

## Rethinking Institutional Responses to the 1997 Economic Crisis: A Survival Crisis for Marginalized Workers in Thailand

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### ABSTRACT

*This study examines the responses of the Thai government towards social sector instability during the 1997 economic crisis, evaluates the extent to which they mitigated the hardship of the unemployed and their households and highlights the shortcomings of the government's strategy. The argument is that the safety net schemes and social security provision implemented during the boom were insufficient, and that the attempts to supplement them with new provisions in the crisis era were inadequate. The 1997 economic crash, which turned the Thai miracle economy to a side of misery, resulted in a widespread contraction of the urban labour market, largely in the construction and manufacturing sectors which employed fewer educated women and men. These workers tended to obtain either zero or fewer benefits from the social security provision, implemented in the pre-recession era, since such schemes did not apply to the majority of employees, even those working in the formal sector. Given that, it seems strange that only a few recent studies and surveys are available on the Thai government's responses to the 1997 economic crisis and their impact on the marginalised. It is crucial to readdress these because, although Thailand's economic situation is presently claimed to be more stable, not much attention has been paid to strengthening efficacy and adequacy of the social safety net and social security provisions to absorb a future survival crisis of the disadvantaged people whose rights, needs and opportunities have long been left out from institutional analysis and policy formulation in Thailand. The paper is based on a historical study (started in 1997) by the author of globalization, gender and households' responses to the 1997 Thailand's economic crisis and the IMF structural adjustment programme, and an intensive ethnographic fieldwork of two northern peri-urban villages, Rim Ping and Pa Sang, the former is located in a suburb of ChiangMai city centre and the latter is situated in a peri-urban area of the town of Lamphun.*

**Key words:** Economic crisis, Structural adjustment programme, Social safety net, Social protection, Marginalization

### INTRODUCTION

The 1997 economic turmoil should be regarded as a crisis affecting the ability to survive of those who had already been excluded from social and economic development during the long economic boom preceding the crisis. Although the turmoil in the financial sector was the