at companies that are planning layoffs and giving them the outlook for jobs in their industry across New York state.



Shital Patel found a new job as an economist in New York, United States.

According to the state Department of Labor, the city's unemployment rate for September this year was 9.3 percent, just below the then-prevailing national rate of 9.6 percent. The rate varies across New York City's five boroughs, reaching a citywide high of 12.5 percent in the Bronx.

The human cost of the global economic crisis is staggering, and worldwide unemployment hovers around 210 million people, according to the International Labor Organization's latest estimate.

Patel, 33, reflects on the big changes over the past two years, from the shock and grief experienced after she lost her job, to the new meaning she has found in helping people who are going through a similar ordeal.

Her commute is a 15-minute walk to work from her apartment in Greenwich Village to her office in Tribeca, and Patel arrives at a job where she feels appreciated by her colleagues as well as by the job seekers she helps. Best of all, Patel has job security, something she never had in her Wall Street career.

"I am so much more relaxed and healthier—I am out of the office at 6 p.m. and no longer tied to a BlackBerry," said Patel.

The one downside Patel freely admits is financial; she is paid much less than she made when she worked for an investment bank.

There is also pressure from some of her friends, who expect the ambitious and talented Patel to return to the banking world. She has to explain she enjoys her new life, and feels fortunate to be working again.

"My mother always says that I'm lucky, and she's right," said Patel. ■

By Jacqueline Deslauriers, an Assistant Editor on the staff of Finance & Development.

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Jeremy Clift, Editor-in-Chief