

WORKING WOMEN AND ECONOMIC SECURITY IN SOUTHEAST ASIA

Policy Report

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Executive Summary

Amid the volatility and irregularity of change in the Southeast Asian region, the lives of men and women are being transformed. Current global challenges such as trade protectionism, ageing societies and ongoing technological developments are being experienced differently by men and women. These challenges to the economic security of citizens will significantly contribute to widening inequalities and have far-reaching effects on social inclusivity, cohesiveness and sustained growth. But do existing discourses surrounding economic security in Southeast Asia embrace these challenges *vis-à-vis* gender dynamics? How should ASEAN member states respond to such challenges? Can a gendered economic analysis help the region establish and maintain economic security for *all* its people? This policy report examines the barriers to greater integration of women in the economies of the region and addresses some challenges that can affect women's participation in the labour market.

Introduction

That we might face significant challenges in economic growth and development in the near future, both globally and at national levels, is not a new revelation. Increasing populist sentiments, ageing societies, the technological wave sweeping across the globe, large-scale human migration, and climate change and natural disasters all colour the economic landscape and have gender-specific impacts in countries around the world and certainly in Southeast Asia. These challenges affect the economic security of countries and its effects can permeate throughout societies. Each of these challenges also has the potential to increase inequalities and reduce productivity if not addressed by strong, egalitarian social policies, put in place in a timely manner and implemented effectively. But such policies must consider that women, because of particular social norms or systemic bias, experience the inequalities arising from these challenges uniquely and at different levels.

Improving women's economic security is one of the most critical issues of our time. The full participation of women in the labour force is vital to ensuring sustainable and inclusive growth. It also enhances productivity and propels innovation. A 2017 OECD/ASEAN report discusses how women can be assured of equal access through the three “Es” that unlock economic opportunity for them — *Education, Employment and Entrepreneurship*. Whereas economic growth and better targeted social policies have contributed to shrinking gender gaps in educational attainment, significant disparities remain in women's labour force participation, job quality and earnings in Southeast Asia.¹

That it would take some 100 years for the gender gap to close and 202 years to achieve some form of economic parity between men and women, both according to the World Economic Forum's Global Gender Gap Report of 2018,² should be a cause for concern to countries looking to build more resilient economies and stable societies. While countries around the world, and certainly those in Southeast Asia, are professing to do much towards including women as key stakeholders in their political, social and economic lives, data suggests that even full access to employment has not yet been realised for women.³ Ensuring women's economic security is fundamental to building cohesive

¹ OECD/ASEAN, *Strengthening Women's Entrepreneurship in ASEAN: Towards Increasing Women's Participation in Economic Activity*, OECD, 2017.

² World Economic Forum (WEF), *Global Gender Gap Report 2018*, World Economic Forum Insight Report, 2018.

³ OECD/ASEAN, *Strengthening Women's Entrepreneurship in ASEAN*.

societies. Cohesive societies are key to building the economic resilience of communities in times of crises and it will not be possible to build such societies without the active engagement of women.

As the levels of development across ASEAN member states vary, there can be no universal solution to activating the region's female workforce. The highest levels of active female workers are in the emerging economies such as Cambodia and Laos.⁴ But high levels of female participation in the workforce are not indicative of female agency; instead, they reveal stark economic necessities that compel women to work. The middle income economies in the region have relatively lower levels of female participation in the workforce, which are indicative of another set of problems: development and promotion opportunities, wage differentials and reducing the burden of care that takes up women's time. The recommendations suggested in this report relate mostly to the emerging and middle income economies in ASEAN.

⁴ *ibid.*

Female Labour in ASEAN Economies — Gender, Inequality and Work

The economic growth of Southeast Asia, both in a historical context⁵ and in recent times, has been on the backs of female workers. In precolonial times, female labour was highly valued, given the dependence of societies in Southeast Asia on small-animal husbandry and rice cultivation, and this accounted for the low female infant mortality rates in the region, compared to those in other regions.⁶ The role of women in the economies of ASEAN today cannot be understated either. In the case of the Philippines, for example, remittances from overseas workers accounted for 9.7 per cent of gross domestic product and 8.1 per cent of gross national income in 2018,⁷ and a large percentage (more than 50 per cent) of these workers were female and younger than their male counterparts.⁸

The rise in productivity and economic growth that characterised the region in the 1980s and 1990s has lifted many from poverty and for the most part was inclusive in gender terms, drawing out significant numbers of women from their homes and into the workforce.⁹ The growth of labour-intensive industries in the Southeast Asian countries during this period was seen as a way of getting as many as possible into the labour market to reduce unemployment, with corporations happily co-existing with the state to take advantage of global flows and networks.¹⁰ This development, although understandable at that point in history, disregarded the gender implications of mass employment, which paved the way for systemic discrimination. The more technical and higher-skilled jobs

⁵ The following works, among many others, provide interesting discussions on the importance of female labour and the economic value of women from precolonial to modern-day Southeast Asia: Reid, Anthony, "Female Roles in Pre-Colonial Southeast Asia", *Modern Asian Studies* 22, no. 3, Special Issue: "Asian Studies in Honour of Professor Charles Boxer" (1988), 629–645; Booth, Anne, "Women, Work and the Family: Is Southeast Asia Different?" *Economic History of Developing Regions* 31, Iss 1 (2016), 167–197; Andaya, Barbara, "Women in Southeast Asia", *Asia Society Centre for Global Education*, n.d., accessed 23 September 2019, <https://asiasociety.org/education/women-southeast-asia>

⁶ Hudson, Valerie, and Andrea M. den Boer, *Bare Branches: The Security Implications of Asia's Surplus Male Population* (Cambridge, Mass, and London: MIT Press, 2005).

⁷ Caraballo, Mayvelin, U., "OFW remittances hit all-time high in 2018," *The Manila Times* 16 February 2019, <https://www.manilatimes.net/2019/02/16/business/business-top/ofw-remittances-hit-all-time-high-in-2018/512476/>.

⁸ Philippines Statistics Authority, *Survey on Overseas Filipinos 2019*, <https://psa.gov.ph/statistics/survey/labor-and-employment/survey-overseas-filipinos>.

⁹ EAF Editors, "Investing in Women in Asia", *East Asia Forum*, Australian National University, 18 March 2019. <https://www.eastasiaforum.org/2019/03/18/investing-in-women-in-asia/>

¹⁰ Rimmer, Peter, J., and Howard Dick, *The City in Southeast Asia: Patterns, Processes and Policy* (Singapore: NUS press, 2009).

went to men who were trained for them. Women remained in production lines, with limited upward mobility in terms of skills and pay.¹¹ The constant low wages of female factory workers remains an incentive to attract manufacturing companies into the region, especially in light of increasing wages in manufacturing giants like China.¹² Unfortunately, despite proving their competencies, women find it difficult to translate their human capital into economic empowerment. The wage disparity remains significant, and the larger share of household duties and care still falls on women.

Overcoming gender inequality in the workplace is one of the biggest tests in achieving long term economic security for a nation. Although the Nordic countries come closest to achieving economic parity between men and women,¹³ it would seem that no nation in the world has absolute economic equality between its male and female labour force, judging from persistent disparities in pay, the digital divide, the burden of care, and access to certain occupations.¹⁴

Workplace equality is a policy choice that is vital in sustaining economic growth. Investing too little in activating the competencies of women weakens the quality of labour, which in turn weakens strategies and capacities for growth. Below are some of the challenges of female employment in the region that need to be addressed.

Education

The traditional gender gaps in education have been drastically reduced in ASEAN, with member states adopting legal provisions for compulsory education up to some basic level.¹⁵ Today, primary school enrolment, for boys and girls, is at a rate of 90 per cent across the region.¹⁶ Despite this improvement, in

¹¹ Sundaram, Jomo Kwame, "Export-Oriented Industrialisation, Female Employment and Gender Wage Equity in East Asia", *Economic and Political Weekly* 44, no. 1 (2009), 41–49.

¹² Tan, Kim Song, and James T. H. Tang, *New Skills at Work: Managing Skills Challenges in ASEAN-5*, Research Collection, School Of Economics, Singapore Management University, 2016, https://ink.library.smu.edu.sg/soe_research/1891

¹³ Zalis, Shelley, "Lessons from the World's Most Gender Equal Countries", *ForbesWomen*, 30 October 2018, <https://www.forbes.com/sites/shelleyzalis/2018/10/30/lessons-from-the-worlds-most-gender-equal-countries/#30ba43897dd8>

¹⁴ UN Women, *Facts and Figures: Economic Empowerment*, July 2018 <https://www.unwomen.org/en/what-we-do/economic-empowerment/facts-and-figures>

¹⁵ OECD/ASEAN, *Strengthening Women's Entrepreneurship in ASEAN*.

¹⁶ *Ibid.*

2015,¹⁷ both middle income and emerging ASEAN countries (Thailand, Indonesia, Lao PDR and Cambodia, for example) registered varying numbers (from seven to 11 per cent) of primary school age out-of-school-children (OOSC). This exclusion reflected higher for girls¹⁸ and has been explained by (i) girls' abilities to take on wider household responsibilities, (ii) costs of transportation and schooling (iii) failure to consider the future implications of foregone salaries and overall well-being, and (iv) the presumption that sons will financially support parents later on in life.¹⁹ The fact that girls tend to be excluded from schools runs contrary to the fact that they outperform boys, especially in reading, and do no less well in mathematics and science than boys, in high school.²⁰ So, it is unlikely that girls cannot perform well in STEM²¹ subjects — which are the pathways to jobs of the future economy. Yet, at tertiary level in most Southeast Asian countries, it is females who dominate the education, humanities and arts faculties.²² Gender bias in curricula has to be addressed by more young women being encouraged to take up studies in STEM courses. Currently, ASEAN has a STEM education uptake for women of 17 per cent, below the 25 per cent level uptake in the OECD countries.²³

Sectoral and occupational bias

Sectoral bias involves gender segregation along employment sectors. Women dominate sectors connected with duties of care-giving, teaching, counselling and the frontlines of sales and marketing.²⁴ While this situation is not necessarily damaging in the short run, it creates long-term effects of saturation and limited access for new female entrants to these sectors. Yet another impact is that such sectoral bias creates barriers for men and limits the diversity that is valuable and necessary in any sector.

There is also an occupational bias against women, with more female labour concentrated in services, sales and clerical support, and as agriculture, forestry

¹⁷ 2015 being the closest available year for these specific statistics, according to the above OECD/ASEAN report.

¹⁸ OECD/ASEAN, *Strengthening Women's Entrepreneurship in ASEAN*.

¹⁹ Ibid.

²⁰ Ibid

²¹ Science, Technology, Engineering and Mathematics.

²² OECD/ASEAN, *Strengthening Women's Entrepreneurship in ASEAN*.

²³ Chang, Jae-Hee, Gary Rynhart and Phu Huynh. *ASEAN in Transformation: How Technology is Changing Jobs and Enterprises*, ILO, 2016.

²⁴ ILO, *World Employment Social Outlook: Trends for Women*. International Labour Organization, 2017

and fishery workers in emerging countries.²⁵ With impending automation, these are some of the first jobs that are likely to be replaced by machines.²⁶

Both sectoral and occupational bias can form huge barriers for women aiming to join the workforce especially in light of the new technological wave.

Impacts of technology

Technology releases unprecedented opportunities. Harnessing these opportunities requires us to use our most valuable skills as humans: our ability to adapt, our creativity and our empathy. But technology also presents a number of challenges that require the equal participation of men and women in carving out the deep socioeconomic transformations needed in addressing these challenges.

Given lower costs today, technology and automation are being more quickly adopted by firms, especially in the manufacturing sector, infiltrating even small and medium industries — firms that tend to have large numbers of female workers in production. The use of machinery to cut cloth — something that was previously done by hand — can now reduce the number of workers required from 15 to 2, and the fully automated sewing machine can displace unskilled operators.²⁷ Not only can such automation reduce female labour, but, in some cases, it can eliminate the need for them.

Automation is affecting jobs in sectors with high female employment, such as agriculture (Cambodia, Laos and Myanmar), garment and textiles (Cambodia, Laos, Myanmar, Vietnam), healthcare, manufacturing or services (Brunei and Singapore) as well as retail and food and beverage manufacturing and services.²⁸

We cannot afford to ignore the skills and innovation potentials as well as the perspectives of half the population²⁹ if we are to create a more prosperous, human-centric and well-governed technological future.

²⁵ Ibid.

²⁶ ASEAN Secretariat, *Projected Gender Impact of the ASEAN Economic Community*, ASEAN Secretariat, 2016.

²⁷ Obe, Mitsuru, “Bangladesh fights for the future of its garment industry”, *Nikkei Asian Review*, 4 November 2018, <https://asia.nikkei.com/Business/Business-trends/Bangladesh-fights-for-future-of-its-garment-industry>

²⁸ ASEAN Secretariat, *Projected Gender Impact of the ASEAN Economic Community*.

²⁹ WEF, *Global Gender Gap Report 2018*.

Political will

Another issue the region faces is that of insufficient political will to break barriers for gender equality, compounded by limited vision as to what needs to be done. Entrenched cultural views of women lag behind workplace realities. These are deep-rooted mindsets on the roles of men and women in the family and in society. Even if there is the political will to improve the role of women, it is often a case of wrong solutions for misidentified problems — a conundrum that leads to nowhere. A case in point is the role of women in the ASEAN Economic Community (AEC). It is generally understood that greater economic integration will benefit labour markets in the region. But the opportunities that come from greater economic integration are not necessarily shared equally between the male and female labour forces.³⁰ A study on the gender impact of the AEC states that the predominance of men in trade, investment and the skilled labour sectors — sectors where women are not well represented — “contribute[s] to the inability of women to fully benefit from the AEC”.³¹ The report concludes that the AEC will exacerbate existing inequalities in the absence of counteractive measures.

³⁰ ASEAN Secretariat, *Projected Gender Impact of the ASEAN Economic Community*.

³¹ *ibid*, v.

The Gender Bias — What It Means for Economic Security

Countries that are apathetic towards gender imbalances in employment simply fail to capitalise on the productive potential of female labour.

Realising a more equitable and efficient use of human capital is essential to sustain ASEAN's economic growth. Increasing women's participation in economies should be part of that plan. By not addressing the gender gap in the workforce, countries around the world stand to lose a potential boost to global employment by 18.9 million workers. The vast majority of these gains are said to be in emerging countries³² like those in Southeast Asia. An additional US\$4.5 trillion could be added annually to the total GDP of the Asia-Pacific region by 2025 just by accelerating progress towards gender equality.³³ Gender equality, then, is a business imperative. Research suggests that a work place that is gender-diverse tends to be more innovative and profitable.³⁴

There are two other reasons why we should strongly consider pushing for greater gender equality in the workplace.

Ageing populations

The demographic dividend that drove the region's strong economic growth from the 1990s is coming to an end.³⁵ A shrinking labour force and rising dependency ratios are of concern to policymakers in the ASEAN economies.

As people age, their involvement in the workforce is significantly reduced while their need for healthcare and personal services increases. This not only creates significant demand for particular services but, without a comparable replacement rate for workers leaving the workforce, productivity can drop, slowing economic growth. Concerted efforts are under way to address the issue of an ageing workforce in the region (for example, in Malaysia, Thailand and Vietnam) — efforts that include increasing the retirement age and

³² ILO, 2017. *World Employment Social Outlook*.

³³ McKinsey Global Institute, *The Power of Parity: Advancing Women's Equality in the Asia-Pacific*, McKinsey & Co., April 2018.

³⁴ Dodgson, Lindsay, "Diverse companies see higher profit and have better focus — Here's why". *Business Insider*, 10 March 2017, <https://www.businessinsider.com/benefits-of-diverse-companies-2017-3?IR=T>

³⁵ Nikkei Asian Review, *ASEAN economies ill-prepared for old age*, 9 January 2018 <https://asia.nikkei.com/Editor-s-Picks/FT-Confidential-Research/ASEAN-economies-ill-prepared-for-old-age>

incentives aimed at increasing fertility rates.³⁶

But ASEAN will require more aggressive policies to sustain its strong economic growth into the future. While wider use of foreign talent and automation are possible solutions, policymakers will have to be mindful of the potential pitfalls of solely depending on these strategies: The influx of foreign workers has to be carefully calibrated to avoid social discontent, while automation carries the risk of displacing workers.

Tax revenue and social safety measures

By not harnessing the full potential of the whole labour force, we are not only losing out in terms of having a more vibrant labour force but in fact will be limiting tax revenues and, consequently, public spending on social safety measures.

If enough women are lifted out of moderate or near poverty levels, they can be removed as beneficiaries of social spending, and that can allow for more targeted welfare measures. Also, having more people with spending power can invigorate the economy, creating a multiplier effect. This is in addition to improving the general welfare and well-being of women.

³⁶ Malaysia hopes to adopt ADAM50, a “baby bonus” scheme somewhat similar to that adopted by Singapore. Tan, Royce, Clarissa Chung, Zazali Musa and Logeishwary Thevadass, “ADAM50 Ensures Savings for Babies Born Jan 1 till 2022”, *The Star Online*, 2 January 2018, <https://www.thestar.com.my/news/nation/2018/01/02/investing-from-birth-a-boon-for-families-scheme-ensures-savings-for-babies-born-jan-1-till-2022>

Policy Recommendations

From a policy perspective, the immediate concerns should be to remove the constraints on women's opportunity to enter/re-enter the workforce and address the challenges women might face once in employment. The recommendations below aim to address these two concerns.

(i) Reduce gender gaps in education, especially at secondary and tertiary levels, using financial incentives

Many young women in the region start earning money at an early age to support their families. Early marriages, often rooted in inequality, and immediate loss of income from remaining in school account for girls dropping out early. One way to encourage the retention of female students is to create apprenticeship programmes³⁷ for girls in a wide range of sectors, *including and especially* in STEM jobs, to allow them training, an income and access to future employment where they can have a competitive edge.

Yet another effective strategy to reduce gender disparities in education is to offer cash payments to parents on the condition that they enrol and retain their daughters in school, from primary to secondary levels.

(ii) Remove stark barriers that constrain women's participation in the workforce by addressing both sectoral and occupational barriers in employment

Entry into STEM occupations should be made easier for women. This will require policies to target funding and promote opportunities and benefits to women in STEM jobs including advocating affirmative action, providing scholarships/financial assistance to deserving individuals and creating training programmes to bridge the gender divide in these sectors.

(iii) Create protective measures for women who are already at work to ensure they remain in employment

³⁷ This was suggested in the OECD/ASEAN report of 2017 cited above. Here I stress the need for the programmes to be focused on STEM jobs in particular.

The freeing up of women's time is vital in retaining them in the workforce. One way is to *heavily* subsidise quality childcare/pre-primary education. This provides an incentive for women to return to the workforce and is beneficial to the development of the child.

By legislating paternity leave and *strongly* encouraging men to take such leave without social or financial repercussions, governments can reduce the burden of care that women face in the family, allowing them to return to work.

Women should also have access to justice in a non-retaliatory environment to report discriminatory behaviour or practices against them. States, businesses and unions should work together to ensure just workplace practices and there should be strict and *enforceable* penalties for violations in codes of conduct.

(iv) Use the AEC platform to address female labour participation rates in the region, especially in actively promoting women's entry into integrated economies

The economies of ASEAN face dissimilar problems in harnessing their female labour forces. Significant progress can be achieved in overcoming these problems if a regional space is created for discussing issues of women and economic security, especially in the light of the cross-border implications of globalisation, digital technology and integrated economies. Such a space could mirror the regional forums that now look at the role of women in peace and reconciliation. The setting up of an AEC regional task force looking at increasing female workforce participation rates in the region is another possible strategy.

Evidence suggests that careful behavioural design can help employees overcome deep-seated, often unconscious, gender bias.³⁸ The sharing of best practices and expert knowledge regarding access to justice, codes of conduct and non-discriminatory business models at such a regional forum could serve to highlight just practices that encourage the development of the female labour force.

³⁸ OECD/ASEAN, *Strengthening Women's Entrepreneurship in ASEAN*.

Conclusion

ASEAN cannot move forward if women lag behind in the workforce. According to ILO statistics, 70 per cent of women globally, regardless of geography or nature of job, prefer to have some form of employment. That more than 50 per cent of women in the world are out of the workforce signals the existence of often insurmountable challenges that restrict their freedoms and limit their opportunities.³⁹

There are fundamental differences between men and women but these differences should not legitimise inequality. Bodily strength and physical abilities — something that would probably set men and women apart — did grant economic security and progress for societies at some point in human history. But societies have progressed well past that stage. The markets, economies and societies of today have evolved but they have not done so along gender lines or gender norms. The progress of societies and the global economy in the 21st century depends on creativity, innovation and intelligence. These are *not* gender-specific attributes. Diversity, in fact, is the key to greater innovation. As the region attempts to achieve economic security for all, it would be prudent to harness the creativity, innovation and intelligence of both men *and* women in order to maximise the productive potential of the full labour force.

³⁹ ILO, *World Employment Social Outlook*.

About the Author

Dr Tamara Nair is Research Fellow at the Centre for Non-Traditional Security Studies (NTS Centre) at the S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University (NTU), Singapore. She graduated from the National University of Singapore (NUS) with a Bachelor's Degree in Political Science and Geography and went on to train at the National Institute of Education (NIE). She obtained a Masters in Environmental Management, a Graduate Diploma in Arts Research and a PhD in Development Studies from the University of New South Wales in Sydney, Australia. She also possesses a Professional Certificate in Project Management from the Institute of Engineers, Singapore, and Temasek Polytechnic. She is the coordinator of NTS Centre publications and Research Integrity Officer for RSIS.

Dr Nair's current research focuses on issues of power and the biopolitics of labour and technology, movements of people in Southeast Asia, and the Women, Peace and Security (WPS) agenda in the region. She is the Singapore representative of the ASEAN Women for Peace Registry and authored the 2018 Human Rights and Peace Education Report for Singapore. She is also the NTU representative for the ASEAN University Network on Human Rights and Peace Education. She has published in development studies journals, writing on marginalised communities and sustainable development, issues of gender, and power and subject creation.

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The **Centre for Non-Traditional Security Studies (NTS Centre)** conducts research and produces policy-relevant analyses aimed at furthering awareness, and building the capacity to address NTS issues and challenges in the Asia Pacific region and beyond. The centre addresses knowledge gaps, facilitates discussions and analyses, engages policymakers and contributes to building institutional capacity in the following areas: Humanitarian Assistance and Disaster Relief; Climate Security; and Migration. The NTS Centre brings together myriad NTS stakeholders in regular workshops and roundtable discussions, as well as provides a networking platform for NTS research institutions in the Asia-Pacific through the NTS-Asia Consortium.

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The **S. Rajaratnam School of International Studies (RSIS)** is a think tank and professional graduate school of international affairs at the Nanyang Technological University, Singapore. An autonomous school, RSIS' mission is to be a leading research and graduate teaching institution in strategic and international affairs in the Asia Pacific. With the core functions of research, graduate education, and networking, it produces cutting- edge research on Asia Pacific Security, Multilateralism and Regionalism, Conflict Studies, Non-Traditional Security, Cybersecurity, Maritime Security, and Terrorism Studies.

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