UN Secretary-General’s High-Level Panel on Women’s Economic Empowerment  
Case Study Collection

Case Study Overview

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Abstract

This report examines how an expansion in regional trade and economic integration impacts women in the ASEAN Economic Community (AEC). The impact of opening up of trade opportunities has always been different for different groups of people, often exacerbating inequalities in the absence of counteractive measures and barriers. While inequalities exist across many dimensions – most notably, economic – the focus of this research is on impact of trade liberalization policies on the inequality between women and men. Using evidence from comprehensive, macroeconomic analyses as well as focused case studies of women’s participation in select priority industries in the ASEAN region, this study seeks to find the answer to an important question: What is the impact of the increasing economic integration in the ASEAN region on its women?

Through a rigorous analysis of trade and labour market data relating to women’s economic participation, the report concludes that the impact of the formation of AEC on women in the ASEAN is going to be significant in terms of the volume of jobs that are created. However, in terms of changing the gender pattern of employment and wages, the impact will be small. The main reason why women are not likely to be materially impacted by a boost in trade, investment and skilled labour integration is because for a vast majority of the women, these are not the sectors that affect their lives. There are vast inequalities in women’s labour force participation in the ASEAN Member States that inhibits their ability to take advantage of the opportunities created by the AEC or other demand side shocks in the job market. The supply of women is the workforce is relatively stable and consistently lower than men due to a combination of social, cultural and institutional factors. Therefore, while the number of women employed may go up, the increase will not necessarily change other employment outcomes: wages, types of jobs and the sectors where women are currently employed.
Problems Being Addressed

Trade integration policies impact gender equality through their impact on job creation and the availability of revenue in a country. The availability of paid employment opportunities and revenue for implementing social protection programs are necessary to ensure gender equality. Despite the important links between trade liberalization and its impact on gender equality, it is widely believed that macroeconomic and trade policies are “gender neutral”. The success of a trade integration program is often judged on the basis of a narrow set of economic indicators, ignoring its widespread social impact, including the impact on gender. Conversely, the persistence of gender equality has been shown to reduce the welfare gains from trade. A wide number of studies have shown that the opportunity for women to earn and control income has been associated with increased economic development, and total factor productivity gains.

The South East Asian countries have been expanding at a rapid pace over the last two decades. Since 2007, while annual average growth in the global economy has been 3.3 per cent, in ASEAN it has been 5.1 per cent. The region boasts a gross domestic product (GDP) of USD 1.9 trillion and a 2011 GDP per capita of about USD 3,500 – USD 4,500 for the ASEAN-6 (Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand) and USD 1,100 for the newest members (Cambodia, the Lao People’s Democratic Republic, Myanmar and Viet Nam – the CLMV economies). All but three members are classified as middle- or high-income countries.

However, the expansion has been far from equitable within countries and across the region. Inequalities between ethnic groups, geographical regions and gender are widespread and persistent.

ASEAN Economic Community: A Snapshot

Regional integration efforts in the ASEAN started around the 1960s when five countries – Indonesia, Malaysia, the Philippines, Singapore, and Thailand– agreed to come together to form the Association of Southeast Asian Nations (ASEAN). The ASEAN Member States eventually increased in number to ten with the inclusion of Cambodia, Brunei Darussalam, Lao PDR, Myanmar and Viet Nam. The ASEAN Member States committed themselves to various regional measures for integrating the regional economy. ASEAN Vision 2020, adopted in 1997, laid the foundation for an “ASEAN Economic Region in which there is a free flow of goods, services and investments”. The year 2020 represented the time by when the regional integration would take effect. The date for the formation on an economic community was subsequently moved forward to 2015. A roadmap was agreed upon by Member States (2009-2015 Road Map) laying down the blueprint for the formation of the three communities – Economic (AEC), Political-Security (APSC), Socio-Cultural (ASCC) – with agreed targets and timelines. These three communities jointly form the basis of the overall ASEAN Community.

The AEC sets the foundations of a single market and production base allowing for free flow of trade and investment across the ten ASEAN Member States. In addition, the ten Member States of the ASEAN aim to jointly develop a competition policy, protect intellectual property, facilitate e-commerce, and introduce a more comprehensive investment protection and dispute resolution system. The four key pillars of the AEC are: (i) a single market and production base; (ii) a highly competitive economic region; (iii) a region of equitable economic development; and (iv) a region fully integrated into the global economy. Promotion of exports in eleven priority areas and free movement of skilled labour in eight
professional categories are key elements of creating a single market and production base. Member States are in the process of finalizing the mutual recognition arrangements (MRAs) that establish the skills or experience relevant professionals need to gain certification in another country and ultimately to work abroad.

ASEAN established a monitoring mechanism called the AEC Scorecard to report the progress on implementing the various AEC measures, identify implementation gaps and challenges, and track the realization of the AEC by 2015. The Enhanced Framework of ASEAN Community Progress Monitoring System (ACPMS) uses a pre-agreed set of indicators to track progress towards the AEC. By some estimates, it is expected that by the end 2015 more than 85 percent of the targets towards the establishment of the economic community will be met.

The AEC is expected to have far-reaching economic consequences, by significantly promoting intra-ASEAN trade and investment and strengthening the global importance of the ASEAN as an economic block. According to an ILO estimate the total welfare gain from AEC is likely to be USD 267 billion. However, many argue that the true measure of the success of ASEAN integration will not be the extent of trade integration but rather its achievement in improving the lives of its vast population.

In order for economic integration to deliver on the pillar of equal distribution of opportunities’, the widening development gap between member states and unequal access to gains within countries needs to be addressed – gaps across gender, geographies and ethnicities. The AEC Blueprint and the associated Scorecard are strangely silent on social and gender goals. None of the thirty-four indicators that track the progress towards the AEC track the differential social and gender access and impact or the progress the member states are making towards reducing development gap within countries or in the region.

As a result, no tracking of the progress towards the achievement of AEC targets include a social or gender component. Instead, social and gender issues are included under the ASCC pillar. There, too, only four out of 31 indicators track the progress on men and women separately. The result is a “siloeffect” of gender and social issues at the ASEAN level, and important opportunities for substantive institutional coordination between the economic pillar and the social pillar are often missed. Given the impact of the economic policies on access to resources and capabilities across different social groups, it is important to examine how much of the progress towards the ASEAN community has included marginalized groups and where are the current gaps.

The focus of this study to examine the gaps in access to opportunity between men and women, and the extent to which the creation of the AEC will affect existing gender disparities. The milestone for the implementation of the ASEAN Economic Community (AEC) is rapidly approaching at the end of 2015. However, AEC is viewed as a process not an event. The study hopes to inform the Post 2015 ASEAN agenda so the gender gaps and imbalances are addressed going forward.

**Rationale for the Report: The Gender Impact of Trade Integration**

The impact of trade liberalization is different for different sections of the population, often exacerbating inequalities in the absence of counteractive measures and barriers. While inequalities exist in many forms – across the rich and the poor, the skilled and unskilled, the urban and the rural – this study focuses on the inequality between women and men.
Conventional wisdom and economic theory tells us that trade liberalization would automatically lead to increased opportunities, enhanced production capabilities and overall poverty reduction. However, it is a well-known fact that historically this has not been so. The Heckscher-Ohlin model predicts that when different economies open to trade, unskilled wages should increase in less skilled labour abundant economies but decrease in skilled labour abundant economies. Trade liberalization policies are expected to reduce wage inequality in developing countries and negatively affect the wage structure of the developed countries. However, numerous studies have presented results that are contrary to this conventional wisdom and there exists a large body of literature that demonstrates that the last few decades of increased trade liberalization has in fact widened the wage gap in both developed and developing countries.

The theoretical foundation underlying the linkage between trade and gender inequality, is the same as the theoretical foundation of trade and inequality, per se. One of the most common populist views of international economic integration is that it leads to a growing inequality between nations – that is, globalization and trade liberalization causes divergence between the rich and poor countries – and within nations – and it benefits richer households proportionally more than it benefits poorer ones. By some accounts, income inequality has been rising in the world (see for example Galbraith, 2002). For others, inequality has in fact been falling, though not continuously, as a result of increasing liberalization (for instance Bhalla, 2002, and Sala-i- Martin, 2002). There are problematic assumptions on both sides.

Empirical evidence suggests that the impact of trade on cross-country inequality depends on a number of factors, such as heterogeneous firms, offshoring, incomplete contracting, and labour-market frictions18. For within country inequality, it can be summarized that trade creates winners and losers in the economy in the short run. There is also general agreement that the losers may come disproportionately from the poor. It is thus important to complement open trade policies with effective social protection measures, such as unemployment insurance and food-for-work schemes.

Extending this findings on trade and worsening inequality to explain the impact of trade on gender inequality, one possible hypothesis is that trade expansion may worsen gender inequality because women are at a different starting point, relative to men, and therefore not in a position to take advantage of the expanding economic opportunities that comes with trade expansion. Important factors that explain the different starting point for women are due to different gender roles, the relationship between women and men in society, and women’s unequal access to economic resources (such as land, credit and technology). While trade liberalization, by itself, may not worsen gender inequality, women may become worse off because of their inability/ lack of opportunity to participate fully in the post-liberalization economic growth process.

UNCTAD (2010) reviews a number of empirical studies to present the common themes in the impact of trade liberalization on women:

- Increased trade flows usually bring about increased employment opportunities for women in export-oriented manufacturing sectors;
- Female employment is less stable than male employment - rapid turnover of employees in response to business gains and losses; more part-time and temporary employment of women; more relocations of women employees;
- The effect of trade liberalization on the gender wage gap varies with the competitiveness of the industry and between countries; and
As a result, while trade policy may by itself be gender neutral, the impact of trade policy on underlying gender relations is significant. In the absence of counter measures to promote women’s participation and quality of work, gender equality may worsen with trade liberalization. There is need for a more in-depth examination of the gender impact of trade policy to ensure that all sections of the society – rich and poor, men and women - may be in a position to benefit from trade expansion.

Approach and Implementation

Objectives

This report seeks to identify the opportunities and challenges to women’s economic participation in the AEC, and recommend actions to ensure women’s equal participation – quantitatively and qualitatively – in ASEAN regional trade and integration. The three broad objective of the study are as follows:

1. Conduct a gender analysis of women’s economic participation as well as laws and policies that promote women’s participation in the ASEAN Member States. The focus will be identify women’s contribution in the regional trade and examine their relative welfare gains.
2. To conduct a gender analysis of trade in export intensive sectors
3. To recommend actions for the ASCC Blueprint and Post 2015 ASEAN agenda - at the regional level that will mitigate possible negative impacts of economic integration and trade liberalization on women’s participation in intra-regional trade, especially in the priority industries.

The report focuses on cross border movement of goods and services, and not necessarily on the movement of people. However, the issue of migration and migrant women workers underlies women’s economic participation is a number of export sectors. Women migrant workers – internal and foreign migrant workers – form a large chunk of workers in many of the export industries. However, the complexity of the migration issue necessitates a standalone research project. Earlier this year (2015), ILO and ADB prepared a comprehensive report on that examined the labour market and migration impact of the AEC.

The macroeconomic policy analysis in this report will provide the necessary mapping to undertake a study on women migrant workers in South East Asian countries that was not explicitly covered in the ILO and ADB report. The geographical focus of this study includes the economies of the ten ASEAN Member States. The specific sectors that this study will focus on are the eleven ASEAN priority sectors.

Methodology

The key research questions being address in the study are as follows:

1. What are the existing policies, institutions and laws to promote women’s economic participation?
2. What is the pattern of women participation, employment and quality of work in the ASEAN Member States and regional trade? (regional analysis)
3. What is the pattern of women participation, employment and quality of work in the trade intensive industries and ASEAN priority sectors? (sectoral analysis)
4. How does increased trade among the ASEAN nations affect women’s economic participation?
5. What are the channels and mechanisms through which an expansion in trade impacts women; what can be done to encourage/mitigate these impacts?
Gender Analysis of Regional Trade

The main objective of the regional analysis is to conduct a gender analysis of ASEAN trade within and outside the region to identify patterns and challenges to women’s participation in regional trade. To address this objective the report examines three sub-questions – (a) what is the current pattern of women’s participation, wages and economic occupations at the country level across all countries? (b) The report examines the existing gender mainstreaming policies that address women’s issues within the macroeconomic policy, and assesses their effectiveness in promoting women in the export sectors. (c) Finally, what is the share of women’s contribution to the international trade from the region? Using quantitative export and labour force data at the country level, and qualitative (secondary and primary) information on existing policy framework, the gender analysis the report tries to answer the key research questions.

Gender Analysis of Export Industries

The main objective of the analysis in this section is to identify the sectors that will most impacted by the AEC and to identify the impact of the increased economic liberalization on women employed in the high export growth sectors. Sectoral analysis is conducted for two sets of export intensive sectors:

- The set of industries includes the 11 priority sectors that have been pre-identified by the ASEAN.
- Second, the report includes an analysis of country specific sectors that are the most export intensive sector for that country. This is because not all ASEAN priority sectors are relevant for each of the countries. Therefore, for the purpose of this study, we selected the priority sectors from a recently published study of the ASEAN labour market by the ILO (2015). There are a couple of reasons for making this selection. One, most of these sectors identified by the ILO study overlap with the priority sectors selected by ASEAN. Two, these sectors were identified by the ILO as having the most significant labour market impact of the AEC – including male and female workers.

The first step of conducting the analysis in this section is obtaining regional trends of trade in the priority sectors. Using industry level data from UN COMTRADE database and the ASEAN Trade Statistics on export, import, output, employment, labour force participation and wages and simple descriptive and multivariate analysis, we will examine the national and regional trends in international trade and women’s participation. The sub-questions we seek to address are: 1) How are the priority sectors impacted in each ASEAN Member States; 2) What is women’s participation in those sectors that are most impacted?

Next, we identify factors that impact gender inequality in the priority sectors. What factors explain why some industries have more women’s participation than others? Cross section regression analysis will enable us to identify factors that explain women’s participation in these sectors.

We bolster the quantitative data analysis with a gender value chain analysis of select industries in the Member States, aimed at understanding not only the deeper nuances of the quality of women’s participation in these industries, but also the critical aspect of informal employment of women in these sectors. An important aspect of the sector level analysis will be to focus on women in different occupation capacity, education and skill levels, and to examine how women business owners and entrepreneurs, workers and farmer share impacted by the regional integration. Descriptive analysis of
sex-disaggregated business ownership data by sector, skills and education, and illustrative case studies will be used to answer this question.

Data Sources

Since the report encompasses ten ASEAN Member States while simultaneously synthesizing lessons and findings across all sectors and for the region, the analysis takes places at two levels – cross-industry regional level and industry level within one country. As expected, the sources of data for the two levels of analysis vary. Macro analysis relies on secondary data on select indicators from a list of internationally and nationally recognized data sources. The secondary data analysis is complemented by primarily qualitative interviews and case studies at sector or industry level from the ASEAN Member States. These studies aim to tease out stories and insights that may be otherwise hidden by big datasets. The industry or sectoral level analysis relies on a mix of sector/industry level secondary data and primary data (using interviews and group discussions with key stakeholders) located in a sector within one of the ASEAN Member States. Barriers and opportunities to women’s participation are identified in priority industries and analyzed using the gender value chain analysis.

Sector wise trade data was obtained from UN and ASEAN trade database (UNCTAD Comtrade, UNSD Service Trade database and ASEAN trade database). Sector wise data on female labor force participation rate, employment, and wage is available from a combination of ILOStat and where data from ILO is missing, we supplement using ASEAN and national data sources. Data on trade and female labour force participation was merged to obtain the female intensity of exports.

Primary Data

Country level consultations were undertaken in all ASEAN Member States between June and Aug 2015 to collect primary data through a series of interviews, surveys and group discussion. The focus of the primary data collection was to connect women’s economic participation with the trade expansion efforts introduced by the governments. A gender value chain analysis is undertaken using primary data to understand women’s role in export intensive industries for the following sectors:

- Agriculture
- Tourism
- Garments
- Financial services
- Oil and gas

A variety of stakeholders were consulted during the country consultations. A stakeholder mapping was conducted prior to the field visits resulted in the selection of the following stakeholders for country level interviews:

- Government representatives from gender, economic planning and export / trade ministries
- ASEAN representatives and country focal points
- Women workers and farmers
- Women’s groups, NGOs working on women’s economic participation
- Trade unions
- Industry associations, producer groups
- Private companies
- Experts, researchers
Individual stakeholders were identified based on suggestions from the ASEAN Secretariat, ACW, ACWC, FES and UN Women focal points. In total, 325 interviews were conducted of which 120 were surveys and the rest were in-depth interviews conducted in-person or via Skype.

Results

The report began by asking a simple question: What is the impact of the AEC on the women in the ASEAN? Numerous field visits and comprehensive analyses of several large datasets have led to a clear answer: AEC will not have a material impact on women in the ASEAN. While the impact of AEC on women in the ASEAN may be significant in terms of the volume of jobs created, in terms of changing the gender pattern of employment and wages, the impact will be small. An increase in trade, cross-country investment and skilled labour integration is unlikely to materially impact the lives of the vast majority of the women in ASEAN Member States. The wide disparities in women’s labour force participation inhibits them from taking advantage of the opportunities created by the AEC or other positive shocks to the job market. Women’s employment is relatively stable and consistently lower than men due to a combination of social, cultural and institutional factors. Unless targeted interventions are undertaken, the AEC or any other economic market boost will not benefit women. The reverse is also true – unless the issue to sub-optimal women’s participation is directly address, economies will not take advantage of women’s participation and productivity in the economy.

Main Findings

The report finds that while the number of women employed in export oriented sectors may go up, the increase will not necessarily change other employment outcomes: wages, types of jobs and the sectors where women are currently employed. The main findings are summarized below.

- **Overall trade is expanding both intra-ASEAN and extra-ASEAN, however the value of women’s share of exports has remained more or less constant in the past 20 years.** This pattern is reflective of the gender differentials in work force participation and the informalization of women’s work (women’s unpaid work). Estimates of future pattern of female share of exports, employment and wages shows that gender differentials in these domains are likely to continue, in the absence of any immediate policy interventions to address the gender gaps.

- **The share of high skilled sectors (such as automotives and electronics) in the ASEAN economies are increasing, whereas sectors where women dominate the workforce (such agriculture and garments) are relatively stagnant.** Value added agro products show an upward swing, as do other commercial agriculture based products such as rubber and wood. Non-PIS sectors such as financial services and oil and energy are also large share of ASEAN exports. Both these sectors are currently dominated by male employees.

- **Singapore leads the region in technology-focused exports (primarily from electronic, healthcare, e-ASEAN and automotives) whereas Thailand leads in primary sector exports(such as rubber and agro products).** However, women dominate low skilled and relatively lower paying jobs in these sectors resulting in persistent gender pay gaps. Thailand also has large shares in tourism, automotives and healthcare – all manufacturing intensive, highly value added sectors. Comparing the sector wise female share of employment in the region, we find that female share of employment forms a very small percent of the total employment in the services or the manufacturing sectors. However, across all sectors, chapter 2 shows that women’s economic roles are the ones that involve lower skills and on average, lower pay.
• **AEC creates an opportunity for skilled labour movement, however gender gap in education attainment is a number of ASEAN prevents women from benefitting from the free movement of skilled labour.** Even in countries where there is parity in educational attainment, women dominate low skilled professions. The percentage of women with tertiary education is higher than men in six out of ten ASEAN Member States – Brunei Darussalam, Indonesia, Viet Nam, Myanmar, Thailand and Singapore. However, an analysis of labour force participate rates across education attainment levels shows that a large percentage of the highly education women remain unemployed. This indicates that there are other underlying factors, other than differences in human capital, which keep women away from paid jobs. The movement of women workers in the ASEAN dominates low skilled, informal sector jobs where they face inadequate access to social benefits, limited opportunity for skills enhancement and institutional barriers to move up the occupational ladder.

• **AEC fosters SME growth opportunities where women tend to dominate, however cultural and financial barriers are persistent even for women business owners.** The boost in SME expansion, especially in the garments and tourism sectors, presents an opportunity for women’s entrepreneurship development in export sectors. For women to take full advantage of the opportunities presented by SME growth, cultural and financial barriers to women’s ownership need to be addressed. Women’s access to finance and credit in many countries is very limited due to dominance of cultural norms of asset ownership. Women SMEs are not well integrated and cultural and infrastructure barriers limit their access to markets.

• **AEC regional bodies do not consider gender differential impact of the trade and macroeconomic policies.** The AEC Blueprint, ASEAN mechanism across the four AEC pillars and the associated Scorecard are strangely silent on social and gender goals. None of the thirty four indicators that track the progress towards the AEC track the differential social and gender access and impact or the progress the member states are making towards reducing development gap within countries or in the region. As a result, no tracking of the progress towards the achievement of AEC targets include a social or gender component. Instead, social and gender issues are included under the ASCC pillar. There, too, only four out of 31 indicators track the progress on men and women separately. The result is a “silo effect” of gender and social issues at the ASEAN level, and important opportunities for substantive institutional coordination between the economic pillar and the social pillar are often missed.

Barriers to women’s equal participation in the AEC led growth in the region:

• **Gender gap in education has declined but education attainment for women continue to lag those of men.** Education attainment, especially higher education and skill training are key to women accessing higher paying employment opportunities. Education attainment data shows that women tend to spend fewer years in school than men, except in Brunei Darussalam, Myanmar and the Philippines where the gender gap in education attainment is now zero. The percentage of women with tertiary education is higher than men in six out of ten ASEAN Member States – Brunei Darussalam, Indonesia, Singapore, Viet Nam, Myanmar and Thailand.

• **Large numbers of highly educated women remain unemployed.** Labour force participation rates by different education levels show that a large percentage of highly education women remain unemployed. This indicates that, in addition to education attainment, there are other important factors, which limit the employment of women in higher paying jobs.

• **Female labour force participation rate is persistently lower than men across all ASEAN Member States.** While the gap may have shrunk in some countries, it has widened in others. Overall, significantly fewer women than men are participating in the work force in the ASEAN.
• **More women are employed in lower skilled and lower paying jobs than men, resulting in a persistent and high gender wage gap.** This gender gap is not only apparent in the lower absolute numbers of women in the work force, but also in the types of jobs that women perform. The data shows that in almost all the ASEAN Member States, women tend to predominantly find employment in low skill jobs and so it is not surprising that there is a persistent gender wage gap. If women are not finding employment in high skilled and high paying jobs, then there is little scope for increasing their income.

• **Majority of women are employed in vulnerable jobs with limited access to benefits and social protection.** This is also true in high-income countries, such as Singapore and Brunei Darussalam, where the majority of the clerical and elementary occupations are occupied by women.

• **All ASEAN Member States provide constitutional equality between men and women. However, the presence and recognition of customary laws in some countries creates legal barriers to women’s rights and participation.** Discriminatory laws and policies, combined with cultural and social norms, create barriers to women’s economic participation and limit women’s access to economic opportunities, credit and mobility. Laws governing property rights typically stem from the widely prevalent social bias that men are the heads of households with exclusive rights to control and manage all of the family’s property. While, in most countries, women have equal rights in respect of other non-land assets, in practice women generally have less power to make spending, employment, and family-related decisions than men.

• **Limited effectiveness of gender mainstreaming efforts.** Laws and policies to promote gender equality and gender mainstreaming are clearly defined in the ASEAN Member States but have limited impact due to issues with implementation, limited inter-departmental and ministerial coordination as well as inadequate budget allocation. Gender mainstreaming is at different levels in different countries. In Malaysia, Cambodia and Indonesia, there exist a separate ministry with the mandate of policy making and implementation on gender issues. However in Viet Nam, Thailand, Singapore, Brunei Darussalam, Lao PDR, and Myanmar the gender portfolio is included within a specialized department of a larger Ministry. The Philippines Commission for Women, is an independent specialized agency under the Office of the President, authorized with policymaking and coordination on women and gender equality concerns.

• **Lack of clarity in key labour laws relating to equal remuneration, discrimination and maternity benefits contributes to women’s relative weaker position in the labour market.** An examination of the labour laws of ASEAN Member States in promoting gender equality at work and the protection of women workers have revealed that much progress has been made in the legal dimension. While almost all countries have laws on discrimination and policies promoting women’s work, there is still lack of clarity in the law itself and relatively few opportunities for women to balance their domestic and employment responsibilities. Workplace flexibility as well as creating pro-family structures for both women and men, such as child care facilities that facilitate female employment, more measures that encourages greater participation of fathers at home such as paternity leave and at the same time, allow women to greater opportunity to play a leading role in the emerging global labour market.

• **Limited options for child care and high responsibility for unpaid domestic work constraints women’s participation in paid employment.** Responsibility for care work is high on women’s responsibility and there is negligible support from the governments to promote shared parenting responsibilities. There are few policies on flexible work or supporting part-time work that allow women to return to work post-motherhood. A recent IMF and World Bank study highlighted the importance of strong child care systems. These studies found that effective child care systems are necessary pre-requisites for economies to take full advantage of women’s potential. Data on women’s care work is limited but where it exists the data reveals that the
gender unpaid work gap was 3.5 hours for married women. That is, married women on average spend 3.5 hours per day (more than men) on unpaid care work.

Concluding Remarks

The issue of women’s limited and poor quality participation in the ASEAN Economic Community is, in essence, a labour market problem. Despite having a large supply of both skilled and unskilled female labour, women are not proportionately represented in the various professions and sectors. What explains this and why is this important? Let us try to answer the second question first. Societal fairness aside, the problem of limited labour supply of women in the market is a sub-optimal economic outcome – since the ASEAN economies are under-utilizing their skilled female workers they are not growing at their full potential.

Aside for the impact on the economy, women’s equal participation is an important normative objective by itself. If even one section of the population is systematically kept out of the workforce and is not reaping the full benefits of the economic growth, then policy makers should be concerned. In this case, the excluded section of the population constitutes half the total population of the region. In order for countries to ensure equitable, inclusive economic growth from their regional economic agreements, it is essential that women’s share and participation in the economy, especially export sectors, increases.

Turning to the reasons why women are systematically under-represented in the work force, multiple conversations during this research as well as empirical evidence shows that women work long hours. On average, married women work 12-15 hours a day, a lot of which is unpaid and importantly, from a macroeconomic perspective, it is uncounted. Statistical data systems in most countries are not yet geared to take into account the time-use patterns of work, as a result women’s work, which subsidizes the rest of the economic activities, remains under counted. In a purely econometric measurement sense, such undercounting is a grave measurement error.

There are other supply side and demand side reasons for women’s lacklustre participation in the economy, especially in those high growth sectors that pay large salaries. In many countries, women’s educational attainment continues to remain low despite major policy interventions. Even in countries that have attained parity in education, women’s share in highly skilled managerial positions remains low, signaling that education alone does not explain why (a) women do not find good jobs and (b) when women do find good jobs, why they prematurely drop out of the labour force. This seemingly irrational behavior on part of the women indicates that there are deeper social, cultural, religious and institutional biases that are curbing women’s economic participation.

There is some evidence of each of these social factors in every single ASEAN country and across all high-growth sectors. Institutionalized and legal discrimination against women, stemming from religious beliefs, prevents women in Malaysia from signing contracts and starting businesses. Women are not considered equal in marriage and their inheritance to property and assets are unequal. Therefore, despite having an educated work force, women in Malaysia are not represented in any of the major export sectors, and where they are represented, women are relegated to being bank tellers and clerks and few women are seen holding powerful positions in either the financial services sector or in the oil and gas industry. In Singapore, a beacon of economic growth and social acceptance in the region, women face similar hurdles. To its credit, the Singaporean government is concerned about this drop in women participation in the senior professional levels. Intensive behavior change campaigns are underway in Singapore to encourage more men to help domestically and share parenting responsibility.
Only time will tell, the extent to which these campaigns will be successful without any backing from legislation. Evidence from other countries does weigh heavily against any short term changes in the female participation. While the problems in Singapore are not related to religion, the analysis in the report suggests that deeply rooted patriarchal beliefs may, at least partially, explain the gender based occupational variations.

Women are present everywhere in the Brunei Darussalam economy – in every sector and in all jobs – except in senior positions. While the Bruneian legal system does discriminate based on customary law, the actual implementation of this law is quite progressive. This does not prevent the rampant gender stereotyping that prevent women are taking on powerful positions in the government or the economy, and that stops women are demanding benefits that will allow them to continue to remain employed.

In Lao PDR, Cambodia, Viet Nam and Myanmar, women enjoy no such legal restrictions. Women are constitutionally equal to men, they can start a business, take up any jobs, and marry anyone they please. The reality is far from this utopian dream. In these countries too, women are intensively employed in extremely difficult and low paying jobs. Agriculture and garments are the two of the main export sectors and also sectors, where most women are employed. These are sectors where pay is low, often at barely subsistence level, physical demands from the work is high and exploitation is rampant.

Indonesia and the Philippines are slightly better off. The strong presence of civil rights groups, demanding social equality have ensured the laws and policies are enacted to promote gender equality. This hasn’t stopped religious fundamentalism from creeping in and putting brakes on women’s freedoms – economic and social – in certain regions within the country.

A toxic combination of these factors - social, cultural, institutional and religious – have exacerbated the pre-existing differences in education and skills and rendered a highly skewed labour force where women continue to perform their stereotypical roles, drop out of the work force and earn less than men. As one respondent said during our interview, *the situation is like an onion, the more we peel, the more layers we find.*

What are the demand side factors that explain why there are fewer women than men in the economy and in the export sectors? The AEC, by all accounts, is a major demand side push towards job creation. But are the jobs really the ones that women would like to do? One can always find arguments that jobs are not created to suit a specific population, rather jobs are created to serve the economic function of increasing production. However, it is a cause for concern, if these jobs are so rigid that they are systematically unsuitable for half the population. On the demand side, incentives have to be created for firms to employ and retain women employees. These incentives can be fiscal, monetary or market based rewards. Signaling that they are a family friendly firm has been shown to create a positive market impact. (Take the recent example of Google or Netflix.)

To borrow the words of another respondent, *firms have to be flexible if they want to retain female employees.* This means creating family friendly work place policies, alternative career tracks, nursing and child care support and flexible work arrangements. While such benefits are difficult to imagine on a factory floor, in white collar professions that fall under the AEC (electronics, e-ASEAN and tourism) such incentives will go a long way towards retaining women workers.

The final point on women’s labour force participation is regarding safety at work. Almost all ASEAN Member States currently have legislation against work place harassment. Anecdotally, however, it is
evident that work place harassment is rampant. From “kissing for their paycheck” in Myanmar to sexual assaults on plantation workers, sexual harassment takes place across the board. Everything else being great – equal education, social equality, great family benefits etc. – without protection from harassment at work, the situation is unlikely to change. And even when all other factors become supportive of women’s economic participation, without ensuring safety and dignity at work, the situation will be hardly palatable.

In conclusion, it would be short-sighted of countries to dismiss the issue of women’s participation, or lack thereof, as a social issue and outside the purview of macroeconomic and trade policy. There are high economic costs of gender inequality (ranging from 7% to 27% increase in GDP for the ASEAN Member States) and positive gains from women’s productivity engagement in high growth sectors. However, it is also a question of fairness and decent work. For the women farmers who lose their land to make way for a large industrial estate, and for the women accountant who has to stay home to take care of her children, it’s a matter of their livelihood and their right to decent work. For the private companies, small, medium and large, it is about retaining their work force and reducing staff turnover. For larger companies that care about their public image, it is about signaling their ability to be sensitive and respond to their consumer’s situation. For the macroeconomy, it is about ensuring that the welfare gains from trade policy changes have their desired and optimal impact, and that those welfare gains are spread among the population and not concentrated in the hands of a few. For the politicians and policy makers, it is about ensuring that they are putting their money where their mouth is – ensuring that women’s equality is not simply a trendy catch phrase but associated with tangible actions and more importantly, with adequate budgetary backing.

Finally, and perhaps most importantly, it is about doing the right thing - normatively. Because ultimately the goal of all economic and social policy is to allocate resources and create incentives to improve the welfare of all members of society.

Links for Further Information

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*Disclaimer: The case studies are written by implementing organizations. They do not necessarily reflect the views of the Panel members.*