



# **Projected Gender Impact of the ASEAN Economic Community**



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one identity  
one community





# Projected Gender Impact of the ASEAN Economic Community

The ASEAN Secretariat  
Jakarta



ASSOCIATION  
OF SOUTHEAST  
ASIAN NATIONS

The Association of Southeast Asian Nations (ASEAN) was established on 8 August 1967. The Member States of the Association are Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam.

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## ABOUT THE REPORT

This study seeks to better understand linkages between economic integration and gender disparities in the ASEAN region. It identifies the mechanisms through which ASEAN economic integration may create opportunities for accelerating gender equality and women's economic empowerment in the region. It also identifies challenges that may prevent women from taking advantage of these newly created opportunities. The study was jointly commissioned by the ASEAN Secretariat, the UN Women Regional Office for Asia, and the Pacific and the Friedrich-Ebert-Stiftung (FES), with support from the Australian Department for Foreign Affairs and Trade (DFAT). The lessons from this study will be of use to policy makers, trade negotiators, private stakeholders and the general public, at the national and regional levels. Recommendations are provided at the regional level to better integrate a gender inclusive approach in the ASEAN Economic Community (AEC) post-2015 and for Member States to address gender inequalities in key ASEAN priority sectors.

### Consultative Approach

To encapsulate the true linkages between trade, economic liberalization measures, and gender equity, the study has adopted a consultative approach. A cross section of relevant stakeholders across the ASEAN Member States have been consulted and their inputs have been carefully analyzed to generate the findings and recommendations of this research. Care has been taken to include stakeholders from government departments, ASEAN Committee on Women (ACWs) and ASEAN Commission on the Promotion and Protection of the Rights of Women and Children (ACWCs), representatives from non-government organizations (NGOs)/civil society organizations (CSOs), international development agencies, Asian Development Bank (ADB), World Bank gender/trade specialists in the region, private companies, producers/exporters/labor associations, local experts and other relevant stakeholders. Importantly, women workers (including migrant women workers), farmers, entrepreneurs and professionals have been consulted extensively across sectors.

### Analytical Framework

The analytical framework for this study is based on a large body of literature that establishes linkages between trade liberalization, economic policies, and gender equity. One of the expected benefits from trade and economic liberalization of a country or region is that it will open up the economy, lead to inflow of cash and revenue, and in general result in the development of the region. It is unlikely that the liberalization measures will have a homogenous impact on all ASEAN people, irrespective of class, gender, and race. Women may not be able to fully benefit from the economic opportunities created by the formation of ASEAN. Also, inequalities around women's access to resources and asset ownership compromise their potential gains from trade. Existing cultural norms that discriminate against women and social issues like Violence Against Women (VAW) and human trafficking, further distance them from economic opportunities. Therefore, while trade and economic integration policy may, by itself, be gender neutral, the impact of such policies on underlying gender relations is significant.

### Output and Dissemination

The report was shared with the ASEAN Secretariat, The UN Women Regional Office for the Asia and the Pacific, DFAT, and the Friedrich-Ebert-Stiftung Office for Regional Cooperation in Asia. The ASEAN Secretariat and UN Women shared the report with the ACW and ACWC representatives of the ASEAN Member States in September 2015. Upon their endorsement, the report will be presented at the ASEAN Council meeting in November 2015 and disseminated among all relevant stakeholders.

## ACKNOWLEDGEMENTS

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It is vision of the ASEAN Secretariat that has guided this report. The authors greatly appreciate the valuable inputs and feedback of Rodora Barbaran and Mega Irena in the various stages of the research project.

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Lastly, many thanks are due to the stakeholders, especially the ASEAN Committee on Women (ACW) and ASEAN Commission on the Promotion and Protection of the Rights of Women and Children (ACWC), who agreed to be a part of this study and shared their time and knowledge on the subject of the study. Most importantly, the authors owe considerable debt and gratitude to several women workers, farmers, professionals and entrepreneurs, who participated in this study and generously shared their experiences and insights.

## FOREWORD

The ASEAN Community established in 2015 hailed ASEAN as a Community of Opportunities. The community aims to inculcate a sense of identity and belonging among its peoples and bring new opportunities to the people of ASEAN and the broader global community, as it strengthens and escalates the movement of capital, goods, services, investments, as well as the mobility of labor across the region.

ASEAN, being committed to the promotion and protection of human rights, gender equality and reducing inequalities, calls upon its leaders and relevant sectors to look into ways by which the opportunities arising from deeper economic integration will be equitably shared among men and women. Ignorance of the rights, dignity and capabilities of women and failure to capitalize on the potential of women to improve human resource productivity would certainly be a missed opportunity.

The study attempts to assess the impact on women resulting from the expansion of regional trade and economic integration in the context of the ASEAN Economic Community (AEC), in particular, in the areas of trade, investment and skilled labour. The study employed a rigorous methodology and analysis of trade and labor market data relating to women's economic participation and conducted validations with relevant stakeholders. The study highlights that despite potential significant impact to women in terms of volume of jobs created, the AEC would contribute little in terms of changing the gender pattern of employment and wages. The above condition generally arises from the vast inequalities in women's labor force participation that inhibits the ability of women to take advantage of opportunities created by the AEC. Furthermore, the predominance of men in trade, investment and the skilled labour sectors contributes to the inability of women to fully benefit from the AEC. The study concludes that the AEC will exacerbate these existing inequalities in the absence of counteractive measures, and therefore recommends that there be targeted interventions to ensure the benefits from the AEC be equitably shared with women.

The study supports the need to probe more deeply into means by which women will benefit from the AEC. It also allows ASEAN to take a critical look at itself, with the aim of keeping true to its ideals and principles, in ensuring that ASEAN is addressing its own challenges objectively.

Acknowledgements are extended to UN Women and Friedrich-Ebert-Stiftung (FES), for their generous support as well as to the ASEAN Committee on Women (ACW) and the ASEAN Commission on the Promotion and Protection of the Rights of Women and Children (ACWC) for providing valuable contributions and collaborating for the study.



*Remedios I. Rikken*

**Remedios I. Rikken**

*Chairperson*

*Philippine Commission on Women*

## FOREWORD

With a joint population of 600 million and a 2.4 trillion dollar economy, the ten ASEAN Member States have come together as an economic bloc through the ASEAN Economic Community (AEC), a single market for goods, services, capital, and labor. With this integration, ASEAN is now the seventh largest economy globally. But how will the AEC benefit women in ASEAN countries?

The UN Women Regional Office for Asia and the Pacific and the Friedrich- Ebert-Stiftung (FES), in partnership with the ASEAN Secretariat, and with the support of the Australian Government, commissioned the study “Projected Gender Impact of the ASEAN Economic Community”. The study explores this question to better understand the promise of economic integration for advancing women’s contribution to and benefit from regional economic development.

The findings suggest that without targeted policy and programmatic interventions, it is likely that large sectors of women will be excluded from the direct benefits of the boost in trade, investment and skilled labor integration. Because of a gender segmented labor market, women simply do not predominate in the sectors where growth in trade and employment is projected. The persisting and major inequalities in women’s labor force participation and in the care economy will act as effective barriers to accessing the opportunities created by the AEC.

Using evidence from comprehensive macroeconomic analyses as well as focused case studies of women’s participation in select priority industries, the primary question being asked is, as ASEAN economies increase trade with each other following the launch of the AEC in October 2015, how will it affect women, their participation in the labor force, and their overall well-being? The research finds that liberalization measures will impact unevenly because of existing inequalities including based on income, gender, geography, or ethnicity. Also, inequalities around women’s access to resources and asset ownership will limit their potential gains from trade. Therefore, while trade and economic integration policy may, by itself, be gender neutral, the potential of such policies for women’s empowerment will not be realized without significant and corrective interventions.

This study, intended to inform policy-makers, private sector, civil society organizations, and the general public, was noted at the 27th ASEAN Summit.

It is the hope of the collaborating institutions that the findings and recommendations will contribute to a more inclusive economic integration.



A handwritten signature in black ink, appearing to read 'Julia Mueller'.

**Ms. Julia Mueller**

*Director*

**Friedrich-Ebert-Stiftung (FES)**

**Office for Regional Cooperation in Asia**



A handwritten signature in blue ink, appearing to read 'Roberta Clarke'.

**Roberta Clarke**

*Regional Director*

**UN Women Regional Office for Asia and the Pacific**

**and Representative to Thailand**

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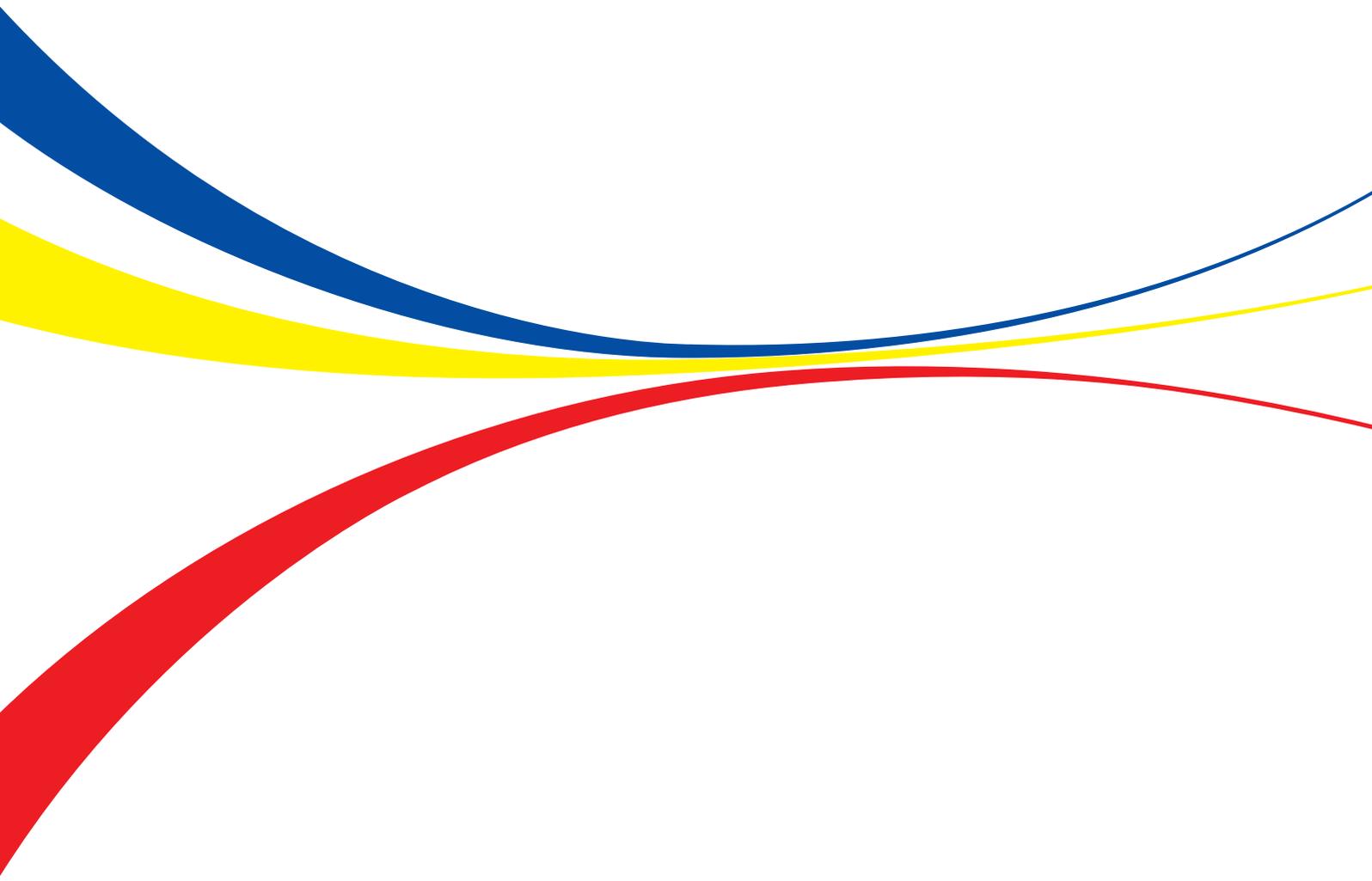
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## ACRONYMS

AC15	ASEAN Economic Community 2015
ACW	ASEAN Committee on Women
ACWC	ASEAN Commission on the Promotion and Protection of the Rights of Women and Children
ADB	Asian Development Bank
AEC	ASEAN Economic Community
APEC	Asia Pacific Economic Cooperation
APSC	ASEAN Political-Security Community
ASCC	ASEAN Socio-Cultural Community
ASEAN	Association of South East Asian Nations
ASEC	ASEAN Secretariat
CEDAW	Convention on the Elimination of all Forms of Discrimination Against Women
COMTRADE	Commodities Trade
CLMV	Cambodia, Lao PDR, Myanmar, Viet Nam
CSO	Civil Society Organization
ERIA	Economic Research Institute for ASEAN and East Asia
EU	European Union
FDI	Foreign Direct Investments
FES	Friedrich-Ebert-Stiftung
GB	Gender Budget
GDP	Gross Domestic Product
GII	Gender Inequality Index
GMAC	Garment Manufacturers Association of Cambodia
HDI	Human Development Index
HDR	Human Development Report
IAI	Initiative for ASEAN Integration
ILO	International Labour Organization
IMF	International Monetary Fund
Lao PDR	Lao People's Democratic Republic
LWU	Lao Women's Union
MERCOSUR	Mercado Común del Sur
MMR	Maternal Mortality Rate
MOLISA	Ministry of Labour, Invalids and Social Affairs
MSF	Ministry of Social and Family Development
NAFTA	North America Free Trade Agreement
NEDA	National Economic Development Agency
NGO	Non-governmental Organization
NSEDP	National Socio-Economic Development Plan
NSGE	National Policy Framework for Gender Equality
NTB	Non-Tariff Barriers

NTPGE	National Targeted Program on Gender Equality
OECD	Organization for Economic Cooperation and Development
OWAFD	Office of Women’s Affairs and Family Development
PIS	Priority Integration Sector
STEM	Science, Technology, Engineering and Mathematics
TVET	Technical Vocational Education and Training
UN CEDAW	United Nations Convention on Elimination of Violence Against Women
UNCTAD	United Nations Conference on Trade and Development
USD	United States Dollar
VAW	Violence against Women

# EXECUTIVE SUMMARY



## EXECUTIVE SUMMARY

The ASEAN region is one of the most economically dynamic regions in the world. The region has one of the world's highest foreign investment inflows – attracted by its workforce of 300 million, growing consumer markets, and expanding networks of infrastructure<sup>1</sup>. But despite economic growth and the reduction of poverty levels in the past two decades, ensuring that economic growth is inclusive remains a key challenge for most ASEAN Member States. The ASEAN Economic Community (AEC) is one of the three pillars of the ASEAN. It aims to "implement economic integration initiatives" in order to create a single market across ASEAN countries in 2015. The objective of this study is to understand the mechanisms through which emerging economic integration in the AEC will impact women's economic empowerment as well as identify opportunities and potential challenges.

The report examines how an expansion in regional trade and economic integration impacts women in the 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 the 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 increasing economic integration in the ASEAN region on its women?

Through a rigorous analysis of trade and labor market data relating to women's economic participation, the report concludes that the impact of the formation of the AEC on women in ASEAN is going to be significant in terms of volume of jobs 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 labor 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 labor 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 in 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.

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<sup>1</sup>ASEAN Statistical Database.

## Key findings

- **While overall trade is expanding both intra-ASEAN and extra-ASEAN, the value of women's share of exports has remained more or less constant.** 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 women's 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 highly skilled sectors (such as automotives and electronics) in ASEAN economies are increasing, whereas sectors where women dominate the workforce such agriculture and garments are relatively stagnant. Value-added agroproducts** show an upward swing, as do other commercial agriculture-based products such as rubber and wood. Non-Priority Integration Sectors (PIS) sectors such as financial services, 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),<sup>2</sup> whereas Thailand leads in primary sector exports (such as, rubber and agroproducts). However, across all sectors, women's economic roles are the ones that involve lower skills and on average, lower pay.** Thailand also has large shares in tourism, automotives, and healthcare – all manufacturing intensive, highly value-added sectors. Comparing women's share of employment in the region by sector, we find that it forms a very small percentage of total employment in the services or the manufacturing sectors.
- **Female labor force participation rates are 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 ASEAN Member States, women tend to predominantly find employment in low skill jobs. It is not surprising that there is a persistent gender wage gap. This is also true in high income countries,

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<sup>2</sup>E-ASEAN is a collective agreement signed among the ASEAN Member States to promote ICT in their countries and the region. The agreement commits ASEAN members to an implementation schedule to achieve digital readiness for the region in order to develop the basis for ASEAN's competitiveness into the future, better the lives of their citizens through the application of information and communication technologies, and foster the spirit of ASEAN community. The e-ASEAN agreements includes six core areas: electronic commerce, a common marketplace for ICT goods and services, human resource development, and e-governance.

such as, Singapore and Brunei Darussalam, where the majority of the clerical and elementary occupations are occupied by women. If women are not finding employment in highly skilled and highly paying jobs, then there is little scope for increasing their income.

- **Majority of women are employed in vulnerable sectors with limited access to benefits and social protection.** The study finds that women's share of vulnerable employment is higher than men in seven out of the eight countries. Women are more likely than men to be in vulnerable employment and are more likely to be an unpaid contributing family worker, which offers the least opportunities for decent work.
- **Gender gaps in education declined but education attainment for women continue to lag those of men.** Education attainment, especially higher education and skills 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.** Labor 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, that there are other important factors, which limit the employment of women in higher paying jobs.
- **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.
- **Limited effectiveness of gender mainstreaming.** 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 interdepartmental 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 separate ministries 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 policy making and coordination on women and gender equality concerns.

- ***Women are disadvantaged in acquiring land and assets by a lack of information and discriminatory laws.*** Laws governing property rights typically stem from the widely prevalent social bias that men are heads of the households with exclusive rights to control and manage all family property. While in most countries, women have equal rights in respect to other non-land assets, in practice women generally have less power to spending, employment, and family-related decisions than men.
- ***Women contribute substantially to economic welfare through large amounts of unpaid work, such as child-rearing and household tasks, which often remains unseen and unaccounted for in national income.*** 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 International Monetary Fund (IMF) and World Bank study highlighted the importance of strong child care systems. These studies found that effective child care systems are necessary prerequisites for economies to take full advantage of women's potential<sup>3</sup>. Absence of child care and high responsibility for unpaid domestic work also constrains women's participation in paid employment. 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.
- ***Lack of clarity in key labor laws relating to equal remuneration, discrimination and maternity benefits contributes to women's relative weaker position in the labor market.*** An examination of the labor 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; and more measures that encourages greater participation of fathers at home, such as, paternity leave, allowing women a greater opportunity to play a leading role in the emerging global labor market.

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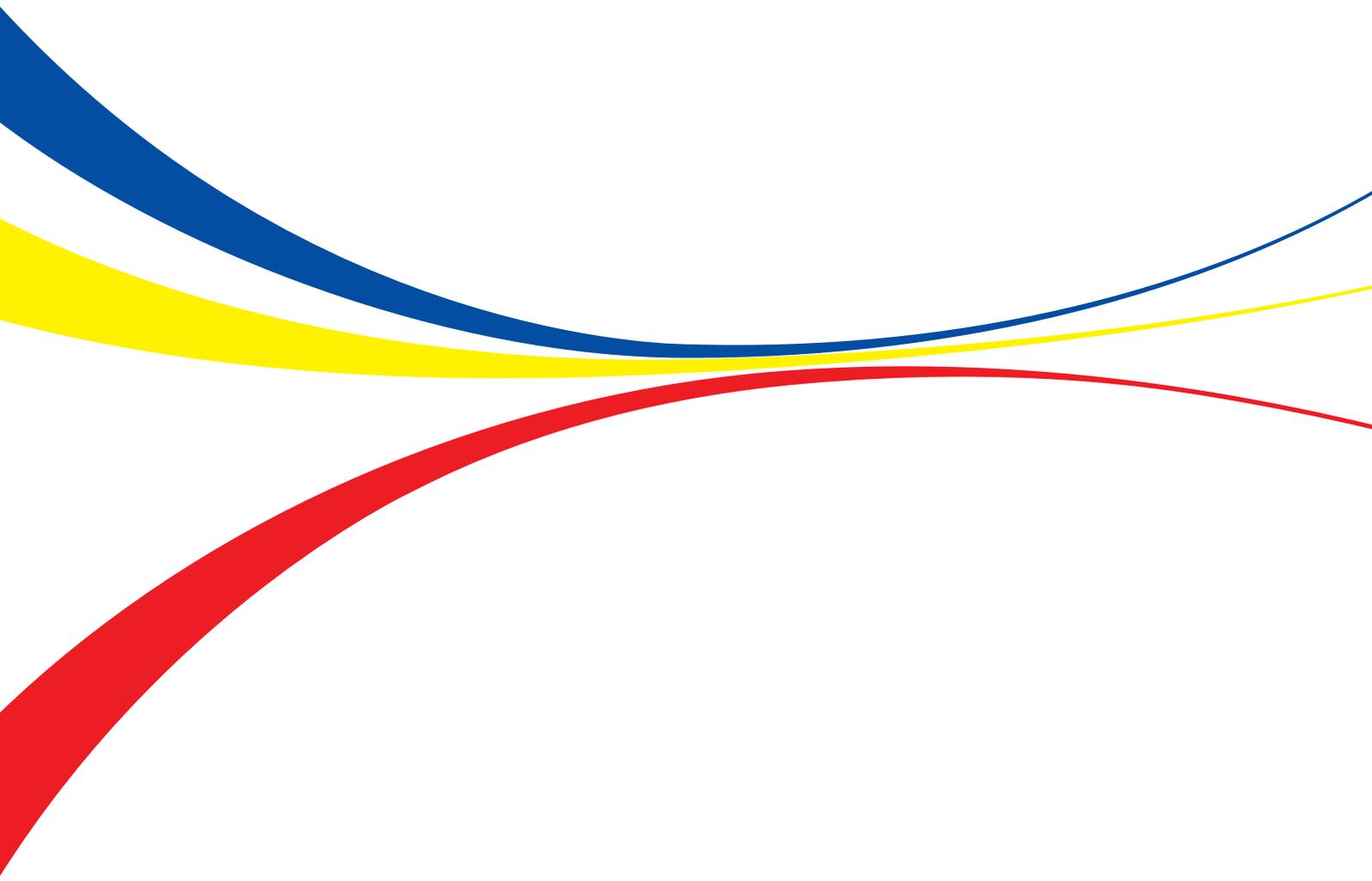
<sup>3</sup> IMF 2015.

## **Recommendations**

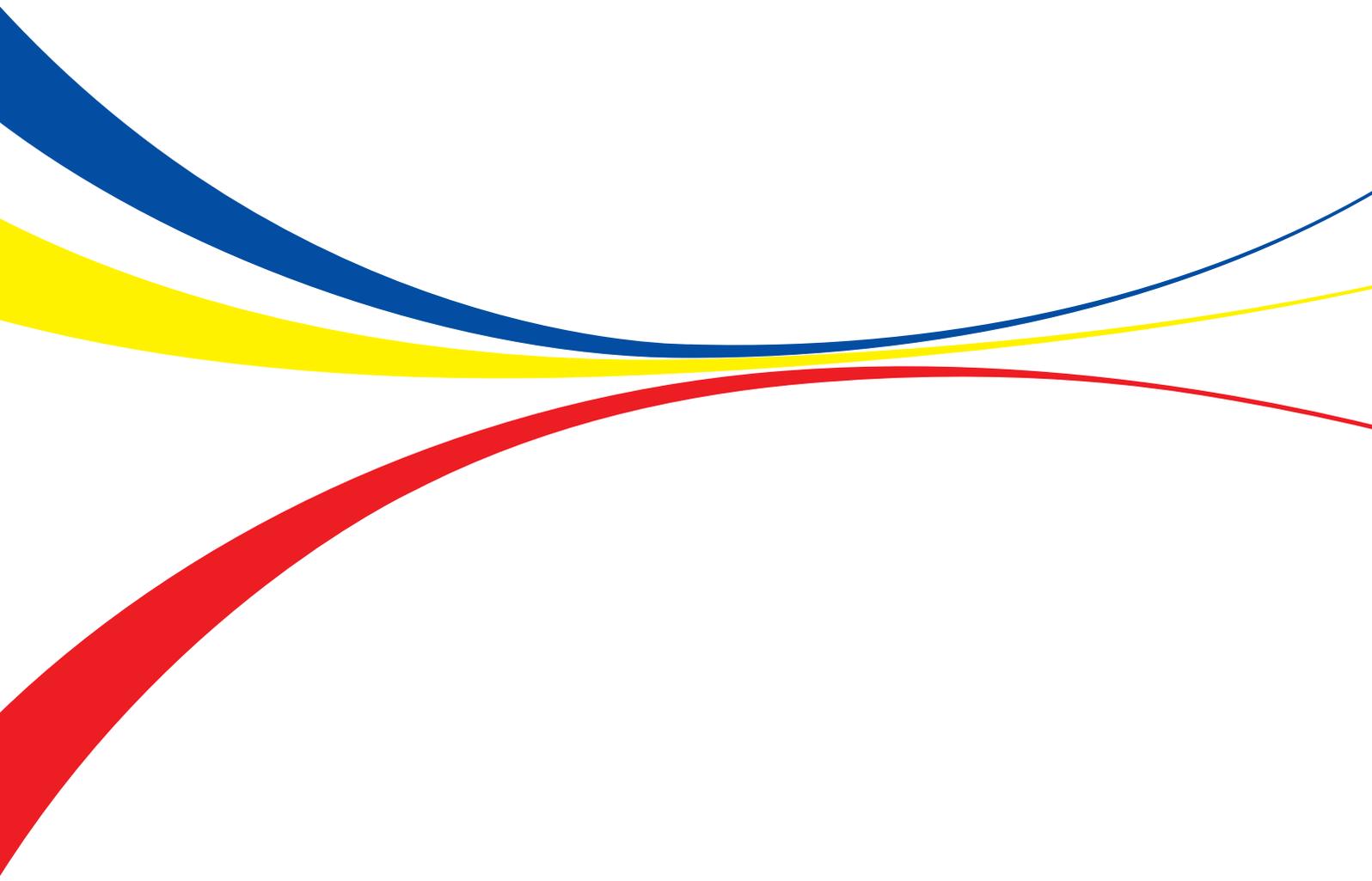
Targeted interventions are needed immediately to ensure that the benefits from the AEC or any other economic integration process are shared by women. Supply and demand side policy interventions are proposed to increase women's share in paid employment and in their wage levels. These include investments in women's technical training, fiscal incentives for firms to hire women, and greater monitoring of gender commitments at the regional and national levels. At the end of the day, nations and governments have to realize that investing in increasing women's share in regional and national as well as and national income is a win-win strategy for the society, economy, private businesses, and individuals.

### **Action Points for Creating a Gender Responsive AEC**

- **For a gender-responsive AEC**
  - **Post-2015 AEC monitoring should include gender indicators; and**
  - **Gender mainstreaming across AEC pillars and sectoral bodies.**
  
- **For increasing women's participation in trade-oriented sectors**
  - **Bridge the education and skills divide;**
  - **Improve access to finance for women entrepreneurs through subsidized loans and other financial incentives;**
  - **Remove gender biases in family benefit policies;**
  - **Reform the entire child care system and family support system to help working mothers and not penalize them for taking time off;**
  - **Address the persistent gender-based discrimination in national policies relating to occupational choices and asset ownership;**
  - **Remove labor market distortions caused by unclear labor laws and create a level playing field;**
  - **Provide fiscal incentives for companies to encourage women in senior management positions; and**
  - **Strictly enforce work place harassment laws.**



# CHAPTER 1 INTRODUCTION AND METHODOLOGY



## CHAPTER 1 INTRODUCTION AND METHODOLOGY

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<sup>4</sup>, and total factor productivity gains<sup>5</sup>.

Southeast 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<sup>6</sup>. 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)<sup>7</sup>. 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. This report presents a detailed gender assessment of the ASEAN Economic Community (AEC). Through a comprehensive analysis of trade patterns and women’s economic and labor market indicators, the study identifies the areas where national governments and the AEC have fallen short of realizing the full inclusion of women and girls in the trade integration process. It illustrates how and where immediate action can redress the imbalance.

The rest of the report is organized as follows. The remaining part of Chapter 1 provides a background of the ASEAN integration process, the rationale for conducting a gender assessment, and discusses the methodology and data used in this report. Chapter 2 analyzes the gender context in ASEAN and presents a policy review of gender mainstreaming policies in the ASEAN Member States. A detailed assessment of the gaps in women’s access and achievements across various socio-economic indicators is provided in Chapter 2. Chapter 3 presents a gender analysis of ASEAN regional trade. International trade trends within and outside the region are examined over time, and women’s share of exports is calculated to assess women’s current contribution to trade from this region.

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<sup>4</sup>Heintz 2006.

<sup>5</sup>Loko and Diouf 2009.

<sup>6</sup>IMF 2014.

<sup>7</sup>ADB 2014.

Chapter 4 provides a gender analysis of key ASEAN priority sectors using a combination of secondary and primary data. The chapter tries to tease out the impact of macroeconomic policies on women workers and farmers in the ASEAN priority sectors. Finally, Chapter 5 provides the conclusions of the study and proposes ways forward for the AEC post-2015 process. Recommendations are also provided for Member States to promote women's participation – quantitative and qualitative – in ASEAN priority sectors.

## 1.1 ASEAN Economic Community: a snapshot

Regional integration efforts in 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)<sup>8</sup>. The ASEAN Member States eventually increased in number to ten<sup>9</sup> 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 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 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 Member States of 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<sup>10</sup>. Figure 1 provides an overview of the core elements of the four integration areas. Promotion of exports in eleven priority areas and free movement of skilled labor in eight professional categories are key elements of creating a single market and production base<sup>11</sup>. 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.

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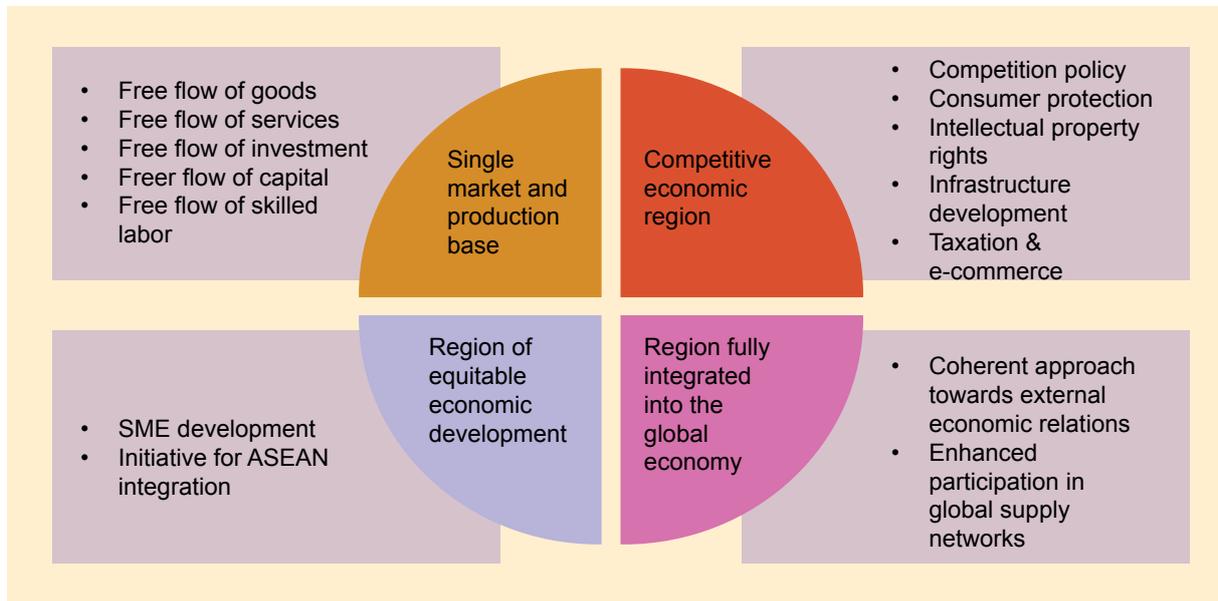
<sup>8</sup> ASEAN Overview: [www.asean.org](http://www.asean.org)

<sup>9</sup> Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Viet Nam.

<sup>10</sup> AEC Blueprint 2007.

<sup>11</sup> The eight mutual recognition agreements on professional services are: Architecture, Accountancy, Dentistry, Engineering, Tourism, Land Surveying, Medical Services, and Nursing Services.

Figure 1. Four pillars of the ASEAN Economic Community.



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<sup>12</sup>. The Enhanced Framework of the 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 end-2015 more than 85 per cent of the targets towards the establishment of the economic community would be met<sup>13</sup>.

The AEC is expected to have far-reaching economic consequences, by significantly promoting intra-ASEAN trade and investment, and strengthening the global importance of ASEAN as an economic block. According to an International Labour Organization (ILO) estimate, the total welfare gain from AEC is likely to be USD 267 billion<sup>14</sup>. However, many argue<sup>15</sup> that the true measure of ASEAN integration success 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 34 indicators that track the progress towards the AEC track social and gender access and impact or the progress the Member States are making towards reducing the development gap within countries or in the region<sup>16</sup>.

<sup>12</sup> ADB: Asian Economic Integration Monitor – March 2013. (Manila, 2013).

<sup>13</sup> KPMG June 2014.

<sup>14</sup> Plummer, Petri and Zhai, 2014.

<sup>15</sup> References.

<sup>16</sup> Annex 2 presents the list of indicators included in the ASEAN Scorecard.

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 pillars are often missed. Given the impact of economic policies on access to resources and capabilities across different social groups, it is important to examine how much of progress towards the ASEAN community has included marginalized groups and where are the current gaps.

The focus of this study is 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 deadline for the implementation of the AEC is rapidly approaching at the end of 2015. However, the AEC is viewed as a process not an event. The study hopes to inform the Post-2015 ASEAN Agenda so that gender gaps and imbalances are addressed going forward.

## **1.2 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<sup>17</sup>. 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 labor abundant economies but decrease in skilled labor abundant economies. Trade liberalization policies are expected to reduce wage inequality in developing countries and negatively affect the wage structure of developed countries. However, numerous studies have presented results that are contrary to this conventional wisdom. 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 for trade and inequality. One of the most common populist views of international economic integration is that it leads to a growing inequality between

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<sup>17</sup> Harrison et al. (2012).

nations – that is, globalization and trade liberalization causes divergence between 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 labor-market frictions<sup>18</sup>. For intra-country inequality, it can be summarized that trade creates winners and losers in the economy in the short run. There is also a 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 these 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.

United Nations Conference on Trade and Development (UNCTAD 2010) reviews a number of empirical studies to present the common themes in the impact of trade liberalization on women:

- a. Increased trade flows usually bring about increased employment opportunities for women in export-oriented manufacturing sectors;
- b. 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;
- c. The effect of trade liberalization on the gender wage gap varies with the competitiveness of the industry and between countries; and
- d. Increased competition in accessing resources, especially land, often threatens the livelihood of women entrepreneurs in societies that are opening to foreign trade.

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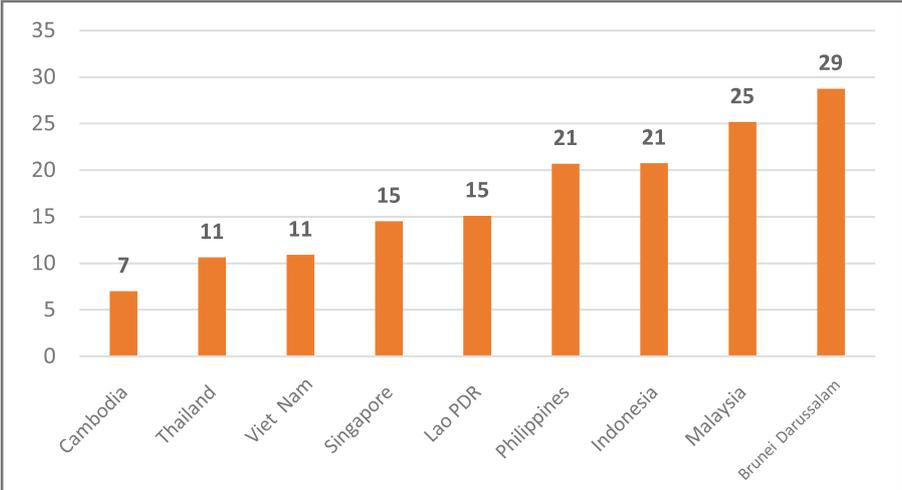
<sup>18</sup> Ibid.

As a result, while trade policy may by itself be gender neutral, the impact of trade policy on underlying gender relations is significant<sup>19</sup>. 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.

- **Economic cost of gender inequality**

While men and women are affected differently by trade policies, gender inequalities, in turn, impact trade policy outcomes and economic growth. A recent study by IMF concludes that gender inequality creates an average income loss of 17.5 per cent in the long run for developing countries and 14 per cent for OECD countries<sup>20</sup>. Figure 2 shows the long run income loss due to gender gaps in the entrepreneurship and labor markets for nine ASEAN Member States.

Figure 2. GDP losses due to economic gender gaps in ASEAN Member States (percentage of GDP)



Source: Estimates by Cuberes and Teignier (2014). Losses are estimated for a particular year for each country and can thus be interpreted as a one-off increase in GDP if gender gaps were to be removed

<sup>19</sup> Randriamaro 2006 IDS Paper.  
<sup>20</sup> Teignier 2015

One fundamental way in which gender equality can have a sustained positive impact on economic growth and competitiveness is through greater accumulation of human capital of women and girls – a crucial factor for the development of the national productive capacity. Recent evidence on the links between girls’ improved education and economic growth has shown that enhanced gender equality increases the level of investments in a country<sup>21</sup>. A more productive workforce, through greater gender equality in employment and education, increases the rates of return on investments and attracts more investors<sup>22</sup>.

There is conclusive evidence that economic development and social equality tend to go together<sup>23</sup>. Studies on the determinants of economic growth suggest that societies where income inequality and gender discrimination are lower tend to grow faster. There seems to be a strong correlation between gender equality (measured by economic participation, education, health, and political empowerment), competitiveness, and GDP per capita.<sup>24</sup>

### 1.3 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:

- 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 regional trade and examine their relative welfare gains;
- To conduct a gender analysis of trade in export intensive sectors; and
- To recommend actions for the ASCC Blueprint and the 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 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 in a number of export sectors. Women migrant workers – internal and foreign migrant workers – form a large chunk of workers in many export industries. However, the complexity of the migration issue necessitates a standalone research project. Earlier this year (2015), ILO and the Asian Development Bank (ADB) prepared a comprehensive report that examined the labor market and migration impact of the AEC.

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<sup>21</sup> IMF 2014

<sup>22</sup> UN IAWGE 2011

<sup>23</sup> ECLAC notes that “In the long term there is a virtuous circle between the narrowing of social divides, the closing of productivity gaps and more dynamic and sustained growth. There is conclusive evidence that economic development and social equality tend to go together. It suffices to contrast the distribution of income and other assets in poorer and less poor societies.” Source: ECLAC (2010). Time for Equality: Closing Gaps, Opening Trails, [http://www.eclac.cl/publicaciones/xml/1/39711/100604\\_2010\\_115\\_33\\_3\\_time\\_for\\_equality\\_doc\\_completo.pdf](http://www.eclac.cl/publicaciones/xml/1/39711/100604_2010_115_33_3_time_for_equality_doc_completo.pdf)

<sup>24</sup> World Economic Forum, The Global Gender Gap Report, 2010, <http://www.weforum.org/pdf/gendergap/report2010.pdf>

The macroeconomic policy analysis in this report will provide the necessary mapping to undertake a study on women migrant workers in Southeast Asian countries which was not explicitly covered in the ILO and ADB reports.

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.

## 1.4 Methodology

The key research questions being addressed 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's participation, employment, and quality of work in the ASEAN Member States and regional trade? (regional analysis)
3. What is the pattern of women's 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 countries 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?

Annex 3. Presents the detailed research matrix outlining the list of primary questions, sub-questions, type of analysis and data sources. Specific methodology to address each question is discussed below.

- ***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 examine 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 labor force data at the country level, and qualitative (secondary and primary) information on existing policy frameworks, and 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 be most impacted by the AEC and to identify the impact of increased economic liberalization on women employed in 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 preidentified by ASEAN.
- Second, the report includes an analysis of country specific sectors that are the most export intensive sectors 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 labor market by the ILO (2015). There are a couple of reasons for making this selection. One, most of the sectors identified by the ILO study overlap with the priority sectors selected by ASEAN (refer to Table 1). Two, these sectors were identified by ILO as having the most significant labor market impact in the ASEAN Community 2015 (AC15) – including male and female workers.

Table 1. Selected priority development sectors

ASEAN Priority Sectors		Country level priority sectors (based on ILO)	
All ASEAN	Agro-based products	<b>Cambodia</b>	Agriculture
	Air travel		Garments and textiles
	Automotives		
	E-ASEAN	<b>Indonesia</b>	Agriculture
	Electronics		Food and beverages
	Fisheries		
	Healthcare	<b>Lao PDR</b>	Agriculture
	Rubber-based products		Tourism and hospitality
	Textiles and apparel	<b>Malaysia</b>	Oil and gas
	Tourism		Financial services
	Wood-based products	<b>Myanmar</b>	Agriculture
			Forestry
		<b>Philippines</b>	Agroindustry
	<b>Viet Nam</b>		Agriculture
		<b>Thailand</b>	Garments and textiles
	Agriculture		
	<b>Brunei Darussalam</b>	Tourism and hospitality	
		Petroleum	
	<b>Singapore</b>	Social services (education and health)	
		Financial services	

The first step of conducting the analysis in this section is to obtain regional trends of trade in the priority sectors. Using industry level data from the UN COMTRADE database; ASEAN Trade Statistics on export, import, output, employment, labor 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 subquestions 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 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 occupational capacities, education and skill levels, and to examine how women business owners and entrepreneurs, workers and farmers are impacted by regional integration. Descriptive analysis of sex-disaggregated business ownership data by sector, skills, and education, and illustrative case studies will be used to answer these questions.

## **1.5 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 – at 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.

Priority sectors at the country level and across all ASEAN Member States is provided in Table 1 above. Trade data per sector was obtained from UN and ASEAN trade databases (UNCTAD Comtrade, the UNSD Service Trade database, and the ASEAN trade database). Data per sector on female labor force participation rate, employment, and wage is available from a combination of ILOstat and where data from ILO is missing, supplemented using ASEAN and national data sources. Data on trade and female labor force participation was merged to obtain the female intensity of exports (Box 1). A detailed note on secondary data sources, imputation, list of indicators, and their unit of measurement is provided in Annex 4.

**Box 1. Female Intensity of Exports**

This report uses a metric called the female intensity of exports to measure women’s share of total exports in a country. In its simplest form, the basic trade equation is as follows:

$$X = f(K, L)$$

Where X = exports; K = capital intensity of exports; and L = labor intensity of exports; i = industry. Assuming that labor intensity can be further classified into male and female intensity, we achieve the following,

$$X = f(K, ML, FL)$$

To empirically measure the above equation, we can use the following regression specification:

$$Xi = \alpha + \beta1 Ki + \beta2 MLi + \beta3 FLi + \mu i$$

Where Xi = value of total export for industry i  
 Ki = value of capital investment for industry i  
 MLi = value of men’s wages or value of male share of export at industry i  
 FLi = value of women’s wages or value of female share of export for industry  
 μ = error term

The male / female share share of export is obtained by:

$$FLi = FLFP \text{ rates for industry } i * \text{total value of export for industry } i$$

Using the above, we can obtain the value of female / male intensity of exports to provide an estimate of the female share of the total value of exports. We call this term the female intensity of exports. Like all other variables in this report, ISIC 2 digit FLFP data was used. For industries where the FLFP was missing, we either imputed the missing value using mean-based interpolation or regression-based extrapolation.

A caveat regarding this metric is that the female intensity of exports measure is based on the assumption that female labor force participation is the same across sectors and can be directly applied to get the monetary equivalent of the female labor involved. While we accept that the measure of female intensity may not be exact, the purpose of computing this measure is to show the proportionate share of female labor compared to their male counterparts. The metric has been previously used in report conducted ADB (2014) and is based on a metric by Fontana (2012) to calculate female share of manufacturing.

- **Primary data**

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

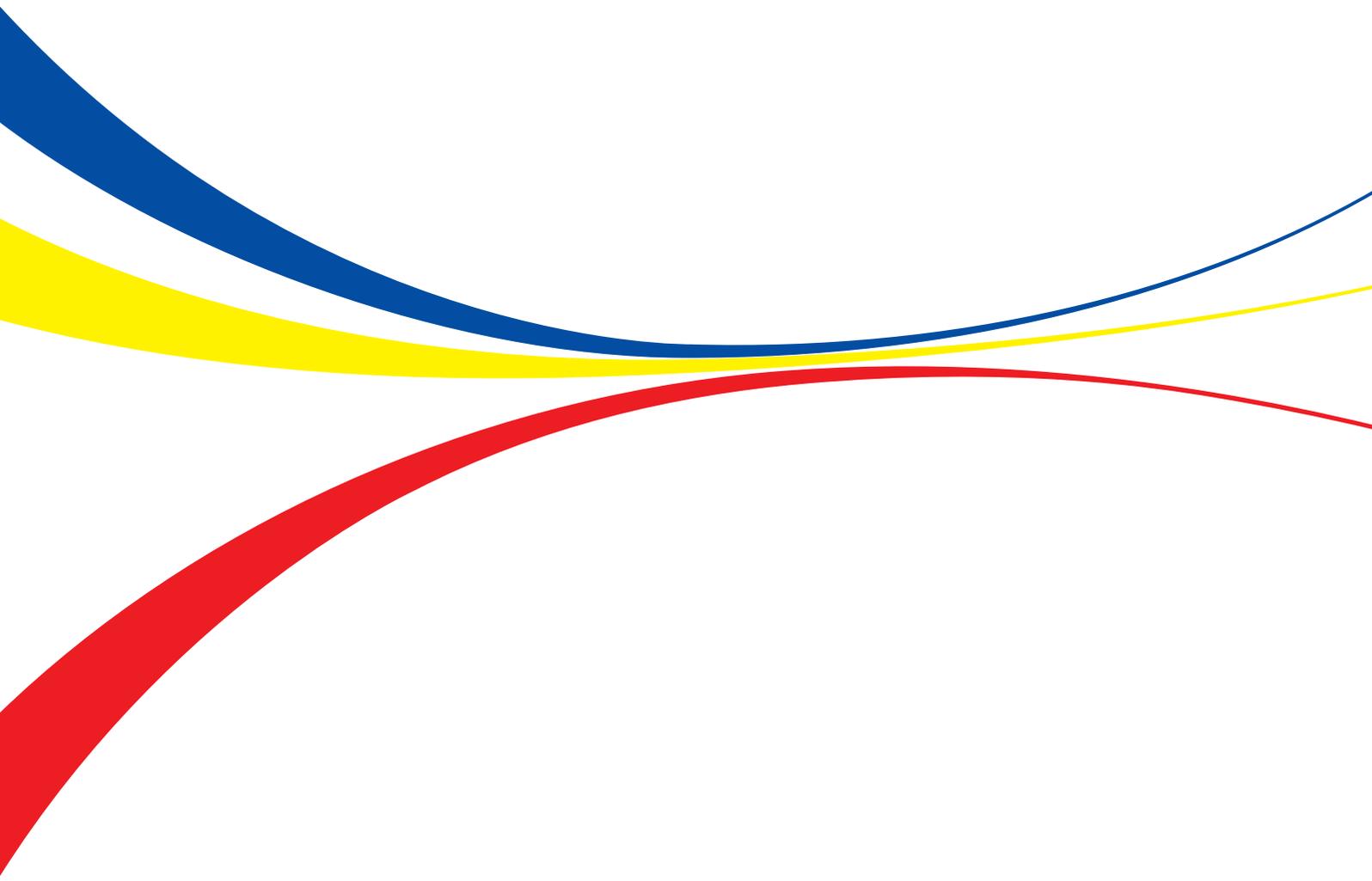
- Agriculture
- Tourism
- Garments
- Financial services
- Oil and gas

A variety of stakeholders were consulted during the country consultations. A stakeholder mapping was conducted prior to the field visits resulting 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. The dates for country consultations and the list of stakeholders for primary data collection is shared in Annex 5. In total, 325 interviews were conducted of which 120 were surveys and the rest were in-depth interviews conducted in-person or via Skype.

# **CHAPTER 2 MAPPING THE GENDER LANDSCAPE IN ASEAN: CHALLENGES, LAWS, AND POLICIES**



## CHAPTER 2 MAPPING THE GENDER LANDSCAPE IN ASEAN: CHALLENGES, LAWS, AND POLICIES

The ASEAN region has witnessed decades of high export-led growth and increasing volumes of foreign direct investment. But how much have women in the ASEAN region benefited from this export-led growth? This chapter presents a detailed analysis of women's economic participation in ASEAN and identifies the main gaps in women's economic participation in the labor market and as entrepreneurs. An analysis of women's economic participation must also take into account constraints arising from informal beliefs and norms, and formal regulations and laws.<sup>25</sup> To address these issues, the chapter provides an analysis of national policies and laws undertaken to promote gender equality – especially women's participation in the economic sectors.

Discriminating social norms and more formal regulations and laws mean that labor markets and the public sphere generally are not gender neutral. Gender stereotyping of jobs creates barriers to women's entry, resulting in occupational and horizontal segregation by sex. Discrimination in regulations prohibit women from certain jobs; standards relating to childbearing and rearing may create disincentives to hire women; and businesswomen are constrained, relative to men, in terms of access to credit, networking, and interaction with other businesses and government officials.

Finally, access to paid work does not necessarily result in women having control over their earned income. Women's control over their own earnings is influenced by education, marital status, age, household composition, debt, and social and cultural characteristics<sup>26</sup>.

This chapter provides an overview of women's economic participation outcomes in the labor market and as entrepreneurs. It identifies constraints that women workers face in equal access to well-paying jobs, social protection benefits and employment, and challenges faced by women business owners in accessing finance and starting a business. Finally, a critical assessment is provided of national development policies and the extent to which gender has been successfully mainstreamed in macroeconomic policies. The chapter also provides a mapping of key gender responsive legal and policy initiatives that affect women's participation in the workforce.

### 2.1 Economic Growth in ASEAN

By most economic measures, the ASEAN region is an economic powerhouse. The combined GDP of the region was 2.4 trillion USD in 2011, making it the seventh largest economy in the world. Labor-force expansion and productivity improvements drive GDP growth—and the

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<sup>25</sup> See Kabeer (2008).

<sup>26</sup> See Kabeer (2012). For empirical examples, see Dasgupta (2002).

countries ASEAN are making impressive strides in both areas. Perhaps most important, almost 60 per cent of total growth since 1990 has come from sectors, such as, manufacturing, retail, telecommunications, and transportation. With a population of nearly 600 million, ASEAN has the third-largest labor force in the world, behind China and India.

Income growth has remained strong since 2000, with average annual real gains of more than five per cent. Some member nations have grown at a torrid pace: Viet Nam, for example, took just 11 years (from 1995 to 2006) to double its per capita GDP from USD 1,300 to USD 2,600. Extreme poverty is rapidly receding. In 2000, 14 per cent of the region's population was below the international poverty line of USD 1.25 a day (calculated in Purchasing Power Parity terms), but by 2013, that share had fallen to just three per cent.

Trade from the ASEAN is expanding at a rapid pace, with different countries specializing in different commodities. Singapore has the largest exports of all the countries in the region, followed by Thailand and Malaysia. Lao PDR and Cambodia are most dependent on the ASEAN for their trade revenue.

Table 2. Economic development indicators for ASEAN Member States

Country	Population		Land Square Kms	GDP			Trade		Share of ASEAN Trade Intra-ASEAN Share to Total (%)	FDI Inflows 2013
	Male (2013)	Female (2013)		In Current Prices (million current USD) 2012	Per capita in current prices (million current USD) 2012	Growth rate (at constant 2005 prices) (%) 2012	Total Exports (million US\$) 2013	Total Imports (million US\$) 2013		
Brunei Darussalam	211635	206149	5765	16954	41126.6	1	11448	3612	24.6	908.4
Cambodia	7385676	7749493	181035	14038	944.4	7.3	9300	13000	44.5	1274.9
Indonesia	125700600	124165031	1910931	878043	3556.8	6.2	183344	187274	25	18443.8
Lao PDR	3369672	3400055	236800	9100	1369.3	7.9	2264	3020	62.2	426.7
Malaysia	14422290	15294675	330803	304726	10421.6	5.6	228276	206014	27.7	12297.4
Myanmar	25850302	27408716	676578	59444	1125.9	6.3	11233	12043	40.1	2620.9
Philippines	49288247	49105327	300000	250182	2587	6.8	56698	65097	21.1	3859.8
Singapore	2664637	2734563	716	276520	52141.5	1.3	410250	373016	26.6	60644.9
Thailand	32817163	34193339	513120	385694	5775.2	6.4	228530	250723	20.2	12999.8
Viet Nam	44330853	45378047	330957	155820	1716.2	5.3	132033	132033	17.1	8900

Source: Population: <http://countryeconomy.com/demography/>  
Land, GDP: UN Data.  
Trade: WTO.  
Share of ASEAN Trade: IMF Directory of Trade Statistics.  
FDI Inflows: ASEAN Stats.

Consistent with this growth, foreign direct investment in ASEAN has boomed. In fact, the ASEAN-5 (Indonesia, Malaysia, the Philippines, Singapore, and Thailand) attracted more foreign direct investment than China (USD 128 billion versus USD 117 billion) in 2013<sup>27</sup>. The ASEAN Member States have a shared focus on jobs and prosperity despite their distinct cultures and histories.

Maintaining the current trajectory will require enormous investment in infrastructure and human capital development—a challenge for any emerging region but a necessary step toward ASEAN’s goal of becoming globally competitive in a wide range of industries. The AEC offers an opportunity to create a seamless regional market and production base. The ASEAN community also offers an opportunity for reducing the inequalities in access, human capital, and economic outcomes between men and women.

## **2.2 Status of Women in ASEAN: a snapshot**

Gender gaps in women’s economic participation and outcomes are explored in this section, including gaps in employment, decent work, and social protection. Overall, the population of women is higher than men in most ASEAN Member States, and only marginally lower in Brunei Darussalam and the Philippines. Indonesia is the largest and most densely populated country in the region, and Singapore and Brunei Darussalam has the smallest surface areas. The status of women’s participation in the economic sectors is relatively less impressive.

There is significant variation across ASEAN Member States when comparing across global gender indexes. Among the ASEAN Member States, Singapore had the lowest Gender Inequality Index (GII)<sup>28</sup> in 2014, suggesting least disparity between genders. Most disparities exist in Lao PDR, Cambodia, and Indonesia, in that order. There is also a trend that the Human Development Index (HDI) of men is relatively higher than women in all ASEAN Member States. Thailand and Philippines have the highest female-to-male ratio of HDI as opposed to Lao PDR, which has the lowest female-to-male ratio of HDI. This is correlated with the presence of highest gender inequality in Lao PDR on the indicators used to construct the gender disaggregated HDI.

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<sup>27</sup> McKinsey 2014.

<sup>28</sup> The GII is designed to reveal the extent which national achievements in the following three dimensions of human development are eroded by gender inequality: reproductive health, empowerment, and the labor market.

Table 3. Gender indexes across ASEAN Member States

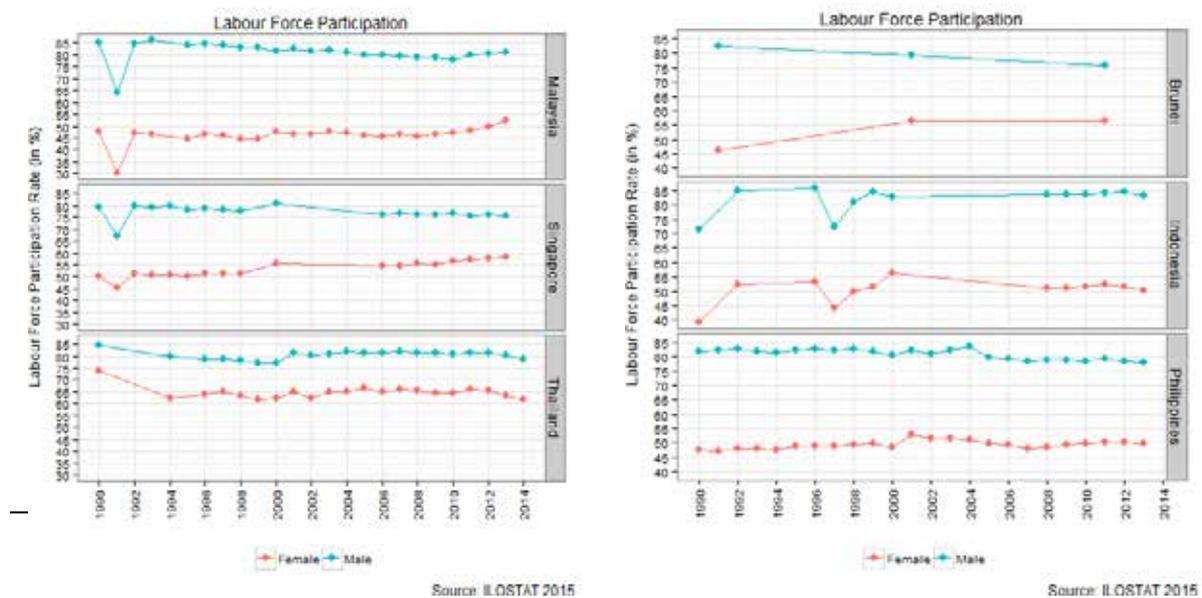
Country	GII (2014)	HDI Female 2014	HDI Male 2014	Gender-related development index: female to male ratio of HDI 2014
Brunei Darussalam	-	0.839	0.856	0.981
Cambodia	0.505	0.533	0.587	0.909
Indonesia	0.5	0.654	0.709	0.923
Lao PDR	0.534	0.537	0.599	0.897
Malaysia	0.21	0.743	0.794	0.935
Myanmar	0.43	-	-	-
Philippines	0.406	0.652	0.659	0.989
Singapore	0.09	0.878	0.908	0.967
Thailand	0.364	0.718	0.725	0.99
Viet Nam	0.322	-	-	-

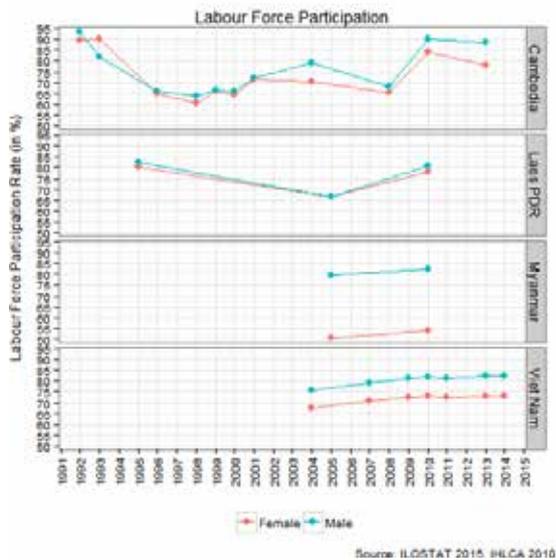
Although women’s economic participation in ASEAN countries has expanded, this has not uniformly translated into reductions in gender gaps in labor market outcomes, including employment, wages, decent work, and social protection.

- **Labor force participation gap**

With respect to women’s economic profile in the region, we find the highest female labor force participation in Myanmar, Cambodia, and Lao PDR and the least in Malaysia, the Philippines, and Indonesia. Correspondingly, women’s unemployment rates are the highest in these countries. Figure 3 shows the labor force participation gap over a 25-year time period (1990 – 2014).

Figure 3. Labor force participation rate, women and men, 1990 - 2014





The most common feature in all figures is the persisting gender inequality in labor force participation across all ASEAN Member States. The gender gap in labor force participation is narrowest for Lao PDR (approximately three per cent) and widest for Indonesia (33 per cent). The average gender gap in the labor force participation rate across all ASEAN Member States is 19 per cent. In Singapore and Brunei Darussalam, the gap in labor force participation appears to be narrowing marginally but still remains significant at 17.3 per cent and 20 per cent respectively<sup>29</sup>.

In Viet Nam, Malaysia, Thailand, and the Philippines, the male and female labor force participation rate has remained more or less parallel showing persistent gaps in their participation. In Indonesia, the gap appears to have widened over time starting in early 2000s.

The persisting long-term gender gap in labor force participation in the ASEAN Member States is reflective of inadequate and unequal access by women to the economic opportunities presented in the region. Unequal labor force participation generally reflects inadequate paid employment opportunities for women and work conditions that are favorable to women's employment. Together these give rise to a gap in labor force participation between men and women. Women's labor force participation rates also depends on cultural expectations about women's mobility and the presence or absence of substitutes for women's work.

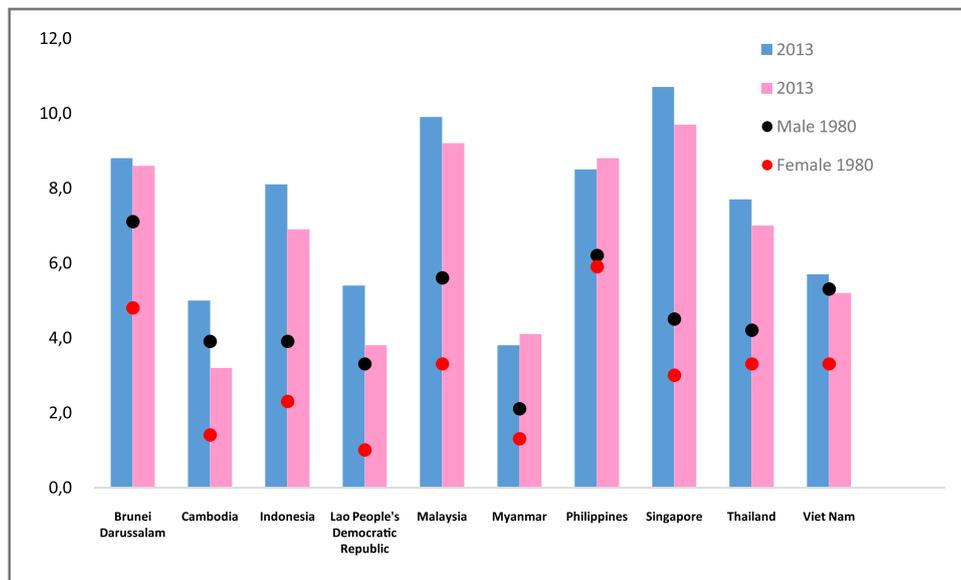
### **Education attainment gap**

One of the main reasons for low female labor participation rates is the low levels of developed human capital among women, and/or gender segregation in the types of training and education available to women. Quantitative differences between men and women in literacy and years of schooling are pronounced in many ASEAN Member States. Figure 4 - mean years of school<sup>30</sup> shows significant variation between men and women in education attainment as estimated by the UNDP Human Development Report.

<sup>29</sup> Singapore data is based on Singapore Ministry of Manpower 2014 Report on Labour Force in Singapore.

<sup>30</sup> Source: Barro and Lee (2013), UNESCO Institute for Statistics (2013b), and HDRO estimates based on data on educational attainment from UNESCO Institute for Statistics (2013b) and on methodology from Barro and Lee (2013).

Figure 4. Mean years of school (in years) male and female (1990 & 2013)



Comparing the mean years of schooling in 1980 to the mean years of schooling in 2013, there is marked improvements for both boys and girls. Singapore shows the highest increase in mean years of schooling for girls from an average years of schooling of 3 years for girls, the mean years of schooling for girls went up to 6.7 years in 2013. Similar increases in years of schooling is observed in Malaysia and Indonesia. Viet Nam and Cambodia showed the lowest increase in the mean years of schooling for both girls and boys.

Despite, significant progress in over 1980 levels, the education attainment remains quite low in ASEAN Member States as a whole, relatively lower for females. In Indonesia, Malaysia, Singapore, Thailand, and Viet Nam the difference in the mean years of schooling between male and female (aged 25 years and below) is one year, whereas in Lao PDR and Cambodia the difference is two years. The means of schooling for girls and boys is approximately equal in Myanmar, the Philippines, and Brunei Darussalam. The average mean years of schooling for men in the ASEAN Member States is 7.4, lower than the world average of 8.4 years. While the average mean years of schooling for females in the ASEAN is 6.7 years (in 2013), significantly lower than the world average of 7.6 years.

The education attainment data for MDG3 indicators provides a breakdown of girls to boys with primary, secondary, and tertiary education levels. Comparing the ratio of educational attainment with the previous figure, we find that the increase in education levels in Singapore has translated in more skilled girls with nearly 110 girls per 100 boys enrolled in tertiary education and above.

In the case of Malaysia, however, the increase in mean of years schooling, is mostly up to the secondary school level. There is very poor educational attainment of girls above secondary school level. Only 10 girls per 100 boys attain tertiary education and above. On the other hand, Brunei Darussalam and Myanmar have increased educational attainment for females uniformly at levels and females exceed the attainment in tertiary level. Educational attainment for females is lower than males at the tertiary level in Cambodia, Lao PDR, and the Philippines. In Viet Nam while the mean years of schooling is quite low, there are more females attaining tertiary level education.

Figure 5. Ratio of girls to boys in primary, secondary, and tertiary education (1990 & 2010)

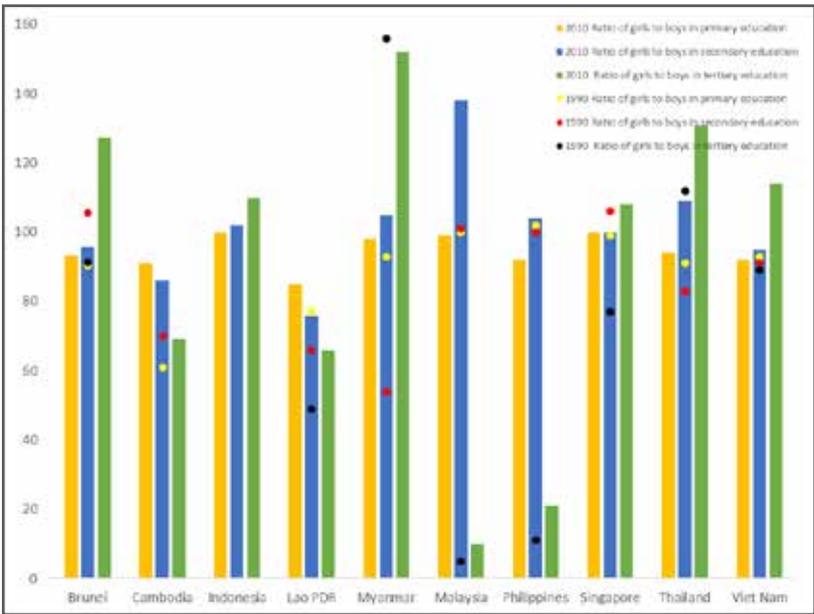
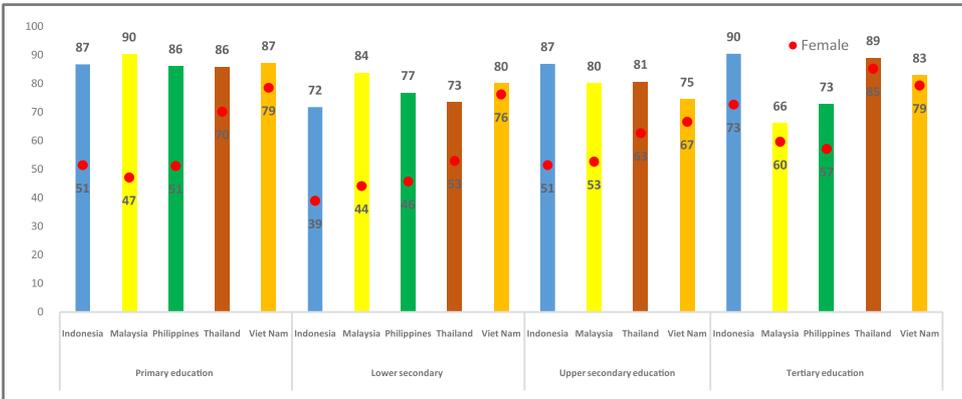


Figure 6. Relationship between level of educational attainment and labor force participation rates percentage



Source: ILOStat. Data refers to the most recent year available between 2012-2013.

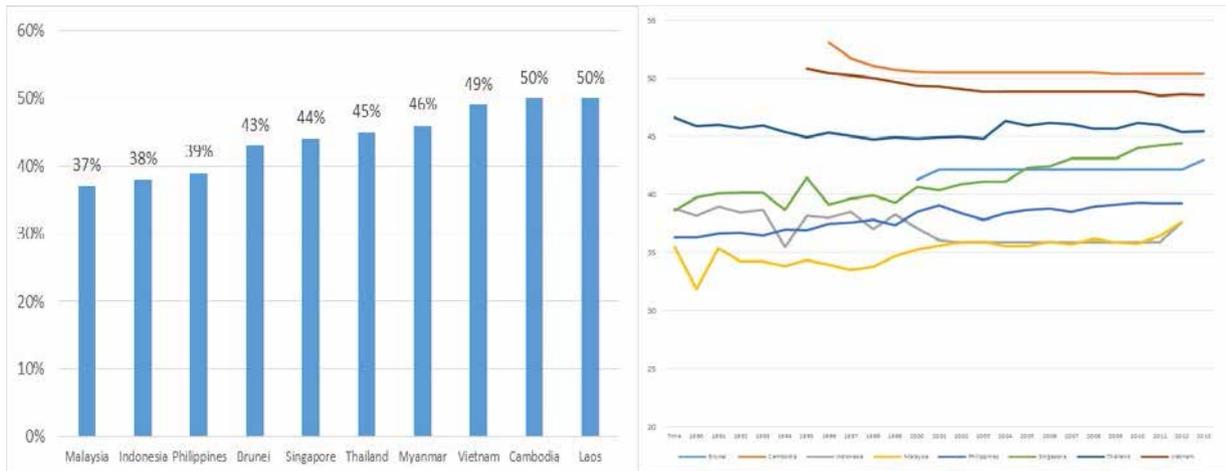
Linking educational attainment data to the data on female labor force participation (Figure 6), we find that in almost all countries, higher education attainment is positively associated with higher labor force participation for both men and women. In Indonesia, 51 per cent of women with primary education participate in the labor force compared to 90 per cent of women with tertiary education. Similar in Malaysia, the percentage of highly educated women entering the labor market goes from 47 to 60 per cent and 51 to 57 per cent for the Philippines and from 70 to 85 per cent for Thailand. Not surprisingly, in Viet Nam, the labor force participation is fairly constant across education levels since the overall labor force participation rate is fairly constant over the years.

The positive relationship between educational attainment and labor force participation has implication for expectations regarding the skill level of their occupation. In countries where there is higher mean of years among women, the expectation would be that more women will be employed in higher skilled jobs, and vice versa. By extension, women in Lao PDR and Cambodia are likely to be working in low skilled jobs since their mean years of schooling and tertiary education attainment is quite low. Whereas in Singapore, Thailand, Viet Nam, and Brunei Darussalam, more women are achieving higher levels of education therefore the expectation would be find gender parity in women's employment in skilled jobs. The female labor force participation rate in Myanmar is more or less constant at approximately 50 per cent indicating that the high tertiary level education attainment by women does not translate into more paid employment among women. This is also true for a number of other countries including Singapore, Thailand, Indonesia, Brunei Darussalam and Viet Nam. Female labor force participation rate in Malaysia remains at a frustratingly constant level - this, combined with very low tertiary education levels for women indicates serious challenges with women's participation in the skilled work force.

### ***Employment gap***

Employment rates, calculated as the number of employed people divided by the number of people in the eligible population (15 years old and older), are lower for women than for men in the ASEAN. Figure 7 shows the female share of employment defined as the share of women in employment as a percentage of both sexes. Overall, we find that female share of total employment is equal for Viet Nam, Cambodia, and Lao PDR but the female share of employment declined over time in Viet Nam and Cambodia. In the rest of the countries, the female share of total employment has increased over time or remained more or less constant (Thailand). In Singapore, the female share of employment increased from 39 to 44 per cent from 1990 to 2013.

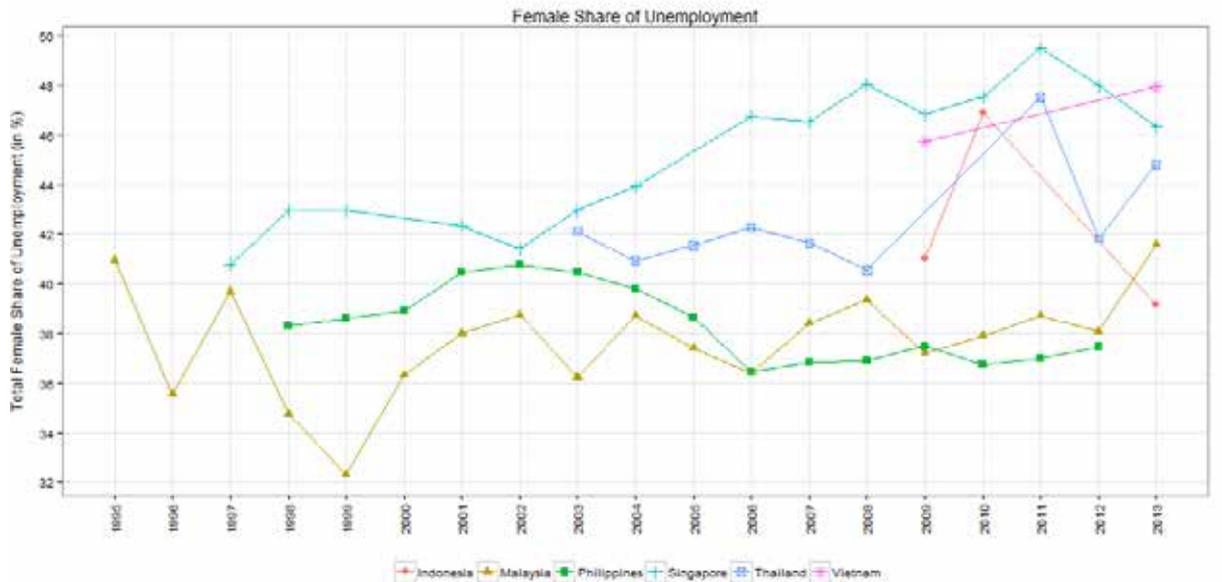
Figure 7. Female share of employment (in percentage), latest year and 1990 - 2013



Source: ILOStat; Data for Myanmar is from IHLCA (2010).

In 2013, the female share of total employment is lowest for Malaysia (37 per cent), followed by Indonesia (38 per cent) and the Philippines (39 per cent). Combined with low labor force participation rates this not surprising trend, though with relatively high education attainment among women, it leads to the conclusion that there are other barriers to women’s economic participation – other than education.

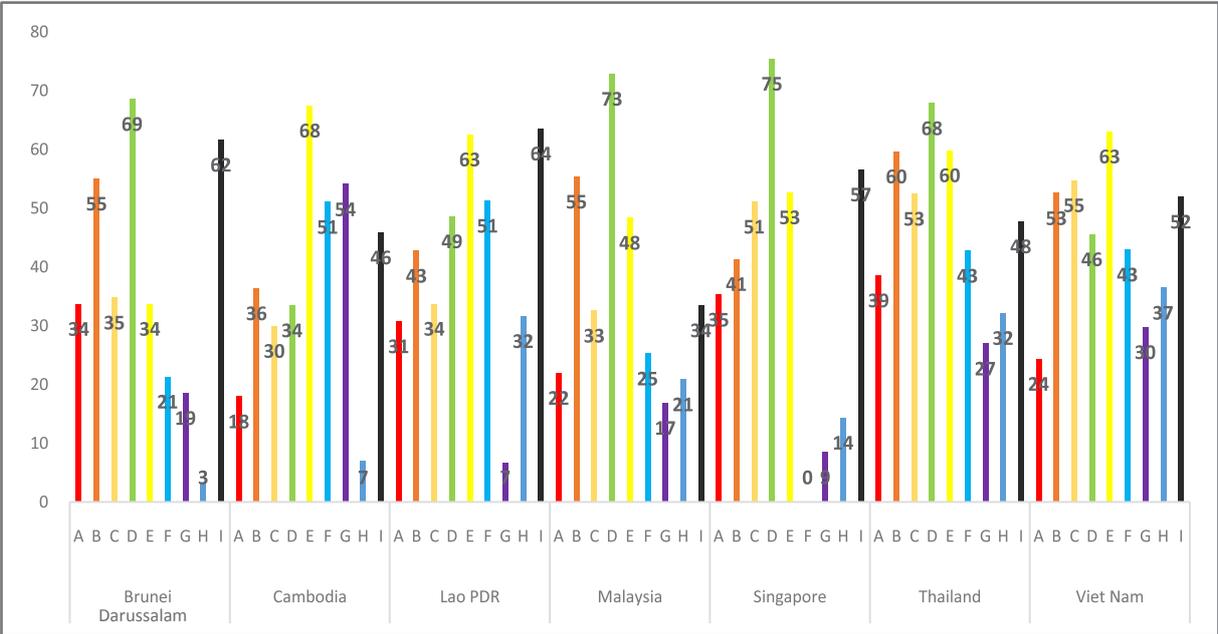
Figure 8. Female share of unemployment (in percentage), latest year and 1990 - 2013



Source: ILOSTAT 2015

Correspondingly, time trends of women’s unemployment rates show that unemployment among women is highest in Singapore and shows an increasing trend. Again, with Singapore’s relatively low female labor force participation rate, this is not surprising. However, the extremely high educational attainment in Singapore does create a puzzle – what explains the unemployment rate in this country? A breakdown of female unemployment by education level shows that the while unemployment rate shows an overall upward trend, it is highest among the highly educated women. Female share of unemployment is more or less constant in Malaysia and the Philippines. Annex 6 provides the figures for female share of unemployment by education levels for Indonesia, Malaysia, the Philippines, Thailand, Singapore, and Viet Nam.

Figure 9. Female share of economic occupations



Source: ILOStat; Singapore data is based on Ministry of Manpower’s Statistics, 2014; where A is Legislators, Managers and Senior Officials; B is Professionals; C is Technicians and associate professionals; D is Clerical support workers; E is Service and sales workers; F is Skilled agricultural, forestry and fishery workers; G is Craft and related trades workers ; H is Plant and machine operator; and assemblers; and I is Elementary occupations.

Figure 9 shows the distribution of employment by the main economic occupations in the ASEAN Member States. The figure shows that the women tend to dominate professions requiring low skills such as clerical jobs, sales workers, and other elementary occupations. As a share, the highest percentage of women in clerical positions are in Singapore where 75 per

cent of clerical jobs are performed by women. Women form a large majority of clerical jobs in Malaysia, Thailand, and Brunei Darussalam as well. Women are visible as sales workers in Cambodia, Lao PDR, Viet Nam, and Thailand, and in elementary occupations in Brunei Darussalam, Lao PDR, and Singapore. Women in senior managerial positions range from an abysmal 18 per cent in Cambodia to 39 per cent in Thailand. Skilled agriculture and craft are also unpopular occupations for women. Women tend to do relatively well in reaching the mid-professional level (ranging from 36 to 60 per cent). Overall, based on these statistics, one can conclude that the glass ceiling for women in senior management roles is still very much intact in the ASEAN Member States.

### **Share of migrant women workers**

It is important to note that formal and informal migrant workers form a large share of workers in ASEAN countries. Given the informal nature of migrant employment in a number of countries, it is difficult to obtain data on percentage of migrants employed by each country. However, we see that ASEAN Member States are home to a large number of immigrants. The largest absolute number of migrants are found in Malaysia, Singapore, and Thailand – attracted by the higher wages and higher demand for foreign workers in these three countries (as a result of demographics and labor market shortage). Women migrants form the largest share of migrants in Singapore, Cambodia, and the Philippines.

Figure 10. Migrant population figures, most recent year available

	Immigrant (in '000s)	Female as a share of immigrants (%)	Top three source countries
<b>Cambodia</b>	335.8	51.7	Viet Nam, Thailand, China
<b>Indonesia</b>	122.9	44.5	China, UK
<b>Lao PDR</b>	18.9	48	Vietnam, China, Thailand
<b>Malaysia</b>	2,357.60	45.2	Indonesia, Philippines, China
<b>Myanmar</b>	88.7	48.7	China, India, Pakistan
<b>Philippines</b>	435.4	51.1	US, China, UK
<b>Singapore</b>	1,966.90	56	Malaysia, China, India
<b>Thailand</b>	1,157.30	48.4	China, Myanmar, Lao PDR
<b>Viet Nam</b>	69.3	36.6	NA

Source: ILO estimates, 2014.

### ***Decent work gap***

Decent work, as defined by the ILO, “involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all men and women” (ILO, Decent Work). Decent work requires consideration not only of levels of remuneration but also of rights at work; security in work; conditions of work; organization, representation, and voice; and patterns of equality and inclusion (Rodgers 2008, 66). Women are often subject to vulnerabilities through working in jobs that have “decent work deficits.” Women are likely to be engaged in vulnerable employment (defined as own-account work and unpaid contributing family work) that is characterized by “low productivity (return for labor), drudgery (in terms of working hours and working conditions), lack of access to social protection and basic workers’ rights”<sup>31</sup>. The sections below examines two aspects of decent work conditions among women workers in the ASEAN – gender wage gap and women’s share of vulnerable employment.

The gender wage gap refers to the difference between the average wage for men and the average wage for women, expressed as a percentage of the average wage for men. In analyzing gender wage gaps, three main issues need to be taken into account. First, wages are reported only for employees and do not include information about income generated from own-account work. Thus, for countries, such as, Cambodia with a high share of vulnerable employment, the gender wage gap refers only to a small share of all workers. Second, the gender wage gap typically is reported without adjusting for human capital differences between women and men (calculated, by proxy, as formal education and years of labor market experience). Finally, employee wages are reported only for a specific period of time, such as, a day, a week, or a month, and therefore generally do not reflect gender differences in work over a longer period of time, such as, a year. Women may have lower quantities of time in paid work due to domestic and family care constraints and/or employers’ discriminatory hiring decisions, and preference to hire men for full-time/full-year jobs. Thus, over a longer time period, the gender annual earnings gap will be larger than the gender hourly wage gap.

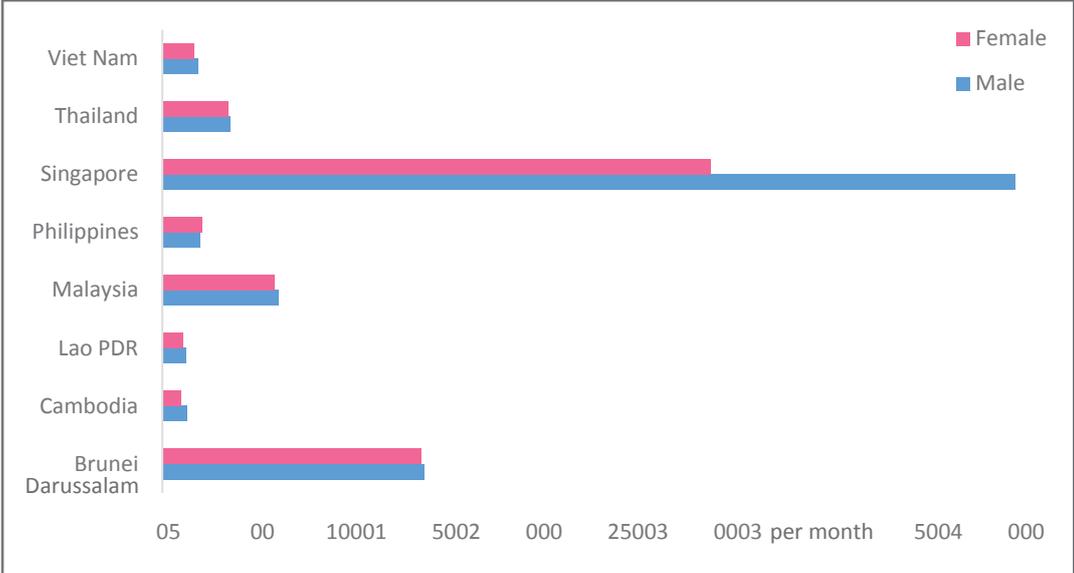
Eight of the ten ASEAN Member States now set minimum wages (Myanmar recently set the minimum wage as USD 67 per month). The minimum wage rates differ substantially, both between and within countries, as well as between sexes. The lowest minimum wage used to be in Lao PDR USD at 78 per month but with the lowest minimum wage has now been set for

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<sup>31</sup> ILO 2012.

Myanmar at USD 67 per month. The highest minimum wage exists in Malaysia (USD 275). Singapore and Brunei Darussalam do not have any statutory minimum wages, although Brunei Darussalam recently set the minimum wages for migrant Filipino workers at USD 400 per month. Figure 11 below shows the difference between the average monthly wages by sex for the most recent year available in USD.

Figure 11. Average monthly wages by sex, most recent year available (in USD)<sup>32</sup>



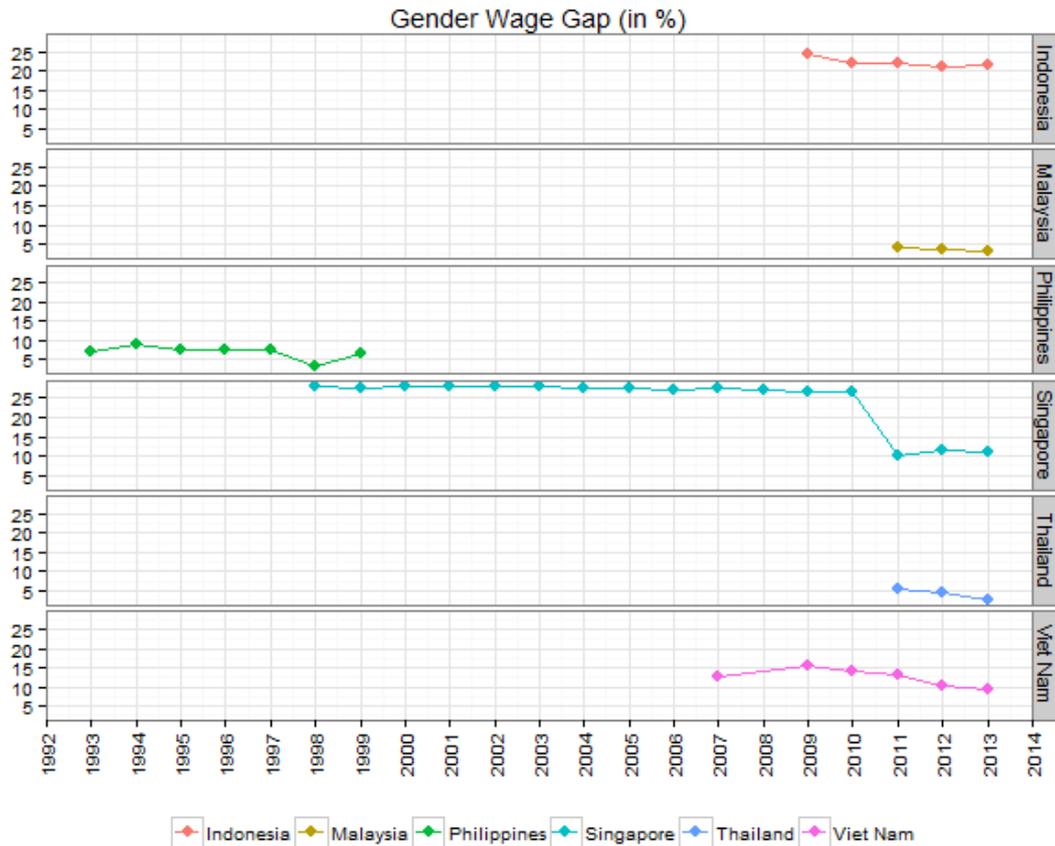
Source: ILO LaborStat.

The largest difference between male and female average monthly wage exists in Singapore, followed by Cambodia and Viet Nam. The gender wage gap has also persisted over time. Figure 12 shows the gender wage gap for six ASEAN Member States. In addition, ILO sources provide the gender wage gap for Lao PDR as 15 per cent (in 2010); Brunei Darussalam as one per cent (in 2014) and 27 per cent in Cambodia (in 2009)<sup>33</sup>. Gender wage gaps over time in ASEAN Member States ranges from a high of 12.1 per cent in Singapore in 2014 to one per cent in Brunei Darussalam in 2014.

<sup>32</sup> It should be noted that the mean as a measure of gender gap may be negatively biased due to the presence of outliers. For example, in the case of Singapore, the gender wage gap in 2012 was 11.2 per cent when we consider median instead of mean. However, due to the unavailability of median wages from other countries and for the purpose of regional reporting, the average (mean) wage rate has been used. (as reported by ILO).

<sup>33</sup> Lao PDR LFS (2010); Cambodia: ILO Decent Work Profile, 2012; and Brunei Darussalam LFS (2014; forthcoming).

Figure 12. Gender wage gaps (ratio of average women's wages per month to men's wage. 1999-2014)



Source: ILOSTAT 2015

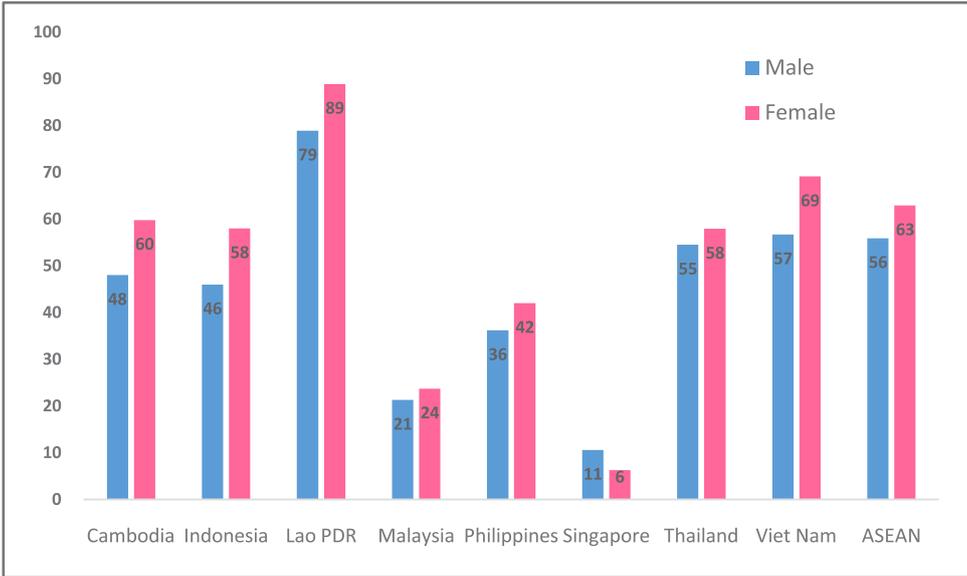
One possible explanation for the relatively large gender wage gap in a number of countries is that a large number of women are wage workers (contractual) and are more affected by minimum wage laws. Most of the job growth for women in the region has taken place in sectors that is dominated by wage work (such as garments and agriculture), where compliance with minimum wage legislation has been a challenge.

With relatively low education levels, limited access to economic opportunities and socio-cultural norms and culture, women are more likely to hold lower-quality employment or vulnerable employment (own-account work and as unpaid contributing family member)<sup>34</sup>. These types of jobs typically offer fewer opportunities for decent work and social protection. According to the ILO (2012), own-account workers are less likely to contribute to pension plans and other social insurance programs, and workplaces are less likely to be regulated by health and safety standards or regulations on working conditions.

<sup>34</sup> ADB & ILO 2012.

Such types of jobs are referred to as vulnerable employment. Although some own-account workers may be able to attain high productivity, high and stable incomes, voices through networks, and the ability to purchase social security, the majority of own-account workers experience low productivity, low and unstable demand for their products and services, and few opportunities for decent work (Chen, Vanek, and Carr 2004).

Figure 13. Share of vulnerable population (female and male in percentage)



Source: ILOStat, latest year available between 2005-2013.

According to the most recent ILO data, 58.8 per cent of ASEAN workers were in vulnerable employment, compared to 48 per cent of the world’s workers. Figure 13 shows that the female share of vulnerable employment is higher than men in seven out of the eight countries for which data is available. Women not only are more likely than men to be in vulnerable employment but also are more likely to be an unpaid contributing family worker, which offers the least opportunities for decent work. Vulnerable employment in ASEAN may be explained by difficulties in transitioning from informal to formal employment. Low quality employment is linked to low earnings; hence, a considerable number of workers still earn too little to escape poverty.

Despite increases in women’s labor force participation rates and human capital, women’s share of vulnerable employment has increased indicating that, without good policies and special measures to close gender gaps, gender equality in the labor market and decent work conditions for women workers will persist.

There are multiple layers of gender gaps in the labor market in the ASEAN and this needs concerted efforts from all countries at the national level and at the regional level. While national policies have addressed many issues, their implementation remains weak (this is discussed in the next section). Whereas the regional collective efforts do not address gender gaps and remain quite gender blind. Gender issues remain confined to VAW and trafficking without taking into account the massive gender gaps in women’s employment, skills and quality of jobs.

Unfortunately, a number of the labor market agreements undertaken by ASEAN including the *Bandar Seri Begawan Declaration on Youth Entrepreneurship and Employment, the Declaration on the Protection and Promotion of the Rights of Migrant Workers, and the Statement on Human Resources and Skills Development for Economic Recovery and Sustainable Growth* do not adequately address the gender gaps between men and women workers, or recommend any special provisions for bridging the gender gaps (See Annex 7 for a detailed discussion). Promoting gender equality in labor market access and quality of employments requires gender responsive national policies and enhancing gender responsiveness of regional cooperation efforts in labor markets.

**Gender gaps in entrepreneurship and access to finance**

Besides women workers in the agricultural and non-agricultural sectors, women play a major economic role as business owners and entrepreneurs, especially at the micro and small enterprise levels. Even to the novice eye, a glance through any ASEAN country reveals the presence (and in some cases, dominance) of women as micro and small entrepreneurs and

**Box 2. Overcoming traditional gender roles in agroproducts exports**

retailers. Women vendors, selling local food and beverages, local produce, handicrafts, spa and salon services, and knick-knacks through the marketplace in most ASEAN countries. The region is abuzz with women owning and managing many small and medium businesses that drive some of the biggest growth sectors.

*Overcoming traditional gender roles in agroproduct exports.*



Kim Sreyroth is a successful business woman and agroproduct exporter based in Phnom Penh, Cambodia. She handles business development and operations for a leading rice and food processing company in Cambodia. She attributes her position in senior management to the fact that it is a family-owned business; and that the overall socio-economic environment in Cambodia may not be most nurturing for the development of women’s agency and initiative. The increase in Southeast Asian trade has tremendously benefited Kim’s business. She has had the opportunity to travel to several countries to promote her business and interact with businessmen from other ASEAN countries. Kim acknowledges that significant cultural barriers in women’s confidence, mobility, social expectations, male attitudes and family responsibilities, come in the way of women’s growth up the value chains.

While women in the commercial space are aplenty, the reason for their presence in such large numbers is reflective of deeper socio-economic barriers. Women face difficulties in accessing credit, formal markets, and new technologies allowing them to rise above the micro and small scales. Interviews with women stakeholders shows that in many cases running micro and small scale informal businesses is a preferred option to supplement family income for women. This is because informal work allows women flexibility – something which is not easily available to them in the formal sector. There are a smaller proportion of inspiring women running large corporations and businesses across different sectors in the region. (Several of these examples are discussed in Chapter 4 under relevant sectors.) However, generally speaking, women owners of medium and large scale businesses are a very small percentage. Even in instances where women participate in business, their participation is reflective of gender stereotypes and roles since women businesses tend to dominate certain industries such as catering, tailoring, the beauty industry and food processing<sup>35</sup>. Women led businesses in the export sector are few and far between.

Table 4 shows the share of women business owners for selected ASEAN Member States for which gender disaggregated data is available. In the Philippines and Viet Nam, women participation in ownership is relatively high at 66 per cent and 56 per cent respectively. Malaysia has the smallest share of businesses with women owners. Women business owners form a small percentage in Lao PDR and Myanmar.

Table 4. Women in business and the private sector

Country	Firms with female participation in ownership (%)		Firms with a female top manager (%)		Female permanent full-time workers (%)		Female permanent full-time production workers (%)		Female permanent full-time non-production workers (%)	
	Manufacturing	Services	Manufacturing	Services	Manufacturing	Services	Manufacturing	Services	Manufacturing	Services
Brunei Darussalam	-	-	-	-	-	-	-	-	-	-
Cambodia	-	-	-	-	32.4	46.4	27.3	-	35.0	-
Indonesia	43.4	39.9	31.7	28.5	34.4	30.6	35.8	-	21.5	-
Lao PDR	32.1	47.1	24.4	36.6	11.8	42.6	-	-	40.6	-
Malaysia	13.1	-	8.7	-	28.4	-	29.3	-	56.8	-
Myanmar	24.0	28.7	27.8	30.2	32.1	34.2	29.9	-	37.9	-
Philippines	66.2	70.5	29.0	33.9	39.9	39.0	32.8	-	53.9	-
Singapore	-	-	-	-	-	-	-	-	-	-
Thailand	-	-	-	-	-	-	-	-	-	-
Viet Nam	55.7	61.4	27.2	25.9	35.2	36.5	28.4	-	50.7	-

Source: World Bank enterprise survey.

<sup>35</sup> Industry level data on female ownership is not available. The findings is based on primary interviews during country consultations.

The vast economic opportunities and inflow of foreign and local investment in ASEAN presents immense opportunity for integrating more women in the commercial sector as business owners and entrepreneurs. The ASEAN Women's Entrepreneurship Network was established in 2014 with the vision to "promote commercial and economic activities within the region and between ASEAN and other partners in order to promote gender equality and empowerment of women<sup>36</sup>." It establishes institutional recognition and the critical role of women as economic agents and equal players in building the economic community. Through the participation of women's entrepreneurship associations at the country level, the network can play a promising role in promoting women's entrepreneurship and business development in the region.

There are some exemplary efforts in the region that have established good practices in promoting women entrepreneurship. The Gender-Responsive Economic Actions for the Transformation of Women (GREAT Women) Project in the Philippines is one such leading example working on women's economic empowerment through capacity building and in collaboration with the private sector<sup>37</sup>. National level efforts such Malaysia's Program, 1Azam, provides assistance to small business enterprises for women, including those in the agriculture sectors and small service providers<sup>38</sup>. The 'One-district-one-product' programs in Thailand and Lao PDR are making efforts to promote women's entrepreneurship in the agro-based and handicraft sectors. There is also an increasing involvement of the private sector and chambers of commerce in Member States are getting involved in skills development and entrepreneurship promotions for women. For example, the Thailand Chambers of Commerce recognizes exceptional women entrepreneurs and business women through an annual award. This is done with the view of promoting women's participation and setting role models.

Several challenges continue to impede national and regional level efforts for promoting women entrepreneurship and business development. A number of these challenges are rooted in the socio-cultural normative framework of the region and continue to hold ground for the lack of concerted efforts to address them. Despite a significant number of women heading small and medium enterprises (SMEs) and micro enterprises, it is noted that inherent forms of disadvantage like unequal access to resources and credit, impede women's potential and initiative towards entrepreneurship. Women's access to resources is relatively limited. While laws do not prevent women from holding property and bank accounts, a small percentage of women own assets that can be used as collateral to access credit. Bank accounts and land are mostly held by men thereby distancing women from any modes of formal financing. There are very few examples of female targeted financial products and services in most ASEAN Member States.

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<sup>36</sup> ASEAN Launches the Women Entrepreneurship Network, April 2014, retrieved from <http://www.asean.org/news/asean-secretariat-news/item/asean-launches-women-entrepreneurship-network> on September 20, 2015.

<sup>37</sup> What is the GREAT Women Project? n.d., retrieved from <http://www.pcw.gov.ph/gwp/about> on September 20, 2015.

<sup>38</sup> About 1AZAM, March 2013 retrieved from <http://mybajet.my/about-1azam> on September 20, 2015.

Table 5 shows that in Cambodia, Indonesia, Lao PDR, Myanmar, the Philippines, and Viet Nam, less than a third of women own bank accounts. Across all countries (excluding Brunei Darussalam where there is no data) an average of 16 per cent women borrowed from a financial institution.

Table 5. Women’s access to finance in ASEAN Member States

Country	Account at a financial institution, female (% age 15+)	Borrowed from a financial institution, female (% age 15+)	Saved at a financial institution, female (% age 15+)
Brunei Darussalam	-	-	-
Cambodia	10.68	29.36	4.84
Indonesia	37.24	11.17	26.36
Lao PDR	35.0	17.0	-
Malaysia	78.09	16.58	35.12
Myanmar	17.08	11.80	15.38
Philippines	33.88	13.60	13.63
Singapore	96.07	14.32	45.71
Thailand	75.44	13.67	43.69
Viet Nam	31.86	21.33	15.59

Source: World Bank enterprise survey; Data from Lao PDR is from a recent (unpublished) UNCDF survey.

From a business skills perspective, the socio-cultural environment limits women’s exposure and skills development opportunities resulting in limited business sense, information and marketing skills. Women businesses also lack networks and technology that are essential for moving beyond the small scale level. This deters the growth potential of women entrepreneurs and their access to economic opportunities. Interviews with successful entrepreneurs revealed that male dominance, lack of family supports, and domestic responsibilities, continue to hold women back in business. Within the family, cultural expectations regarding women’s role results in male entrepreneurs being able to take more risks because women’s care burden highly influences their choices and ability to expand. Highlighting bias at the higher levels, one young business leader shared that initially in her career, at national and international level business meetings, she was often mistaken as the ‘secretary’ by her male counterparts from other companies. Another senior female entrepreneur shared that women’s contributions and achievements are rarely acknowledged. Citing an example, she shared that on big events, male colleagues are called on stage for inputs, while women entrepreneurs merely serve as photo opportunities or to ‘check-the-box’ for gender inclusivity. It was also shared that a lower profile of women in terms of educational and skill development opportunities, lack of entrepreneurship supportive structures, unequal status at the family and society levels, cultural bearings of male dominance, and prevalence of violence against women, systematically deters women from pursuing entrepreneurial opportunities.

## 2.3 Gender Laws and Gender Mainstreaming

Legislation is most often associated with protecting or enforcing fundamental human rights and establishing stable legal relationships in the workplace—aims that are achieved by setting enforceable minimum standards. Policy, on the other hand, is more flexible and may depend on global economic conditions, a country's specific economic and political circumstances, or a country's comparative level of development. This section reviews the effectiveness and gender responsiveness of three policies and institutions aimed at creating equal opportunities for women and promoting women's economic participation:

- National gender laws and gender equality policies;
- National machinery for gender equality and gender mainstreaming; and
- Labor and social protection laws to promote women's opportunity and outcomes.

- ***National gender equality laws and policies***

In terms of laws and policies promoting gender equality, it is impressive to note that all the ASEAN Member States have either accessed or ratified the UN CEDAW, thereby affirming their commitment to gender equity, non-discrimination, and women's empowerment.

### ***Addressing gender gaps through legislation***

Equality in access to institutions, opportunities, and markets is guaranteed by constitutions in all ASEAN Member States. Women in eight out of ten Member States for which there is data have equal rights as men to apply for national identity cards, passports, and credit. Women have the freedom to open business and mobility. They can sign contracts, register a business, and pursue a career of their choice.

Table 6. Women's constitutional rights in ASEAN

Country	Is there a non-discrimination clause in the constitution?	If there is a non-discrimination clause in the constitution, does it explicitly mention gender?	Does the constitution guarantee equality before the law?	Is customary law recognized as a valid source of law under the constitution?	If customary law is a valid source of law, is it considered invalid if it violates constitutional provisions on non-discrimination or equality?	Is personal law recognized as a valid source of law under the constitution?	If personal law is a valid source of law, is it considered invalid if it violates constitutional provisions on non-discrimination or equality?
Brunei Darussalam	No	N/A	No	No	N/A	Yes	No
Cambodia	Yes	Yes	Yes	No	N/A	No	N/A
Indonesia	Yes	No	Yes	Yes	Yes	Yes	Yes
Lao PDR	No	N/A	Yes	No	N/A	No	N/A
Malaysia	Yes	Yes	Yes	Yes	No	Yes	No
Myanmar	Yes	Yes	Yes	Yes	Yes	No	N/A
Philippines	No	N/A	Yes	No	N/A	No	N/A
Singapore	Yes	No	Yes	No	N/A	Yes	Yes
Thailand	No	N/A	Yes	No	N/A	No	N/A
Viet Nam	Yes	Yes	Yes	No	N/A	No	N/A

Source: *Women, Business and Law data, the World Bank (2015)*.

However, in Malaysia and Brunei Darussalam, customary law takes precedence over constitutional law. Indonesia, and Malaysia recognize personal law as a valid source of law under the constitution even in the instance when it violates constitutional provisions on non-discrimination or equality<sup>39</sup>. For instance, in Indonesia despite the presence of protective civil laws, women's equity, agency and financial empowerment are compromised by the presence of a discriminatory social set-up and cultural reliance on religious laws<sup>40</sup>. Protection on family related matters like marriage, divorce and parental authority, is covered by a combination of civil, informal and customary, and Islamic (Sharia) laws. Especially in the province of Aceh, which holds special autonomy, women are subject to the strictest form of Sharia and the UN Committee on CEDAW raised this as a concern in 2012. Indonesia's Marriage Law explicitly states that men are the head of the household, although men and women share parental authority equally.

<sup>39</sup> World Bank database on Women, Business and Law (2013): <http://wbl.worldbank.org/>

<sup>40</sup> Social Institutions and Gender Index, OECD; Indonesia Country Report; retrieved from <http://genderindex.org/sites/default/files/datasheets/ID.pdf>

Table 7. Women's equality and access to institutions

Country	Can a married woman choose where to live in the same way as a married man?	Can a married woman be "head of household" or "head of family" in the same way as a married man?	Can a married woman confer citizenship to a non-national spouse in the same way as a man?	Are married women required by law to obey their husbands?	Do married couples jointly share legal responsibility for financially maintaining the family's expenses?	Does the law recognize customary courts?	Does the law recognize personal law courts?	Does a woman's testimony carry the same evidentiary weight in court as a man's?
Brunei Darussalam	No	N/A	No	Yes	No	No	Yes	Yes
Cambodia	Yes	N/A	Yes	No	Yes	No	No	Yes
Indonesia	Yes	No	Yes	No	No	No	Yes	Yes
Lao PDR	Yes	N/A	Yes	No	Yes	No	No	Yes
Malaysia	No	N/A	No	Yes	No	No	Yes	Yes
Myanmar	Yes	Yes	Yes	No	Yes	No	No	Yes
Philippines	Yes	No	No	No	Yes	Yes	Yes	Yes
Singapore	Yes	N/A	Yes	No	Yes	No	Yes	Yes
Thailand	Yes	N/A	No	No	Yes	No	No	Yes
Viet Nam	Yes	Yes	Yes	No	Yes	No	No	Yes

Source: Women, Business and Law data, the World Bank (2015).

Even when the constitution guarantees equality and there is no customary law, women's freedom are seriously curtailed by the application of a traditional/cultural code of conduct. This is true in the case of Cambodia,<sup>41</sup> the 'Chbab Srey' which is the traditional code of conduct for women, largely directs women's lives and defines their everyday life based on stereotypical roles of women that encourage submissiveness. Application of traditional practice is also common in Lao PDR where rural ethnic minority groups still follow customary practices<sup>42</sup>.

Customary laws dominate family and marriage laws in Myanmar through the Myanmar Buddhist Woman Special Marriage and Succession Act 1954, the Islamic Marriage Act, the Christian Marriage Act, and the Hindu Customary Law<sup>43</sup>. Legal age for marriage is 20 for both men and women, however, the Buddhist Women Special Marriage and Succession Act provides that a non-Buddhist man can marry a woman of 14 or older with the consent of her parents. Dowry is practiced in many parts of Myanmar and over the years, a 'parcel practice' has emerged where girls are sent to other countries to get married to Burmese men<sup>44</sup>. Even in the Philippines which has one of the most women friendly legal system<sup>45</sup>, the Magna Carta of Women (Republic Act 9710) recognizes Indigenous customary laws and Muslim personal laws.

<sup>41</sup> Social Institutions and Gender Index, OECD; Cambodia Country Report; retrieved from <http://genderindex.org/sites/default/files/datasheets/KH.pdf>

<sup>42</sup> Social Institutions and Gender Index, OECD; Indonesia Country Report; retrieved from <http://genderindex.org/sites/default/files/datasheets/LA.pdf>

<sup>43</sup> Social Institutions and Gender Index, OECD; Myanmar Country Report; retrieved from <http://genderindex.org/sites/default/files/datasheets/MM.pdf>

<sup>44</sup> One-on-one interviews.

<sup>45</sup> Social Institutions and Gender Index, OECD; Philippines Country Report; retrieved from <http://genderindex.org/sites/default/files/datasheets/PH.pdf>

Problems like bride abduction, forced marriage and payment of bride price still persist as part of the culturally sanctioned practices in Muslim dominated regions. Across the region, the most gender prohibitive institutions are found in Malaysia. Both customary and personal laws are recognized by the constitution, and women do not enjoy same freedoms as men. Family relations in Malaysia<sup>46</sup> are governed by a combination of civil, customary (Adat) and Shariah (Islamic) law. While civil law treats men and women as equal in matters of marriage and divorce, Islamic law considers the consent of the woman's male guardian as imperative.

The case of Brunei Darussalam shows that customary law does not necessarily translate into reduced freedom for women in all respects<sup>47</sup>. Progressive application of the Sharia Law in Brunei Darussalam means that women actively participate in the labor force. Women's participation was encouraged by the government in the '70s-80s to reduce the high dependence on expatriates. Though there are no hard statistics, the country's report to the Beijing Platform of Action reports<sup>48</sup> that women 'serve in a wide variety of capacities ranging from entrepreneurs, lawyers, pilots, and fire fighters, to notable ranks in the civil service.' However, there are no specific social policies for protection of women. Instead, there are several domestic legislations covering areas like marriage, divorce, child care, anti-trafficking, disability and old age, and violence against women- that cover women<sup>49</sup>.

### ***Gender gaps in access to property and finance***

ASEAN Member States are in various stages of instituting social protections policies for encouraging and protecting women, which is a reflection of this commitment. However, it is important to note that both, institutional, and social changes towards gender equity are taking place at varying paces across all countries. Affirmative actions are being taken by country governments but gaps exist that reinforce inequities and marginalization of women.

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<sup>46</sup> Social Institutions and Gender Index, OECD; Malaysia Country Report; retrieved from <http://genderindex.org/sites/default/files/datasheets/MY.pdf>

<sup>47</sup> Shivkumar C., Oil for Freedom in Brunei Darussalam State Policies and Women's Strategies in Brunei Darussalam: A Case Study of the Women's Business Council; NATIONAL UNIVERSITY OF SINGAPORE 2008; retrieved from <http://scholarbank.nus.edu.sg/bitstream/handle/10635/16360/Complete%20soft%20copy%20OilforFreedom.pdf?sequence=1>

<sup>48</sup> *ibid.*  
<sup>49</sup> *ibid.*

Table 8. Women's legal provision for inheriting and using property

Country	What is the default marital property regime?	Do unmarried men and unmarried women have equal ownership rights to property?	Do married men and married women have equal ownership rights to property?	Do sons and daughters have equal rights to inherit assets from their parents?	Do female and male surviving spouses have equal rights to inherit assets?
Brunei Darussalam	No default marital property regime	Yes	No	No	No
Cambodia	Partial community of property	Yes	Yes	Yes	Yes
Indonesia	Partial community of property	Yes	Yes	No	No
Lao PDR	Other	Yes	Yes	Yes	Yes
Malaysia	Separation of property	Yes	Yes	No	No
Myanmar	No default marital property regime	Yes	Yes	Yes	Yes
Philippines	Full community of property	Yes	No	Yes	Yes
Singapore	Other	Yes	Yes	Yes	Yes
Thailand	Partial community of property	Yes	Yes	Yes	Yes
Viet Nam	Partial community of property	Yes	Yes	Yes	Yes

Source: *Women, Business and Law data, the World Bank (2015)*.

In some countries, while constitution guarantees equal inheritance rights, the acceptance of customary laws inhibit women's freedoms. In Malaysia, constitutionally men and women do not have equal inheritance rights. While women may inherit from their father, mother, husband, or children, and from other family members, the share of a man is generally double that of a woman in the same degree of relationship.

In Brunei Darussalam, Cambodia, Lao PDR, Indonesia and Viet Nam, even though there are no affirmative policies regarding resource ownership for women, there is also no gender restriction in ownership of land and other assets. With regards to asset ownership, Cambodian women have equal rights with men to land and non-land assets. The Sub Decree on Social Land Concessions specifically states women's rights, "in order to ensure the land policy responds to all citizens' needs, such policy must respond to women's needs, especially women heads of household."<sup>50</sup> In Lao PDR, land and property laws treat both women and men equally, and state that any property purchased during marriage is regarded as jointly owned, while property owned by a woman prior to her marriage remains hers, as does any land she inherits from her parents. However, civil society organizations report that land documents tend to be registered in men's names and discriminatory inheritance practices impede women's land access. In Indonesia women have full rights concerning secure access to land and non-land assets. However, it is customary that husbands register co-owned properties in their own names<sup>51</sup>.

<sup>50</sup> Social Institutions and Gender Index, OECD; Lao PDR Country Report; retrieved from <http://genderindex.org/sites/default/files/datasheets/LA.pdf>

<sup>51</sup> Social Institutions and Gender Index, OECD; Indonesia Country Report; retrieved from <http://genderindex.org/sites/default/files/datasheets/ID.pdf>

While legally, women and men have equal rights to access of land, the government of Viet Nam does not legally recognize privately owned land. Instead, the 2003 Land Law grants individuals long-term leaseholds through land-use right certificates. The Viet Nam Household Living Standards Survey 2004 reveals that for agricultural land, only 15 per cent of the total number of households with land user certificates held them jointly, while men alone held 66 per cent, women alone held only 19 per cent.

The civil law in the Philippines makes no discrimination in legal inheritance between men and women, and widows have an equal inheritance right to surviving children. There is however, also evidence that, in practice, propertied parents bequeath lands to their sons but ensure the future of daughters by investing in their education. In recent years, the Philippines has seen a rise in the number of female-headed households, and the government's response to this shift-like the passage of the Solo Parents Welfare Act of 2000- may indicate a change in attitudes towards women's role in the family.

Access to finance despite equal legal rights, women face difficulties in accessing loans due to the lack of collateral, lack of confidence in dealing with banks and financial institutions, and the stipulation in some countries that they must show the consent of the husband for obtaining a loan. In Indonesia, legally, women have equal access to financial services including bank loans and credit, and have the right to independently conclude contracts. However, a significant barrier to women's access to finance is posed by Article 108 of the Civil Code, which prevents married women from entering into contracts on their own behalf and from receiving any payment from individual business activities. Recent amendments to the law have sought to extend co-signing requirement to husbands regarding contracts, but it is not consistently enforced.

Men and women have equal access to all financial services in Cambodia, Lao PDR, Malaysia, the Philippines, Singapore, and Viet Nam. However, in Cambodia, a very small percentage of women access credit through a bank (less than 30 per cent) owing to the lack of assets that can be used for collaterals. The Cambodian government introduced a micro-credit program specifically designed to assist rural populations, for which women are encouraged to apply. However, limited access to information makes it difficult for women to benefit from these micro-credit initiatives. There is little data reflecting trends on women's ownership of land in Lao PDR. However, legally women are entitled to non-land assets acquired in a marriage.

In practice, though, this is rare as men are mostly heads of households and decision makers. The presence of conflicting and discriminatory provisions like in the Family Code in the Philippines restricts asset ownership by women. Further, discriminatory attitudes inhibit women's financial independence and banks prefer the consent of the husband in financial transactions. Having the greater share of property ownership, men are better able to provide collateral for larger loans, whereas women's access to credit is limited to smaller amounts.

It is reported in Viet Nam that most women have only a limited understanding of their financial possibilities and lack capacity to formulate the effective business plans needed to acquire commercial loans. The government does not actively promote microlending programmes for women. However, in 2012, the Viet Nam Women's Union, one of the country's largest women's organizations, established a Credit Support Fund to promote microfinance programmes.

### **Laws relating to violence and harassment against women**

All countries except for Myanmar have legal provisions against domestic violence. Similarly, rape and sexual violence is criminalized in all ASEAN Member States. Except for Indonesia and Viet Nam, specific legal provisions against sexual harassment also exist in all Member States. While this shows promising politico-legal commitment on the safety of women, it is also noted that across all countries, there exist loopholes and inadequacies in the implementation of these provisions.

Table 9. Laws related to ending and preventing violence against women in select ASEAN Member States

Country	Is there domestic violence legislation?	Is there a specialized court or procedure for cases of domestic violence?	Is there legislation that specifically addresses sexual harassment?	Are there criminal penalties for sexual harassment?	Is there legislation on sexual harassment in education?	Is there legislation on sexual harassment in public places?	Is there legislation on sexual harassment in employment?	Does legislation explicitly criminalize marital rape?
Brunei Darussalam	Yes	Yes	Yes	Yes	No	No	No	No
Cambodia	Yes	Yes	Yes	Yes	No	No	Yes	No
Indonesia	Yes	Yes	No	No	No	No	No	Yes
Lao PDR	Yes	Yes	Yes	Yes	No	No	No	No
Malaysia	Yes	Yes	Yes	Yes	No	No	Yes	No
Myanmar	No	No	Yes	Yes	No	No	No	No
Philippines	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Singapore	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Thailand	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Viet Nam	Yes	Yes	Yes	No	No	No	Yes	Yes

Source: Women, Business and Law data, the World Bank (2015); Inputs from ACW Thailand and Singapore.

- ***Labor and social protection laws affecting women's economic participation***

This section examines specific provisions in labor laws and social protection policies in the ASEAN Member States that safeguard and promote women's equal economic participation, and safe and decent working conditions. Specifically, laws relating to equal remuneration, maternity, and discrimination are compared across countries to identify where there may be gaps in definition and implementation, that may act as deterrent to women's equal participation and access.

### ***Equal remuneration***

In most ASEAN Member States the labor laws prohibits direct discrimination based on sex. In practice, however, women continue to encounter both the direct and more hidden forms of discrimination during their working lives in most countries<sup>52</sup>. Occupational sex segregation is linked to wage discrimination suffered by women, which is the outcome of undervaluing the jobs traditionally dominated by them. Persistent and large gender wage exists in most ASEAN Member States (Figure12).

A recent ASEAN and FES study shows that none of the ASEAN Member States include the concept of "work of equal value" in their labor laws and provisions, even though they have all ratified the ILO Equal Remuneration Convention (Convention 100).<sup>53</sup> Only some Member States, including Cambodia, Lao PDR, Thailand, and Viet Nam, try to express this concept as equal remuneration for same or similar work. To eliminate gender-based pay discrimination against women at work, labor legislation should not only provide for equal remuneration for equal, the same, or similar work, but also prohibit pay discrimination that occurs in situations where men and women perform different work that is nevertheless of equal value. However, the present lack of clarity in the definition of equal remuneration makes this law ineffective.

### ***Non-discrimination and protection in labor laws***

All ASEAN Member States have adopted national provisions to prohibit direct and indirect discrimination, however in this instance too there is lack of clarity in what qualifies as "direct and indirect discrimination" so that it covers all the aspects of discrimination in employment<sup>54</sup>. While the definition of discrimination is unclear, Cambodia, Indonesia, Malaysia, the Philippines, Thailand, and Viet Nam have developed comprehensive special provisions or female workers a combine family responsibility and paid work, and to enable them or compete on a more level playing field with male counterparts. Some Member States have also adopted special measures for assistance and protection to hire, retain, and promote women workers.

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<sup>52</sup> ASEAN and FES 2013.

<sup>53</sup> Ibid.

<sup>54</sup> Ibid.

For example, the labor code in Cambodia requires that managers of enterprises employing a minimum of one hundred women or girls shall set up, within their establishments or nearby, a nursing room and a crèche (day care-centre). If the company is not able to set up a crèche on its premises for children over eighteen months of age, female workers can place their children in any crèche and the charges shall be paid by the employer. Similar provisions also exist in the labor codes of several other ASEAN Member States including Malaysia, Indonesia, the Philippines, Singapore, Thailand, and Viet Nam. No special provisions are provided for non-discrimination and protection of women workers in Lao PDR.

### ***Balancing family responsibility and maternity benefits***

As more women enter the labor market, there are cases where women are forced to bear the dual responsibilities of both employed work and domestic care work, and cases where women are made to switch from full-time work to temporary work or even to withdraw from the labor market in order to care for their families. There is a growing recognition that changes in women's traditional roles are a prerequisite to achieving full gender equality, and that there is need for sharing family responsibilities among men and women. This requires countries to undertake measures to allow workers to balance family life and employment.

A recent ASEAN review of labor laws found that no ASEAN Member States has yet implemented a law on shared family responsibilities, but some countries have adopted policies to enhance work life balance and/ or have a provision touching on family responsibilities. For example, Brunei Darussalam's National Plan of Action for Women calls for measures for work–life harmony through a better working environment, breastfeeding rooms at workplaces, training for employees on time management, and programmes for citizens to learn about work–life balance. The Cambodian government offers day-care facilities through community preschools. In Malaysia, all public servants are offered the options of flexible working hours. In addition, women in Malaysia working from home have successfully created a network of support from many NGOs and the Ministry of Women, Family and Community Development. In the Philippines, the Magna Carta of Women provides that central government is to ensure “support services which enable women to balance family obligations and work responsibilities in the establishment of day care and breastfeeding stations” (SEC. 22). The Singapore Government encourages companies to introduce work-life programmes in the workplace through a one-time grant called the Work-Life Works! Viet Nam is also making efforts to achieve work-life balance as addressed in the Law for Gender Equality, wherein state policies are to promote the sharing of housework by men and women (Article 7) and agencies and organizations are held responsible for promoting gender equality within, by setting up kindergartens. Viet Nam's National Strategy on Gender Equality (2011-2020) is the only such policy in the region that sets specific targets to shorten the time women have to spend in carrying out household duties. (Article 32).

Table 10. Maternity benefits

Country	Does the law mandate paid or unpaid maternity leave?	Does the law mandate paid or unpaid paternity leave?	What is the length of paid maternity leave?	What is the length of paid paternity leave?	Who pays maternity leave benefits?	What percentage of wages is paid during maternity leave?	Can non-pregnant and non-nursing women do the same jobs as men?	Are mothers guaranteed an equivalent position after maternity leave?	Are employers required to provide break time for nursing mothers?	Are parents entitled to flexible/part-time schedules?
Brunei Darussalam	Yes	No	91	N/A	Employer 100%	100%	Yes	No	No	No
Cambodia	Yes	No	90	N/A	Employer 100%	50%	Yes	No	Yes	No
Indonesia	Yes	Yes	90	2	Employer 100%	100%	Yes	No	Yes	No
Lao PDR	Yes	Yes	105	3	Employer 100%	100%	Yes	No	Yes	No
Malaysia	Yes	No	60	N/A	Employer 100%	100%	No	No	No	No
Myanmar	Yes	Yes	98	15	Government 100%	70%	No	No	No	No
Philippines	Yes	Yes	60	7	Government 100%	100%	Yes	No	Yes	No
Singapore	Yes	Yes	105	7	Government 100%	100%	Yes	No	No	No
Thailand	Yes	No	90	N/A	Employer and Government	100%	No	No	No	No
Viet Nam	Yes	No	180	N/A	Government 100%	100%	No	Yes	Yes	No

Source: Women, Business and Law data, the World Bank (2015).

Table 10 shows that most ASEAN Member States have laws relating to maternity benefits but these systems vary significantly in terms of their scope and coverage. In most countries in the region, the costs of the leave are borne entirely by employers except in the Philippines and Viet Nam, where the costs are covered entirely through social security. However, it is important to note that these benefits do not uniformly apply to all workers. Many women workers who are informally or irregularly employed often do not have access to the mandatory maternity benefits. Further there appear to significant barriers in the types of jobs that women can perform – in four out of the ten countries, women can be discriminated against performing the same types of jobs as men and their positions in the workforce are not guaranteed when they return from maternity leave in any of the ASEAN Member States.

- **Gender mainstreaming in ASEAN Member States**

Special laws and policies to protect and promote women’s access and participation in the economy are important, however equally important is the extent to which gender issues are integrated into all aspects of policy making. Generally, the women’s machinery in a country is

tasked with promoting women's issues within the government and ensuring implementation of key policies and programmes.

In keeping with the international commitment to CEDAW, all ASEAN Member States have taken action to institute a formal machinery for gender mainstreaming and rights protection. It was noted that all the Member States have an established government agency with this mandate, and most countries are at various stages of interministerial collaborations for ensuring gender mainstreaming in governance. However, gaps exist in the formal structures and a significant absence of accountability and monitoring mechanisms was noted in achievement of the gender mainstreaming vision.

A review of the gender machinery across ASEAN Member States shows that gender mainstreaming, in its true sense, is a developing concept in the ASEAN Member States. While systems and structures have been put in place, existing gaps in their implementation reinforce gender inequities and the marginalization of women.<sup>55</sup> It is noteworthy that gender issues were mandated as the responsibility of specific government agencies in all ASEAN Member States. In Malaysia, Cambodia, and Indonesia, there are stand alone Ministries tasked with policy making and implementation of gender equality policies and laws. However, in Viet Nam, Thailand, Singapore, Brunei Darussalam, Lao PDR, and Myanmar; the gender portfolio is included within specialized departments of larger ministries. The Philippines Commission for Women, is an independent specialized agency under the Office of the President, authorized with policy making and coordination on women and gender equality concerns. This delegation of responsibility to a specific ministry/department ensures that gender is mainstreamed in the governance structure and the implementation is streamlined.

Lao PDR, Myanmar, Cambodia, and Indonesia, have interministerial bodies to act as a catalyst for gender mainstreaming in all areas of governance. However, it was reported that coordination and collaboration between all ministries/departments may not take place with the same motivation and capacities. Women's issues are commonly classified as a 'social' or 'health' issue and tend to be discounted by ministries that drive the economic agenda in the country. This is of specific concern in the context of the AEC because the key ministries involved in the implementation of the AEC are likely be distanced from gender mainstreaming concerns and affirmative action in that regard. The vast disparity in women's economic participation requires special support to create a level playing field between men and women. Limited capacity of gender machinery and gender mainstreaming efforts at the national level will prevent effective implementation of gender responsive policies.

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<sup>55</sup>Annex 8 provides an overview of gender machinery in ASEAN Member States and reviews effectiveness of the gender mainstreaming in countries.

Given these challenges, there may be a long way to go in achieving gender equality at the regional level unless measures are taken to strengthen coordination, monitoring, and accountability mechanisms on all aspects of governance - social, economic, political, and cultural. The region has a good example in the case of the Philippines where gender mainstreaming has been institutionalized and implemented and systematically monitored. In the context of regional integration, it may be advantageous that model mechanisms of gender mainstreaming be identified and implemented through mutual collaboration and consensus.

## **2.4 Key Findings: women's economic participation outcomes and gender equality policies in ASEAN**

There are serious obstacles to women's access to employment, wages, assets and social protection. Economic outcomes on women's participation show that female labor force participation rates is persistently lower than men. While the gap may have shrunk in some countries, it has widened in others. Overall, fewer women than men are present in the labor market in ASEAN. The gaps are not only apparent in the lower absolute numbers of women in the economy, but also in the types of jobs that women perform. The data shows that in almost all Member States, women tend to predominantly find employment in low skilled jobs and thus, it is not surprising that there is a persistent gender wage gap. This is also true in high income Member States, such as Singapore and Brunei Darussalam, where the majority of the clerical and elementary occupations are occupied by women. If women aren't getting employed in high skilled and high paying jobs, then there is little scope for increasing their income. A majority of women across most ASEAN Member States are employed in vulnerable jobs with limited access to benefits and social protection.

Given the dogged determination of governments in the ASEAN region to promote economic growth and liberalization, and the proven high economic cost of gender inequality in the economy, the persistent long term inequality in women's participation is puzzling. Women's poor economic participation can be broadly explained by three factors: gender differences in human capital, discrimination in institutions, and traditional social norms. In the ASEAN Member States we see the prevalence of all three factors to varying degrees. There are differences in human capital because of women's limited schooling and opportunities for skills development. Institutional discrimination in certain countries prevents women from having equal opportunities to participate in the economy. Social norms in certain countries are extremely patriarchal and act as barriers to women's participation and economic access.

Education attainment, especially higher education and skills training are key to women accessing better and more paid employed 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, Viet Nam, Myanmar, Thailand, and Singapore. However, when we review the labor force participate rates by different education levels, we find 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.

All countries 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 and policies to promote gender equality and gender mainstreaming are strong and structured in ASEAN Member States but have limited impact due to weak implementation, lack of inter-departmental/ministerial coordination, and inadequate budget allocation. Gender mainstreaming is at different levels in different countries. In Malaysia, Cambodia, and Indonesia, there exists 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 policy making and coordination on women and gender equality concerns.

Despite this, women tend to be disadvantaged in acquiring land and assets by a lack of information relating to the customary attitudes that perceives men as the head of households with exclusive rights to control and manage all of the family's property. While, in most countries women officially 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.

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 flexi-time or supporting part-time work that allow women to return to work post-motherhood. A recent IMF and World Bank study noted the presence of strong care systems are necessary prerequisite for economies to take full advantage of women's potential<sup>56</sup>.

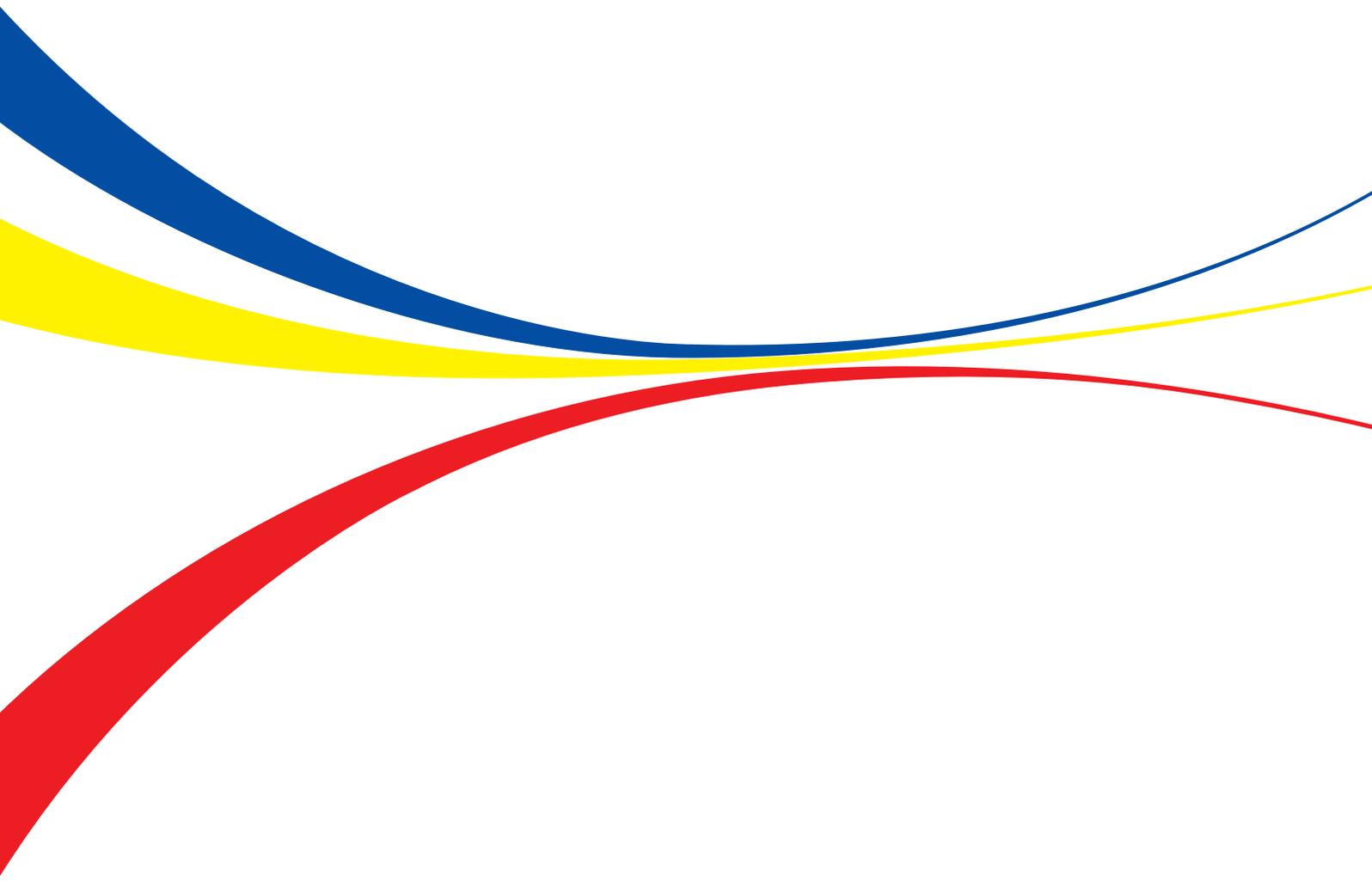
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<sup>56</sup> 2015.

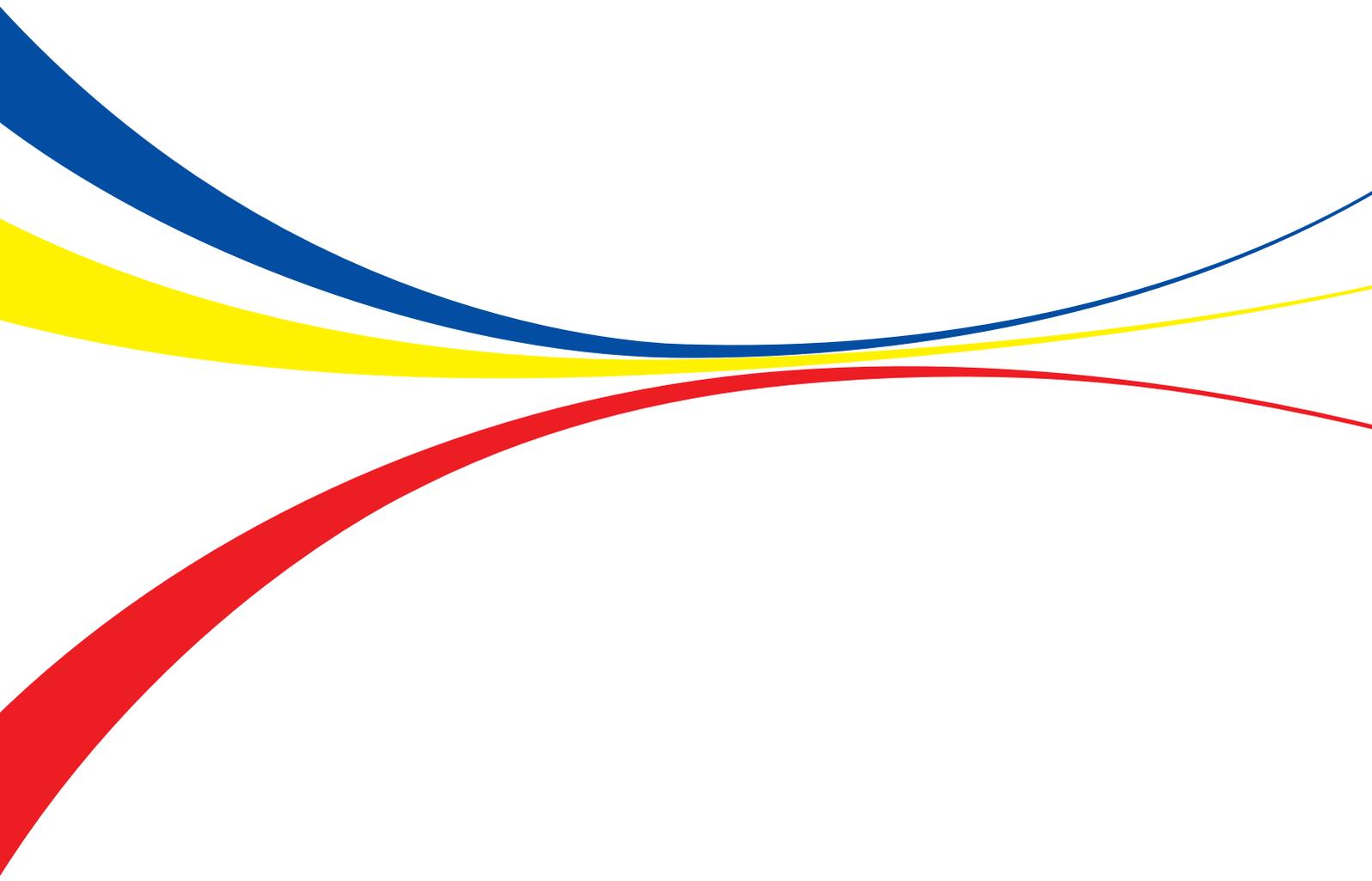
An absence of child care and high responsibility for unpaid domestic work also constraints women's participation in paid employment. Data on women's care work is very sketchy but where it exists the data reveals that the gender unpaid work gap was 3.5 hours for married women, that is married women on average spend 3.5 hours per day (more than men) on unpaid care work.

An examination of the labor 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 Member States 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, allow women to have a greater opportunity to play a leading role in the emerging global labor market.

Through a combination of all these factors - traditional values, weak implementation of gender equality laws, ineffective gender machinery and human capital gaps results in lower female share of employment, more women in low skilled jobs, lower pay for women, more women dropping out of the work force, and large scale informal employment among women. Ultimately, all this has an impact on the ability of the economy to reap the full benefits of opportunities and limited substantive gender equality in the ASEAN Member States.



## CHAPTER 3 GENDER ANALYSIS OF REGIONAL TRADE IN ASEAN



## CHAPTER 3 GENDER ANALYSIS OF REGIONAL TRADE IN ASEAN

Chapter 2 identified the current gaps in women's participation in the workforce, as well as gaps in the existing gender equality laws, labor laws and policies to promote women's economic participation and access. This chapter reviews the intra-ASEAN differences in women's contribution to trade from the region. The chapter starts on the premise that gender differences in workforce participation will be mirrored in women's contribution and participation in the export sector.

The ASEAN region is undergoing immense economic integration. An export led growth strategy in all countries has fueled an increase in GDP and created jobs in the labor markets. ASEAN is the fourth-largest exporting region in the world, trailing only the European Union, North America, and China/Hong Kong. It accounts for seven per cent of global exports—and as its Member States have developed more sophisticated manufacturing capabilities, their exports have diversified. Viet Nam specializes in textiles and apparel, while Singapore and Malaysia are leading exporters of electronics. Thailand has joined the ranks of leading vehicle and automotive parts exporters. Other ASEAN members have built export industries around natural resources. Indonesia is the world's largest producer and exporter of palm oil, the largest exporter of coal, and the second-largest producer of cocoa and tin. While Myanmar is just beginning to open its economy, it has large reserves of oil, gas, and precious minerals. In addition to exporting manufactured and agricultural products, the Philippines has established a thriving business-process-outsourcing industry. China, a competitor, has become a customer. In fact, it is now the most important export market for Malaysia and Singapore. But demand from the United States, Europe, and Japan continues to propel growth.

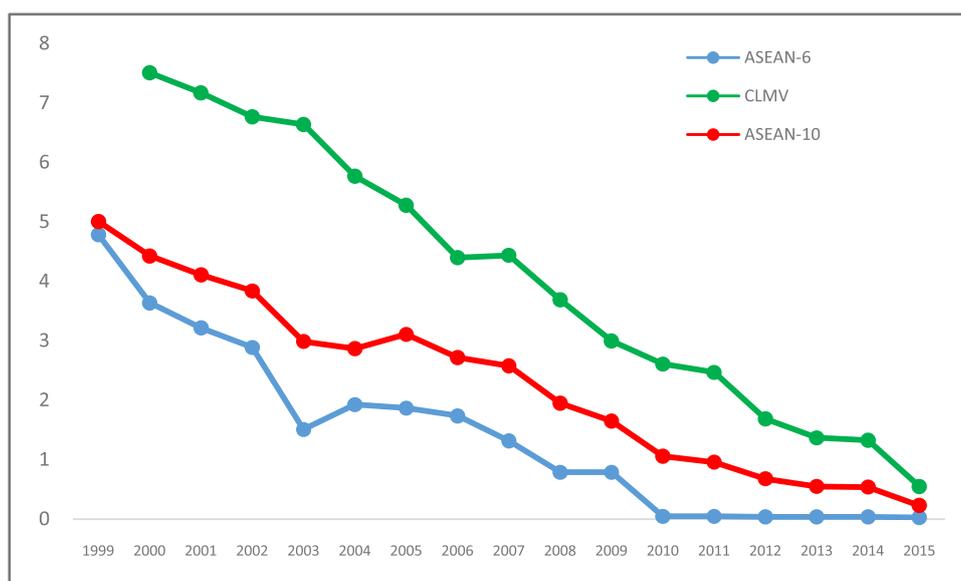
This chapter examines the effect of trade expansion on women's share of exports, assuming the current scenario of gender equality laws. The underlying premise is that trade policy impact on economic and social activities tend to be different between men and women. They have different economic and social roles and different access to and control over resources, due to socio-cultural, political and economic factors. Women tend to be more affected by the negative side effects of trade liberalization and are facing bigger challenges than men when it comes to taking advantage of the opportunities trade offers. This situation is due to gender biases in education and training, gender inequalities in the distribution of income, and command over resources, as well as unequal access to productive inputs such as credit, land, and technology, which translate into significant gender differences in occupational distribution.

### 3.1 Trends in ASEAN Trade

- *Trends in trade with the world*

In the AEC Blueprint, the ultimate goal for its first pillar is to transform ASEAN “into a single market and production base” through free movement of services and investment (covered in Chapters 3 and 4), of skilled labor and freer flow of capital. Removal of tariff and non-tariff barriers are essential to achieving the objectives of the first pillar and for paving the way for regional trade integration. Figures 14 and 15 show that ASEAN has made substantial progress in integrating the goods markets and opening up trade in goods. The average intra-ASEAN preferential tariff for ASEAN-6 (Singapore, Brunei Darussalam, Indonesia, Malaysia, the Philippines, and Thailand) under the Common Effective Preferential Tariff (CEPT) scheme has been gradually reduced from approximately four per cent in 2000 to almost zero (0.06) per cent by 2012, as shown in Figure 14.

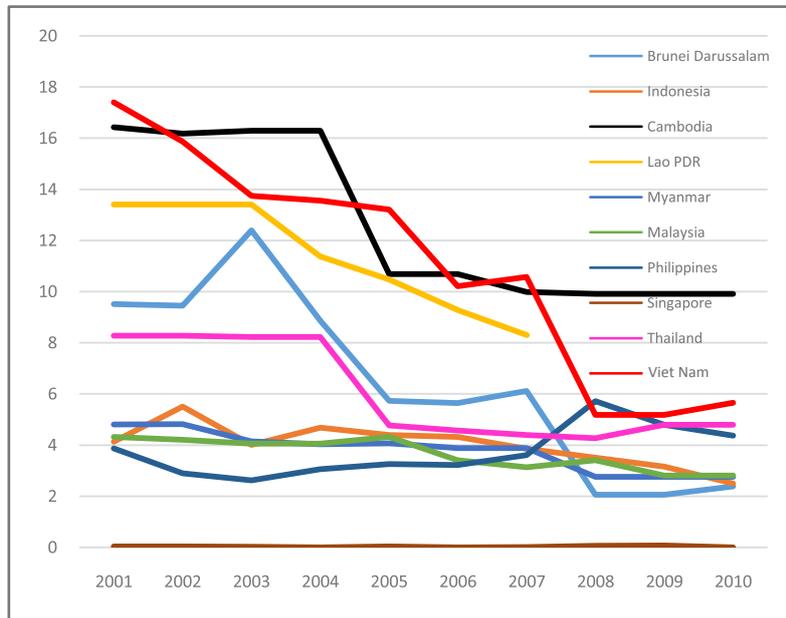
Figure 14. Average CEPT rates, 1999-2012 (percentage) across all sectors



Source: ASEC.

The average tariff rate has been falling for all ASEAN Member States for its trade with extra-ASEAN Member States as well. The average tariff rate for Viet Nam has dropped from over 17 per cent in 2001 to below six per cent in 2010. Similar drops in average tariff took place in Cambodia, Lao PDR, Myanmar and Thailand. Tariff rates in Singapore are close to zero per cent and range between four to six per cent for Malaysia, the Philippines and Indonesia.

Figure 15. Average tariff rate, percentage 2001 - 2010



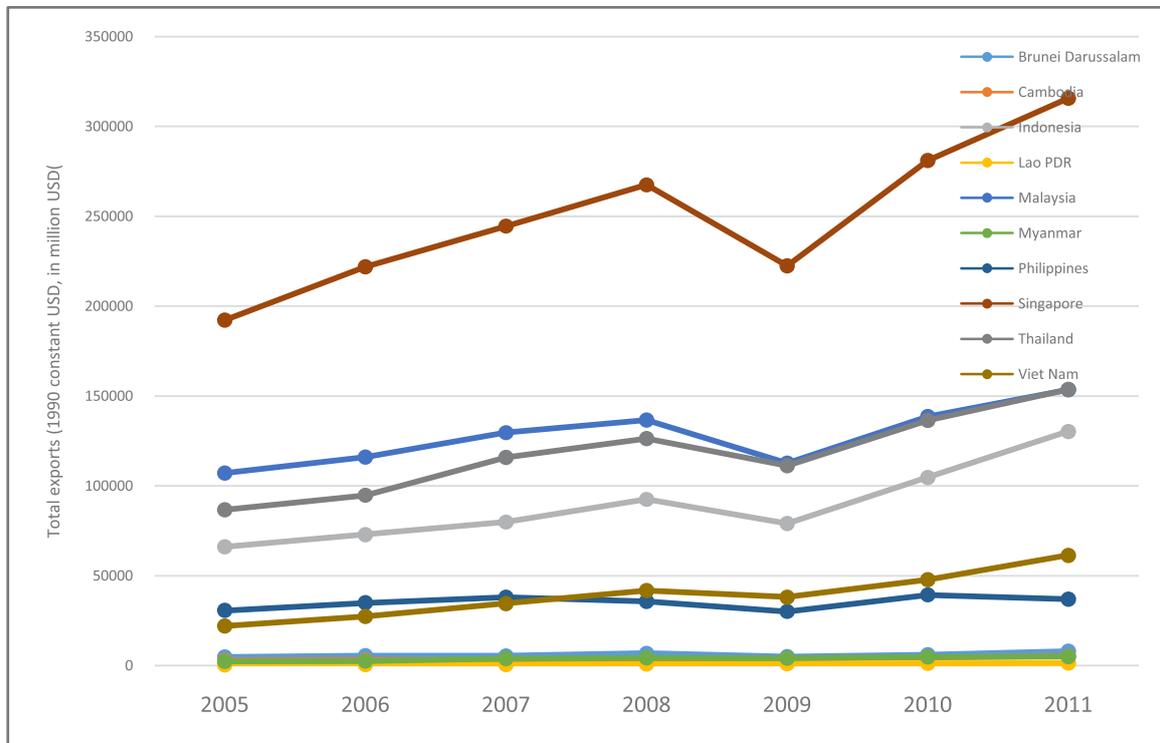
Source: World Development Indicators.

A 2012 study jointly conducted by ASEAN and the World Bank finds that intra-ASEAN elimination of tariff protection has been achieved completely for Singapore and Brunei Darussalam. Indonesia, Malaysia, the Philippines, and Thailand have also eliminated tariffs on almost all imports from other Member States since 2010, except on agriculture sensitive goods. CLMV countries have also made rapid progress, but Cambodia needs to accelerate its tariff reduction schedule to meet the AEC target by 2015.

Low and declining MFN tariffs by ASEAN Member States have contributed towards boosting trade from the region. Figure 16 shows the total exports (in constant 1990 USD) from 2005 to 2011. Total (merchandise and service) exports have increased from all countries. The average rate of increase in total exports from ASEAN Member States is 115 per cent, with Viet Nam, Lao PDR and Myanmar recording the highest increases. These are also countries that have recorded the sharpest decrease in their average tariff rates. This important to note that while ASEAN Member States are close to eliminating tariff barriers in the region, most of the ASEAN economies impose not only non-tariff barriers (NTBs) on imports, but also maintain high export restrictions, both in absolute terms and in comparison to other relevant regional groupings. Post-2015, the removal of various forms of NTBs is high on the priority for trade facilitation in the region.<sup>57</sup>

<sup>57</sup> ASEAN and World Bank 2012.

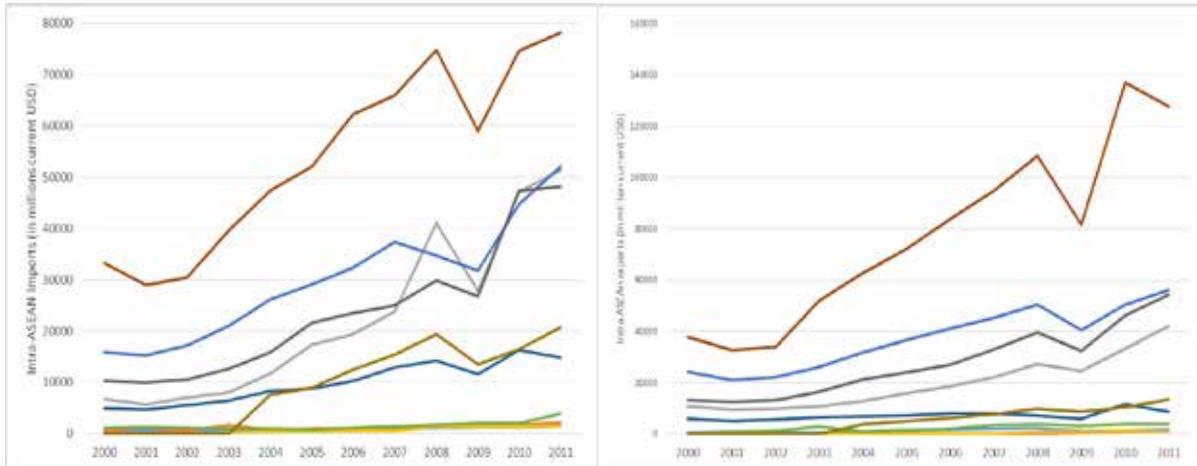
Figure 16. Total exports (constant 1990 USD, in million USD) 2005 - 2011



Source: ASEAN Trade Database.

The role of foreign investments in ASEAN global integration has grown noticeably over the past decade, even taking into account the financial crisis of 2008. The perception of ASEAN Member States as destinations for foreign investments is very positive with several ASEAN members among the top world destinations. Remarkably, intraregional investments have taken a central role in this context. The share of intraregional FDI is rising (Figure 18), a result of the confidence in future opportunities in the region and the relative stability offered by the region in contrast to the rest of the world.

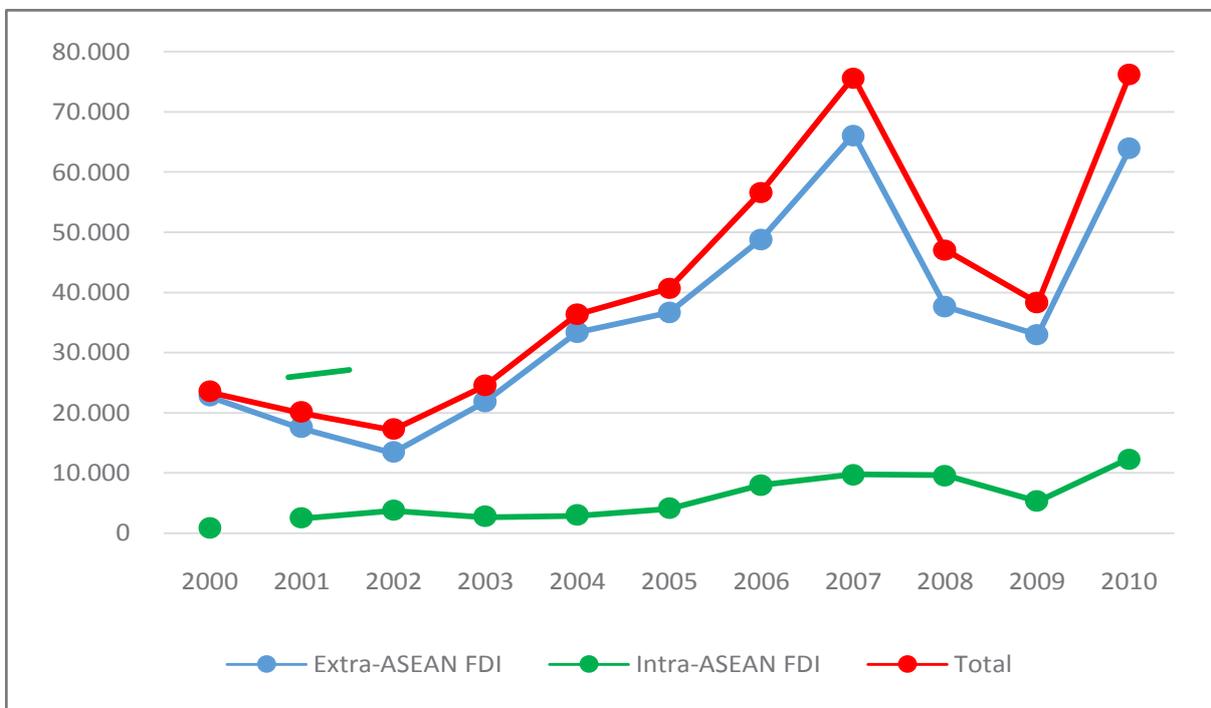
Figure 17. FDI Flows from intra-ASEAN (17.a) and extra-ASEAN (17.b; USD millions)



Source: ASEAN Trade Database.

The distribution of foreign investments into (Figure 17.b) the region is, however, very uneven: three fourths of investments are concentrated in five countries, and half in one country (Singapore). While this reflects the economic size and development disparities in the region, it also follows the level of regional and global integration of the various economies in the region.

Figure 18. Intra-ASEAN, extra-ASEAN and total FDI (in million USD) 2000-2010



Source: ASEAN Trade Database.

- **Trends in intra-ASEAN trade**

The AEC Blueprint aims to create a single production block in the region while simultaneously expanding global integration. The previous section highlights that global trade has expanded exponentially from the ASEAN Member States. Similarly, foreign investments and intra-ASEAN investments have grown tremendously during the last decade in the region. Turning to the extent of regional trade integration, we find that overall, the share of intra-ASEAN trade is approximately 25 per cent in 2011, while the share of extra-ASEAN trade was 75 per cent. (Table 11)

Table 11. Relative share of intra-ASEAN trade versus extra-ASEAN trade (2011)

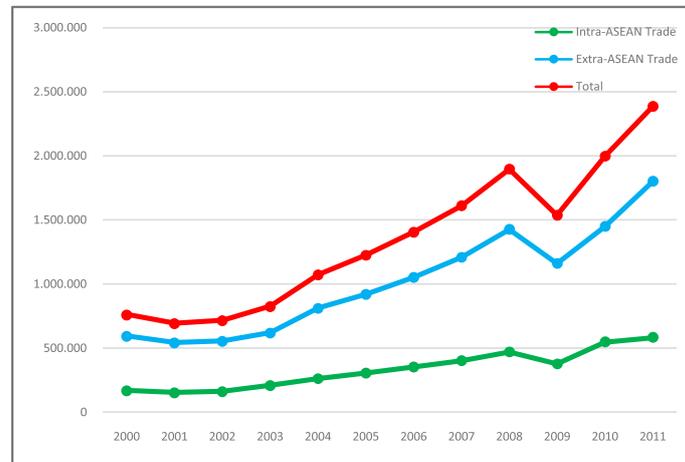
Country	Intra-ASEAN exports		Extra-ASEAN exports		Total exports (in ml USD)
	Value (in ml USD)	Share to total exports (%)	Value (in ml USD)	Share to total exports (%)	
Brunei Darussalam	1,721.07	13.92	10,641.25	86.08	12,362.32
Cambodia	833.73	12.42	5,876.84	87.58	6,710.56
Indonesia	42,098.91	20.69	161,397.82	79.31	203,496.73
Lao PDR	959.80	54.96	786.70	45.04	1,746.50
Malaysia	56,049.65	24.56	172,129.45	75.44	228,179.10
Myanmar	3,957.41	48.74	4,161.82	51.26	8,119.23
Philippines	8,635.26	17.97	39,406.93	82.03	48,042.19
Singapore	127,544.50	31.15	281,898.97	68.85	409,443.47
Thailand	72,226.64	31.56	156,594.08	68.44	228,820.72
Viet Nam	13,504.85	14.16	81,860.71	85.84	95,365.56
ASEAN	327,531.83	26.37	914,754.57	73.63	1,242,286.40

Source: ASEAN trade database.

However, it appears that both - the share of intra-ASEAN trade and extra-ASEAN trade increased over time. That is, intra-ASEAN trade expanded proportionately to the expansion in world trade, indicating that ASEAN economic integration has been trade-creating (increased trade with 'lower cost' partners and welfare) and not trade-diverting (reduced trade with lower-cost partners and welfare). As a result, ASEAN integration has not taken place at the expense of global integration, but has in fact been a 'building block' for world trade rather than a 'stumbling-block.'<sup>58</sup> The explanation for this growth of ASEAN's trade with the rest of the world lies in the structure of ASEAN's trade. The trade within ASEAN is mostly of intermediate goods and intra-industry in nature of trade, whereas exports outside the region is of final goods. This proportionate growth of extra-ASEAN trade is shown in Figure 19.

<sup>58</sup> Ibid.

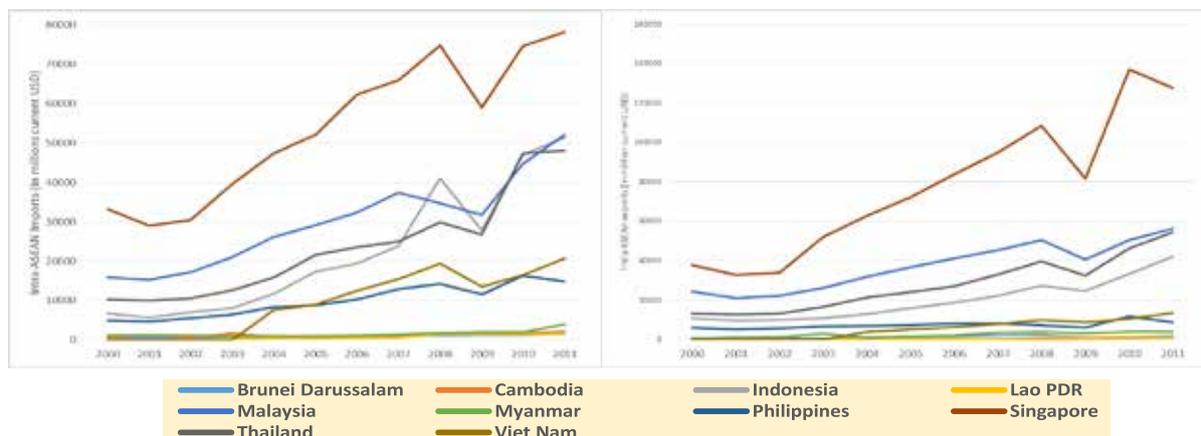
Figure 19. Intra-ASEAN, extra-ASEAN and total merchandise trade (in million current USD) 2000-2011



Source: ASEAN trade database.

A large amount of intra-ASEAN trade conducted by Singapore is partly due to its role as a transportation and distribution hub in the region, resulting in a large amount of regional trade. Free trade policies adopted by Singapore as well as a well-developed transportation infrastructure such as sea ports and airports contributed to its becoming a hub in regional trade.<sup>59</sup> In addition, the relatively high per capita income in Singapore has also played a role in promoting its trade with other ASEAN Member States, especially with Malaysia, another relatively high income country. This is because demand for imports tends to increase with rising income. Annex 9 shows intra-ASEAN exports by country (2000 – 2014) based on trade data obtained from UN Comtrade database.

Figure 20. Intra-ASEAN exports and imports by country, 2000 – 2011



Source: ASEAN trade database.

<sup>59</sup> ERIA 2012.

Recent research, conducted as part of the AEC Mid-Term Review (AEC-MTR) by ERIA (2012) for eight ASEAN Member States (excluding Brunei Darussalam and Myanmar due to data availability), finds significant gains arising from regional trade integration, which leads to a higher growth rate for Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam. A positive effect of trade facilitation, infrastructure and logistics on trade cost is also expected for many of these countries. The ILO (2014) corroborates ERIA (2012) and confirms significant welfare gain from the AEC in terms of increased exports, employment, and wages.<sup>60</sup> The next section analyzes the extent to which the welfare gains are distributed across men and women in the population and projects how the female share of export will change with the formation of the AEC.

### 3.2 Female Share of Exports

Trade always has distributional impacts: the benefits and the risks of trade are experienced differently by different groups, with some gaining more than others. The effects of trade on a particular individual or group will depend on their position and role in the economy. Because gender is an important determinant of an individual's access to economic resources, it is an important determinant of trade-related distributional impacts<sup>61</sup>. Other important factors affecting people's exposure to economic benefits and risks are location, ethno-linguistic affiliations, poverty levels, etc. These often intersect with each other and with gender. Trade reforms can either enhance gender-equalizing trends or exacerbate existing gender gaps, depending on the way they are designed and implemented.

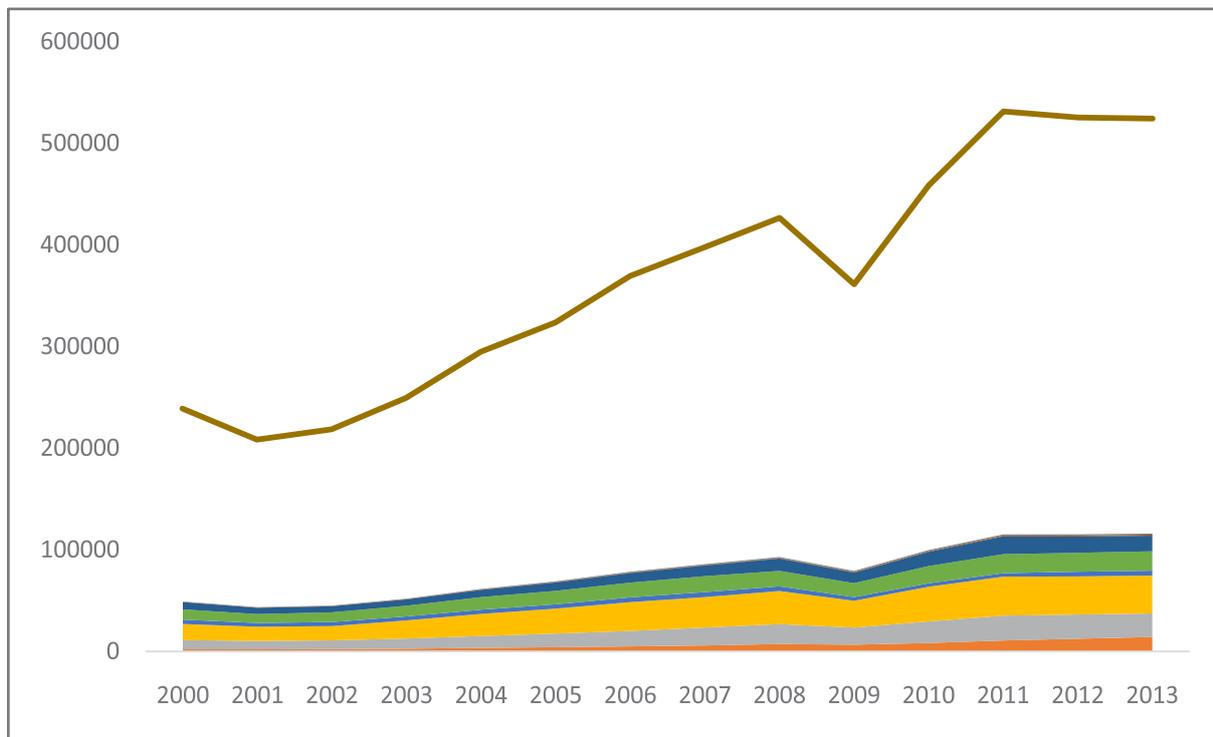
While there are a number of studies that have examined the impact of trade liberalization on gender inequality, very few studies focus on measuring the female contribution to trade. In order to conduct an evidence based analysis of the impact of a change in trade policy on women's role and participation, the starting point needs to include a measure of female contribution to trade and its linkage with trade policy changes. To overcome this challenge in measurement, this study uses a metric of female intensity of exports and traces the changes in female contribution towards total exports (Box 1).

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<sup>60</sup> Plummer and Zhia (2014).

<sup>61</sup> Fontana 2012.

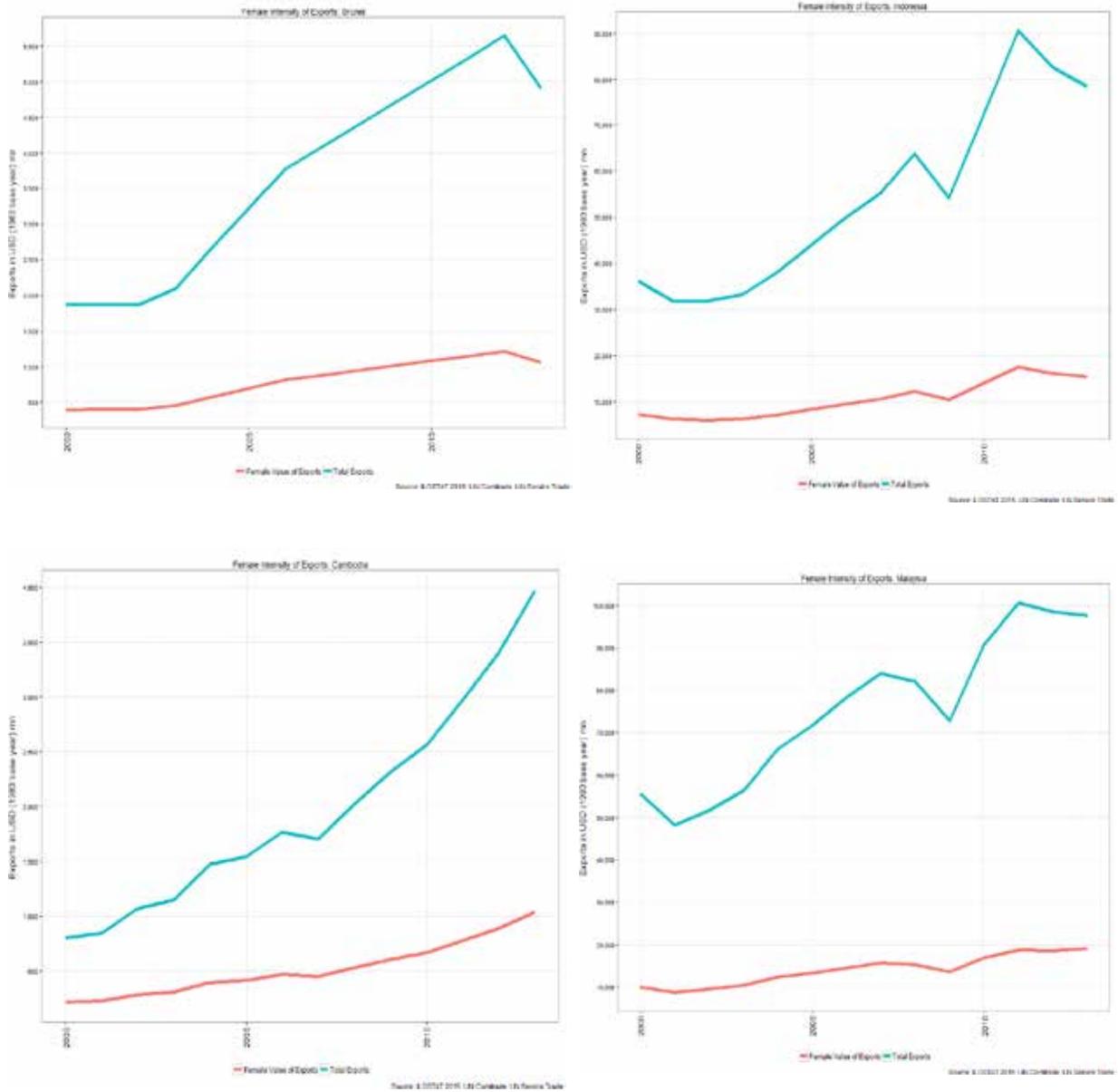
Figure 21. Trends in female intensity of exports in ASEAN (in 1990 constant USD) 2000 -2010

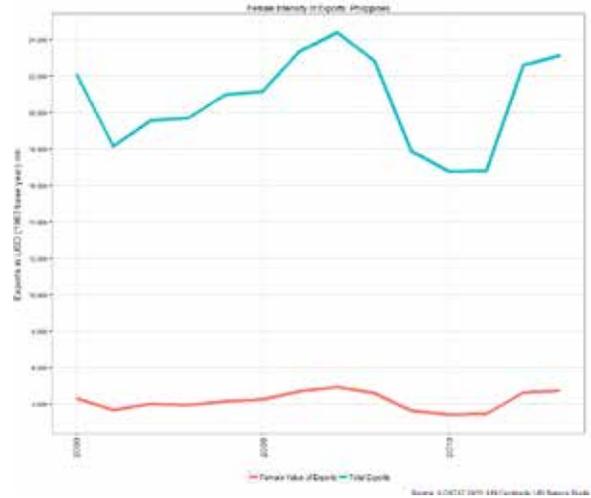
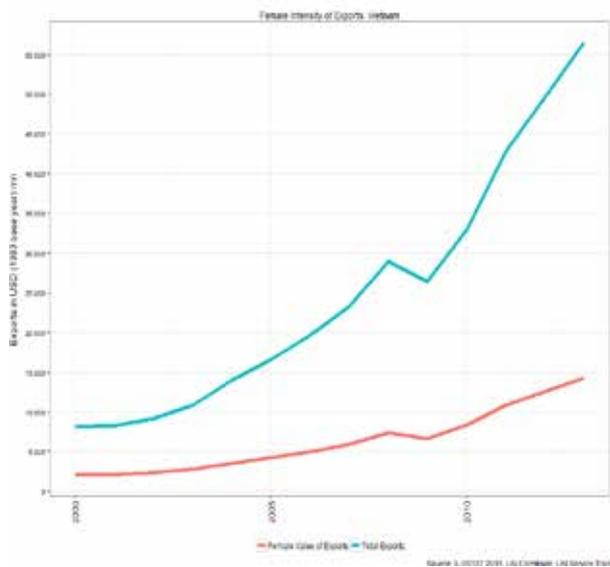
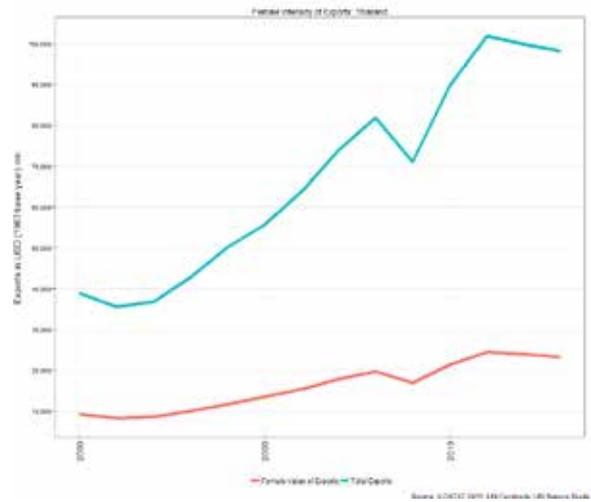
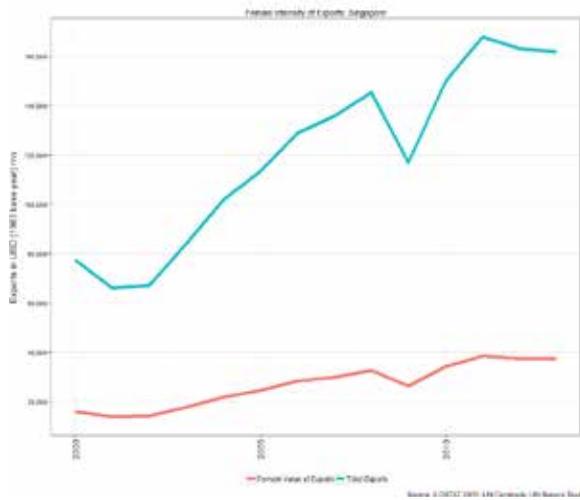


Source: Estimates using ILOStat and ASEAN trade database.

Figure 21 shows the trend in female intensity of export from 2000 – 2010. The female share of export remains more or less constant during the last decade, while the value of total exports expanded significantly in the same time period. Based on our analysis in the previous chapter, the female share of employment and labor force participation has remained almost during this period. Therefore, it is not surprising that women’s share in the exports mirrors their overall work force participation. In order for women to bridge the gap in export intensive sectors, there needs to be a boost in their overall work force participation.

Figure 22. Female intensity of exports across ASEAN Member States (in million USD)





The country level female intensity of exports reflects the pattern of the overall exports in eight out of ten ASEAN Member States for which we have annual data from ILOStat and Comtrade, though it does not show as much volatility as the overall export trends. While methodologically this metric makes certain assumptions, it is helpful to provide an approximate representation of the pattern of female share of exports.<sup>62</sup>

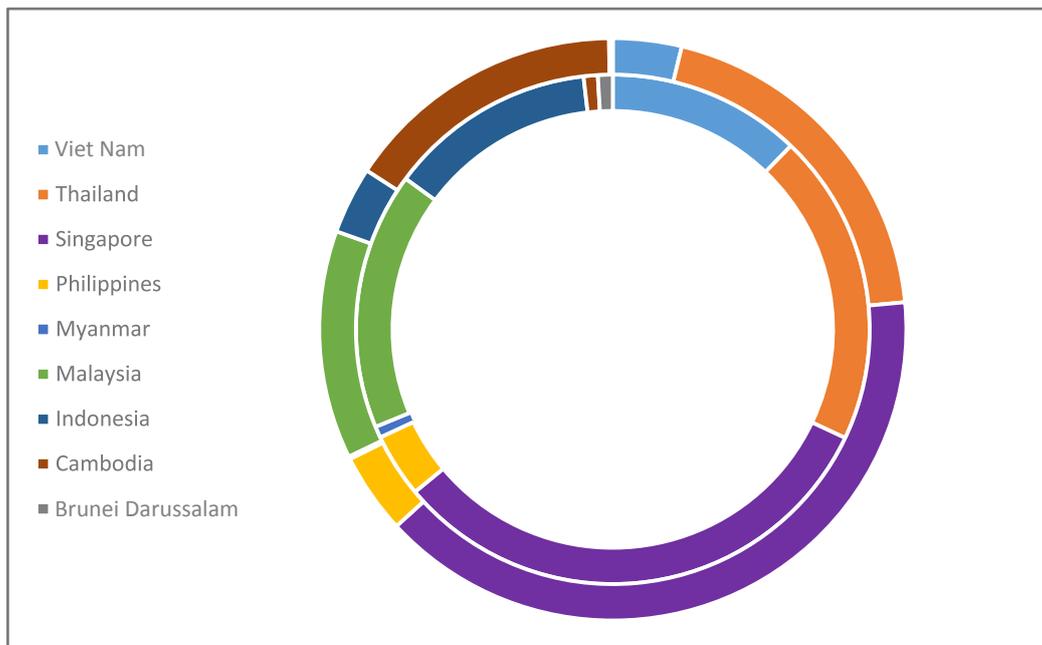
<sup>62</sup> The method is based on calculations to calculate the value of labor intensity of exports (xx) and female intensity of exports (World Bank, 2013).

### 3.3 Projection in Female Share of Exports, post-AEC

- **AEC effect on female share of exports**

The values of the female share of exports and the growth rate of the total exports are used to predict the value of female of share in 2025, post-AEC. Data on growth of total employment and total female employment between 2004 and 2025 is obtained from ILO (2014). The predicted value of female share of employment in 2025 by first estimating total employment in 2025 and then total female employment in 2025. Total exports (in 1983 US Dollars) is projected to 2025 using total exports (in 1983 US Dollars) in 2004 for each country and the growth rate of total exports between 2004 and 2025 for each country obtained from ILO (2014). The female intensity is then calculated as the female share of the total labor share.

Figure 23. Female share of exports 2013 & 2025



Source: Estimates based on ILOStat and COMTRADE.

While the absolute value of the female share of export is not an accurate estimate of the exact female share, it provides a reasonable prediction of the relative female share of exports in ASEAN Member States. In Figure 23, the inner circle is the relative female shares of exports for the ASEAN Member States in 2013, while the outer circle is the predicted value of the female share of export in 2025. Female share of exports in the Philippines and Brunei Darussalam

go up significantly between 2013 and 2025, the share of female in exports remains the same in Myanmar and Singapore, where the share of female in export falls in Cambodia, Indonesia, Malaysia, and Thailand. The relatively high educational attainment levels among women combined with investments in gender laws to promote women in the work force in Brunei Darussalam, the Philippines, Myanmar, and Singapore can be an important factors that explain the increased proportion of female share of exports in these countries.

What this section shows is that while total exports will certainly go up following the AEC, without adequate steps taken to promote women's participation in the economy right now, the relative share of females will go down over time. This can happen due to several reasons such informalization of women workers, lower wages, high labor force dropout and external migration out of ASEAN. In order to create favorable environment for women to contribute optimally to the economic growth, countries that are investing in them socially will reap relatively higher rewards in future. There is ample evidence that when women are able to develop their full labor market potential, there can be significant macroeconomic gains through an increase in GDP and increasing productivity.<sup>63</sup>

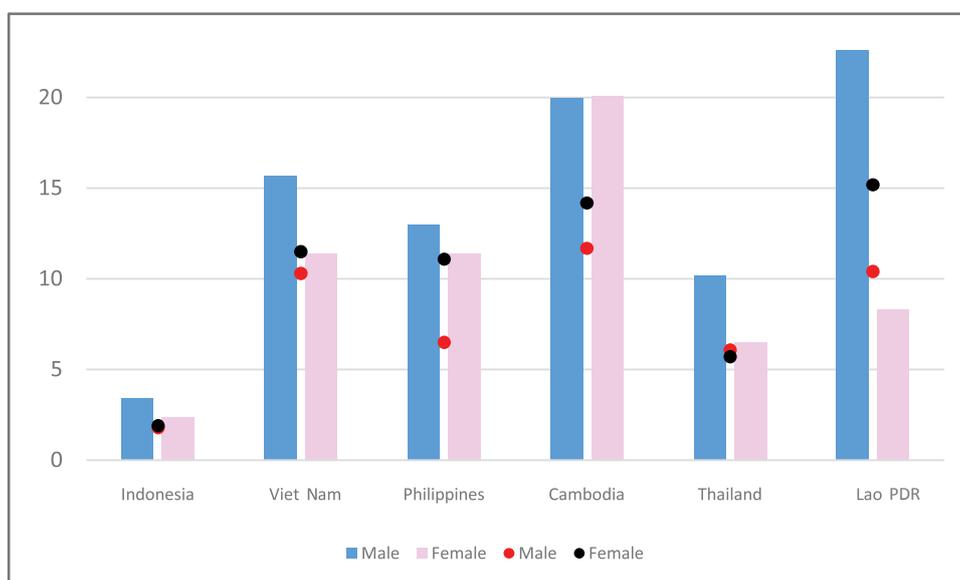
- ***AEC effects of female wages and employment***

Country specific pattern of female share of exports is reflected in the AEC effects on female and male wages. ILO (2014) estimates the implications of regional initiatives on ASEAN Member States using a computable general equilibrium model and data from LFS from six ASEAN countries (Cambodia, Indonesia, the Lao PDR, the Philippines, Thailand, and Viet Nam), Results in different occupational levels – skilled, semi-skilled and unskilled – show that post-AEC wages increase for both men and women. Figure 24 shows the AEC effect on male and female wages in 2025 (compared to the 2004 baseline in percentage. The highest wage increase for skilled male workers is predicted in Lao PDR (22 per cent) followed by Viet Nam (15 per cent) and Thailand (10 per cent). Skilled female workers are predicted to have the highest wage increase in Cambodia (20 per cent) followed by Viet Nam and the Philippines (11 per cent each). Unskilled women workers are predicted to receive the highest wage increase in Lao PDR, followed by Cambodia and Viet Nam. The gender wage gap is predicted to reduce in Cambodia and the Philippines, whereas the gender wage gap is predicted to increase in Indonesia, Viet Nam, Thailand, and Lao PDR. However, overall gender wage gap remains at around 20 per cent in 2025.

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<sup>63</sup> See for instance, IMF (2014); Loko and Diouf, 2009; Dollar and Gatti, 1999.

Figure 24. AEC effects on female and male wages (percentage change from 2004 baseline, 2025)



Source: Based on estimates from ILO (2014).

Figure 25 shows the AEC effects on the gender employment gap. Overall, like with wages, it is predicted that job gains for male workers tend to be higher than in the case of female workers for both semi-skilled and unskilled categories. It is predicted that male share of employment is expected to expand by 13 per cent in the Philippines, 11 per cent in Cambodia, and seven per cent in Thailand. Female share of employment is expected to expand in Viet Nam and Cambodia (13 per cent), and Indonesia (11 per cent).

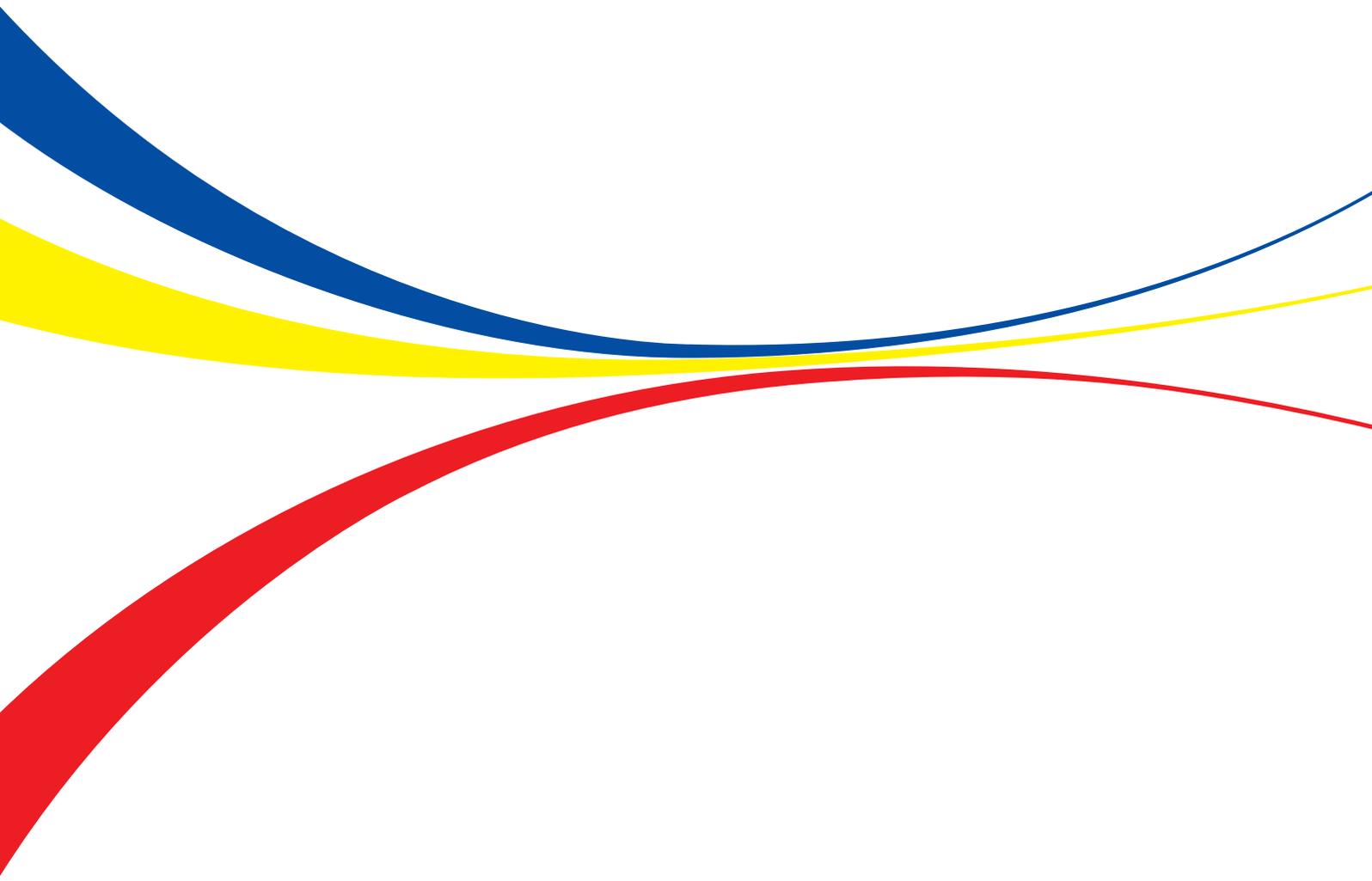
Table 12. AEC effects on skilled and semi-skilled employment (percentage change from 2004 baseline, 2025)

	Male			Female		
	Skilled	Semi-skilled	All	Skilled	Semi-skilled	All
Indonesia	0	1.7	1.5	0	11.8	9.9
Viet Nam	0	1.2	1	0	13.1	11.1
Philippines	0	13.4	8.4	1	9	5.6
Cambodia	0	11	9.8	0	13	11.7
Thailand	0	7	6.1	0	6.1	5.1
Lao PDR	0	3	3.5	0	1.9	2.1

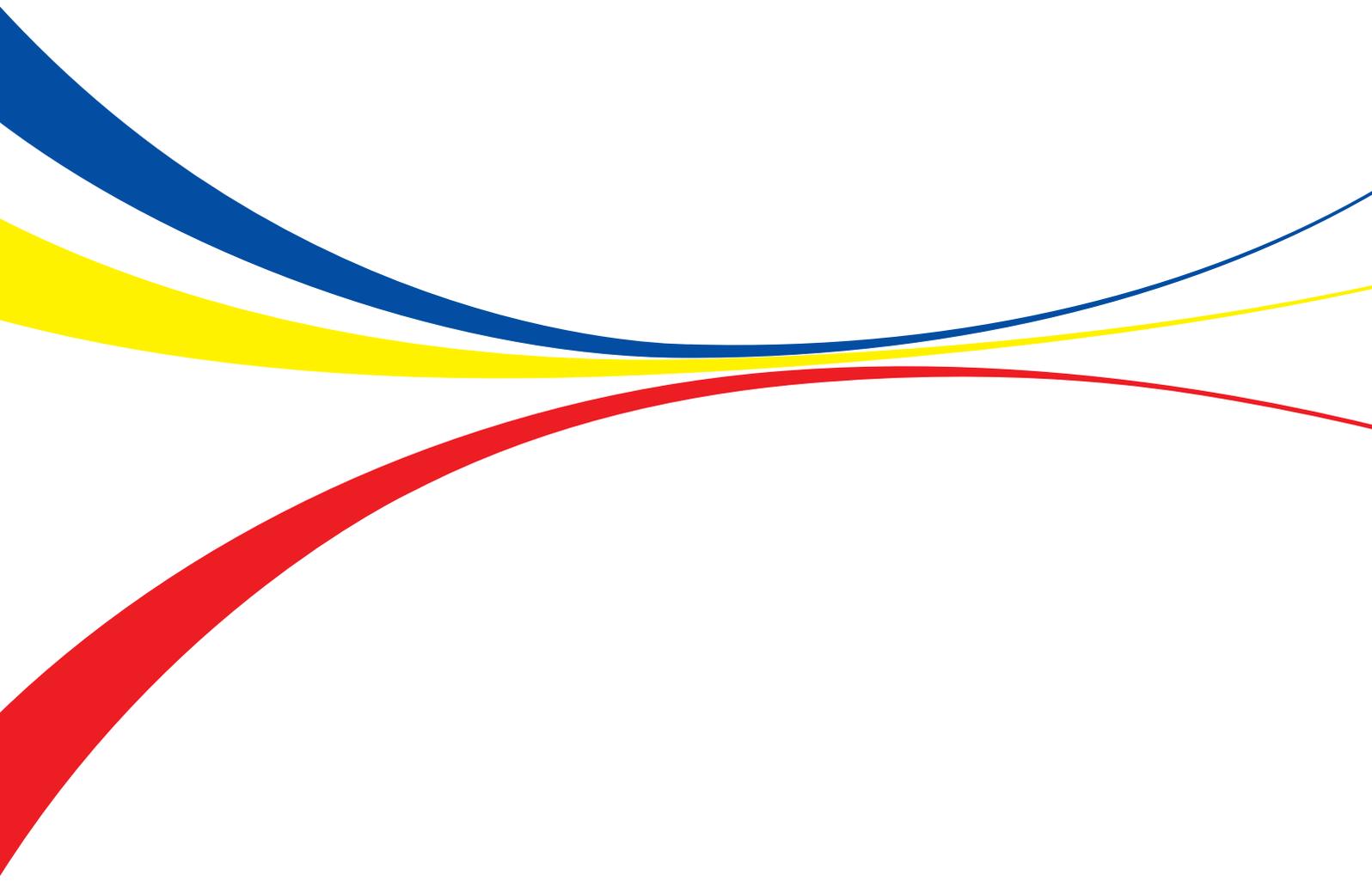
Since data from Brunei Darussalam and Singapore are not included in this analysis, it is difficult to correlate the findings to social or policy level investments. Overall, the ILO prediction show that gender differential impacts of the AEC are likely to continue in the absence of specific measures to address gender gaps in the next decade.

### **3.4 Key Findings - gender analysis of regional ASEAN trade**

While overall trade is expanding both intra-ASEAN and extra-ASEAN, the value of women's share of exports has remained more or less constant. 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 is likely to continue, in the absence of any immediate policy interventions to address gender gaps.



## CHAPTER 4 GENDER ANALYSIS OF KEY EXPORT INDUSTRIES



## CHAPTER 4 GENDER ANALYSIS OF KEY EXPORT INDUSTRIES

In 2004, ASEAN leaders agreed to accelerate the integration of 11 priority sectors under the Framework Agreement for the Integration of Priority Sectors. The 11 ASEAN PIS are electronics, e-ASEAN, healthcare, wood-based products, automotives, rubber-based products, textiles and apparels, agro-based products, fisheries, air travel, and tourism. These sectors were selected on the basis of comparative advantage in natural resource endowments, labor skills and cost competitiveness, and value-added contribution to ASEAN's economy.

These selected sectors accounted for more than 50 per cent of intra-ASEAN trade in 2003. Attached to each protocol is a roadmap that provides a basis for economic integration of each of the priority sectors. These roadmaps were prepared with active involvement of the private sector. The roadmaps aim to (i) enhance the competitiveness of ASEAN; (ii) strengthen regional integration efforts through liberalization, facilitation, and promotion measures; and (iii) promote private sector participation. The roadmap includes specific measures that are of direct relevance to each sector, as well as common measures that cut across all priority integration sectors to be implemented with timelines from now on to the year 2010.

This chapter shifts the attention from region-level analysis of the constraints and opportunities for gender equality in the AEC, to the gender dimensions of the ASEAN PIS. The focus of the analysis in this chapter is to examine the current status of women's participation in ASEAN priority sectors, and the opportunities and barriers to their participation in the context of the AEC. As discussed previously in the report, regional integration through the AEC presents unprecedented economic opportunity for everyone in the ASEAN Member States. Within the AEC, the focus on priority sectors puts them front and center in the line for these expanding opportunities. It is important to understand how women are positioned in these sectors and provide recommendations to ensure their active and improved participation in these high growth sectors.

A few sectors were selected for detailed sectoral analysis. These sectors are highly export intensive and have a high share of women's employment – at least in terms of the number of women employed. However, there is a difference in the types of jobs performed by women in both sets of industries. The first set of industries includes agriculture, garments, and tourism where women are employed in large numbers but mostly perform low skill jobs. A second set of industries were selected that are also highly export intensive but where women's participation is in relatively higher skilled jobs. The second set of industries are financial services and oil and energy.

Since the agricultural, garments, and tourism sectors comprises a large share of exports from many ASEAN Member States, it is expected that with the AEC’s focus on expanding trade in the PIS, the share of these sectors will expand. While women’s participation in these sectors is relatively high, the quality of their participation is quite poor. Women in these sectors face tremendous hardship in terms of the type of work they perform – mostly at the bottom end of the supply chain – and in the barely subsistence wages that they are paid. There is almost a complete absence of any social protection benefits since women perform short-term, contractual work and informal sector jobs. In the oil and energy, and financial services sectors women’s participation is generally in more skilled types jobs. These are considered highly skilled and given the skill differences between men and women, the jobs in these sectors tend to be male dominated.

In order to promote a women’s quantitative and qualitative expansion in these sectors, it is important to take specific steps to overcome the constraints. The chapter identifies sector specific challenges to women’s participation in the primary export sectors and provides specific suggestions to promote women’s work in these sectors.

### 4.1 Trends in ASEAN Trade in Priority Sectors

Table 12 below provides a mapping of the ASEAN priority sectors and the top export sectors for each ASEAN Member State. In most cases, at least one of the largest export sectors at the country level is also an ASEAN priority sector. This is hardly surprising given that the ASEAN priority sectors jointly account for over 70 per cent of the total exports from the ASEAN region. (Figure 26) The sectors highlighted in green are a top export sector for the member country but not an ASEAN PIS.

Table 12. Mapping of ASEAN PIS & top three export sectors in each ASEAN Member States

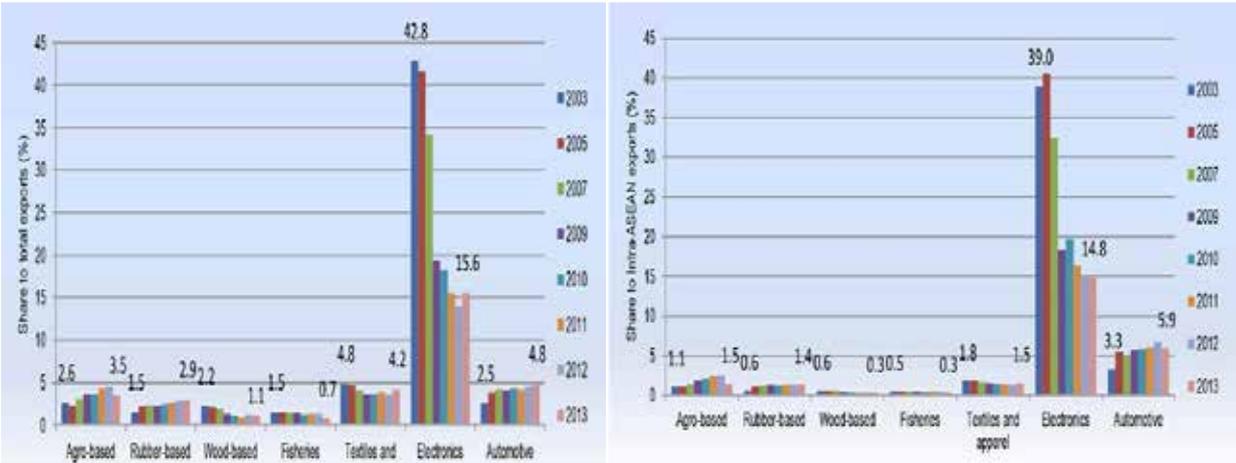
ASEAN	Brunei Darussalam	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Viet Nam
Air travel	Oil & gas	Construction		Construction	Oil & Gas	Energy	Construction			
Automotives	Transport		Transport		Transport			Transport	Automotives	Transport
E-ASEAN					Financial services		IT	Financial services		
Electronics									Electronics	
Fisheries										
Healthcare	Healthcare							Healthcare		
Rubber-based products		Agriculture	Agriculture	Agriculture		Agriculture	Agro industry		Agriculture	Agriculture
Textiles & apparel		Garments								Garments
Tourism				Tourism					Tourism	
Wood-based products			Food & beverages			Forestry				

Source: ASEC and ILO (2015).

Figure 26 shows the shares of the PIS sector exports as a percentage of the total ASEAN exports. Exports from PIS form approximately 70 per cent of total ASEAN exports in 2003 but since 2007 the share of PIS sectors has been gradually declining. Similar patterns were observed in intra-ASEAN exports of PIS, where the share of intra-ASEAN exports of electronic products were also dominating (40 per cent of ASEAN total export in 2013) but has also been declining sharply since 2007. Meanwhile the share of the automotive sector has been increasing in the past decade.<sup>64</sup> The only PIS where export grew at a high rate of 10-15 per cent per annum (higher than electronics) are agro-based and automotive products. From 2007 to 2013, exports of wood-based, fisheries, and electronic products slowed down significantly, growing at negative rates. Electronic products recorded a negative growth rate of 1.7 per cent per year, after enjoying buoyant growth of 17 per cent per year in the period 2002 to 2007. Agro-based, rubber-based, and automotive exports maintained a high rate of annual growth of between nine to 11 per cent, while textile slowed down to around seven per cent per year.

The value of extra-ASEAN export was between seven to 15 times that of intra-ASEAN export in the case of agro-based, rubber-based, wood-based, fisheries, and textiles, and two and three times in the case of automotive and electronics products, respectively. This indicates a higher intensity in intra-industry trade, and most likely, the presence of regional production networks in automotives and electronics.

Figure 25. Trends in ASEAN total and intra-ASEAN exports of PIS products, 2003-2013

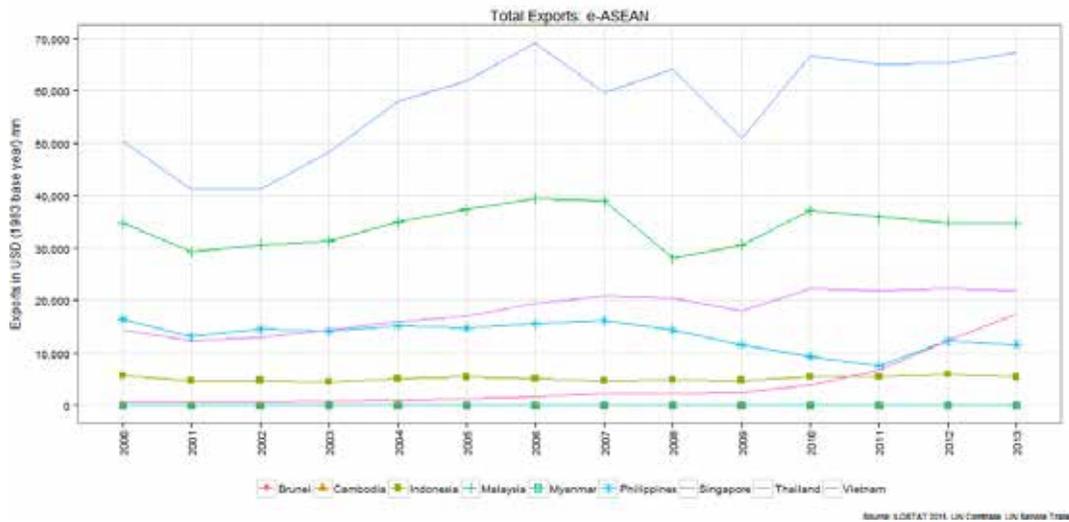


Source: ASEAN trade database.

The following figures show the trends per country in PIS exports from 2000 to 2013. The pattern of share of PIS sectors at country level reflects the top three export sectors from each country. Singapore has the highest share of e-ASEAN exports, followed by Malaysia and Thailand. Over the year, Viet Nam shows an increasing trend in exports of e-ASEAN products.

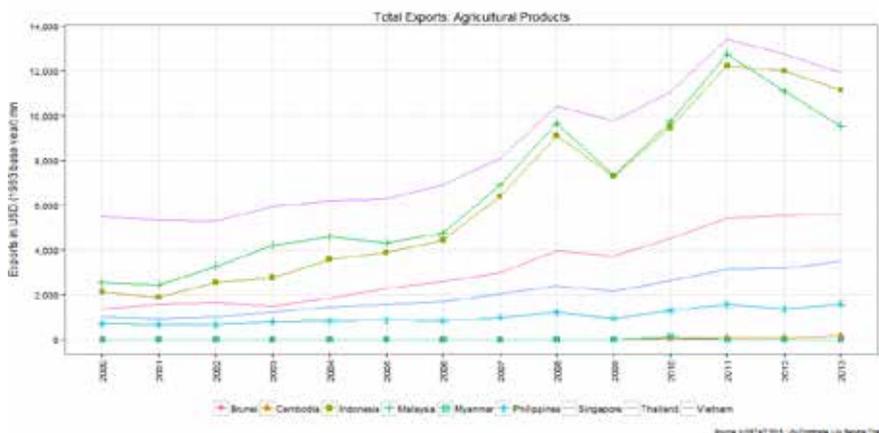
<sup>64</sup> ACIF (2014).

Figure 26. Trends in country level share in e-ASEAN exports, 2000-2013



The agroproducts exports from the region are dominated by Indonesia, Malaysia, and Thailand. In recent years, Viet Nam, Singapore, the Philippines, and Myanmar all show an increasing trend in exporting agro-based products. (Figure 28)

Figure 27. Trends in country level share in agroproducts exports, 2000-2013



Thailand is the regional leader in the tourism sector. Indonesia, Malaysia, and Singapore show increasing trends in the tourism sector. The regional leader in garments and textiles is Viet Nam, followed by Indonesia, and Thailand. Since 2006, the garment exports from Cambodia show a high upward trend. On the other hand, garment exports from the Philippines have gradually come down during the same period.

Figure 28. Trends in country level share in tourism, 2000-2013

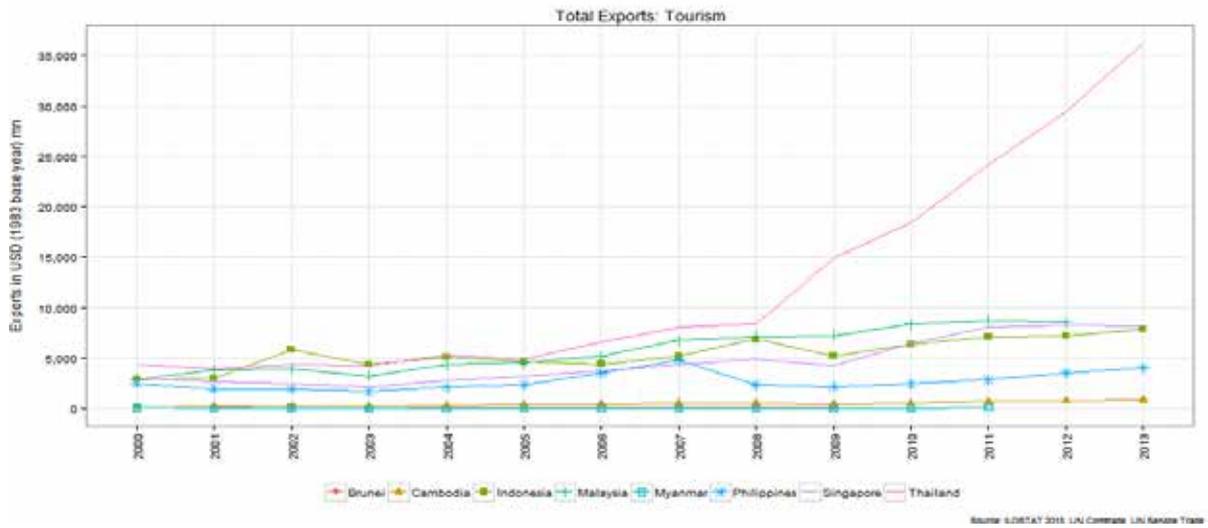
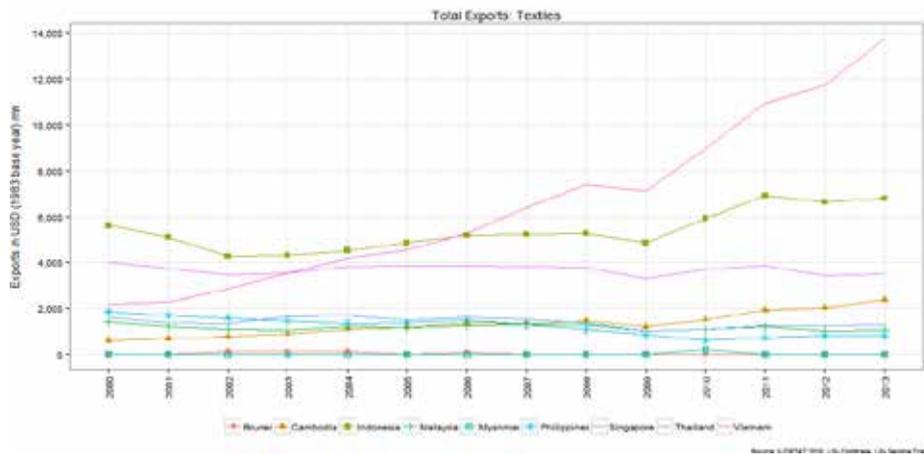
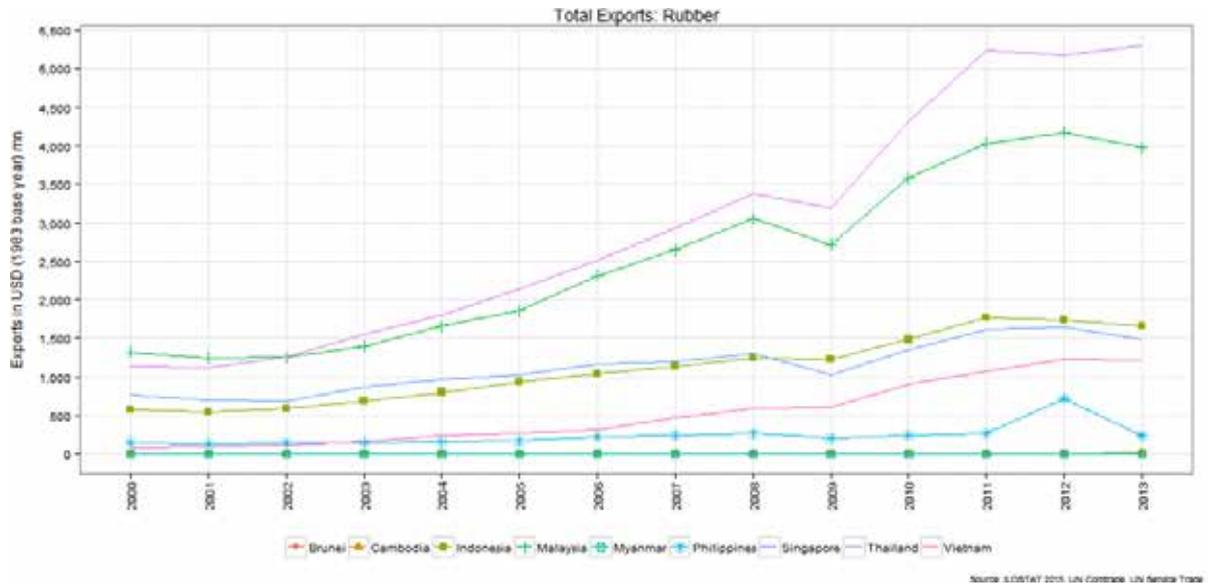


Figure 29. Trends in country level share in garments and textiles, 2000-2013



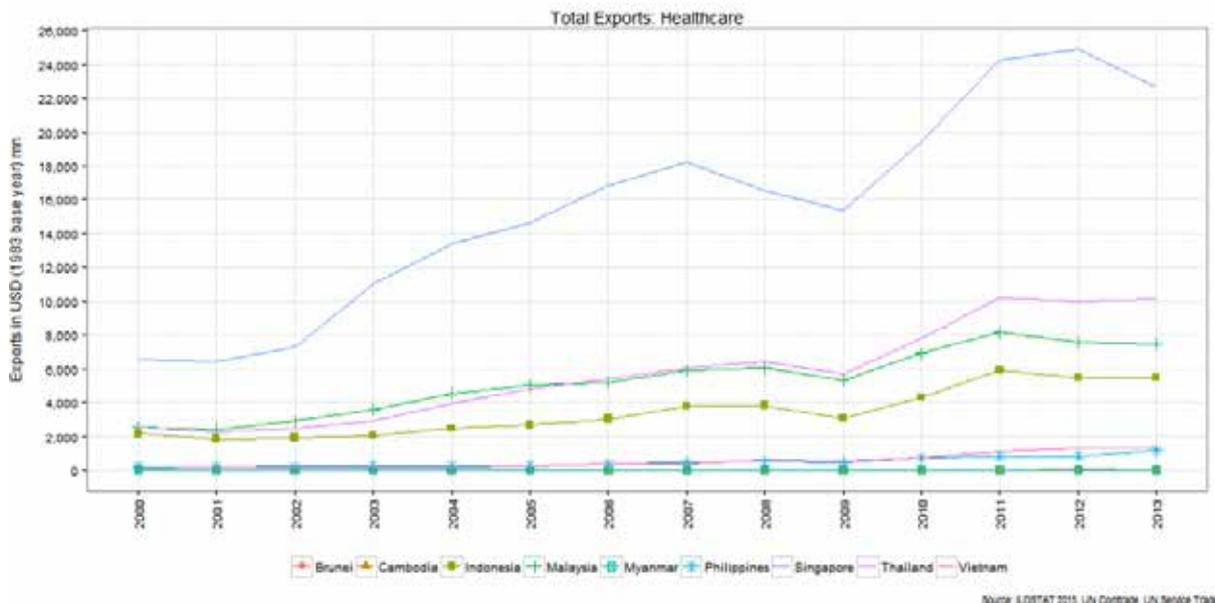
The regional leader in the rubber export sector is Thailand, followed closely by Malaysia and Indonesia. Rubber exports in Viet Nam show a sharp increasing trend since 2006.

Figure 30. Trends in country level share in rubber exports, 2000-2013



Singapore is the regional leader in the healthcare sector. It is important to clarify that the healthcare sector as defined by the ASEAN Roadmap only includes production of healthcare related products and does not include healthcare services. Thailand and Malaysia are second and third highest exporters of healthcare sectors.

Figure 31. Trends in country level share in healthcare sector, 2000-2013



The pattern of exports in fishery exports show an interesting pattern. Until 2005 the regional leader in fishery export was Viet Nam, however since 2005, the fishery exports from Viet Nam has dramatically fallen and Indonesia as emerged as the sector leader in fishery exports. It should be noted that the total volume of fishery exports is miniscule when compared to other ASEAN boom sectors such as electronics, e-ASEAN, and tourism.

Figure 32. Trends in country level share in fisheries exports, 2000-2013

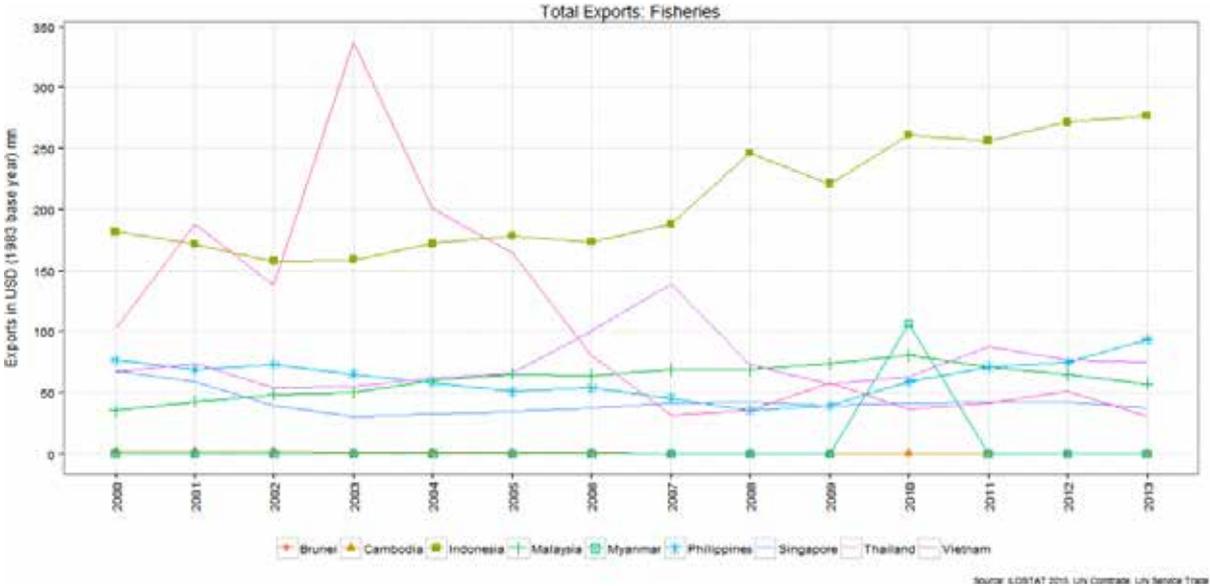
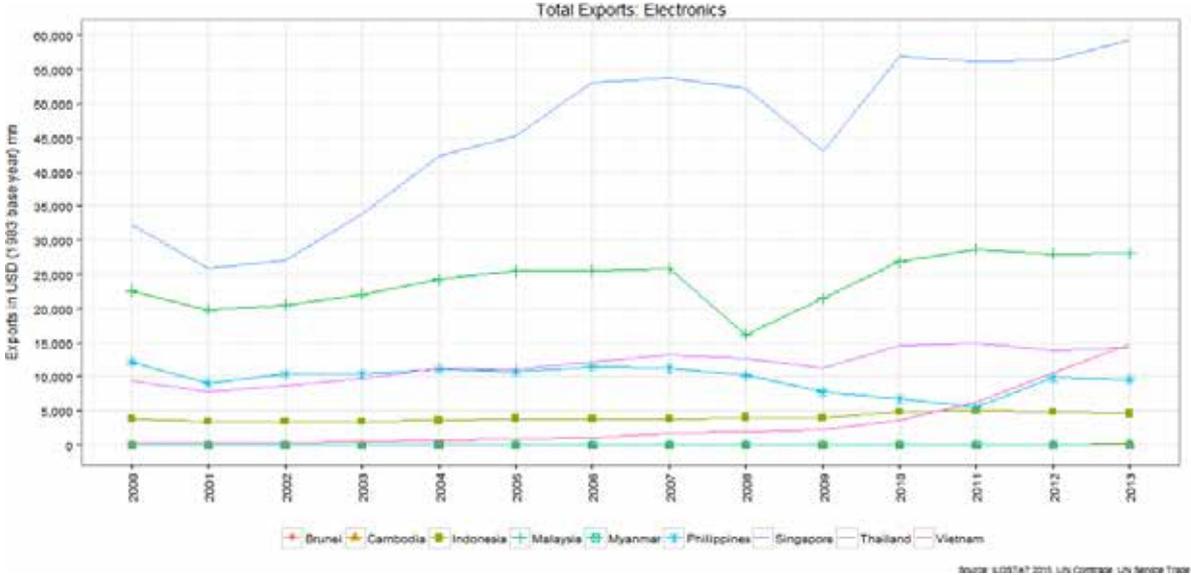
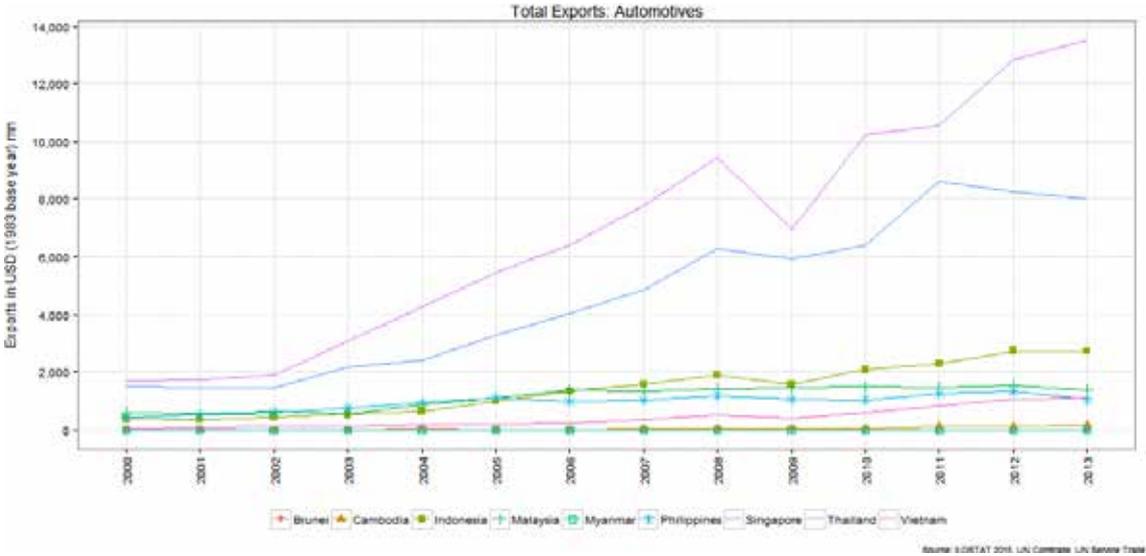


Figure 33. Trends in country level share in electronics exports, 2000-2013



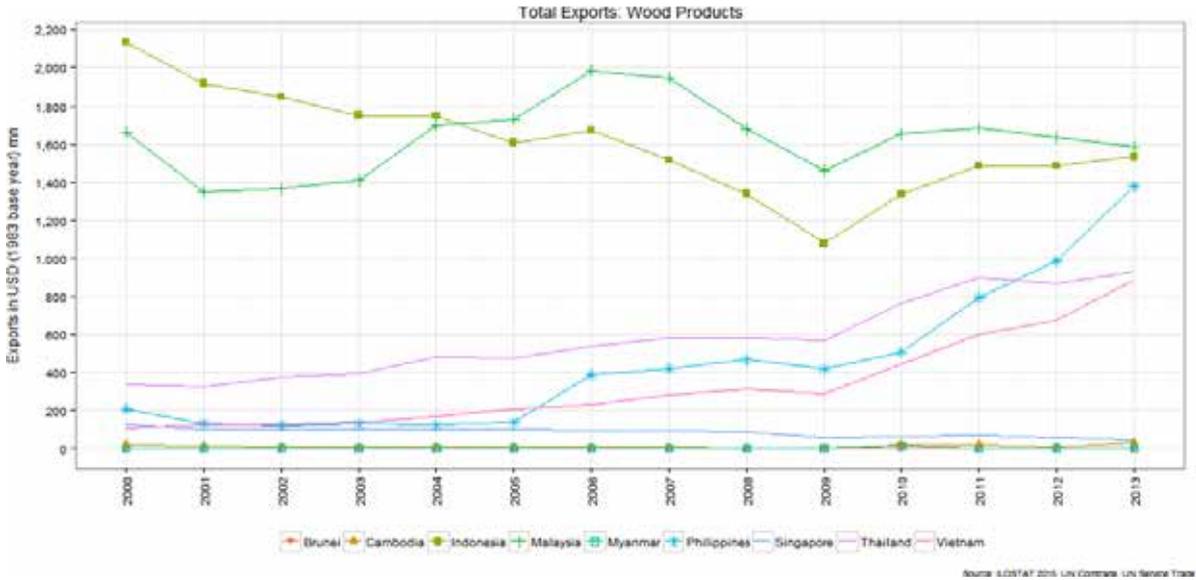
The regional leader in electronics, also one of the largest export sectors in the region, is Singapore. Over the years, electronic exports from Malaysia and Viet Nam have been slowly going up. Myanmar, Cambodia, and Indonesia also hold a constant export market share in the electronics market.

Figure 34. Trends in country level share in automotives exports, 2000-2013



Not surprisingly, wood-based product exports are dominated by Malaysia and Indonesia. Wood based exports have risen sharply in the Philippines and Viet Nam. Thailand too holds a reasonable share of wood based exports (Figure 36).

Figure 35. Trends in country level share in wood based-products exports, 2000-2013



Concluding this section, the trends in exports over the last decade and half show that the sectoral shares of relatively high technology and high skilled sectors such as automotives and electronics are going up, whereas sectors where women dominate the workforce such as agriculture and garments are relatively stagnant. Value-added agroproducts 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 a large share of ASEAN exports. Both these sectors are currently very male dominated.

At the country level, Singapore leads the region in hi-tech exports from electronic, healthcare, e-ASEAN and automotives, and Thailand in primary sectors such as rubber and agroproducts. Thailand also has large shares in tourism, automotives, and healthcare – all manufacturing intensive, highly value-added sectors. Comparing the female share of employment in the region per sector, we find that female share of employment forms a very small percentage 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 (Table 13).

Table 13. Female share of employment by major economic sectors, most recent year (percentage)

	Male			Female		
	Agriculture	Manufacturing	Services	Agriculture	Manufacturing	Services
<b>ASEAN</b>	40.6	21.6	37.8	39.2	16.4	44.4
<b>Brunei Darussalam</b>						
<b>Cambodia</b>	33.7	24.6	41.6	32.7	25.9	41.4
<b>Indonesia</b>						
<b>Lao PDR</b>	69.2	9.9	20.9	73.5	6.7	19.9
<b>Malaysia</b>	15.4	32.8	51.8	8.3	19.8	71.9
<b>Myanmar</b>						
<b>Philippines</b>	37.9	19.2	42.9	20.1	10	69.9
<b>Singapore</b>	0	22.2	77.8	0	14	86
<b>Thailand</b>	44.1	22.6	33.3	39.3	17.7	43.1
<b>Viet Nam</b>	45	25.1	29.9	48.8	17	34.2

Source: ILO Stats.

Detailed country level interviews and qualitative assessments were undertaken across all ASEAN Member States to examine women’s participation in the priority sectors. The sectors covered in the study, and those that overlapped with ASEAN priority sectors and the ILO study, were agriculture, garments and textiles, tourism, and financial services.

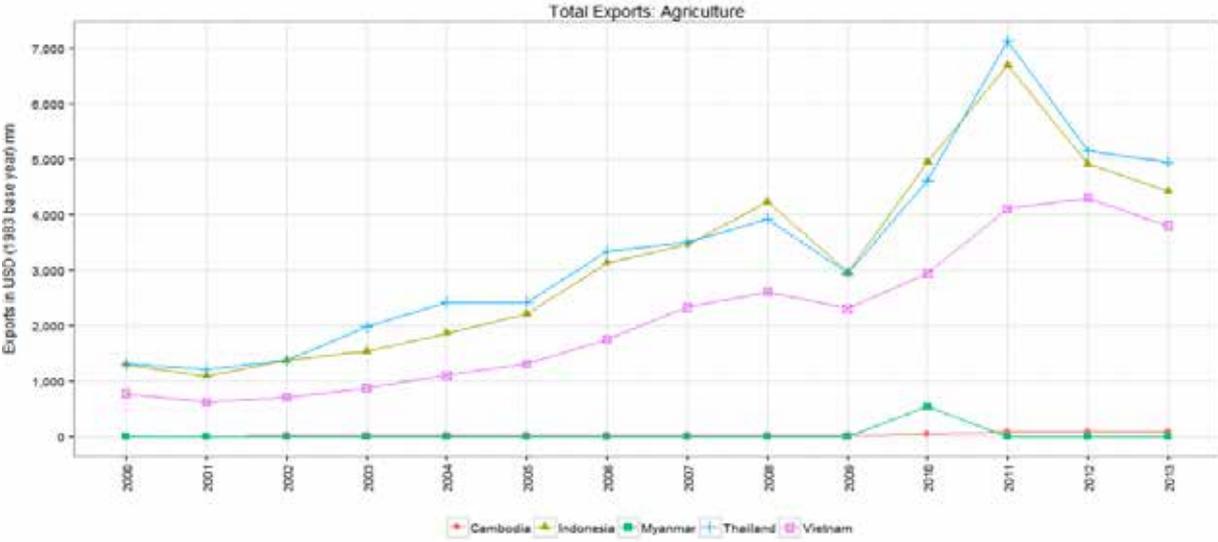
Of these sectors, women’s employment is highest in agriculture, garments, and tourism. In addition, we selected financial services and petroleum since these are big export sectors but at present they do not employ a large number of women. The chapter combines the key findings from field reports with secondary data on women’s participation within these sectors in the ASEAN region.

### 4.2 Women’s Participation in Agriculture

Agriculture is a major export sector in six out of ten ASEAN Member States: Cambodia, Lao PDR, Myanmar, Thailand, Indonesia, and Viet Nam. Together these countries account for nearly 80 per cent agroproduct exports from the ASEAN region.<sup>65</sup> Table 13 shows that agriculture is a major employment sector. While the major agricultural dominant countries are at varying stages of socio-economic development, there are remarkable similarities in the constraints faced by women in the agricultural sectors.

- **Trends in Female LFP, female share of employment, gender wage gaps**

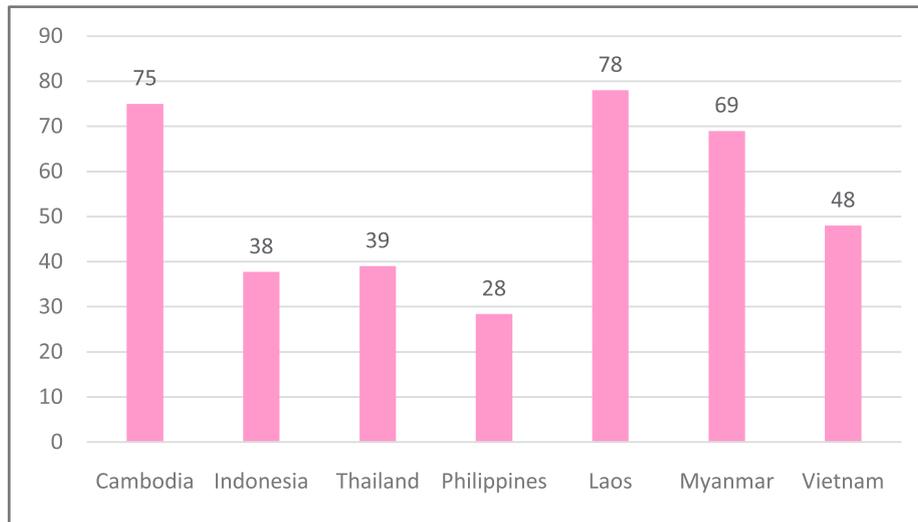
Figure 36. Trends in exports from the agricultural sector, 2000 - 2013



Thailand has the largest share of agricultural exports in the region, closely followed by Indonesia. Viet Nam has the third largest export share in agriculture. (Figure 37). However, agriculture is an important sector of employment for large numbers of women, especially in the CLMV countries. Nearly 75 per cent of women in Cambodia are engaged in agriculture, 69 per cent of women are agricultural workers in Myanmar, followed by 48 per cent in Viet Nam, and 51 per cent in Lao PDR.

<sup>65</sup> COMTRADE.

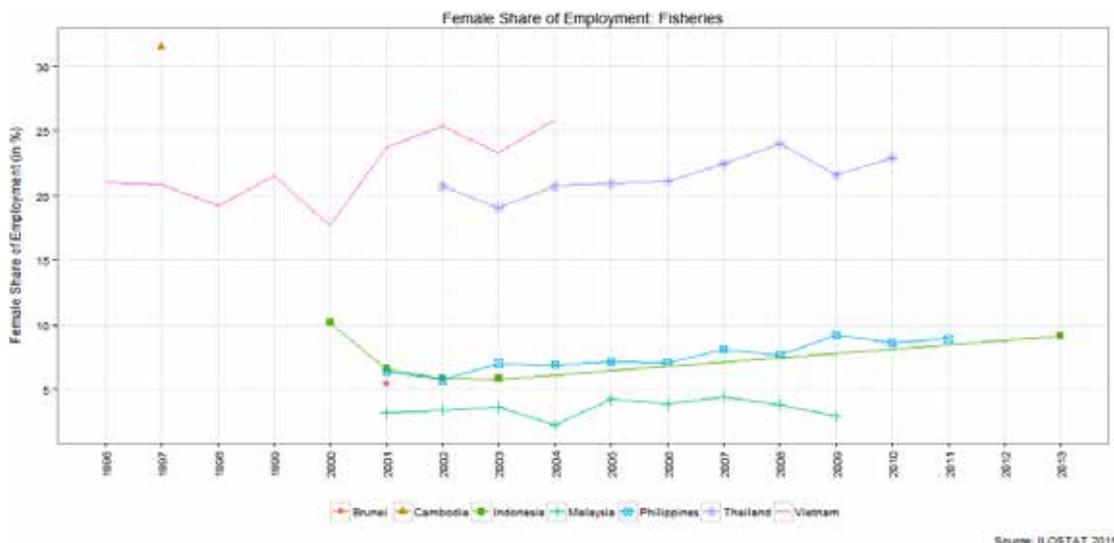
Figure 37. Female share of employment in agriculture



Source: ILO Stats; Data for Lao PDR is from ADB; Data for Myanmar is from UN Women and FAO (forthcoming report).

Figure 39 shows the female share of employment in fisheries, another ASEAN PIS. Female share of employment in fishery is relatively high in Thailand and Viet Nam (varies between 20 to 25 per cent), lowest in Malaysia.

Figure 38. Female share of employment in fisheries, (percentage)



Although the agriculture sector is one of the top employers of women, especially in rural areas, this engagement is primarily unorganized, unpaid, and unaccounted for in the value chain. Women shoulder the dual burden of domestic responsibilities and farm labor without the latter

being considered productive employment. Across the four countries, women farmers were noted to be doing small or marginal level farming and relied on traditional farming techniques with little or no agricultural extension and training. From a value chain perspective, it was noted that across the four countries, women were involved at all levels of the value chain. However, a majority of this involvement remained at the primary levels - sowing, harvesting, and selling in the local markets.

In Lao PDR, women account for a whopping 78 per cent of the labor force engaged in agriculture and agriculture related trade<sup>66</sup>. They are engaged at all levels in the value chain-production, processing, wholesaling and retailing; albeit in small markets at the local level.

In Cambodia, with rapid rural-urban migration of men seeking better paying jobs, agriculture remains the primary sector of employment for rural women. Rice export is a thriving industry and reportedly, women are involved at all levels of the value chain. This involvement however, bulks at the production stage and thins out at the various stages of value addition, with minimal representation of women at the management/entrepreneurial stages. For example, among the 200 members of the Cambodian Rice Federation, only two are women. Also, among the top 20 rice exporters in the country, there are very few women and reportedly, the trend runs across other agricultural sectors as well.

In Myanmar, agriculture and agro-based activities like fisheries, are the mainstay of the economy, employing a 51 per cent of women workforce. The major agricultural product is rice and women are largely involved in the sowing, harvesting, and sorting of rice. Preparation of land is primarily the job of the men. Experts cited prevalent cultural reasons for the lack of women's presence in the higher levels of the value chain. Reportedly, while women are increasingly participating at all levels in the workforce; there is a gender bias exists in decision-making positions. For example, in the Agricultural University of Myanmar, while the two Pro-rectors are women and most professors are women; the head of the institution i.e. the Rector, is male.

Within ASEAN Member States, the participation of women in the agricultural sector differs considerably among countries. In Viet Nam, Thailand, and the Philippines, the participation of women is relatively equal (in some cases more men than women). As a result, women farmers in these countries have relatively better access to education, and mobility. Despite growing industrialization, agriculture and agroproduct subsectors like livestock and forestry largely employ women. Women participate at equal levels of the value chain but do not necessarily reach the export level equally.

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<sup>66</sup> ADB.

- **Major challenges to women's participation in agriculture**

Women farmers face several challenges in moving beyond the subsistence level to access export markets in the ASEAN Member States. Rural poverty level is high and women shoulder disproportionate amounts of physical workloads, both within households and at the farm. Despite women's significant involvement in agriculture, land ownership and titling and ownership of other productive assets remains largely with the men. Poor access to markets and over dependence on middlemen makes it difficult for women to access outside markets and receive a fair price for their products. Though women farmers were able to articulate their disadvantage owing to poor bargaining power against the middlemen, there was little experience/intervention for collectivization. Compounding this, is the fact that credit for agricultural purposes is hard to access for women because their lack of asset ownership and low education levels.

### **Traditional gender divisions of labor**

A snap survey conducted in the CLMV countries revealed that gender stereotypes exist in access, control, and ownership of land.

- *High gender wage gap in agriculture:* There is a vast wage difference between men and women in the agricultural sector usually by a factor of 25 to 33 per cent<sup>67</sup>. An example of how the gender wage gap comes to be in the agricultural sector was noted during an in-person interview by a respondent:

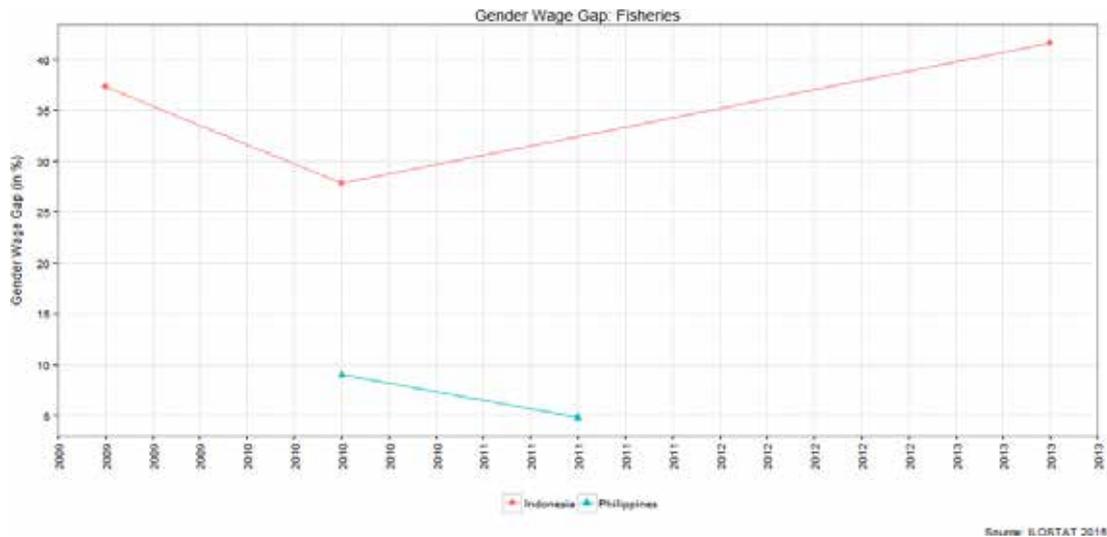
*'In rice mills, some jobs are only for men, and some for women. For example, sorting in Myanmar it is done only by hand - so women do it. Men don't want to sit for continuous 8-10 hours to do that job.'*

Figure 40 shows the gender wage gap for the fishery sector in Indonesia and the Philippines. The wage gap is nearly 40 per cent in Indonesia and continues to remain high between 2000 to 2015. The presence of such persistent gender stereotypes creates a difficult hurdle for the implementation of gender equality laws and policies aimed at women's equality. Further, high incidence of domestic violence, poor access to education, and opportunities to upgrade women's place in the value chains continue to remain limited.

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<sup>67</sup> UNFPA 2010.

Figure 39. Gender wage gap in the fishery sector



- *Limited understanding of decision making:* Almost 100 per cent of the women farmers interviewed in the study shared that they were involved in decision making about money, productive assets, and farm related decisions. However, interactions with experts suggest that women’s empowerment and involvement in decision-making is limited to domestic arrangements and household management. Although women are involved in decision making, the final authority remains with the men.
- *Women’s time poverty is very high in agriculture:* A view of women’s work life vis-à-vis productive time spent in farm activities is imperative to get a sense of the time poverty that they suffer from. Table 14 presents results from a survey of women farmers across four countries – Cambodia, Lao PDR, Myanmar and Viet Nam – where farming is a major source of livelihood for women. The survey was not conducted using a representative random sample, therefore the results are not representative of all women farmers. Nonetheless, the survey results provide an illustrative snapshot of the lives of women farmers and the challenges they faced. 71.4 per cent respondents reported on spending at least 8 hours in farm work- along with handling complete domestic responsibilities and workload. In Viet Nam too, women farmers, like others in the region, face challenges of traditional methods of farming, exhausting physical labor, dependence on middlemen, and poor prices of produce. Overall, women end up spending tireless hours working and this work is largely unpaid.

Table 14. A statistical snapshot of a typical woman farmer's life (percentage)

Variable	Cambodia	Lao PDR	Myanmar	Viet Nam
41-60	14.3	75	40.9	100
Farming is the primary Source of Income	85.7	50	77.3	100
Savings Group or Association	85.7	20	0	0
Children's Education	42.9	25	33.3	0
Emergencies	0	50	33.3	0
Food	42.9	0	0	0
Own assets	85.7	100	81.8	100
Land	83.3	75	88.9	66.7
Own	50	87.5	20	11.1
Husband	16.7	0	45	77.8
Involved in Decision-Making About How to Produce	80	100	66.7	100
Involved in Decision-Making About How to Sell	80	100	72.2	100
Local Markets	66.7	83.3	4.8	22.2
Through Contractors or Middlemen	33.3	16.7	85.7	77.8
Barrier in accessing markets - Don't Understand Process	33.2	25	31.3	0
SHG	100	42.9	0	0
Producer's Group or Trade Committee	0	28.6	42.9	44.4
Land Ownership - self	14.3	42.9	28.6	33.3
Working hours >10 Hours	28.6	14.3	36.4	77.8

Source: based on snap survey conducted during country level consultations.

- *Age profile skewed towards older women farmers:* young women prefer to migrate to urban areas or work in factories: in Cambodia and Myanmar, the older generation of women continues to be doing farm work whereas the younger generations are opting for physically less challenging and better paying work in garment factories. The foremost challenges noted by women farmers were the high demands of physical labor and declining agricultural productivity in farming. Women reported that if given a choice, they would chose to either work in factories, or just undertake household chores over working as farmers.
- *Farming is mostly at the subsistence level:* Women are involved mainly in subsistence level farming on small farmlands. Women farmers interviewed in the study reported that their annual income averages at just about USD 2614, with average annual savings on a meager USD 71. Given the swiftly increasing cost of living, most of the savings are used for food or children's education, leaving little scope for investment in activities that might raise the standard of living of the farmers.

### *Access to land, farming equipment and other productive assets*

Women's economic opportunities as farmers are constrained by their limited access to land and other inputs<sup>68</sup>. Women own less land than men and are disadvantaged through inheritance norms, laws, land titling system, and in their ability to purchase land.<sup>69</sup> Among the respondents to the snap survey, only about 28 per cent were landowners, and this was because they were heads of households. All the other women farmers interviewed worked on lands owned by their spouses or families. In Viet Nam, until 2013, land use certificates were not given to women. Though the legal provision has been revised in favor of women, implementation is poor. This crucial aspect causes consequent gaps between women farmers and access to finance.

Table 15. Asset ownership among women (percentage)

	Female headed households	Access to agricultural extension services	Ratio of male/female land holding size
Cambodia	26%	10%	27%
Thailand	27%	--	--
Lao PDR	10%	--	21%
Myanmar	15%	20%	--
Viet Nam	20%	--	27%

Source: Thailand source: Ministry of Information and Communications; Myanmar UN Women (2014); Cambodia: ILO; Lao PDR and Viet Nam: FAO.

### **Limited access to credit and markets**

Women do have equal access to agricultural trainings, farm equipment, credit and markets. These factors constraint women's equal participation in the agricultural sector in ASEAN countries.

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<sup>68</sup> USAID 2006.  
<sup>69</sup> *ibid.*, JICA 2013.

### Box 3. Connecting the dots - from farmers to landless, migrant workers

Generally speaking, in the ASEAN region, women's particular disadvantages in land ownership often occur within the wider context of farmers losing access to land due to the creation of industrial development zones, road construction, resource concessions, land grabbing, and population growth. For instance, Global Witness (2012) reports that since 2003, 400,000 people in Cambodia have been affected by land disputes land grabbing, and violence, and that more than 2.1 million hectares of land have been transferred from subsistence farmers to industrial agriculture firms. By 2004, 20 per cent of rural households in Cambodia were without land for cultivation, up from 13 per cent in 1997, and in some regions landlessness affects much higher percentages of households. In Lao PDR, according to an ADB report, women are under significant risk from government policies for consolidation and resettlement. GOL has a policy for making land available for large infrastructure (particularly mining, hydropower, and agribusiness) projects through village consolidation and settlement of population. Women are particularly vulnerable to: losing land and use-rights; being underserved by agricultural extension agents; dropping out of school at higher levels; and having higher labor burdens through increase in agricultural wage labor, or through participation in prostitution or cross-border migration.

The problem of land grabbing or seizing for industrial development appears to be a problem through the Mekong Delta countries, particularly affecting women farmers. These areas have also witnessed large scale rural to urban migration, and external migration. In many instances, women farmers remain behind to take care of the family and are primarily engaged in farming. These women typically do not have the correct documentation to prove land ownership and when their land is seized for private sector development purpose, they lose their only source of livelihood – thus transitioning from land owning farmers to landless, migrant factory workers barely making minimum wages and without adequate social security.

- *Limited opportunities for training or skill improvement:* Even though women are equally, and in some cases, more involved in all stages of farming than men, their relatively low education combined with high drudgery of work seriously hamper their confidence. Agriculture experts shared that low confidence compounded with high workload kept women from availing to agricultural extension and training services. It was noted that even though more women tended to farm jobs, it was men who attended trainings. Where we have data, it shows that typically women comprised 10-20 per cent of the recipients of agricultural trainings.

- *Marketing and business development is a challenge:* The skills gap in agriculture continues to widen as one moves up the supply chain and keeps women farmers from enjoying the benefits of agricultural commercialization and trade, often resulting in limited access to export markets. While this may not be a specific gender challenge, women have a greater disadvantage owing to the aforementioned lack of confidence and a poor sense of agency to drive profitability. This was evident from the example of a farming self-help group in Cambodia that was interviewed in the study. The group was made up of a few families who decided to cultivate cooperatively i.e. by helping each other in manual labor and sometimes financially. Though it is a great set up for collectivization, the farmers do not engage in collective business. Important to note here is also the fact that most farmers do subsistence farming on marginal pieces of land. Collective farming, therefore, is hard to sustain given the small produce.
  
- *Women's access to finance is very limited.* Though there are both governmental and non-governmental grants available for agriculture purposes, they are few and far between and not necessarily targeted towards women farmers. About 17 per cent of the respondents in the snap survey reported taking a loan from a nationalized bank while 42 per cent took loans from family members or friends. The loan is used for to meet everyday needs and not necessarily for investment or resource building. It was noted that even though governmental credit schemes and microfinancing exist in Cambodia, the reach to the agricultural grassroots, especially to women farmers, is limited.
  
- *Thriving export oriented agroproduce benefits do not trickle to women farmers:* Almost 33 per cent respondents depended on middlemen for the sale of produce and the other 67 per cent sold produce at local markets in Cambodia; while in Myanmar 85 per cent farmers sold their produce through middlemen. This highlights the limited trickle-down effect of the otherwise thriving rice export industry in both countries. Women feel compelled to sell at local levels or through middlemen largely because of a lack of information and understanding; and financial constraints. There was widespread disgruntlement that middlemen manipulated the farmers by offering low rates on produce when they knew that farmers were desperate to sell and repay their loans. Some farmers were able to resist this to an extent; by accessing local markets directly but option is not always available due to poor infrastructure connectivity in remote areas.

Box 4. Barriers, Opportunities and Potential Interventions to promote women's equal access and participation in the agriculture and agroproduct sector

Barriers	Opportunities	Potential Interventions
<ul style="list-style-type: none"> <li>• Gender stereotypes around women/men's role in agriculture</li> <li>• Employed at the low ends of the value chain</li> <li>• Limited social protection</li> <li>• Physical drudgery, long hours of work and time poverty</li> <li>• Low levels of education, language barriers and poor self-confidence</li> <li>• Lower wage rates than men</li> <li>• Institutional gaps asset ownership</li> <li>• Gender neutral agricultural promotion policy framework</li> <li>• High dependence on subsistence farming</li> <li>• Limited collective agency/intervention for cooperative agro businesses</li> <li>• Dependence on middlemen and poor export market linkages</li> <li>• Increased competitiveness but limited opportunities for agriculture extension and training available for quality control and efficient production.</li> <li>• Reliance on traditional methods of farming and low mechanization.</li> </ul>	<ul style="list-style-type: none"> <li>• Increasing recognition of gender responsive policies and social protections at the policy level.</li> <li>• Structural set up for gender machinery well defined in every country with focal points in line ministries, and sub national levels</li> <li>• Women's increased participation in formal workforce and gradual renegotiation of gender roles.</li> <li>• Increased FDI in key growth sectors including agriculture.</li> <li>• Established standards for minimum wages.</li> <li>• Established structures for training and credit provisions.</li> </ul>	<ul style="list-style-type: none"> <li>• Establishing <b>Gender Inclusive Agricultural Practice</b> (GIPA) certification for district and province level line departments and agricultural associations/federations with guidelines for training, developing linkages and certification of small entrepreneurs and producers based on gender responsive and sustainable production processes.</li> <li>• Basic adult education, and language skill development.</li> <li>• Development of the <b>one-village-one-product model</b> and village level cooperatives.</li> <li>• Leveraging <b>ICT and smart phone technology</b> to connect women with technical and market information and better communications.</li> <li>• Gender mainstreaming from conventionally 'non-gender' government departments like Trade, Commerce, Finance and Planning.</li> <li>• Establishing a paid role for existing middlemen in value addition and women's access to market.</li> <li>• Greater role of producers' and exporter associations and farmers unions to support women exporters to engage in regional trade through hand holding, mentoring and counseling.</li> </ul>

## 4.2 Garments and Textiles

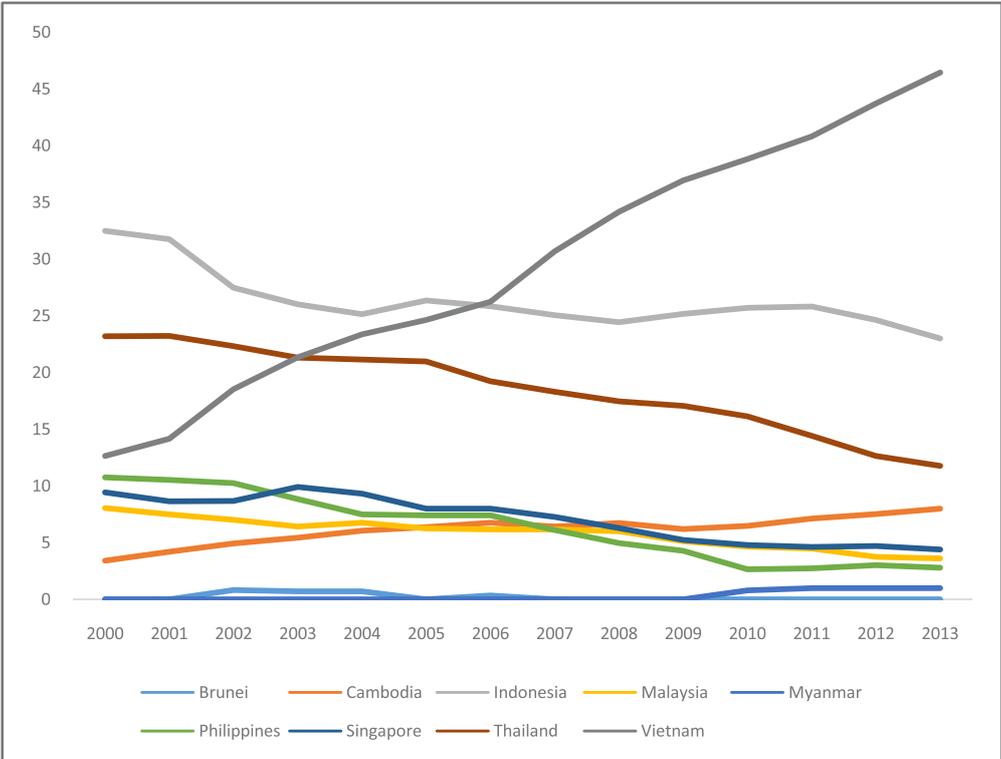
The rapid growth of the garment sector in a number of the ASEAN Member States presents economic opportunities for women in ASEAN Member States, especially women who are looking for more steady income and formal sector employment, and women workers who are displaced from the rural areas. Garment production also provides a livelihood opportunity for women to work from home, and is often one of the few options available to poor women. With the AEC, this sector is expected to continue its expansion especially in CLMV countries.

In Cambodia and Viet Nam, this industry is one of the top employers of women- especially those from the younger generations. Women opt to work in garment factors because they are relatively more comfortable and better paying jobs than agricultural jobs. It is almost aspirational for women in rural areas to be employed in garment factories. Being in the organized and formal labor force, provides women with social protection and employment standards cover. However, despite the high labor force employment in this industry, women remain at performing low skilled and low paying jobs. Their concentration remains largely at the lower levels of the value chain with large numbers of workers; and tapers down at the higher levels of authority like supervisors, managers and executives.

- **Trends in female share of employment and gender wage gaps in the garment sector**

Exports from the garment and apparel industry are a rising share of exports from Viet Nam and Cambodia, but a falling share from Thailand and Indonesia (Figure 40). Garments and footwear comprise approximately 80 per cent of total exports from Cambodia. Exports from Viet Nam are over 45 per cent of the regions garment exports, followed by Indonesia, Thailand, and Cambodia.

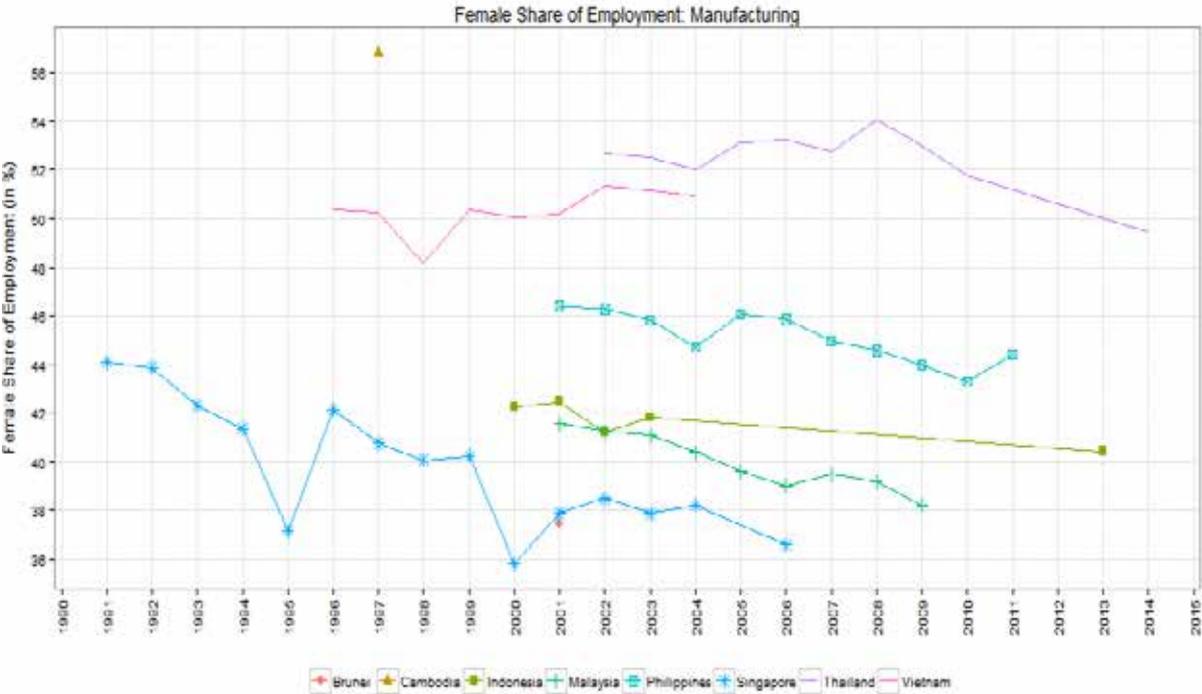
Figure 40. Share of garment sector exports by country (percentage), 2000 - 2013



Source: UN COMTRADE.

Data on female share of garment sector employment is not available for all ASEAN Member States. Data on female of garments in CLMV is provided in Table 16 below. Since female garment workers comprise a large share of the total employed in each country, it would be a reasonable approximation to look at the share of manufacturing sector employment of women. Thailand, Viet Nam, the Philippines, and Indonesia have high proportion of female workers employed in manufacturing.

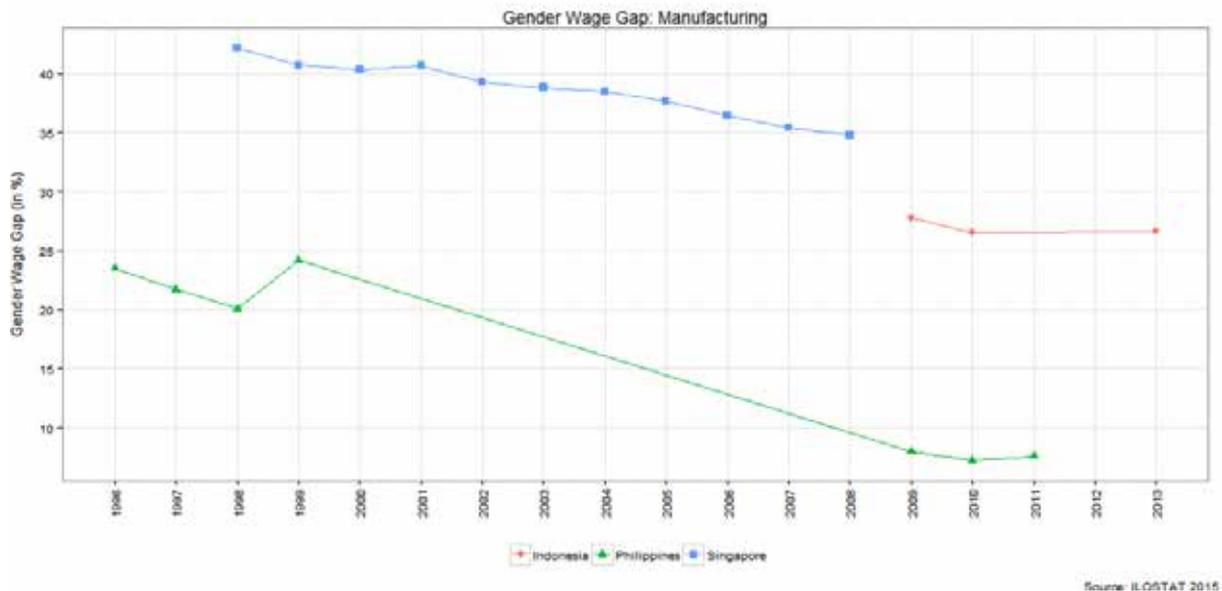
Figure 41. Female share of employment- manufacturing



Source: ILOSTAT 2015

Gender wage gap data in manufacturing sector is available for Indonesia, the Philippines, and Singapore. We find that the largest gender wage gaps are present in Singapore, but it a declining trends (30 per cent in 2008). The gender wage gap in Indonesia is over 25 per cent and it shows a rising trend.

Figure 42. Gender wage gap- manufacturing



Source: ILOSTAT 2015

In Viet Nam, the garments and textiles industry is the most labor intensive industry, employing over 2.5 million workers of which a sizable 70 per cent is women. The industry has seen rapid expansion, both in export volumes and in employment generation, in recent years. Women garment workers in Lao PDR, Viet Nam, Cambodia and Myanmar are concentrated in the lower end of the supply chain performing lower skilled and relatively lesser paying job roles. Despite the magnitude of women working in this industry, it is noted that the number of women starts falling from the middle management level. Anecdotal estimates from industry representatives suggest that while there are almost 65 per cent women at the workers' level, numbers fall the 52 per cent women at supervisory level, 47 per cent at middle management and 35 per cent at the CEO level in Viet Nam. In Myanmar, it is reported that only 10 per cent of the manager and above positions are filled by women.

Table 16. Female employed in the garment industry, latest year available

	Female share of garments and textiles
<b>Cambodia</b>	90%
<b>Lao PDR</b>	80%
<b>Myanmar</b>	97%
<b>Viet Nam</b>	70%

Source: Cambodia, Viet Nam and Lao PDR (ILO); Myanmar (BusinessKind).

- **Major challenges to women's participation in the garment sector**

Working in garment factories is a popular trend because of the relatively formal nature of employment. It is debatable, though, how far reaching and effective formalization is in improving the lives of women workers. In many countries, production takes place through a vast network of subcontractors who are generally home-based female workers. The location of work, the volume and duration of work orders, and length and terms of employment contracts for home-based garment workers are all “flexible.” The workers who produce garments on this “global assembly line” tend to be recruited under short-term “flexible” contracts: hired during peak seasons and laid off when demand slackens.<sup>70</sup> The featured gender challenges in the garment sector are summarized below.

- *Very low skill-low pay jobs dominate the garment sector, but garment worker incomes are higher than agricultural workers:* Most home-based garment workers or garment workers employed in subcontracting firms, in the garment and textile industry are paid by the piece (according to how many items they produce), earn very little, and do not receive overtime pay. Most receive no sick leave or paid vacations. Interviews with home-based women garment workers in Cambodia, reported an average annual income of USD 1,832 and average annual savings of USD 295. Saving in groups or association was popular with 80 per cent women saving in groups, 10 per cent used bank accounts while the rest mostly saved at home. Factory-based garment workers in Viet Nam reported an annual average income of USD 3,443, and average annual savings USD 2095 significantly higher than their Cambodian (home-based) counterparts. While a significant proportion of women workers reported home ownership, it was in their husband's name.
- *Short-term contract work is the norm:* By hiring homeworkers to do the labor-intensive work of assembling garments and paying them by the piece, subcontractors keep their wage costs and overhead low, and minimize the risk of loss associated with uncertain orders (Carr, Chen and Tate 2004). This finding was confirmed during our interviews with the home-based workers and was also true for factory workers. For women workers particularly, this affects their entitlement of maternity benefits wherein at least one year of employment is mandatory to receive these benefits. Also, childcare facilities are not provided by most factories despite being mandated by the labor laws. So working mothers leave their children in their home towns or villages to be looked after by relatives.

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<sup>70</sup>WEIGO.

#### Box 5. Gender stereotypes as obstacles to participation



Ms. Seng Takaneary is a successful entrepreneur and Managing Director of the popular Sentosa Silk, in Cambodia. She reflected that while business development and entrepreneurship might be as challenging for both men and women, it is cultural barriers and social stereotypes around women's roles, that are most detrimental to women's participation in the economic domain. These attitudes impact women's entrepreneurship development and economic participation, in general. With the transition to a market based economy, women are more visible in Cambodia but even women in top position have to battle stereotypes that hold them back. In many industries, the chamber of commerce and industry association leadership are male dominated. Women are humored because of the need for gender-inclusion but are not consulted on business matters. Such socio-cultural stereotypes are a major impediment to women's equality in the business sector.

Phnom Penh, Cambodia

- *Increasing women entrepreneurs, but cultural and financial barriers to their growth:* There are a number of socio-cultural biases acting as an invisible barriers for women entrepreneurship to grow and thrive. With respect to the process of business set up for women, hearsay was that *'to start a business is easy, but to maintain and manage it is difficult.'* Data confirms this hearsay to some extent. For instance, in Lao PDR, in 2010, the number of new registered business by women was 54 per cent up nearly 10 per cent over the previous year. The Cambodia Women Entrepreneurs Association also reported a steady rise of female entrepreneurs but acknowledged that male dominance, lack of family support, and domestic responsibilities, continue to hold women back (Box 5). Also, within the family set-up, male entrepreneurs are usually more willing to take risks than women. Women's domestic responsibilities is seen to limit their entrepreneurial opportunities.
- *Lack of skill enhancement opportunities:* One of the biggest roadblocks for growth of workers in this industry is the lack of skills and skill enhancement opportunities. While garment factory workers have opportunities for technical skills enhancement, not many women workers access these opportunities. For example the Cambodia Garment Manufacturers Association of Cambodia (GMAC) has its own training center. However, given the number of women working in this sector, there is room for a lot more skills enhancement trainings. Individual tailors based in provinces observed that limited skills

are a big hurdle that kept them from scaling their small home businesses. Apart from technical skills, they lack entrepreneurial and business development skills to enhance their competitive advantage and leverage on this otherwise high growth sector. Some local level NGOs are conducting some skills trainings for these women, however, it is not enough to increase the marketability of products or the scalability of business.

#### Box 6 The informal “good factory-bad factory” system in Myanmar

A field survey conducted by Business Kind (an NGO working with women garment workers associations) in four garments zones around Yangon and 800 garment workers in 2011 found that the nearly 97 per cent workers were women, within the average age group under 18 years. There are very few women in floor manager or supervisory positions. Approximately 90 per cent of supervisors were male and the rest were women who weren't considered good at sewing. The work in large factories is mostly outsourced from large Western brand names but there are multiple subcontractors who run small garment shops. These smaller garment manufacturing shops enjoy almost complete impunity from labor inspectors and are generally considered the worst places to work by the women workers. A number of the larger factories are Taiwanese, Korean, or Chinese owned, with supervisors from the same country.

Harassment of workers is rampant, which led workers to develop an informal system of rating the factories as “good factory/bad factory”. The rating appears to be subjective but is more closely linked to the amount and punctuality of wages, rather than abuse. Tier 1 factories, which are the larger foreign owned factories are considered “good factories”. Workers receive a contract and are paid on-time at the “good factories”. In smaller tier 2 and tier 3 factories, workers face all types of abuse. Workers in the middle tier companies are typically from the delta region and their wages are deliberately kept low in order to avoid paying taxes and social benefits.

*Source: BusinessKind.*

- *Women actively participate in labor unions:* A significantly large number of women are members of trade unions in Cambodia and Viet Nam, and in Viet Nam a significant number of women who are a part are heads of trade unions. This was attributed as a significant cause of women's relatively better economic status in the industry.

In Cambodia, where union density in clothing and footwear factories is relatively high, each union has the right to bargain collectively with employers, while the majority union that represents over 50 per cent of the workers in the factory may conclude an agreement applicable to all workers. Minority unions can still negotiate their own collective agreements but these will apply only to their members. This has led to unions competing over their bargaining rights and to scattered collective bargaining coverage. A similar phenomenon can be observed in Indonesia and in the Philippines. The clothing and footwear industries in Cambodia have a combination of minimum wage negotiations at sectoral level, government intervention, and enterprise-level bargaining.

- *Increased vulnerability to sexual harassment:* Working in the garment sector is considered particularly risky for young women who are vulnerable to labor exploitation, sexual harassment, and other health and safety risks. Factory managers are mainly male, and opportunities for women's advancement are quite limited. According to a gender assessment conducted by the World Bank on labor practices in the garment sector, rural women were attracted to employment in the sector and found it empowering, however, overall, labor standards were poorly enforced with limited opportunity for third party arbitration or dispute resolution (and lack of experience among recent female migrants with such formal measures)<sup>72</sup>. Even though provisions of social benefits are all encompassing for workers across factories, compliance is poor in private companies. Women sub-contracting do not fall in any official categories and hence entitlements and social protections coverage is poor.

Overall, despite the prevalence of a seemingly protective labor polity, manipulation of labor provisions and weak implementation disadvantages women's participation in the garment industry in the ASEAN. In order for women to take advantage of the opportunities presented by the AEC, the nature of their employment in the garment sectors needs to be addressed directly.

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<sup>72</sup> Reference – WB study.

Box 7. Barriers, Opportunities and Potential Interventions to promote women’s equal access and participation in the garment and textiles sector

Barriers/Challenges	Opportunities	Potential Interventions
<ul style="list-style-type: none"> <li>• Women are largely employed at the lower ends of the value chain.</li> <li>• Women’s engagement seen as a ‘job’ and not a ‘career’ thereby limiting growth aspiration and environment.</li> <li>• Rampant informal subcontracting, outside the purview of</li> <li>• Limited opportunity for skills development and enhancement- technical, business and entrepreneurial.</li> <li>• Low levels of education, language barriers and poor self-confidence.</li> <li>• Legal loopholes allowing for manipulation/flouting of labor laws especially contract, wage and social protection related.</li> <li>• Inadequate provision and implementation of childcare and maternity support for working mothers.</li> <li>• High burden of domestic responsibility on women- both in income generation and household chores.</li> </ul>	<ul style="list-style-type: none"> <li>• Women have the opportunity participate in a formal export oriented sector</li> <li>• Increasing recognition of gender responsive policies and social protections at the policy level.</li> <li>• Structural set up for gender machinery well defined in every country with focal points in line ministries.</li> <li>• Increased FDI in key growth sectors including garments and textiles</li> <li>• Skill upgradation opportunity via supply chain</li> <li>• Established standards for minimum wages.</li> <li>• Established structures for training and credit provisions.</li> </ul>	<ul style="list-style-type: none"> <li>• Establishing an <b>Engendered Industrial Workplace Certification</b> for commercial production units defined by key standardized gender indicators that go beyond minimum labor standards to ensure holistic integration of women in the economic activity they perform, without barriers.</li> <li>• Targeted credit and management development opportunities for women’s entrepreneurship and enterprise development</li> <li>• Business mentorship platform for women entrepreneurs. For example through business idea competitions aimed at SME development.</li> <li>• Including gender based parameters for tax levy/subsidy provision for textile businesses to ensure that these parameters are subsequently met.</li> <li>• Increase labour inspections and compliance checking- especially private and far-flung enterprises.</li> </ul>

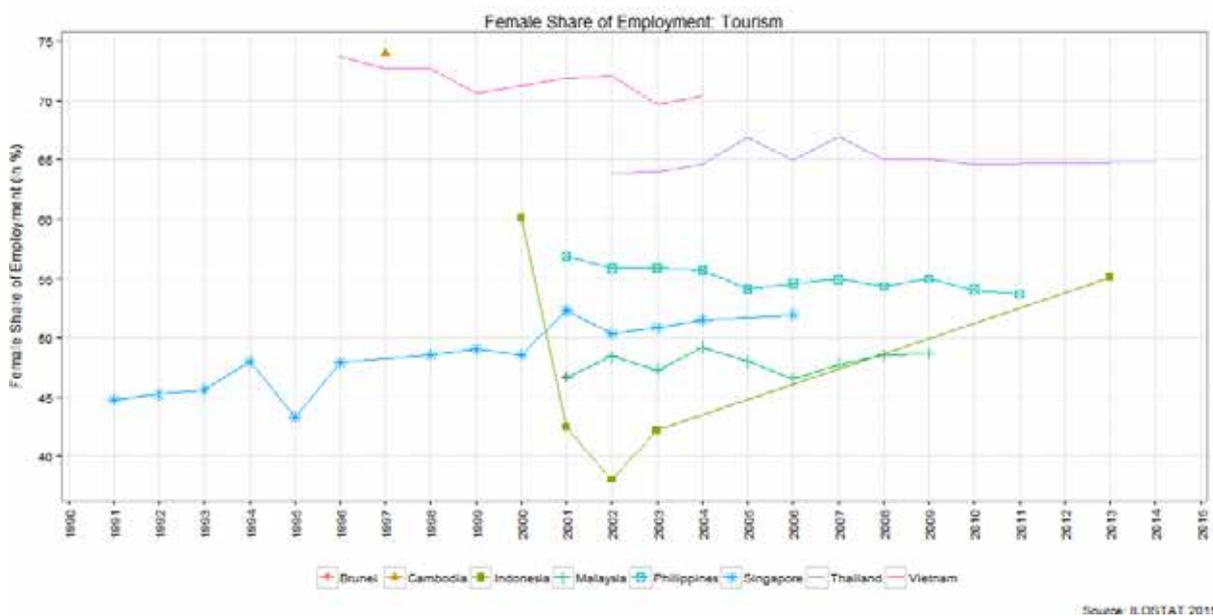
### 4.3 Tourism

The tourism industry is another rapidly booming sector in the ASEAN region and is also an AEC priority sector. Tourism also provides employment opportunities for women at a number of different occupational levels, and particularly, ecotourism provides significant opportunities for rural women. The ASEAN region has long held tourism interest because of its natural diversity, indigenous cultures, and a vivid eco-political history. An analysis of ASEAN service sector trade showed that tourism is a major source of export revenue for Thailand, Singapore, and Lao PDR. These countries can be divided in two groups- where Thailand and Singapore comprise one group owing to their high level of economic development and a presence of a migrant workforce. Lao PDR, on the other hand remains one of the poorest ASEAN Member States with women’s mobility largely restricted to main towns/cities near their villages. These two groups are also unique with respect to women’s employment in the tourism sector.

- **Trends in tourism revenue, female share of employment, and gender wage gaps**

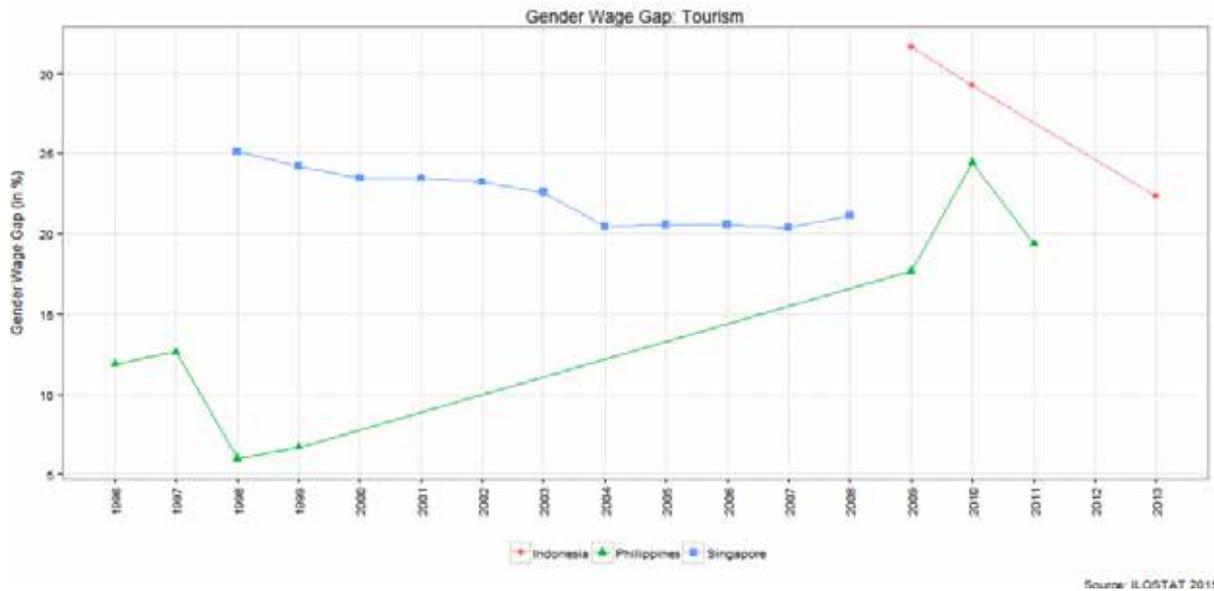
Similar to the other two primary export sectors - agriculture and garments – women’s share of tourism is very high. In Thailand, women’s share of total employment in tourism is nearly 65 per cent, while in Singapore it is around 50 per cent. Female employment share in the tourism industry is also significantly increasing in Indonesia, the Philippines, and Cambodia. A detailed annual trend for Cambodia is not available, but female share of employment in the tourism sector in Cambodia in 1997 was close to 75 per cent.<sup>73</sup>

Figure 43. Female share of employment in the tourism sector, 1990 - 2013



Gender wage gap in the tourism sector is available for three out of ten ASEAN Member States. Gender wage gaps in Singapore hovers between 20-25 per cent, while the gap in the Philippines went up from close to 5 per cent to 20 per cent from 1998 to 2011. The gender wage gap went down by around 10 per cent in Indonesia between 2009 and 2013. Generally, it can be concluded that female share of employment in tourism is high, though not as high the female share of employment in agriculture and garments. On the other hand, women tend to be slightly better paid in the tourism sector than in agriculture and garments sectors.

Figure 44. Gender wage gap in the tourism sector



### Types of tourism sector jobs

- In Thailand, gender differentiation can be seen from the broad groups of tourism related jobs that women and men are involved in. From among the 13 tourism sector job types; women are noted to be largely engaged in the hotel industry, food & beverages, spas, and restaurants. Jobs like aviation and consumption tend to center around men. It is noted that women are employed at similar levels as men in most jobs; however, interviews with stakeholders in the tourism sector shared that fewer women are employed at higher level positions than men. Anecdotally, it was mentioned that only about 20 per cent of women employees are able to move up the supply chain to the level of General Manager and other such decision-making and leadership roles”. In terms of entrepreneurship and business development, women do own and run small and micro level enterprises. The small proportion of women in high level positions work in family owned enterprises. Even in large companies, it was acknowledged that women are represented at board levels but their participation remains less than 30 per cent.
- Lao PDR has a budding and fast growing tourism industry and a vibrant culture of local arts and crafts<sup>74</sup>. The industry contributes 7 to 9 per cent of the GDP and provides employment to women in both formal and informal services. These constitute hotels and guesthouses, restaurants, and travel and tours agencies, among others.<sup>75</sup> A field trip in Lao PDR revealed that women are critical part of the vast tourism landscape. They are employed as small shop keepers, road side vendors, night market vendors, restaurant staff, local artisans, tour agency staff etc. However, experts note that in the tourism industry too, women’s employment remains at lower skills levels.

<sup>74</sup> ADB/WB.

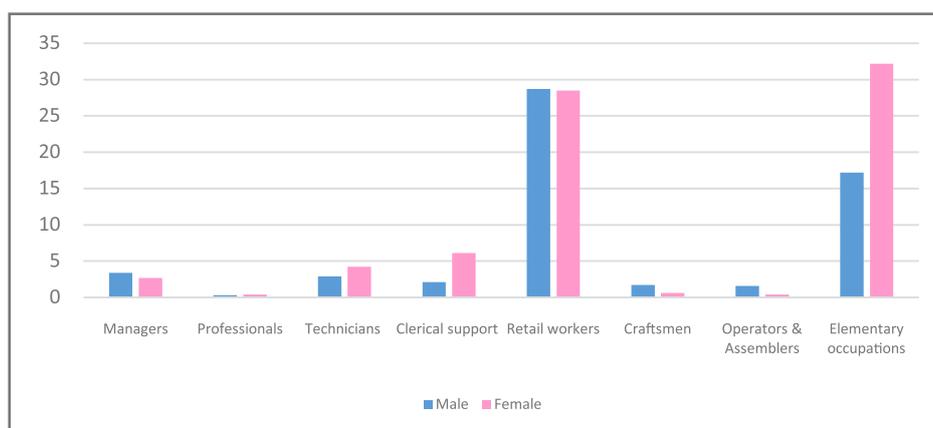
<sup>75</sup> *ibid.*

Table 17. Types of jobs being performed by women in the tourism sector

<b>Thailand</b>	Hotel industry	spa & beauty	food & beverages	restaurants	night market vendors
<b>Singapore</b>	All levels of the hospital supply chain				
<b>Lao PDR</b>	guest houses	travel and tours agencies	restaurants	night market vendors	retailer

- Singapore, being an active hub of business, technology, and financial services in the region, is also a lucrative ground for the tourism industry. It holds a unique place in the region, being the most economically developed country. A key differentiator also is the sheer proportion of highly skilled, highly professional and highly paid women in the workforce. It is not too surprising then that women are employed at all levels of the value chain in the tourism industry, though there are nearly twice as many women (32 per cent) relatively to men (17 per cent) in the most elementary position (including cleaners and laborers) and in clerical roles.

Table 18. Share of employment by gender and occupation in the accommodation and food services industry in Singapore, 2014 (in thousands)



Source: Singapore Ministry of Manpower, 2014.

- **Major challenges to women’s participation in the tourism sector**

While tourism presents many opportunities for employing women – formally and informally – there are several risks associated with employing women in the tourism sector. The tourism sector also attracts a large number of women migrant workers who become informally employed in many hospitality related professions.

- *Low wages for women workers is a major challenge in the tourism sector:* Experts shared that low wages are a constant challenge for workers, especially women- who are the primary bearers of domestic responsibilities. Minimum wages are defined at 300 Baht in Thailand, but experts argue that for women’s economic development, a ‘standard living wage’ concept should be applied instead of a minimum wage. Interviews with women employed in the ecotourism sector in Lao PDR also revealed that women workers, especially those working at the lower levels, are often paid under the national minimum wage.
- *High vulnerability of women migrant workers in the tourism industry:* In Thailand, it is estimated that there are over 3 million migrant workers from Myanmar, Cambodia, and Lao PDR. Migrant women workers face double vulnerability and disadvantage in the tourism sector. Since locals are reluctant to take up the low skills, vulnerable jobs, these jobs are offered to migrant workers at the lowest levels of the value chain. A primary survey conducted with the women migrant workers in Thailand showed that they have an average annual income of USD 5,528 which is relatively high for the women workers in the region and explains the attraction of migrant workers to these jobs.

Box 8. Promoting women to take up entrepreneurship in the tourism sector

Ms. Duangmala Phommavong is a successful entrepreneur and owner of ExoTravels in Vientiane, Lao PDR. Despite challenges of poverty, she remained motivated and completed her education in French language and accountancy. Having learnt a unique language skill, she worked her way up the tourism industry from being a tour guide to now the head of a leading tourism company in Lao PDR.

She reflects that poor education, lack of opportunities, and cultural bearings act as key barriers in women’s growth in the tourism sector. Moving up the value chain came with a constant strife of making your voice heard in the noise of male dominance. She believes the AEC presents opportunities for both men and women in the tourism sector - its no longer a zero-sum game that one benefits at the cost of the other. There is a need for better training and certification opportunities for the tourism industry in Lao PDR and access to raise funds to start a new business. Companies need to have vision and flexibility to retain female staff.

Vientiane, Lao PDR.



Migrant workers working in the tourism sector in Thailand reported that though almost all of them had bank accounts but when it came to access to credit, a significant 50 per cent relied on friends and family; and a third of them approached local money lenders. All women workers reported owning assets- but 75 per cent of these assets were jewelry and vehicles. All the respondents interviewed were associated with Community Based Organizations (CBOs) and Self Help Groups (SHGs), where they gave great value to rights and entitlement awareness, and language trainings being imparted to them. Since most of the respondents were migrant workers, they stressed that continued awareness and empowerment trainings are critical for their development. Respondents from the entertainment industry shared that women working the dance bars and nightclubs are prone to exploitation because they are not officially employed and therefore not well protected. Similarly, despite being notorious for sex tourism, soliciting in Thailand is illegal. Thereby increasing the vulnerability of sex workers to harassment, abuse, and a constant sense of insecurity. They sense that because of an impetus to women's mobility from the ASEAN Member States in the wake of the AEC, their vulnerability will increase unless protective measures are taken.

- Education, opportunity, and culture: combined to limit women's role in the tourism sector. It was noted during interviews that in the Laotian culture, women have always been behind the men even though women's participation is relatively high, therefore moving up the value chain is shared to be constant strife of making women's demands heard. Women are disadvantaged because of fewer educational and skills development opportunities. Skill development in tourism is very limited (there were no standard certification programs in Lao PDR at the time of the country consultation) and workforce training has not kept up with the growing economy. However, there is an expectation that with the expanding opportunity following the AEC, there will be more jobs for women, and with better education opportunities, girls participation may go up.
- Gender stereotypes permeate women's role in the tourism sector: In Singapore, while there is no tangible discrimination reported between women and men in the tourism industry, the conventional mindset about women's roles in the servicing and hospitality industry often guides the roles that women play in the industry. Heavy gender stereotypes were noted in the typical jobs held by men versus jobs held by women. For instance, men are often duty managers, while women tend to be receptionists, operators etc. Gender stereotyping appears to be internalized even among women - a female respondent sought to explain the differences in roles by saying that "women are better suited for the aforesaid roles because of the 'voice on the phone'"; and that "men can better handle complaints and customer aggression and therefore hold positions like that of duty managers".

- It was noted that the hospitality industry allows women the ‘flexibility to utilize femininity’, by looking pleasant to the eye and attractive especially for corporate clients. Widespread stereotyping of gender roles were noted in other countries where tourism is a major industry during country consultations and appears to influence the ability of women to move up the professional ladder to senior level positions.

In order for women to continue to enjoy decent work conditions and take advantage of the AEC, it is very important to establish uniform travel certification institutes and address the issue of decent payment and protection of women working in the tourism industry. Risks associated with tourism sectors, such as the risk of trafficking, as a result of tourism development needs to be addressed. Skills development of women in tourism sector is taking place informally right now. There are several opportunities for formal skill development training institutes in the tourism sector so women aren’t relegated to poorly paid and highly risky jobs.

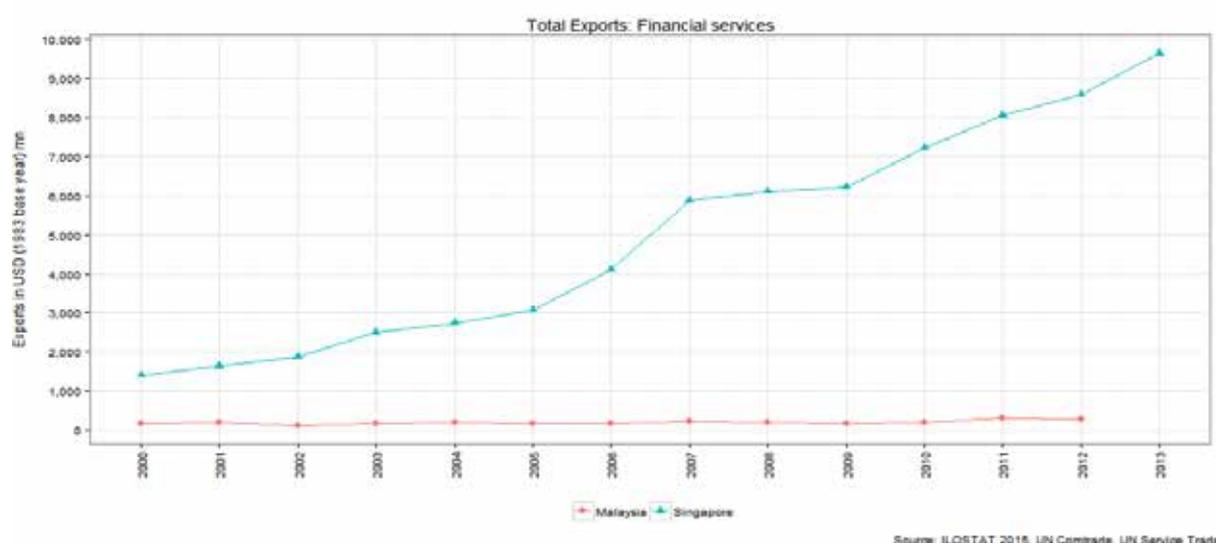
Box 9. Barriers, Opportunities and Potential Interventions to promote women’s equal access and participation in the tourism sector

Barriers/Challenges	Opportunities	Potential Interventions
<ul style="list-style-type: none"> <li>• Lack of formal training on tourism</li> <li>• Limited language skills limits.</li> <li>• Barriers of skill, resources and support for scalability of tourism related enterprises.</li> <li>• High vulnerability to trafficking especially migrant women involved in the entertainment and sex work in the tourism industry.</li> <li>• Large numbers of undocumented migrant workforce that is an integral part of the tourism workforce.</li> <li>• Low levels of education and poor self-confidence.</li> <li>• Social norms and a culture of male primacy and gender discrimination.</li> <li>• Prevalence of gender stereotypes around women/men’s role</li> </ul>	<ul style="list-style-type: none"> <li>• High growth and investment potential of the tourism sector in the region</li> <li>• Young and enthusiastic workforce with potential to be appropriately skilled.</li> <li>• Successful role models</li> <li>• Booming tourism sector in the region</li> <li>• Women’s increased participation in formal workforce and gradual renegotiation of gender roles.</li> <li>• Established structures for training and credit provisions.</li> </ul>	<ul style="list-style-type: none"> <li>• Establishing an <b>Engendered Workplace Certification</b> for enterprises defined by key standardized gender indicators that go beyond minimum labor standards to ensure holistic integration of women in the economic activity they perform, without barriers.</li> <li>• Cultivating a culture of entrepreneurship and enterprise development specifically targeted at women through comprehensive support from provision of trainings, credit and market linkages.</li> <li>• Resolution of larger migration related issues within the newly integrated regional structures.</li> <li>• Promotion of women role models and providing a platform for mentorship of aspiring women entrepreneurs, for example through apprenticeships and funding</li> </ul>

## 4.4 Financial Services

The share of financial services in the total value of exports is approximately very small, less than one per cent in 2012.<sup>76</sup> However, a major share of the financial sector revenues is dominated by exports from two countries in ASEAN – Malaysia and Singapore. Of these two, Singapore is exponentially bigger than Malaysia, contributing nearly 96 per cent total financial sector exports while Malaysia contributes approximately four per cent of the financial services exports. The financial services sector is also an ASEAN priority sector and the sector is expected to continue its expansion in future.

Figure 45. Export trends in the financial service sector (in million USD), 2000 - 2013



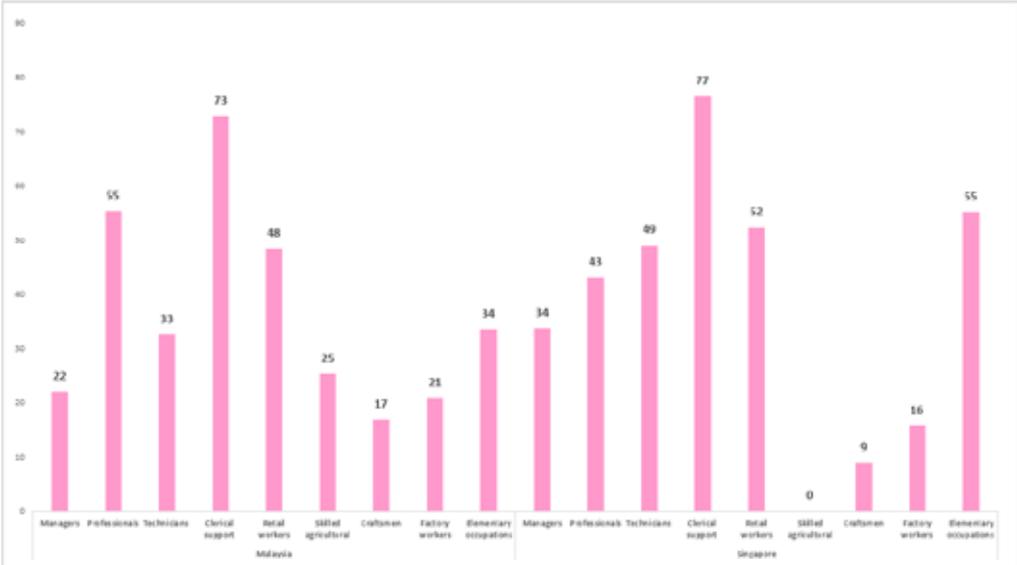
- **Trends in Female LFP, female share of employment, gender wage gaps**

As a percentage of the total female share of employment, the service sector only employs around 44 per cent workers. A breakdown of the female share of employment by industry across ASEAN Member States is not available therefore it is not possible to give an exact value of the share of female employment in the financial services industry in these two countries. The only data that is available is more the total percentage of women employed in the service sector. In Singapore, nearly 86 per cent of women are employed in the service sector, where as in Malaysia 72 per cent women are employed in the service sector. The proportion of women working in finance over the total number of employed people in that sector is not available, making it impossible for us to compare the quantitative dimensions of the female participation. The analysis therefore focuses on qualitative dimensions of women’s employment in this sector.

<sup>76</sup> Estimates based on ASEAN Trade Database.

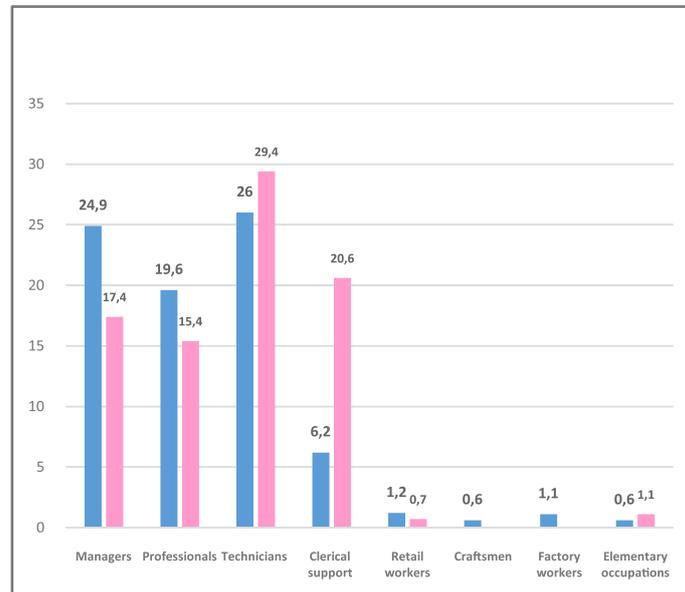
In both countries, given the high skill demand of the sector, women employed are relatively higher educated and of higher paid categories. However, qualitative evidence suggests that the glass ceiling still largely exists. In terms of the value chain, though women workers are noticeable at all levels, the proportion of women at entry level is the highest- with many women dropping out or slowing down, the work force at mid-management level for family responsibilities. Data on women in different occupation levels shows that fewer women are working in higher level positions. In Malaysia, only 22 per cent women are in managerial positions while in Singapore, 33 per cent women are in managerial positions. (Figure 46). A comparison of male and female share of employment in the financial service industry in Singapore shows that there are fewer women in managerial positions (17.4 per cent women managers compared to 25 per cent male managers) while there are more than three times as many women in clerical positions than men. These figures further confirm the gender skewness of the economic occupation in the financial sector.

Figure 46. Share of women in economic professions in Malaysia and Singapore (latest year available)



Source: ILOStat.

Figure 47. Male/female share of employment in the financial services industry in Singapore



Source: Singapore Ministry of Manpower, 2014.

It is however, important to mention here that there is a difference in the degree of women in middle and senior managements in the financial sector, between Singapore and Malaysia. In Singapore, women have a somewhat stronger presence at the middle and senior levels than in Malaysia. Gender pay gap is noted in a seemingly meritocracy based environment, where women workers may be earning as much as 25 per cent lesser than their male counterparts.<sup>77</sup>

- **Major challenges to women’s participation**

- Women dominate “softer” roles in the financial sector: Finance professionals in Singapore and Malaysia shared that while roles performed by men and women are the same in the finance sector, certain departments tend to be male-dominated such as sales, legal, and compliance, whereas others like marketing and human resources, are more women-dominated. This may be a challenge to truly have equitable availability of opportunities as it reflects a play of subtle stereotypes where women are seen predisposed to performing better in certain ‘softer’ roles against aggressive and competitive portfolios like finance, planning, and sales.
- *Dependence on cheap migrant domestic child care providers from ASEAN Member States:* Compared to other developed countries in Asia, Japan, Europe, and the Middle East, the easy access to child care in Singapore allows women to move ahead considerably in professional settings. Cost of child care is relatively low,

<sup>77</sup> One- on- one interviews.

compared to Europe and North America which reflects in a relatively larger presence of women in senior management in the finance sector in Singapore (compared to USA and Europe). There is a subculture of domestic migrant workers from Thailand and the Philippines.

- *Balancing family and career is a limitation in women's career in finance:* However, traditional domestic roles and lack of widespread support from private companies for flexible hours and family time, proves to be inhibitive in women's professional career after a certain point. Respondents reflected that while there may be a surge of entry level women workers in the industry, the number declines with increase in age and level of responsibility wherein women in relatively demanding sectors like finance, may choose to take a back seat in lieu of domestic charges. Balancing family responsibilities with professional roles, continues to be a barrier for women's growth in the financial services value. It was highlighted by many respondents that the few women who make it to the top of decision making, may be single or childless. In the same vein, respondents from the financial sector shared that dynamics of a fast-moving, globally oriented finance sector are such that professional growth depends a lot of odd/after-hours networking and collaborations. For example, being at work for an 8 a.m meeting might be difficult for a working mother, but important for a global business. Such demands are met more easily by men who may therefore have an edge in professional growth as opposed to equally an competent female colleague in the role.
- *Flexibility in career path is reportedly more difficult in the financial sector.* A respondent shared that despite being equal in principal, divorce laws were very male dominated and biased against women. Thereby suggesting that women in the finance sector may be judged as being less family oriented. Also, from a gender dynamics perspective, it was noted that to be in leadership roles and taken seriously, women may have to assume an intimidating demeanor. Like a respondent remarked, *"if you are feminine, you won't be considered tough enough"*.
- *Few women's organizations working on the challenges of professional women.* There was seen a need for better mentorship and a culture of camaraderie between women in the professional circles. It is imperative for successful women to become role models and "pull other women up".

Box 10. Good CSR practices to provide equal opportunities to women in Myanmar

Ms. Kim Chawsu is the Managing Director, International Banking Division of KBZ Bank in Myanmar. KBZ Bank is stands uniquely positioned with over 70% women employees at all levels, in a conventionally male dominated financial sector. Ms. Chawsu leads this family owned bank's international banking practice. Flexibility on part of the bank owner (who has three daughters), family friendly policies tremendously helps the Bank attract and retain highly qualified female staff.

Acknowledging that not all women in Myanmar have the same opportunities, KBZ Bank consciously attempts to raise the women's economic profile in Myanmar through its CSR, including- microfinancing, financial literacy and development of women entrepreneurs. Ms. Chawsu welcomes the opportunities that will be created through the AEC for business expansion and creation of more jobs in Myanmar. She is confident that KBZ will retain its staff even in the face of increased competition because of its highly supportive policies.

Yangon, Myanmar



- *Work place harassment is widespread:* One of the biggest challenges faced by women is sexual harassment at the workplace. Reportedly, harassment takes place both in covert and overt forms. In an example, a respondent shared an incident where a female secretary was fired because she refused to go out for drinks with her boss. Even though there exists a Sexual Harassment Act with harsh penalties, awareness and enforcement is poor. Most cases go unreported because people don't talk for fear of stigma and taboo. No statistics available.
- *Pervasive gender stereotypes in the financial services sector:* Further, even though there are no discriminatory laws, certain unwritten mandates and practices, indirectly discriminate against working women. For example, during the fasting month, women are released earlier so they can go back to cook for husbands. At some places, discriminatory practices are thinly disguised as 'perks' for women. For example, some companies relieve women from work at 5:30 p.m to return to family responsibilities, thereby reinforcing a culture where women's economic participation is viewed as a secondary engagement. It leaves women out of economic advantages that they may want to take- for instance women can do only 10 hours of overtime if they want, but men can do up to 50 hours of overtime work. There is a culturally imposed lack of choice for women workers in a seemingly egalitarian economic context.

Box 11. Barriers, Opportunities and Potential Interventions to promote women’s equal access and participation in the financial services sector

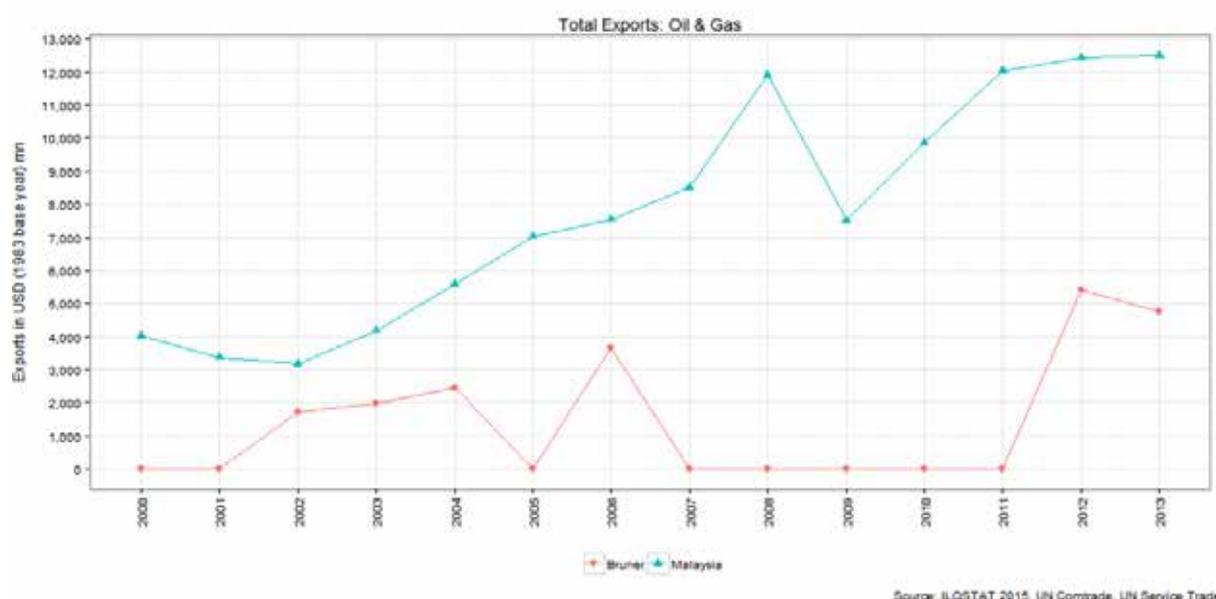
Barriers/Challenges	Opportunities	Potential Interventions
<ul style="list-style-type: none"> <li>• Glass ceiling in senior level jobs - most women are employed at lower end of value chain – clerical and sales jobs entry level</li> <li>• Limited options for flexible work and child care facilities</li> <li>• Gender pay gap as much as 25%</li> <li>• Balancing work and family means women miss out on after work networking and travel opportunities.</li> <li>• Sexual harassment is pervasive where a mindset exists that career focused women, may be less resistant to it</li> <li>• Gender stereotyping in jobs - gender discrimination that is thinly disguised as gender sensitive perks for women- but tend to discriminate in terms of economic opportunity available to women.</li> </ul>	<ul style="list-style-type: none"> <li>• Highly globalized and rapidly expanding sector</li> <li>• Strong women role models.</li> <li>• Increasing young and enthusiastic workforce with progressive and changing mindsets about gender roles and equity.</li> <li>• Increasing recognition by private companies and government to promote more women in senior positions</li> <li>• Steps to promote shared parenting;</li> <li>• Laws on sexual harassment and mandatory maternity leave</li> </ul>	<ul style="list-style-type: none"> <li>• Establishing an <b>Engendered Workplace Certification for enterprises</b> defined by key standardized gender indicators that go beyond minimum labor standards to ensure holistic integration of women in the economic activity they perform, without barriers.</li> <li>• Flexible working arrangements for both parents</li> <li>• Meet EU standards for family leave for both parent</li> <li>• Tax incentives for firms with x% women on board and in senior positions</li> <li>• Awareness campaign on sexual harassment laws; mandatory sexual harassment training for all firm above a certain size. To be repeated every year</li> <li>• Review and correction mechanism for existing gender pay gaps</li> <li>• Promote women role models in finance; set up women’s association of professional women.</li> </ul>

## 4.5 Oil and Gas

The oil and gas sector is a very prominent industry in Brunei Darussalam and Malaysia providing employment to a substantial section of the working population in the country. Of the total ASEAN exports from the oil and gas sector, Brunei Darussalam’s share of exports is roughly 43 per cent (in 2011) and Malaysia is roughly 55 per cent (in 2011).<sup>78</sup> In figure 48 Brunei Darussalam’s exports is largely dominated by oil exports (43 per cent) compared to Malaysia whose exports are more diversified (five per cent of total exports, 2011).

<sup>78</sup> Estimates based on ASEAN trade database.

Figure 48. Total exports from oil and gas from Brunei Darussalam and Malaysia, 2000 -2013

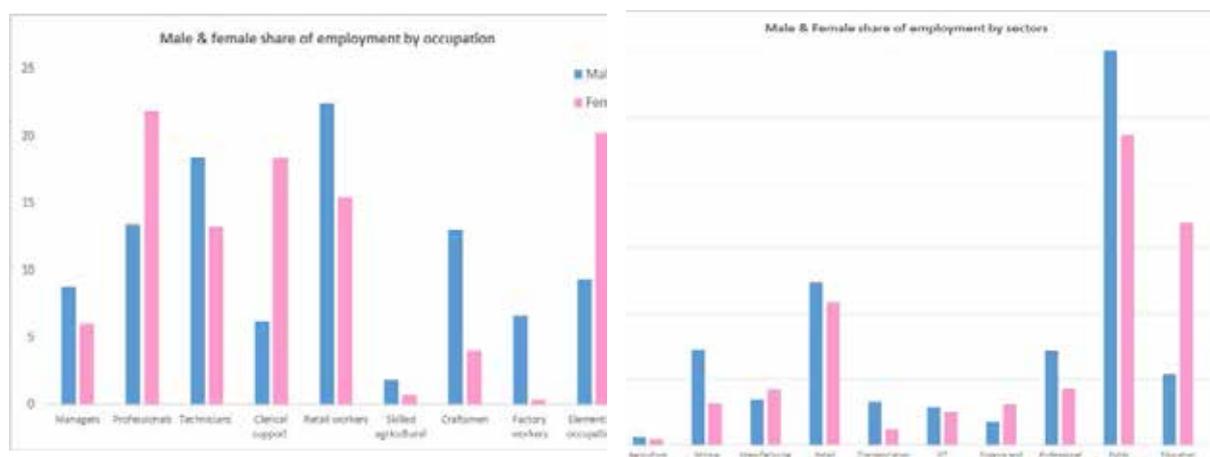


- **Trends in female share of employment and gender wage gaps**

Like with the employment statistics for women’s share of employment in the financial services sector, data is not available for female share of employment in the oil and gas sector. The analysis below is based on interviews conducted during country consultations. According to respondents, the oil and gas sector in Brunei Darussalam, after the public sector, employs a lot of women. Women are employed both as administrative staff and engineers. However, it was a common observation that women employees did not rise to senior levels. While women engineers are seen working offshore, they have still not reached top leadership levels. It was acknowledged that women’s employment in the oil and gas sector is a progressive leap from 10 to 15 years ago, when it was rare to even find women engineers. However, it was also noted that gender wage gaps exist though no official figures are available.

A break up the male and female employment by sector shows that education, finance, and manufacturing sectors employs a slightly higher share of females than males. In the rest of the sectors, the female share of employment is lower than men. Since a more detailed break up of employment share is not available and we know that various industries related to oil and gas can fall under mining and manufacturing, we can tell make an assumption that there is likely to be a high concentration of men in this sector (Figure 49).

Figure 49. Share of employment in Brunei Darussalam, by sector, by occupation, and by sex, 2014



In terms of the types of jobs that women perform in Brunei Darussalam, we can see that women’s share of employment is significantly higher than men in professional categories, clerical workers and elementary occupations. Juxtaposing these two figures, it is likely that a bulk of the women employed in professional categories are like to be from either the education or public administration (government) sectors since these two sectors account for 40 per cent of female employment.

Box 12. Access to finance is a big barrier for women entrepreneurship in unconventional sectors like Oil and Gas



**Datin Albina is the President the Sabah Women Entrepreneurs and Professionals Association, and owns a logistic management company that services the oil and gas industry in the region. There are no other women owned companies working in this sector in Sabah, especially one that handles downstream processes in this industry. Datin Albina reflects that it is a hard industry to in for a woman.**

**Most upstream process suppliers for eg. Petronas, are led by men. It is an industry requiring extensive networking for getting licenses etc. for operations. Women are limited by religion, tradition and culture, she says, when it comes to networking abilities.**

**Ms. Albina shares that access to finance is a big challenge for women entrepreneurs. In her own experience, despite having won a project, she had to convince the banks of her capacity to manage construction projects.**

**Sabah, Malaysia**

- **Major challenges to women's participation**

- *Inward migration substitutes female employment in oil and gas industry:* One of the foremost aspects of women's growth in the oil and gas sector, despite an impressive presence, is inward migration of professionals i.e. foreign talent. However, the government is focusing on providing vocational skills and it is noted that women are opting for unconventional skills like engineering.
- *No standard minimum wage in Brunei Darussalam:* Further, it was reported that there is no minimum wage standard in Brunei Darussalam. Experts have anecdotal evidence that a gender wage gap does exist in a way that there may be no discrimination in wages but there is discrimination in the level of jobs held by women and men.
- There is no law penalizing sexual harassment and there is a culture of silence around the issue. Even though the problem exists, there is no data on prevalence.

#### 4.5 Other Export Sectors

- **Forestry**

Wood-based forestry products are an ASEAN PIS however the share of forestry products are below five per cent ASEAN total exports.<sup>79</sup> Forest and wood products are a major export in Myanmar, although the share of forestry and wood products is relatively small in Myanmar (45 per cent in 2010)<sup>80</sup>. However, forestry ranks third in household level economic activities, with 13.06 per cent of the population from male-headed and 11.25 per cent of the population from female-headed households, engaged in forest-related activities. Traditionally, women collect firewood from forests along with other commercial forest products such as mushrooms, wild fruits, nuts, wild vegetables, and medicinal herbs<sup>81</sup>.

The three subsectors of forestry that are big in Myanmar are timber, rattan, and wood based handicrafts. Women are reportedly employed in plantation establishments, nursery management, mixing of manure, nursery banks, among others.

With the opening of the economy, private sector plantations are being encouraged for timber plantation. Exports from private timber plantations are also being encouraged which presents employment opportunities in the rural and remote areas of the country. Timber extraction from forests is mainly the job of men but in the factory becomes when it comes for value addition, women workers are involved. They are involved in cutting, sanding, and polishing to smoothen surfaces.

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<sup>79</sup> ACIF, 2014.

<sup>80</sup> Calculated based on ASEAN trade database.

<sup>81</sup> Women and Eco, Myanmar.

In the villages, women are also involved in handicraft making and building rattan furniture for exports. It is seen as a side employment for periods of low agricultural activities. The forestry department offers training for women in rattan and bamboo. Most women in rural areas relying on forest products are being promoted into alternative livelihoods such as agroforestry and agricultural products. However, one of the challenges that sector experts note is that many women in the age group of 18 to 35, which is considered a high-productivity age group- are choosing to work in garment factories and electronic production facilities. There is no information available on wages paid to women involved in the forest products industries primarily because it is seen as a household level employment opportunity.

- **Food and beverages**

Women's involvement in the food and beverages industry is significant, particularly in Thailand and Indonesia. While the study was not able to cover stakeholders from the food & beverages industry in Thailand, it includes perspectives of experts from Indonesia.

Industry experts reported that women dominate the food and beverages industry at the primary and secondary levels. Most workers and factory level supervisors and chiefs are women. They attribute this to the nature of the job which requires attention to detail, delicate handling, and nimble fingers- which are better done by women. Most women are seen in the quality control, packaging, laboratory, and packaging. Women's cooperatives and micro and small enterprises are also popular in the food and beverages sector. Women own and run micro enterprises like catering businesses or operating as food vendors.

The extent of women's employment in the food and beverages industry may be better illustrated by the fact that the top bread-making company in the country is owned and headed by a woman. However, despite the relatively high employment rates, women's leadership in the food and beverages industries is low. Many foreign companies in the industry based in Indonesia are also largely headed by men.

**Major challenges to women's participation**

- *Limited marketing skills:* For women who own food related micro-enterprises, finding customers is one of the biggest challenges. The low shelf-life of their products makes it a bigger concern. Marketing, packaging, and business development related training were noted to be the need of the hour.
- *Lack of training to adapt to the competitive export environment:* Especially in the context of the AEC, experts see the lack of training as an obstacle in face of increased

competitiveness in the food & beverages industry. With market integration, it is anticipated that more stringent quality standards will be put in place. This will affect the vast number of small and medium level food and beverage enterprises, who are not technically or financially equipped to meet with these growing demands. Sector experts shared that since most of these SMEs are women owned, this is a potential challenge to women's continued participation in the industry.

- *Competing domestic responsibilities prevents women from moving from small to medium to large scale: while women entrepreneurs acknowledged family support, the domestic responsibilities and child care burden is largely their own. In such a scenario, time prioritization and management is a challenge as reported by some women food vendors. Also, women see their businesses as a supplement to the family income and not as a primary source of income.*
- *Access to formal banking and credit is a challenge and women saw going to the banks as 'a big hassle'. They shared that the procedures set out by the banks are complicated and difficult to meet- especially for those women that don't own assets. After the establishment of cooperatives, banks have made it a bit easier but it is still relatively hard.*

- **Healthcare**

The healthcare sector is a major export sector for Brunei Darussalam and Singapore. While Singapore leads the region by a significant percentage in manufacturing drugs and pharmaceuticals, Brunei Darussalam specializes in healthcare services. Limited sectoral data on female share in these sectors make quantitative comparisons difficult. Brunei Darussalam was notably a significant employer of women in the country. Women are mostly employed in the sector as nurses and other paramedical professionals, and increasingly women are choosing to be doctors as well. The health sector in Brunei Darussalam also invites a lot of migrant workers especially from the Philippines and Indonesia.

Experts note that skills development and upgradation is one of the key obstacles in the way of women tapping the true potential of the healthcare industry in Brunei Darussalam. They shared that as a profession, nurses and doctors, need constant upgradation in their skills and knowledge and enough opportunities for the same are not available in Brunei Darussalam. Another factor to be attributed as a challenge to women's participation may be the mindset that women in Brunei Darussalam are more traditional and hence not very ambitious or aggressive. Experts shared that this mindset is persistent both from women's aspirations point of view,

and institutional support- and resultantly women constantly have to choose between work and domestic life. This is seen to have an implication on their growth up the value chain despite increasingly better access to higher education among women. The concern of tapping women's economic potential in the healthcare sector is crucial- especially in the context of the AEC, where experts see a huge scope of medical tourism in Brunei Darussalam.

#### **4.4 Main Findings relating to Women's Participation in AEC Priority Sectors**

Five ASEAN PIS sectors were selected for a detailed analysis. The objective was to identify the current trends in women's participation, employment, and gender wages in the sectors, as well as to identify the challenges that women face in participating in the sector and the potential explanations for those challenges. The two sets of industries examined here are agricultural, tourism, and garments (high export intensive but elementary industries), and the financial services and oil and gas industries (high exports and high skilled industries).

While there are remarkable similarities in the barriers to women's participation in the two sets of industries, there are a few noticeable sector specific differences. The opportunities in the sectors are also slightly different. The chapter also provides a list of suggested interventions to address the barriers so women can take better advantage of the opportunities presented to them by the AEC. A summary of the key common barriers and opportunities are highlighted below.

- ***Barriers to women's export sector participation in agriculture, garments, and tourism***
  - Gender stereotypes around women/men's role in agriculture, tourism and garments;
  - Women are typically employed at the lower end of the value chain, performing labor intensive roles;
  - Limited social protection – a number of jobs in these sectors are contract workers where the employers are not entitled to pay any social benefits;
  - Long hours of work and time poverty;
  - Lower wage rates than men;
  - High level of vulnerability to harassment, especially true for migrant women workers;
  - Institutional gaps in asset ownership resulting in lower access to credit;
  - Limited knowledge of markets and marketing channels, export procedures - dependence on middlemen and poor export market linkages;
  - Limited collective agency or producer groups; and
  - Limited opportunities for gender responsive technical training.

### Box 13 . Migration in the AEC context

The study examines the impact of the AEC on women workers - a large share of women in the ASEAN context are migrant workers. Women migrant workers can be internal or external migrants (outside of the borders of their country); formal or informal; seasonal or permanent; and voluntarily or forced. While the specific issues of movement of people and its gender dimensions was the not main objective of this research, nonetheless, there are some overarching lessons that can be drawn with regards to women migrants in the context of the AEC.

1. **Informal Work**- Women migrant workers have much less access to employment in the formal sector that is protected by labor laws- thereby making them vulnerable to labour exploitation and rights abuses. In Thailand, registration was quite inclusive when it was unilateral. At that time the difference between migrant women and men and their access to formalization was smaller. Now with the bilateral agreements among four neighboring countries- there less chance for workers to become formalized. For example, Lao doesn't allow its migrant workers to do domestic work in Thailand. While this doesn't stop people from migrating across the borders for better economic prospects, it makes workers highly vulnerable to abuse, violation of rights and lack of social protections. Because their of non-registered status, they are bereft of social security, have fewer rights protections, and live in fear of arrest and deportation. Being in the informal sector also limits migrant workers from participating in any skill engagement opportunities.
2. **Unsafe migration and trafficking** of women is a big issue in the ASEAN region. Women migrant workers are very vulnerable and get trapped in the syndicates. In the quest for better economic prospects, women may start by becoming migrant workers. But lack of protections and abject abuse at hands of employers, often results in them getting involved with trafficking syndicates. Trafficking of women for commercial sex work is also rampant in the region. Experts shared that trafficked sex workers are rotated in the region and the systematic approach of ASEAN regionalism is misused to move them around. This further complicates HIV interventions in the region.
3. **Health**- A significant area of concern with regards to migrant workers is their access to health care. Firstly, there is widespread non-enrollment of these workers in social security and healthcare schemes by employers- but reportedly they deduct do employee's contribution to these schemes. From the worker's perspective too, access to health services is poor. Reportedly, they don't want to see a doctor to avoid unnecessary expenses, and more importantly, for the fear of visibility. For the few migrant workers who are registered, practical challenges stand in the way of their access to health care services. They are usually tied to one hospital, but their nature of work is such that work sites keep changing. Language is also a barrier- basic signs in the hospitals are usually are in local languages and not necessarily understandable by migrant workers. Women workers also tend to face abuse of their reproductive rights- wherein in practice, a majority of workers who get pregnant are either unfairly dismissed from work or are not given paid maternity leave. Another cause of human rights and maternal rights concern in context of migrant women workers, are unsafe births and unsafe abortions. Women who no means to look after their babies, sometimes want to take the baby back to their home countries, but are unable to do so because their status as illegal/undocumented migrants. They end up doing this through agents who reportedly sedate babies for the transfer. Unsafe and back street abortions are common among migrant workers which is a big threat to health and human rights.
4. **Legal and institutional hurdles**: Several countries include legal and institutional hurdles that limits the occupational options available to migrant workers. The AEC which focuses on skilled labour movement is likely to exacerbate these paternalistic biases and discriminatory practices towards migrants workers. With respect to mutual recognition of skills in AEC, only the eight technical professions are recognized. This classification will create 'wanted' and 'unwanted' migrant workers. Those professionals who are generally better protected and who would anyway have easier access to legal migration, their mobility will be better supported and rights better protected. The other lower skilled migrants have already been marginalized and now they will be even more left out- officially categorized as 'unwanted'.

- **Barriers to women’s participation in financial services and oil and gas**
  - Relatively fewer women are employed at senior or managerial level jobs. The majority of the women are employed at the lower end of the value chain, typically performing clerical and sales roles at the entry level;
  - There are very few options available for flexible work and child care facilities. Most successful initiatives for offering flexible working arrangement, are dependent on individual firms, rather than being a large concerted effort at the national level. Pre-dominance of women’s traditional roles inhibits their taking up demanding careers;
  - High and persistent gender pay gap – as much as 25 per cent in some countries;
  - Balancing work and family means women miss out on after work networking and travel opportunities;
  - Sexual harassment is pervasive – despite laws, there is limited understanding of concepts or the redress mechanisms; and
  - Gender stereotyping in jobs – women are in “softer” roles such as HR and personnel.
  
- **Recommendations to promote women’s share in key ASEAN PIS**
- **Agriculture:** The report recommends targeted policies to ensure women’s participation in the benefits of economic integration.
  - Establishing a Gender Inclusive Agricultural Practice (GIPA) certification for district and province level line departments and agricultural associations/federations with guidelines for training, developing linkages, and certification of small entrepreneurs and producers based on gender responsive and sustainable production processes;
  - Basic adult education, and language skill development within the region is imperative for women’s growth up the value chains;
  - Collective community development of the one-village-one-product model and village level cooperatives will be important in giving a boost to women’s agency and bargaining power;
  - Leverage ICT and smart phone technology to women with technical and market information and better communications;
  - Establishing more women producers’ and exporter associations and farmer unions to support women exporters to engage in regional trade through hand holding, mentoring, and counseling will also go a long way in boosting women’s empowerment and agency in the sector; and
  - Increase buy-in on gender mainstreaming from conventionally ‘non-gender’ government departments like Trade, Commerce, Finance, and Planning for overall policy direction towards gender mainstreaming and women’s empowerment.

- **Garments:**

- Establish a Gender Inclusive Fair Trade (GIFT) Certification for commercial production units defined by key standardized gender indicators that go beyond minimum labor standards to ensure holistic integration of women in the economic activity they perform, without barriers;
- To cultivate a culture of entrepreneurship and enterprise development specifically targeted at women through comprehensive support from provision of trainings (high end business degrees), credit at subsidized rates, and opportunities for market linkages (e.g. trade fairs targeting women entrepreneurs etc.);
- Develop a program to promote women role models and train the role models to mentor aspiring women entrepreneurs. This can happen through business idea competitions aimed at small and medium enterprise development;
- Gender based parameters for tax levy/subsidy provision for textile businesses to ensure that these parameters are subsequently met; and
- Increase labor inspection and monitoring of labor standards and labor laws in factories- especially private and far-flung enterprises.

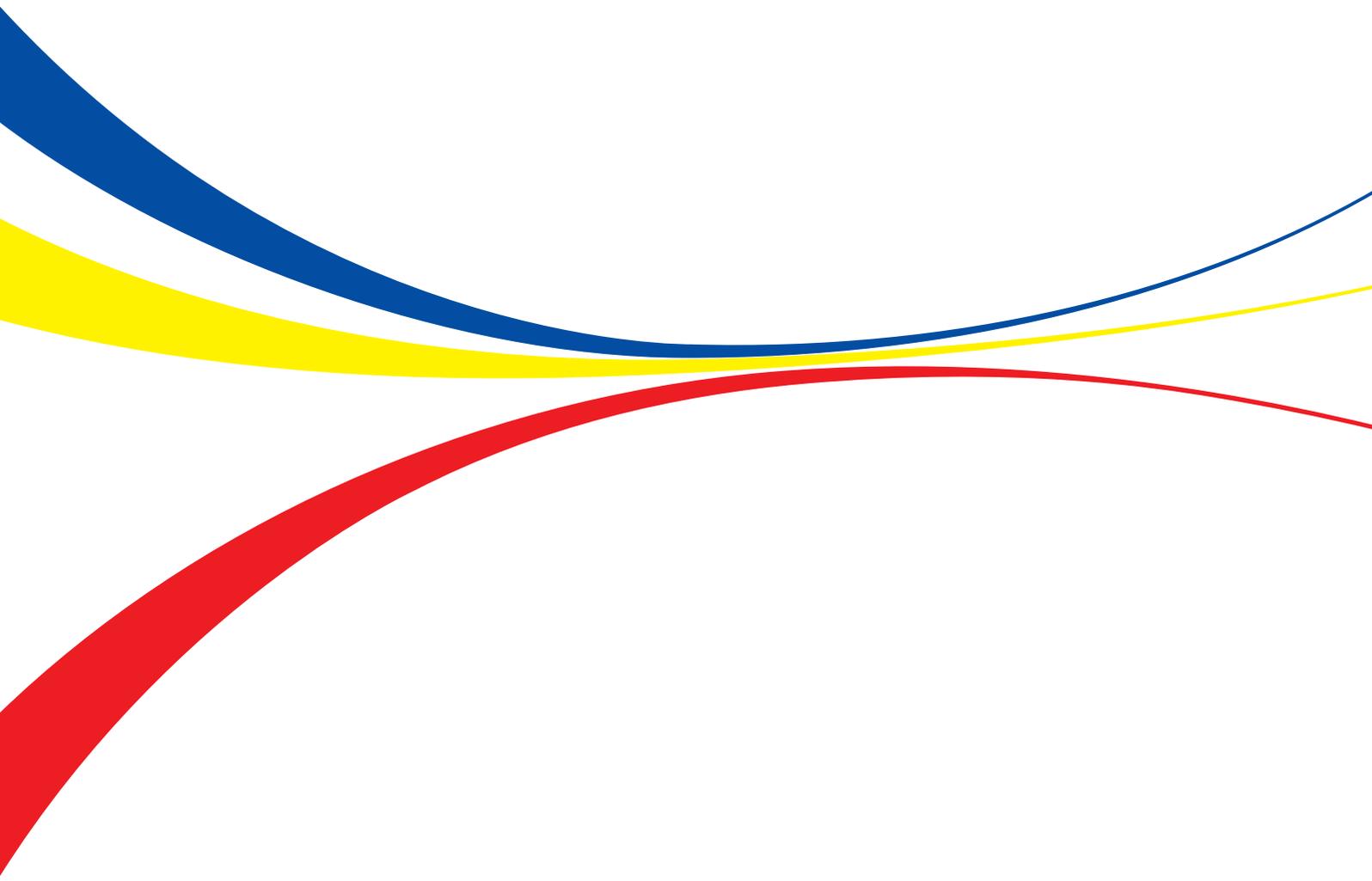
- **Tourism:**

- Establish a Gender Inclusive Fair Trade Certification (same as above);
- To cultivate a culture of entrepreneurship and enterprise development specifically targeted at women through comprehensive support from provision of trainings (high end business degrees), credit at subsidized rates, and opportunities for market linkages (e.g. trade fairs targeting women entrepreneurs etc.);
- Promotion of women role models and providing a platform for mentorship of aspiring women entrepreneurs, for example through apprenticeships and resource support will go a long way in inspiring women's entrepreneurship and agency; and
- Resolution of larger migration related issues is vital, within the newly integrated regional structures to ensure that labor standards and rights are enjoyed by all workers.

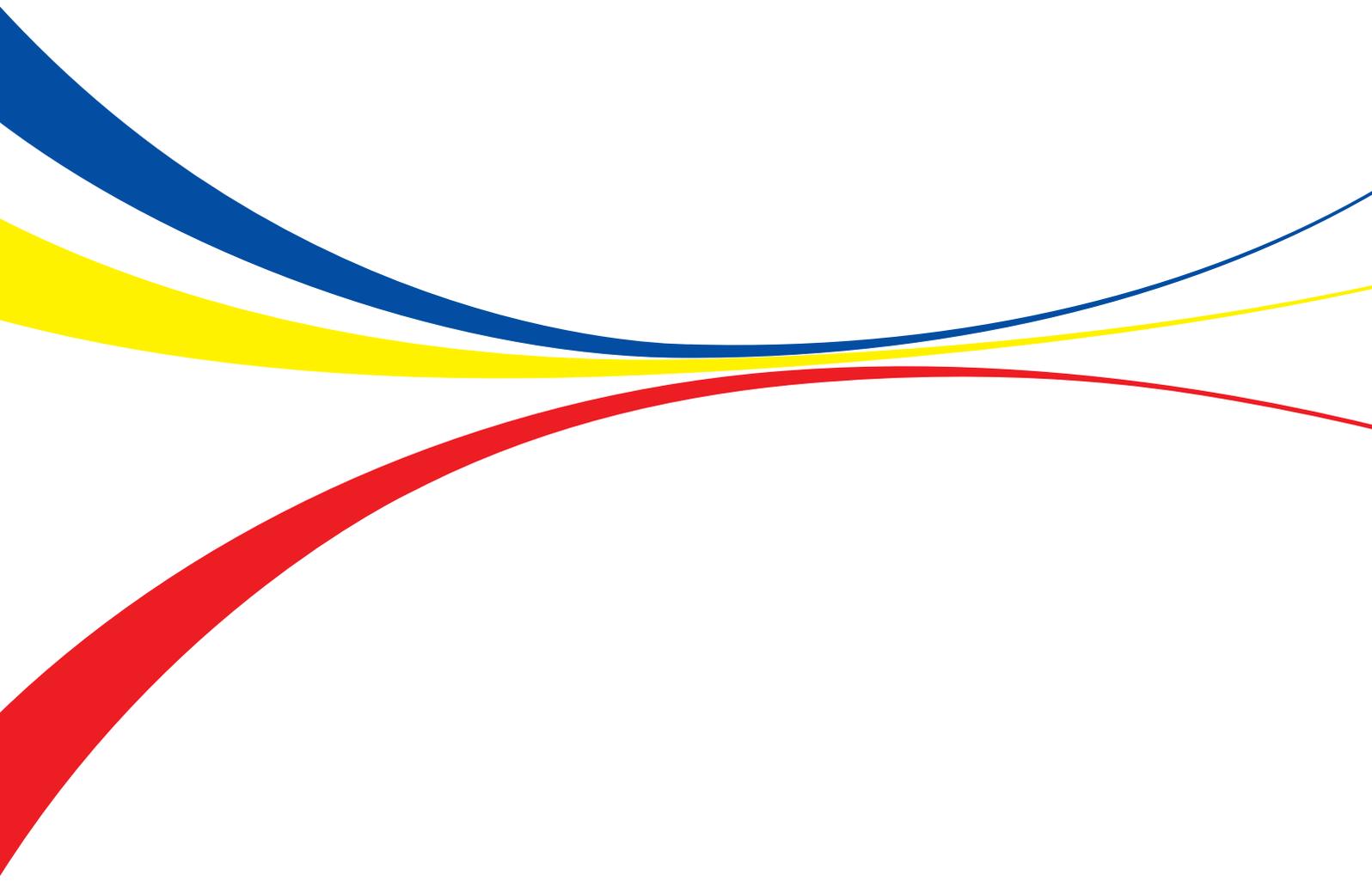
- **Financial Services:** Targeted interventions are critical to bridge the gap between women's position on the other side of the shattered glass ceiling and their truly equitable economic participation and access to opportunities of growth.

- Establishing an Engendered Workplace Certification for enterprises defined by key standardized gender indicators that go beyond minimum labor standards to ensure holistic integration of women in the economic activity they perform, without barriers. This certification must include indicators for reporting on mechanisms for addressing sexual harassment cases, review of gender pay gaps, and equal opportunity for experience, training, and growth;

- Flexible working arrangements for both parents;
- Meet EU standards for family leave for both parent;
- Tax incentives for firms with x per cent women on boards and in senior positions;
- Awareness campaign on sexual harassment laws; mandatory sexual harassment training for all firms above a certain size that should be mandatory for all employee and repeated annually;
- Review and correction mechanisms for existing gender pay gaps; and
- Promote women role models in finance; set up women's association of professional women.



## CHAPTER 5 CONCLUSIONS AND RECOMMENDATIONS



## CHAPTER 5 CONCLUSIONS AND RECOMMENDATIONS

The report began by asking a simple question: What is the impact of the AEC on the women in ASEAN? Numerous field visits and comprehensive analyses of several large datasets have led to a clear answer: the AEC will not have a material impact on women in ASEAN. While the impact of the 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 investments, and skilled labor 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 labor 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 of suboptimal women's participation is directly addressed, economies will not take advantage of women's participation and productivity in the economy.

### 5.1 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 patterns 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 ASEAN economies are increasing, whereas sectors where women dominate the workforce (such agriculture and garments) are relatively stagnant.** Value-added agroproducts 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 agroproducts). 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 by region, we find that female share of employment forms a very small percentage 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.
- The AEC creates an opportunity for a skilled labor movement, however, a gender gap in education attainment prevents women from benefitting from the free movement of skilled labor.*** 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 labor force participation 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 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.
- The 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 the dominance of cultural norms of asset ownership. Women SMEs are not well integrated and cultural and infrastructure barriers limit their access to markets.

- **The AEC regional bodies do not consider gender differential impact of trade and macroeconomic policies.** The AEC Blueprint, The ASEAN mechanism across the four AEC pillars<sup>82</sup> and the associated Scorecard are strangely silent on social and gender goals. None of the 34 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 the development gap within countries or in the region.<sup>83</sup> 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 skills 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.** Labor 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 labor 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 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

<sup>82</sup> Each of the subcomponents under the four AEC pillars is implemented through a regional council/mechanism. At present there are 20 regional mechanisms for coordinating AEC implementation. A review of these mechanisms’ composition, role and functions shows that gender does not feature as a driver for any of the AEC bodies. A detailed review of the AEC mechanisms are provided in Annex 10.

<sup>83</sup> Annex 2 presents the list of indicators included in the ASEAN Scorecard.

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 skilled 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 ASEAN Member States but have limited impact due to issues with implementation, limited interdepartmental 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 policy making and coordination on women and gender equality concerns.
- **Lack of clarity in key labor laws relating to equal remuneration, discrimination and maternity benefits contributes to women's relative weaker position in the labor market.** An examination of the labor 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 a 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, allow women to have a greater opportunity to play a leading role in the emerging global labor market.

- **Limited options for child care and high responsibility for unpaid domestic work constrains women's participation in paid employment.** Responsibility for care work is high on women's responsibility and there is negligible support from 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 prerequisites for economies to take full advantage of women's potential<sup>84</sup>. 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.

## 5.2 Conclusion

The issue of women's limited and poor quality participation in the AEC is, in essence, a labor market problem. Despite having a large supply of both skilled and unskilled female labor, 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 labor supply of women in the market is a suboptimal economic outcome – since ASEAN economies are underutilizing 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.

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<sup>84</sup> IMF 2015.

Turning to the reasons why women are systematically underrepresented 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 lackluster 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 labor 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 equals 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 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 taking on powerful positions in the government or the economy, and that stops women 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 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 labor 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 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 labor force participation is regarding safety at work. Almost all ASEAN Member States currently have legislation against work place harassment. Anecdotal, 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.

### 5.3 Recommendations

Several recommendations to improve the gender responsiveness of AEC mechanisms and boost women's participation in regional trade are provided below.

#### *For creating a gender-responsive AEC*

- **Post-2015 AEC monitoring should include gender indicators.** To borrow the words of the recently elected Canadian Prime Minister, "because it is 2015.." the Post-2015 AEC Agenda should be gender responsive. To start off, AEC monitoring should include sex-disaggregated indicators to track female work force participation, number of women of boards n ASEAN companies, percentage of budget allocated and spent on gender, i.e. consider a gender responsive budgeting and tracking at the AEC. A sample list of gender indicators for monitoring the gender differential impact of the AEC is provided in Table 19. The most obvious place where gender can be included within the AEC Post-2015 Roadmap is under the equitable development pillar. Breaking down the SME development by gender and expanding it to include sex-disaggregated measures of economic progress would go a long towards pushing Member States along on gender equality in the region.
- **Gender mainstreaming across AEC pillars and sectoral bodies.** The current ASEAN mechanism that treats gender as a social issue needs to be carefully reviewed. Gender impact of economic policies needs to be explicitly included across all 20 AEC regional councils and sectoral bodies. It is recommended that the ASCC coordinates with Member States to initiate bilateral dialogue with AEC bodies to promote strategies for gender mainstreaming across AEC policy areas and sectoral bodies.

Table 19. List of potential gender indicators for AEC monitoring

AEC Pillar	Main Components	Illustrative gender inclusive indicators and processes
	Free Flow of goods	<ul style="list-style-type: none"> <li>Percentage goods exported by women owned firms</li> </ul>
		<ul style="list-style-type: none"> <li>Percentage flow of services by women/ women owned firms.</li> </ul>
		<ul style="list-style-type: none"> <li>Percentage female labour force migration for employment in priority integration sectors</li> </ul>
		<ul style="list-style-type: none"> <li>Percentage female labour force migration in all sectors</li> </ul>
	Free flow of services	<ul style="list-style-type: none"> <li>Percentage intra- ASEAN direct investment in women owned businesses</li> </ul>
	Free flow of skilled labor	<ul style="list-style-type: none"> <li>Percentage capital transfers to women owned businesses</li> </ul>
	Free flow of capital	<ul style="list-style-type: none"> <li>Percentage capital transfers for women’s skills development</li> </ul>
	Free flow of investment	<ul style="list-style-type: none"> <li>Development of women’s groups for training and cooperative business development in agriculture and forestry</li> </ul>
	Priority integration sectors	<ul style="list-style-type: none"> <li>Percentage women farmers and/or forestry workers given credit</li> </ul>
	Food, agriculture and forestry	<ul style="list-style-type: none"> <li>Percentage women wholesalers of agricultural/forestry products</li> </ul>
<b>Competitive economic region</b>	Competition policy	<ul style="list-style-type: none"> <li>Direct incentives for women owned and women employing fair trade businesses</li> </ul>
	Consumer protection	<ul style="list-style-type: none"> <li>Direct and indirect tax incentives to women owned businesses</li> </ul>
	Intellectual property rights	<ul style="list-style-type: none"> <li>Review taxation laws to ensure equitable income tax provisions between women and men</li> </ul>
	Taxation	<ul style="list-style-type: none"> <li>E-commerce support to rural artisan cooperatives with percentage representation of women</li> </ul>
	E-commerce	<ul style="list-style-type: none"> <li>Programme allocation for communication/mobile technology promotion among women owned SMEs and cooperatives</li> </ul>
<b>Equitable economic development</b>	SME development	<ul style="list-style-type: none"> <li>Percentage women trained in SME developmentskills-technical and business</li> </ul>
	Initiative for ASEAN integration	<ul style="list-style-type: none"> <li>Percentage credit reserved for women owned SMEs</li> </ul>
		<ul style="list-style-type: none"> <li>Ease of business indicators for women entrepreneurs</li> </ul>
		<ul style="list-style-type: none"> <li>Focus on intra ASEAN market linkages</li> </ul>
		<ul style="list-style-type: none"> <li>Development and promotion of model initiatives like the GREAT Women project of Philippines</li> </ul>
<b>Integration into Global Economy</b>	Coherent approach towards external economic relations	<ul style="list-style-type: none"> <li>Economic policies and international collaborations to specifically feature a social protection and gender equity mandate</li> </ul>
	Enhanced participation in global supply chains	<ul style="list-style-type: none"> <li>Promote ease of access to supply chains to women producers and SME owners.</li> </ul>

### **For increasing women's participation in trade oriented sectors**

- **Bridge the education and skills divide.** Empirical evidence from around the world shows that higher educational attainment is correlated with higher labor force participation. A number of steps can be taken to bridge the gender education and skills gaps.
  - Cash incentives to send girls to school and continue schooling: Beyond simply increasing the overall education spending, policy makers should consider measures that increase the incentives to send girls to school, for example, by making cash transfers to poor families conditional on their daughters' school attendance, as in Bangladesh and Cambodia (World Bank, 2011).
  - Provide scholarships to women to get business degrees and professional training in skilled professions (focusing on the ASEAN priority sectors including engineers, dentists, accountants, and tourism sector providers). It is extremely important that the professional/vocational training being provided is gender responsive and does not reinforce gender stereotypes. For instance, there should be financial incentives for women to enroll in skilled professions, other than tailoring, housekeeping, and catering – where women typically dominate TVET courses currently being offered in ASEAN Member States
  - Offer subsidized loans for female students to pursue higher education degrees in STEM that prepares them for the jobs in high-skill sectors that are expected to expand.
  - On-the-job and other trainings. Linking benefits such as child care allowances to labor force participation (“in-work” benefits), participation in job training, or other active labor market programs, can increase the incentives for women to rejoin the labor market.
- **Improve access to finance for women entrepreneurs through subsidized loans and other financial incentives.** In order to improve the share of women-led companies in the ASEAN PIS, credit can be made available to women-led companies in the PIS sectors. In case of agriculture or industries, subsidized loans can be offered to women farmers to buy equipment. It is very important that the ownership of the company and any equipment is under a woman's name to ensure complete ownership.
- **Remove gender biases in family benefit policies.** Publicly financed parental leave schemes can help parents reconcile work and family life, and maintain their connection to the labor market through a guaranteed return to their job. Policies that provide and

encourage greater parity between paternity and maternity leave could support a more rapid return to work among mothers and help shift underlying gender norms<sup>85</sup>.

- **Reform the entire child care system and family support system to help working mothers and not penalize them for taking time off.** Several studies point out that better access to comprehensive, affordable, and high-quality child care frees up women's time for formal employment. Some specific policy reforms that can be considered are:
  - Reforming pension systems to ensure that spells of maternity leave do not translate into lower pensions by providing special credits for women with children.
  - Gender neutral use of flexible work arrangements to encourage shared parental responsibility and reduce women dropping out of the formal employment.
  - Family leave (instead of maternity leave) should be mandatory for both public and private companies. Since a large part of the growth is driven by private sector companies, it is very important that the same policies apply to all workers.
- **Address the persistent gender based discrimination in national policies relating to occupational choices and asset ownership.** In some countries, women's participation in the labor market is affected by legal constraints that limit women's participation to specific sectors of the economy (e.g. Viet Nam) and restricts their access to credit and property rights (Malaysia). In many other economies, tradition and unwritten rules curtail women's economic opportunities. These norms and legal constraints have an impact on demand for female labor, and thereby on trade outcomes. It is important to identify gender discriminatory legislation and remove them to ensure demand for female labor goes up.
- **Remove labor market distortions caused by unclear labor laws and create a level playing field.** The analysis revealed that all ASEAN Member States have signed three important ILO protocols related to gender equality in the work force. However, the implementation of these protocols relating to equal remuneration, discrimination and maternal benefits is ineffectively implemented, primarily due to lack of clarity in their interpretation.
- **Provide fiscal incentives for companies to encourage women in senior management positions.** Incentive can be provided to encourage companies to hire more women at the managerial level and include women on boards to boost women in senior leadership positions.

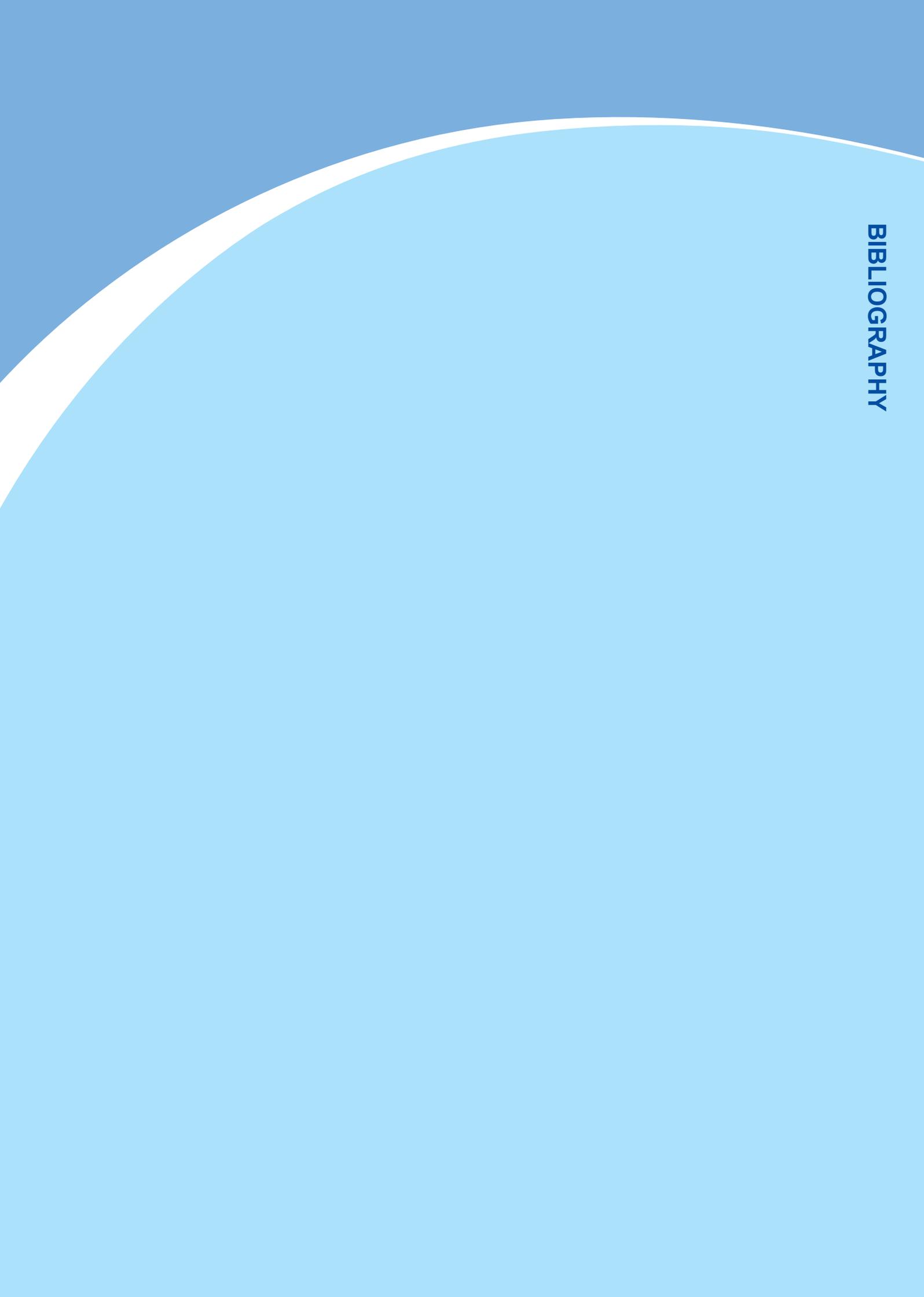
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<sup>85</sup> World Bank 2012.

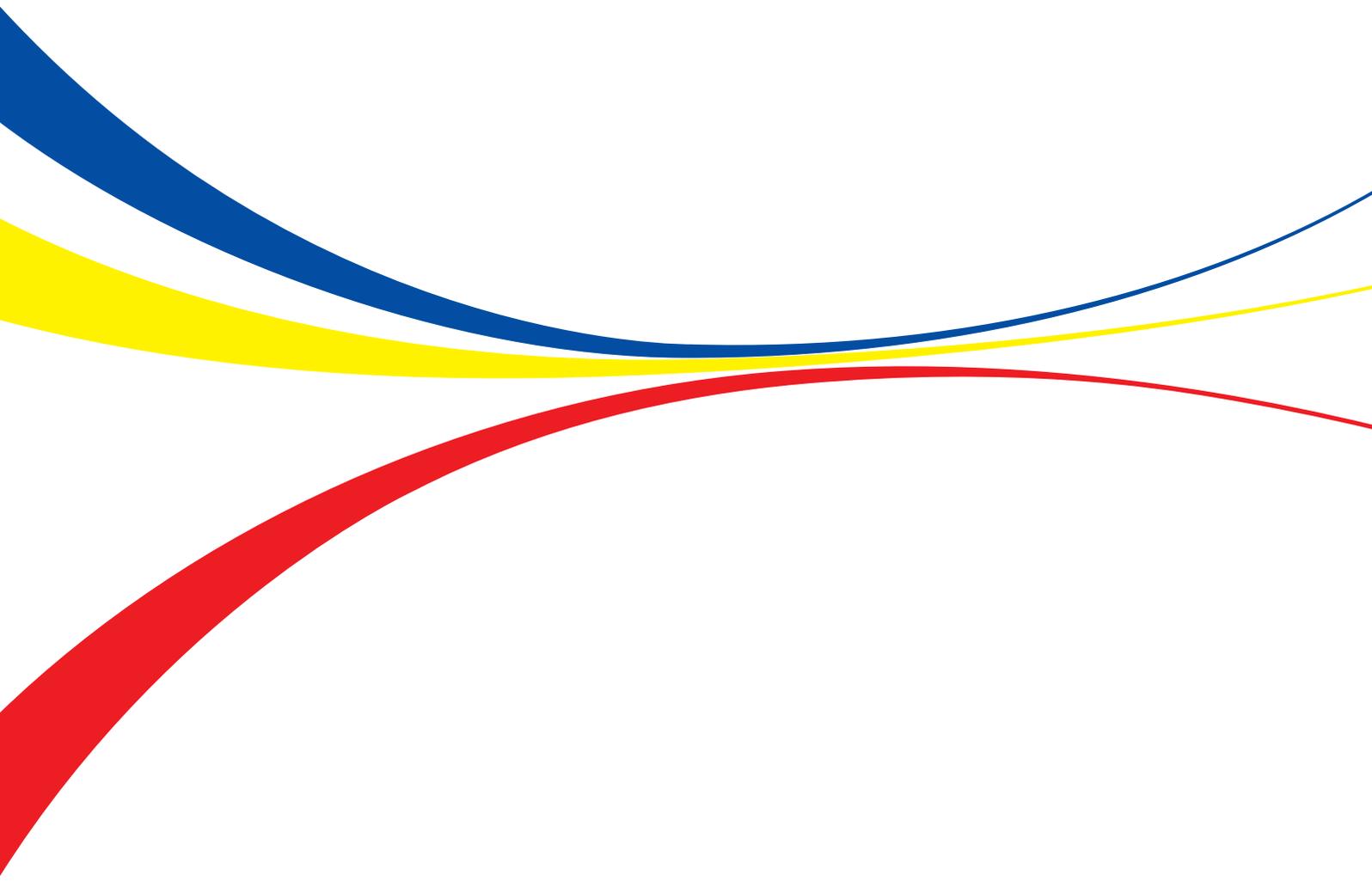
- **Strictly enforce work place harassment laws.** Creating a section within current ACW and ACWC frameworks to address the gap in sexual harassment legislation at country level. Encouraging countries to undertake formal, mandatory training for all employees – in the public and private sectors - to undergo work place harassment training every year, will promote a safe work environment for all workers, men and women.

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 seven to 27 per cent increase in GDP for 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 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 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 mouths are – 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.



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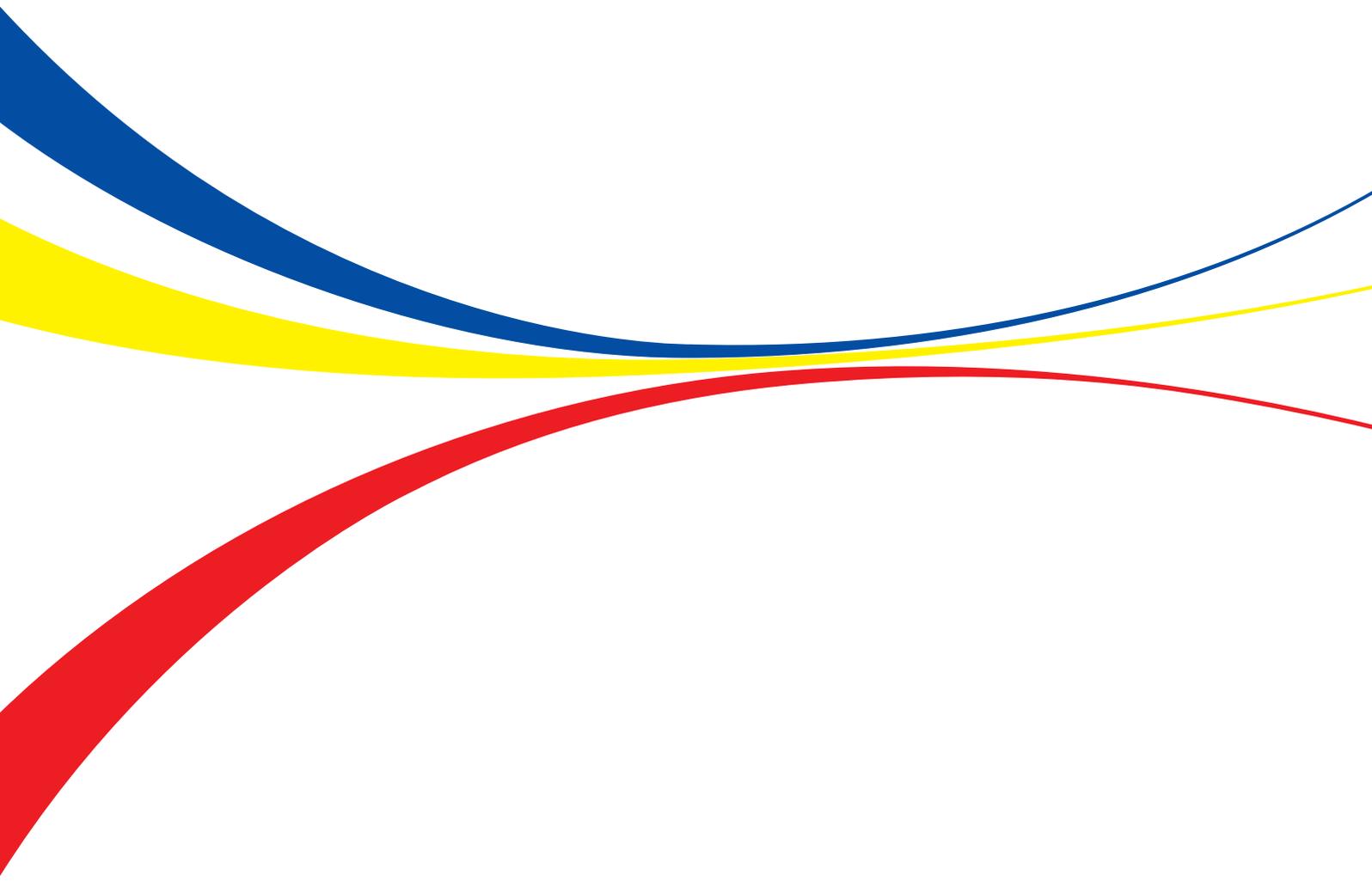
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# ANNEXURES



# ANNEX 1 TERMS OF REFERENCE

## PARTNERSHIP ON THE PROJECTED GENDER IMPACTS OF AEC ASEAN, UNWOMEN and FES

### I. BACKGROUND

Regional economic integration within ASEAN is expected to come into force with the launch of the ASEAN Economic Community in 2015. The AEC areas of cooperation include human resources development and capacity building; recognition of professional qualifications; closer consultation on macroeconomic and financial policies; trade financing measures; enhanced infrastructure and communications connectivity; development of electronic transactions through e-ASEAN; integrating industries across the region to promote regional sourcing; and enhancing private sector involvement for the building of the AEC. In short, the AEC is expected to facilitate free movement of goods, services, investment, skilled labour, and freer flow of capital.

The Declaration on the ASEAN Economic Community Blueprint speaks to the transformation of ASEAN into a single market and production base with a highly competitive economic region and characterized by equitable economic development and reduced poverty and socio-economic disparities. AEC is expected to ensure (a) a single market and production base, (b) a highly competitive economic region, (c) a region of equitable economic development, and (d) a region fully integrated into the global economy.

Strong economic performance has made ASEAN one of the world's most dynamic regions. 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 also has one of the world's highest foreign investment inflows – attracted by its workforce of 300 million, growing consumer markets and expanding networks of infrastructure. But despite economic growth and the reduction of poverty levels in the past two decades, the difficulty lies in ensuring that growth is inclusive and prosperity is shared. Currently this remains a key challenge for most ASEAN Member States.

Empirical evidence suggests that growth has not always led to more and better jobs or to increased income opportunities for the vast majority of the poor, particularly women and youth. Approximately 179 million workers (or three in five) are in vulnerable employment and 92 million earn too little to escape poverty. Securing decent employment is particularly difficult for young people and women<sup>86</sup>. Informal enterprises and informal employment continue to define most ASEAN country economies. Clearly, economic integration and growth alone does not guarantee that the poor and the marginalized will participate in and benefit from growth.

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<sup>86</sup> ILO-ADB, ASEAN Community 2015: Managing integration for better jobs and shared prosperity, 2014.

The pattern in many countries of high growth with persistent income inequality and poverty is not sustainable either in economic or political terms. High levels of economic and political inequality tend to lead to economic institutions and social arrangements that are biased in favour of those with more influence, in turn generating economic costs. Moreover, vast income disparities as well as social inequalities with regards to access and opportunities tend to weaken social cohesion and political stability.

This strategy is conceptualized to better understand the connections between economic integration and equitable development to influence interventions that guarantee that one of the opportunities of the ASEAN Economic Community is to bring inclusiveness.

Inclusiveness in ASEAN cannot be understood without examining the different roles, relations and outcomes for women and men. Women in the ASEAN region have made significant and incremental gains towards the achievement of gender equity. However, as revealed by the Women's Economic Opportunity Index despite women entering the labour market in an unprecedented fashion during the last two decades, their participation in the formal labour force remains below that of men. Between 2010 and 2013 labour force participation rates remained steady at slightly more than 70 per cent. However, the rate for women was around 59 per cent, while that for men was about 82 per cent. In Malaysia and Indonesia, the gender gap exceeds 30 percentage points. Gender gap in wages is also stark. On average, women in Cambodia and Singapore, for instance, earn about one-quarter less than men. Women are not only disproportionately engaged in the informal economy and low-skilled jobs, they are also overrepresented in the most vulnerable forms of informal employment and earn substantially less. There continue to be gaps in understanding the gendered impacts of economic and social policy, particularly on the quality and quantity of women's paid and unpaid labour.

The extent to which the AEC would reproduce increased labour inequalities, burden of care, income gaps, and differential participation in decision-making should be investigated. Therefore the biggest policy challenge facing AEC is how to sustain rapid growth that is socially just. Increasingly, countries in the region are making inclusive growth their policy priority. Public policy pronouncements emphasize the importance of bridging the gap within and between countries. Concerns about access to social services, protection, and economic opportunities, and with the institutional mechanisms to support inclusiveness, are articulated at the highest policy levels.

While both women and men can be movers of skills, knowledge and capital across the region, women's educational achievements which may have increased significantly are not translated

fully into gains in the labour market. Further, consideration needs to be given to the men and women most likely to move, based upon the existing occupational clusters and the categories of wage and non-wage earners. At the most basic level, the livelihoods of men and women are not always the same even if they occupy similar occupational strata due to their different roles and responsibilities and access to and benefit from resources.

## **II. OBJECTIVE**

The main objective of this partnership is to identify the ways in which the regional economic integration policy and a regulatory framework may present opportunities for accelerating gender equality and women's economic empowerment. The strategy will commission a study to examine the projected differential gender impacts, opportunities and challenges under the AEC economic liberalization in flows of trade and investment. The study will be a source of evidence based inputs to produce targeted reports and engage with decision makers in ASEAN.

## **III. PARTNERSHIP**

Partners include the ASEAN Committee on Women(ACW) and the ASEAN Commission on the Promotion and Protection of the Rights of Women and the Children (ACWC) which are supported by the ASEAN Secretariat; the United Nations Entity for Gender Equality (UN WOMEN) and the Friedrich Ebert Stiftung (FES).

## **IV. STRATEGY**

The strategy is integrated by three components i) a commissioned study, ii) evidence based reports and iii) policy dialogues with ASEAN Economic, Social-Cultural and Political-Security Pillars.

## **V. COMPONENT ONE: COMMISSIONED STUDY**

The commissioned study will provide the foundation for an analysis of the projected gendered impacts of AEC.

The study will be expected to analyze the following:

- Aspects of trade liberalization affecting the gender division of labour between and within sectors.
- Sectors which are expected to benefit most and least from the AEC. Which of those are male- and which ones are female-dominated.
- The expanded trade flows that will affect relative conditions between tradeables in

goods and other sectors, in particular trade in services.

- Women's opportunities (particularly informal traders) in trading at the local, national and regional levels.
- The relation between gender inequalities and the success of trade policies in ASEAN.
- The extent to which trade rules affect the scope for government or private sector to take positive measures against gender discrimination.
- The impact of critical services (e.g. utilities, health care) open to trade and how would that affect access, availability, cost, utilization.
- The planned AEC related to impact on men and women: (i) housing; (ii) land use; (iii) health care
- Social protection regimes
- The study must include an elaborated chapter on policy recommendations with cross-references to the ASCC Blueprint and a view to the post 2015 ASEAN agenda.
- The study will be financially supported by UNWOMEN and FES. ASEC, UNWOMEN and FES will participate in the elaboration of TORs, consultant's selection and progress monitoring of the study. ACW and ACWC will be invited to provide comments to the draft study report.

#### **IV. COMPONENT TWO: EVIDENCE BASED REPORTS**

Once the final study report is concluded, ASEC, FES and UNWOMEN will identify the main emerging messages and will elaborate short evidence reports. The reports will be drafted by the three entities and will be circulated among different stakeholders.

#### **V. COMPONENT THREE: POLICY DIALOGUES**

- ASEC along with ACW and ACWC will identify key opportunities along 2015 where the main findings of the study as well as the evidence based reports can be presented and discussed to engage in policy dialogues to eventually engender different policies stemming from AEC.
- UN Women and FES will participate in those dialogues to leverage messages and influence.

## ANNEX 2 ASEAN SCORECARD INDICATORS

AEC		
Thematic Pillars	AEC Convergence Area	Indicator
<b>A. Cross pillar indicators</b>	Convergence in income	GDP per Capita in 2005 PPP\$
	Convergence in labour productivity	Gross Value-Added per Worker Labour, Constant PPP\$,
	Intra-ASEAN tourism	Tourist Arrivals from Other ASEAN Member States
<b>B. Single Market and Production Base</b>	Convergence in overall commodity/product prices	price convergence as measured by two PPP conversion factors: one based on GDP and one based on a consumer goods basket
	Convergence in the prices of select commodities	extent of price convergence based on commodity-level price data
	Value of intra-ASEAN exports and imports	current value of intra-ASEAN exports and imports of goods
	Proportion of intra-ASEAN trade in total trade	share of intra-ASEAN exports and imports of goods as a proportion of total trade for each ASEAN Member State
	Intra-ASEAN intra-industry trade index	Intra-industry Trade in ASEAN
	Tariffs on ASEAN imports	Average Tariff Rates on ASEAN Imports
	Goods trade facilitation	Costs to Export and Import, US\$ per container
	ASEAN trade in services	Current Value of Intra-ASEAN Trade in Services
	ASEAN Framework Agreement on Services (AFAS) through trade liberalization	Proportion of Services Subsectors with “Commitment without limitations” for Market Access
	Intra-ASEAN inward FDI	Current Value of Intra-ASEAN Inward FDI
	Commercial profit tax rate	commercial profit tax rates businesses have to pay when operating in ASEAN Member States
	Dispersion of interest rates	Effective Real Interest Rates, Lending and Deposit
	Domestic credit provision	Domestic Credit Provision, to Private Sector and from Bank
	Convergence in government bond yields	Average Monthly Government Bond Yields
	Convergence in the stock markets	Average Monthly Stock Market Returns
	Convergence in skilled labour cost	Average Monthly Wages of Professional and Technical Workers
	<b>C. Competitive Economic Region</b>	Global competitiveness
Technological capacity		Number of New Science and Technology Graduates
		Research and Development Expenditure’s Share to GDP,
		Number of Researchers per 1 Million People,
Telephone subscribers		Number of Telephone Subscribers (fixed and mobile) per 100 People
Science and technical publications	Number of Published Scientific Journal & Technical Articles	

	Innovativeness	Number of Patent Applications by Residents
		Number of Trademark Applications by Residents
	Technological capability	Proportion of High-tech Exports in Total Manufacturing Exports
<b>D. Equitable Development</b>	ASEAN6–CLMV gap in GDP per capita	GDP per Capita in PPP\$, ASEAN6 and CLMV
	ASEAN6–CLMV share in intra-ASEAN trade	Shares of Intra-ASEAN Trade, ASEAN6 and CLMV
	Cost of business start-up	Cost of Business Start-up as Percentage of GNI per Capita
<b>E. Integration in the global economy</b>	Tariffs on extra-ASEAN imports	Average Tariff Rates Faced by Non-ASEAN Member States
	Extra-ASEAN goods trade value	Value of Extra-ASEAN Exports and Imports
	Extra-ASEAN inward FDI	Value of Extra-ASEAN Inward FDI

## ASCC

ASCC Pillars	Convergence area	Indicator
<b>A. Human development</b>	Human development	Human Development Index
	Education attainment level	Actual Years of Schooling Completed by Adult Population
		Expected Years of Schooling Completed by Adult Population
	Literacy rate	Literacy Rate of Adult Population (total, male and female)
	School enrolment	Net Primary School Enrolment Rates
		Dropout Rate from Primary School
<b>B. Social Welfare and Protection</b>	Absolute poverty	Proportion of Population Living on less than PPP\$1.25 a day,
	Relative poverty	Proportion of Population Living Below the National Poverty Line
	Income inequality	Gini Coefficient
	Life expectancy	Life expectancy at birth (male and female)
	Children mortality rate	Infant Mortality Rates
	Children nutrition	Proportion of Under-Five Children Who are Underweight
	Government health expenditure	Proportion of Health Expenditure in Total Government Expenditure
	Diseases incidence	Number of New Malaria Cases per 100,000
		Number of New Tuberculosis Cases per 100,000 People
	HIV/AIDS incidence	Number of New HIV/AIDS Cases per 100 People
<b>C. Social Justice and Rights</b>	Female employment-to-population ratio	Female employment-to-population ratio
	Youth employment-to-population ratio	Youth employment-to-population ratio (male and female)
<b>D. Environmental Sustainability</b>	Carbon dioxide emission	total carbon dioxide emissions
	Ozone-depleting CFC consumption	Ozone-Depleting CFC Consumption per Capita
	Duration of trans-boundary haze	Number of Days Affected by Trans-Boundary Haze
	Extent of protected area	Protected Area as Percentage of Total Land Area
	Extent of forest cover	Forest Area as Percentage of Total Land Area
	Access to improved drinking water	Proportion of Population with Access to Improved Drinking Water

	Access to improved sanitary facilities	Proportion of Population with Access to Improved Sanitary Facilities
<b>E. Narrowing Development Gap</b>	ASEAN6–CLMV gap in income distribution	Proportion of Population Living on Less Than PPP\$1.25 a Day
	ASEAN6–CLMV gap in life expectancy	Life Expectancy at Birth, ASEAN6 and CLMV, Male and Female
	ASEAN6–CLMV gap in infant mortality	Infant Mortality per 1000 Live Births, ASEAN6 and CLMV,
	ASEAN6–CLMV gap in youth literacy rate	Youth Literacy Rate, ASEAN6 and CLMV
	ASEAN6–CLMV gap in primary school enrolment rate	Primary School Enrolment Rate, ASEAN6 and CLMV
	ASEAN6–CLMV gap in educational attainment	Expected Number of School Years to be Completed by Children

# ANNEX 3 RESEARCH DESIGN

Objective	Primary question	Sub-questions	Type of analysis	Data	Sources
To conduct a gender analysis at the regional level of ASEAN trade within and outside the region to identify patterns and challenges to women's participation in regional trade	1. What is the pattern of women participation, employment and quality of work in the ASEAN member countries and regional trade? (regional analysis)	i. What are the trends in trade and employment i.e. both exports, imports and services – within and outside the ASEAN region? How many women are working in different economic sectors? How much do they earn? Is it higher or lower than men?	Quantitative: Trends in female labour force participation, wages, occupation, regional exports and imports; Female intensity of export calculated for total exports; forecast until 2025	Export, import at 2 digit ISIC level; Labour market data - female labor force participation rate, employment, wage, vulnerable employment; Merge with export table from HS 2 digit level	Labor force surveys from ILO; National sources; ILOstat; UNCTADstat; UNSD ServTrade database
	2. What are the existing policies, institutions and laws to promote women's economic participation, especially in the trade intensive sectors?	i. What are the current institutional mechanism - laws, policies, and social protection regimes - that affect women's economic participation, especially in the trade intensive sectors?	Qualitative: Comparative policy review and analysis	Gender strategy documents, policy reviews and guidelines for gender mainstreaming;	National sources; World Bank Law, Policy and Institutions database; semi-structured interviews
To conduct a gender analysis of trade in export intensive sectors	3. What is the pattern of women participation, employment and quality of work in the trade intensive industries and ASEAN priority sectors? (sectoral analysis)	i. How are the 11 priority sectors impacted in each member state?	Quantitative: Time series trends and forecasting of trade data	Export, import at 3 digit HS level; Interviews with ASEAN staff, govt officials; business owners and other key national level	UNCTADStats.; UNSD ServTrade database
		ii. What is women's participation and quality of work in the export intensive sectors and the ASEAN priority sectors?	Quantitative and Qualitative: Female intensity of export calculated for trade priority sectors; forecast until 2025; qualitative analysis of the quality of women's participation; gender supply chain analysis; sector specific illustrative case studies to identify positive and negative impacts	Female labor force participation rate, employment, wage, vulnerable employment; Merge with export table from HS 3 digit level; Sector specific surveys and interviews with women workers and farmers	Labor force survey from ILO (requested); National sources; ILOstat; UNCTADstat; UNSD ServTrade database; semi-structured interviews and FGDs
	4. How does increased trade among the ASEAN nations affect women's economic participation in the priority sectors?	iii. How have employment and women's participation in export sectors changed over time? What factors explain how employment and women's participation have changed over time (is international trade a factor)?	Quantitative and Qualitative: Female intensity of export calculated for trade priority sectors; forecast until 2025; qualitative analysis of the quality of women's participation; gender supply chain analysis; sector specific illustrative case studies to identify positive and negative impacts	Female labor force participation rate, employment, wage, vulnerable employment; Merge with export table from HS 3 digit level; Sector specific surveys and interviews with women workers and farmers	Labor force survey from ILO (requested); National sources; ILOstat; UNCTADstat; UNSD ServTrade database; semi-structured interviews and FGDs
To recommend actions at the regional level that will mitigate possible negative impacts of economic integration and trade liberalization on women's products and facilitate their participation in intra-regional trade, especially as far as the high-growth industries are involved.	5. What are the channels and mechanisms through which an expansion in trade impacts women; what can be done to encourage/mitigate these impacts?	i. What are the factors that explain the impact of trade on women's economic participation? What are the opportunities and barriers to women's participation in ASEAN priority sectors? What are the interventions to address the gaps and create opportunities for women in the AEC?	Qualitative: analysis of the impact of international trade on women in different economic roles - workers, farmers, entrepreneurs and professional. Case studies.	Primary data collected through interviews; ILOStats	Interviews; FGDs and ILOStats

## ANNEX 4 NOTES ON DATA AND SOURCES

### *UN COMTRADE DATA*

Secondary data on exports and imports were extracted from the UN Comtrade database at the International Standard Industrial Classification of All Economic Activities, Rev.3 (ISIC Rev. 3) level 2 at an annual frequency.

- Lao PDR does not report data on exports. Lao PDR exports to ASEAN Member States was estimated by “mirroring”: Imports reported by other ASEAN Member States from Lao PDR were used to estimate exports from Lao PDR.
- ISIC Rev.3 level 2 codes were mapped to names and ASEAN priority sectors using the industries categories provided in the ASEAN Roadmap Annexes.
- Secondary data on exports of services were extracted from the UN Service Trade database at an annual frequency. Since data on bilateral exports were available only for Singapore, only data on total exports of services were extracted.
- EBOPS codes were mapped to ISIC Rev.3. Level 2 using the ASEAN Roadmap Annexes
- After mapping EBOPS codes to ISIC Rev.3. Level 2 codes, service exports data were appended to the UN Comtrade data.
- Only two datasets were imputed. These were done to estimate Female Intensity of Exports and to project 2025 Female Intensity of Exports: (1) Female Share of Employment and (2) Total Exports in constant U.S. Dollars.
- Identification of priority sectors based the ASEAN framework agreement for the integration of the priority sectors (Vientiane, 2004) The priority sectors given at the ASEAN commodity classification code (AHTN) were matched to the relevant ISIC Rev. 2 3 digit code. The mapping was for all sectoral analysis of ASEAN priority sectors.

### *ILOSTAT database*

Data on female labor force participation rate by sector, number of women workers, migrant women workers, employment, and wage is available from a combination of ILOstat and national data sources. Wherever data was missing from the ILOStats database, we used data from national sources. Data on business indicators such as female headed business and ease of doing business was obtained from the World Bank. For the purpose of calculating the female share of exports (Box 1) the export data was merged with the ILOSTAT data. ILOSTAT data was downloaded at an annual frequency at the ISIC rev3. top level.

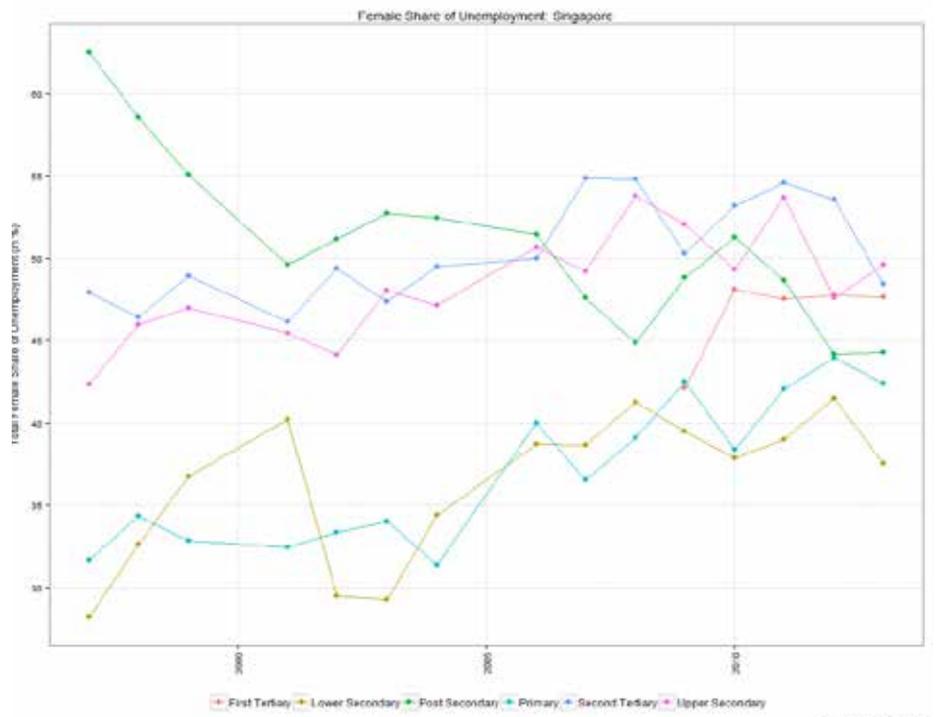
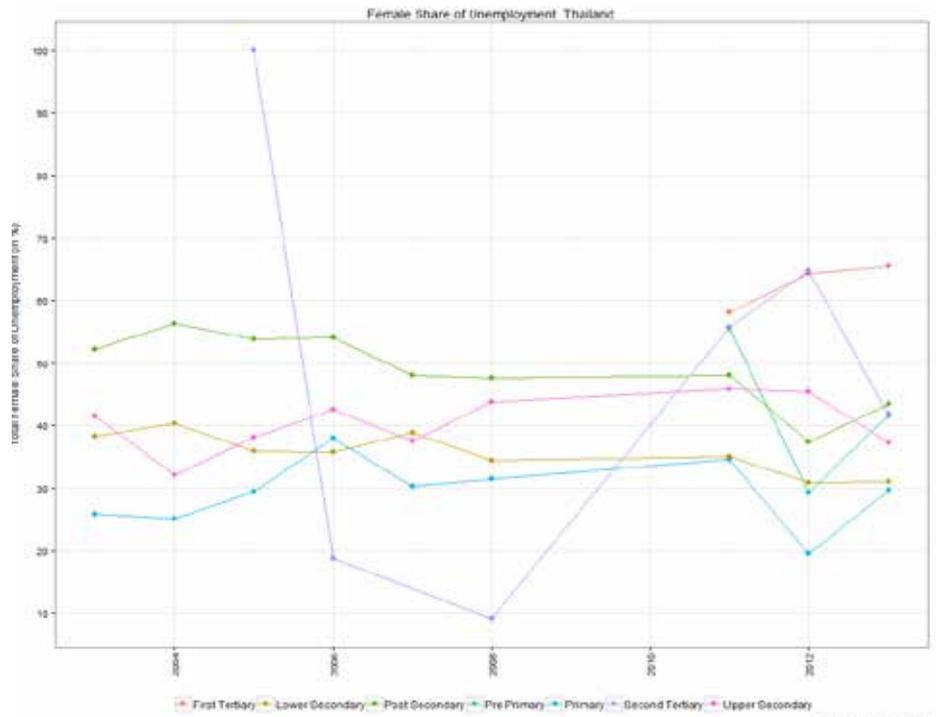
### ***Female Intensity of Exports projection methodology:***

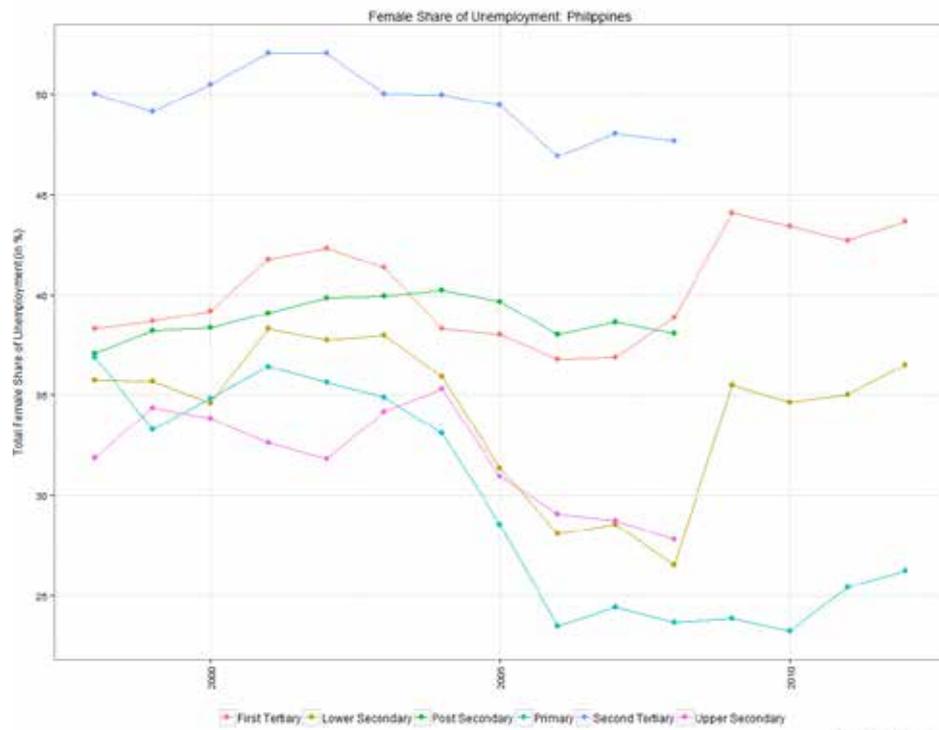
1. Female Share of Employment data is extracted from the ILOSTAT database on an annual frequency.
2. Missing years are imputed longitudinally using a simple procedure: If data is available for a year either preceding or following the missing year, the missing year data is imputed using a linear interpolation; if data is not available for a year preceding the missing year, the next year available year data is used as a proxy for the missing year data; if data is not available for any of the years following the missing year, the latest available data is used as a proxy.
3. Data on total exports of goods from each ASEAN country are extracted from the UN Comtrade database and converted to constant 1983 US Dollars (using USD conversion factors from US Federal Reserve).
4. Data on total exports of services from each ASEAN country are extracted from the UN Service Trade database and are converted to constant 1983 US Dollars.
5. Total exports from each ASEAN country in 1983 US Dollars are calculated by aggregating data from step 3 and step 4.
6. Missing data on total exports are imputed longitudinally using the same procedure used to impute Female Share of Employment (described in step 2).
7. Female Intensity of Exports is calculated as:
  - a. Female Intensity of Exports (for country  $j$ , in year  $t$ ) = Item 6 ( $j,t$ ) \* (Item 2( $j,t$ )/100) \* labor labor share.
8. Female share of employment for each country is projected to 2025 as:
  - a. Data on growth of total employment and total female employment between 2004 and 2025 is obtained from ILO (2014).
  - b. Item 8a is used to estimate Female Share of Employment in 2025 by first estimating total employment in 2025 and then total female employment in 2015.
9. Total exports (in 1983 US Dollars) is projected to 2025 using
  - a. Total exports (in 1983 US Dollars) in 2004 for each country.
  - b. Growth rate of total exports between 2004 and 2025 for each country obtained from (ILO 2014).

## ANNEX 5 COUNTRY CONSULTATION DATES AND LIST OF STAKEHOLDERS

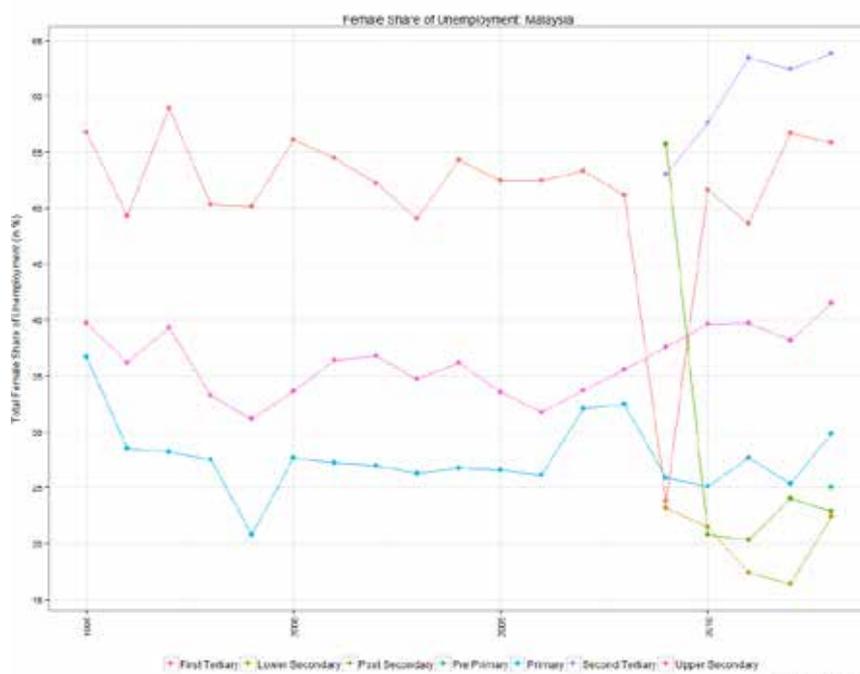
	Indonesia	Malaysia	Philippines	Brunei	Vietnam	Thailand	Myanmar	Singapore	Cambodi a	Laos
TOTAL (excludes Indonesian)	Aug 23-28	Aug 20-22	Aug 17-18	Aug 17- 19	Jul 6-9	Jun 29-Jul 3	June 22-26	June 9-12	June 5-8	June 1-4
	Dates	Govt Agencies	NGO/INGO	Trade Union	Employer/ Business Association Women's Group	Workers	Farmers	Experts	Multilateral Organization	Total
40	Aug 23-28	Aug 20-22	Aug 17-18	Aug 17- 19	Jul 6-9	Jun 29-Jul 3	June 22-26	June 9-12	June 5-8	June 1-4
23		2	8	7	8	4	10	0	1	0
14		4	1	1	1	3	3	2	5	3
32		7	0	0	3	0	1	2	1	0
17		4	2	5	3	3	0	7	4	4
56		3	0	4	0	2	4	0	3	1
64		6	0	0	13	10	0	3	8	16
20		0	0	0	9	0	40	0	7	8
30		1	2	1	1	2	6	4	0	3
296	0	28	14	18	43	29	69	19	35	41

## ANNEX 6 FEMALE SHARE OF UNEMPLOYMENT BY EDUCATION LEVEL

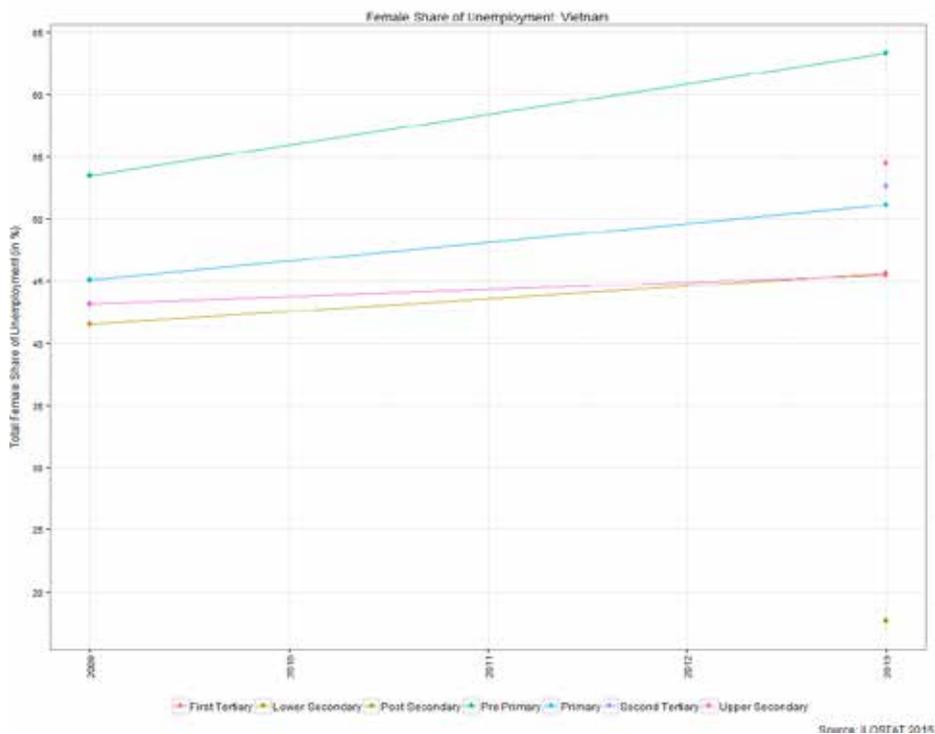
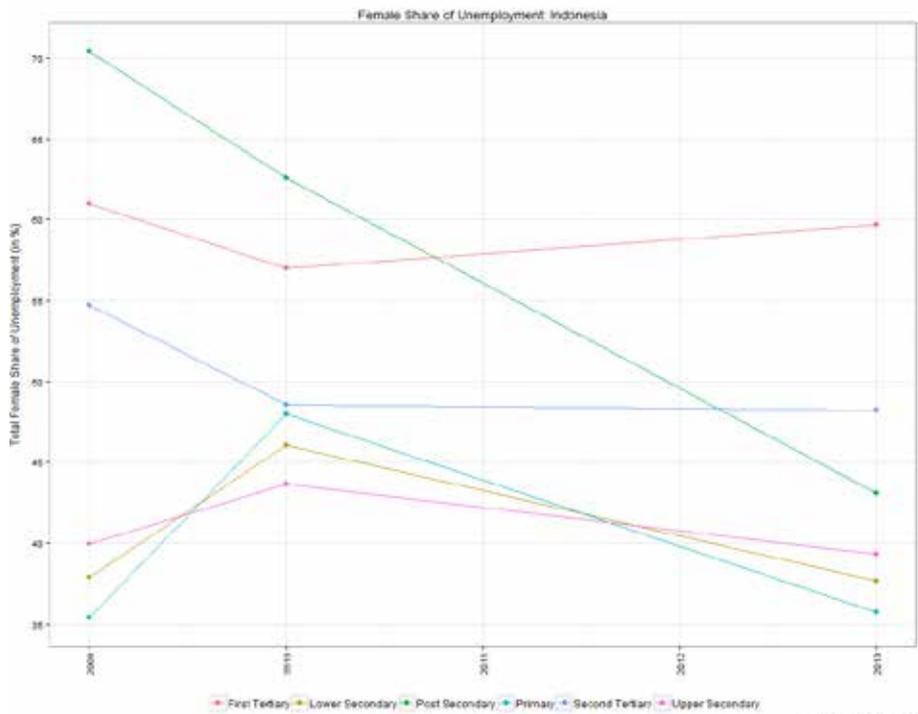




Source: ILOSTAT 2014



Source: ILOSTAT 2014



## ANNEX 7 GENDER ANALYSIS OF THREE ASEAN LABOR DECLARATIONS

ASEAN integration rests on solid regional and bilateral collaborations and collective efforts to achieve the vision of the three pillars as envisaged for the region. In the context of this study, it is imperative to analyze three critical regional declarations that relate to the economic inclusion, opportunities, and capacities of the workforce in the region. These declarations are herewith examined from a gender lens to understand the gender sensitivity and responsiveness of regional level interventions.

The Statement on Human Resources and Skills Development for Economic Recovery and Sustainable Growth<sup>87</sup> is a strategic declaration signed by the ASEAN Member States in the year 2010. It highlights key points of understanding among the countries viz. to foster technical cooperation and capacity-building activities in the region, promote tripartite and public-private sector cooperation, enhance the quality and skills of workers in all ASEAN Member States, and promote lifelong learning. It is creditable that the statement calls for ‘technical cooperation and capacity building activities in ASEAN’ and specifies ‘development of programmes for vulnerable groups including women, children, and persons with disabilities.’ Also, from the perspective of enhancement of the quality and skills of workers, it supplicates ‘better access to skills training for vulnerable and marginalized groups and those in the informal economy.’ From a gender perspective then, it may be noted that this vital labor declaration that will guide the regional and national efforts towards human resource development, sustainable growth, and skills development in the Member States, is largely gender neutral. While it guides capacity development efforts towards vulnerable groups including women, it overlooks specific emphasis on this critical economic resource group which constitutes a significant part of the labor force in the region. Gender gaps are striking in the aspects of private sector collaborations and enhancement of quality and skills of the workforce.

The Bandar Seri Begawan Declaration on Youth Volunteerism and Entrepreneurship<sup>88</sup> is another fundamental and also one of the most recent declarations, signed between the ASEAN Member States in 2013. The declaration misses out on the high potential of youth volunteerism, and entrepreneurship as a factor for economic growth and viability for the region, by drawing guidance only from the ASEAN Socio-Cultural Community Blueprint. It overlooks on drawing linkages with the ASEAN Economic Community Blueprint, thereby only viewing entrepreneurship as a factor for youth development; but not considering the potential of youth entrepreneurship development as an element for regional economic growth. Further, this declaration too is completely gender neutral in its approach, despite the socio-economic context where young women and girls have been systematically disadvantaged in the region in access to resources and opportunities.

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<sup>87</sup> ASEAN Leaders Statement on Human Resources and Skills Development for Economic Recovery and Sustainable Growth, 2010 retrieved from <http://www.asean.org/news/item/asean-leaders-statement-on-human-resources-and-skills-development-for-economic-recovery-and-sustainable-growth> on September 19, 2015.

<sup>88</sup> Bandar Seri Begawan Declaration on Youth Volunteerism and Entrepreneurship, 2013 retrieved from <http://www.asean.org/images/Statement/draft%20ammy8%20declaration%20fin.pdf> on September 19, 2015.

Women and girls in the region have historically received lesser education, inferior skills, shared higher domestic burdens, been discriminated in asset ownership and inheritance, and have poorer access to finance; than their male counterparts. To add to that, they continue to suffer from various forms of violence and abuse. However, they remain a substantial part of the active workforce in the region. Therefore, this declaration fails to address targeted and assenting points of understanding required among nations to guide policies and interventions to develop a culture of entrepreneurship among young women and girls. It may be argued that overarching declarations like this, in their gender neutrality, inadvertently do encompass the marginalized women's workforce. However, considering the disparate deterrents in women's economic participation and the high potential of the young workforce, it is imperative that agreements at the regional level emphasize gender specific measures for promoting women's entrepreneurship. This is also important in order to leverage on women's increasing partaking in higher education, better economic opportunities, and access to information.

Further, the ASEAN Declaration on the Protection and Promotion of the Rights of Migrant Workers<sup>89</sup> is important to the scope of this study, given the existing trends of migration in the region and the premise of free movement of skills and services in the ASEAN economic community. The declaration encapsulates regional understanding and collaborative stance on protection of the rights of migrant workers. In its guiding international conventions, the Declaration draws upon the provisions of the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and the Convention on the Rights of the Child (CRC). However, aspects of gender sensitivity and responsiveness are starkly missing in the general principles of the declarations and the obligations of both the sending and receiving countries, as stated in the declaration. Women form a considerable proportion of the migrant workforce across the region. They are largely employed in the informal sectors, or at very low levels in the value chain of formal employment, attributable to their socio-economic discrimination. Women therefore, bear the double disadvantage of both- being migrants, and women. Research on the issue provides extensive evidence of the vulnerability of migrant women to rights violation, poor opportunities, exploitation, and abuse. In this context, it is a glaring anomaly that gender specific issues are blind sighted in the declaration.

In this perspective, it is apparent that regional collective efforts have inadvertently overlooked the rampant gender gaps existing in the socio-economic realm of the ASEAN regional integration. While the policies are well meaning, a lack of clear and specific provisions, and missing/ineffective monitoring of interventions, are resulting in continued marginalization of women from economic integration and empowerment.

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<sup>89</sup> ASEAN Declaration on the Protection and Promotion of the Rights of Migrant Workers, 2007 retrieved from <http://www.asean.org/communities/asean-political-security-community/item/asean-declaration-on-the-protection-and-promotion-of-the-rights-of-migrant-workers-3> on September 19, 2015.

## ANNEX 8 GENDER MACHINERY IN THE ASEAN MEMBER STATES

The women's machinery in a country is tasked with promoting women's issues within the government and ensuring implementation of key policies and programmes. This section provides an overview of the gender machinery in ASEAN Member States and reviews the effectiveness of the gender mainstreaming in the countries.

The National Council on Social Issues is the government department that is mandated with overseeing gender actions and rights protection in Brunei Darussalam. A Special Committee on Family Institution and Women, was formed in 2008, and mandated to 'formulate policies, legislations, and plans of actions to address issues on women and family institutions; to ensure that the gender and family perspectives are incorporated into all national policies and budgetary requirements; and to ensure close cooperation between relevant stakeholders from government and non-government agencies, including the private sector, voluntary organizations, corporate bodies, businesses, community and village leaders, parents as well as the general public in addressing issues on women and family institution'. The Committee constitutes both governmental and NGO stakeholders.<sup>90</sup>

The key policy provision for the protection of women and girls is the 'Protection of Women and Girls Act'. Additionally, the Special Committee is currently implementing the Action Plan on Women, which aligns with the national level Vision 2035 of Brunei Darussalam. While the core of the Act promotes gender mainstreaming, it is not a requirement. At present, gender mainstreaming takes place at the discretion of other line ministries. For example, the Ministry of Foreign Affairs and Trade has consulted with the representatives of the Special Committee on gender related issues in regional integration, but there is no involvement of the Special Committee on gender in preparing for the AEC and how it will impact women workers and entrepreneurs.

From a gender machinery stand point, the national structure is robust and the role of the Ministry of Women's Affairs (MOWA) seems to be well defined. With the Cambodia National Commission of Women, as a national body mandated to work on gender mainstreaming and women's empowerment, and interministerial representation from 28 line ministries, the gender machinery cascades all the way from the national to province and district levels. It is notable to mention here that Cambodia, with assistance from ILO, has developed the National Social Protection Strategy (NSPS) for the Poor and Vulnerable (2011–2015). The core vision of the NSPS is to provide effective social safety nets, and sustainable, affordable social security for the poor and vulnerable - and two of the five objectives are specifically geared towards women<sup>91</sup>. While experts applaud the structure of the gender machinery, they see a gap in achievement of its purpose because of poor implementation and insufficient budgetary allocations.

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<sup>91</sup> Gender Equality in the Labour Market in Cambodia, 2013, Asian Development Bank and International Labour Organization, retrieved from <http://www.adb.org/sites/default/files/publication/31193/gender-equality-labor-market-cambodia.pdf> on September 10, 2015.

The Indonesian Ministry of Women's Empowerment (the erstwhile Ministry of Protection of Women) was established in 1987. From a historical perspective, it was not until the year 2000, when the Government of Indonesia, through Presidential Instruction number 9, integrated a gender perspective in governance and planning. Within this declaration, the Ministry of Planning and Development and the Ministry of Women's Empowerment collaborate to oversee gender mainstreaming in all areas of policy planning. Gender focal points are deputed in all ministries and tasked with gender mainstreaming. A lot is attributed to the capacities of the gender focal points - which are reportedly varied. A Gender Analysis Plan was implemented in 2007-2009 to measure the gap between gender mainstreaming and gender responsive budgeting and consequently from 2011 to 2012, a gender budget statement was developed. The statement was approved by four key Ministries i.e. Ministry of Home, Planning, Finance, and Women Empowerment. Guidelines on integrating Gender Responsive Budgeting (GRB) and a Gender Budgeting (GB) statement framework were created wherein each Ministry has to submit a GB statement. Gender mainstreaming planning has henceforth been compulsory for all line ministries. Gender budget statements are also made at the subnational levels and district levels. Reportedly, the gender statements are evaluated annually and Gender Awards are given to ministries, districts and provinces for successful gender mainstreaming.

Though a promising system has been put in place at the national and subnational levels in Indonesia for gender mainstreaming and responsive budgeting, there is a mixed response on implementation from government agencies. It was reported that the Ministries of Public Works, Agriculture, Environment, Health, and Finance perform well on gender mainstreaming, but gaps are noted with gender mainstreaming in other key ministries like Home Affairs, Law and Human Rights, and Religion.

Governance and political commitment to bridge the gender divide and women's empowerment reflects strongly in the gender machinery of Lao PDR. With the National Committee for Advancement of Women NCAW, and its interministerial representation at the policy level; and the Lao Women's Union at the grassroots level; there is structurally a full-bodied set-up for gender mainstreaming and rights protection. Policy instruments like the NSEDP specifically uphold, advance, and protect women's rights. However, experts agree that there exists lacunae in policy provisions and implementation. Particularly on issues like labor laws where *gender* inequality is important and there is a need to address on gender specific issues like ethical work, workplace standards etc. For instance, sexual harassment at the workplace is not criminalized and there is no reporting system mandated in the workplace. People rely on administrative solutions and informal mediation of such issues is common.

The government reportedly has followed an open consultative process in the setting up of gender related laws, but there are implementation challenges. Foremost, it is opined that there is a disconnect between national level normative commitments and the reality of traditional Laotian society at the micro level. While the level of women's empowerment is relatively higher in Lao PDR given the matrilineal structure of the society, there exist structural barriers like poor education and access to resources, and gender hierarchies in decision making. Experts were of the opinion that gender issues tend to be very poorly funded in the country and they may not be considered a priority<sup>92</sup>. One of the biggest reasons for this is attributed to the lack of synchronization between economic and social planning, and lack of empirical data on women's participation levels.

Malaysia's Ministry of Women, Family and Community is a robust institution responsible for overseeing the gender equity, non-discrimination, and empowerment mandate. Women's empowerment and participation is seen as a priority agenda, and it is of credible importance that Malaysia has achieved the goal of 30 per cent women in decision making positions, in public sector employment in the country. With respect to gender mainstreaming, it was reported that every line ministry in the governance structure is required to do gender budgeting since 2004. There are focal points in every ministry to ensure gender sensitivity in all levels of planning. While the budgeting is done in consultation with the Ministry of Women, Family and Community, a gap was noted in the implementation and monitoring of the budgetary provisions. There are no specific guidelines for budgetary allocations and they depend on the requirements of the Ministry and not necessarily the gender agenda.

Myanmar has institutional mechanisms in place to help implement its commitments to gender equality and women's empowerment. In 2013, the government launched the first National Strategic Plan for the Advancement of Women (2012-2021), which includes a commitment for the development of norms and policies to address gender-based violence. Under the aegis of this Plan, the Myanmar National Committee for Women's Affairs (an interministerial gender mainstreaming mechanism), operates with the agenda to mainstream gender and address inequalities in sectoral plans and portfolios of the different government departments. However, it was shared by experts that discriminatory laws and practices continue to pervade the legislative and governance approach. Discriminatory legislations like the Population Control and Healthcare Bill, the Myanmar Buddhist Women Marriage Bill, the Religion Conversion Bill, and the Monogamy Bill; still exist and deepen social and gender inequities.

The Philippines stands at an unequivocal edge with respect to gender mainstreaming, among the ASEAN Member States. The Philippines Commission for Women (erstwhile the National

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<sup>92</sup> Based on one-on-one interviews.

Commission on the Role of Filipino Women), is the focal policy making and coordinating body on gender issues, and is housed right under the Office of the President. Gender machinery and gender mainstreaming is at a relatively mature stage in Philippines, given that legislations focusing on gender mainstreaming like the Philippine Development Plan for Women and the Women in Nation-Building Act, were established in the early 1990s. Importantly, the Philippine Plan for Gender-Responsive Development 1995-2025 was instituted, detailing a 30-year perspective plan that outlines policies, strategies, programs, and projects that the government must adopt to enable women to participate in and benefit from national development. The entire gender mainstreaming and development mandate is now enshrined in the Magna Carta for Women which was instituted in 2009.

Gender and Development (GAD) has been established as a priority across government departments. Gender responsive budgeting is a mandate wherein all government departments are required to allocate a minimum of five per cent of their total appropriations for GAD programs and projects. Budgets and GAD plans are endorsed by the Philippines Commission for Women before going for final appropriations. To ensure effectiveness, annual reviews and assessments are conducted. Additionally, the National Economic Development Agency (NEDA) has developed the Harmonized Gender and Development Guidelines for Project Development, Implementation, Monitoring and Evaluations as a common tool to ensure gender responsiveness of all government projects and programmes.

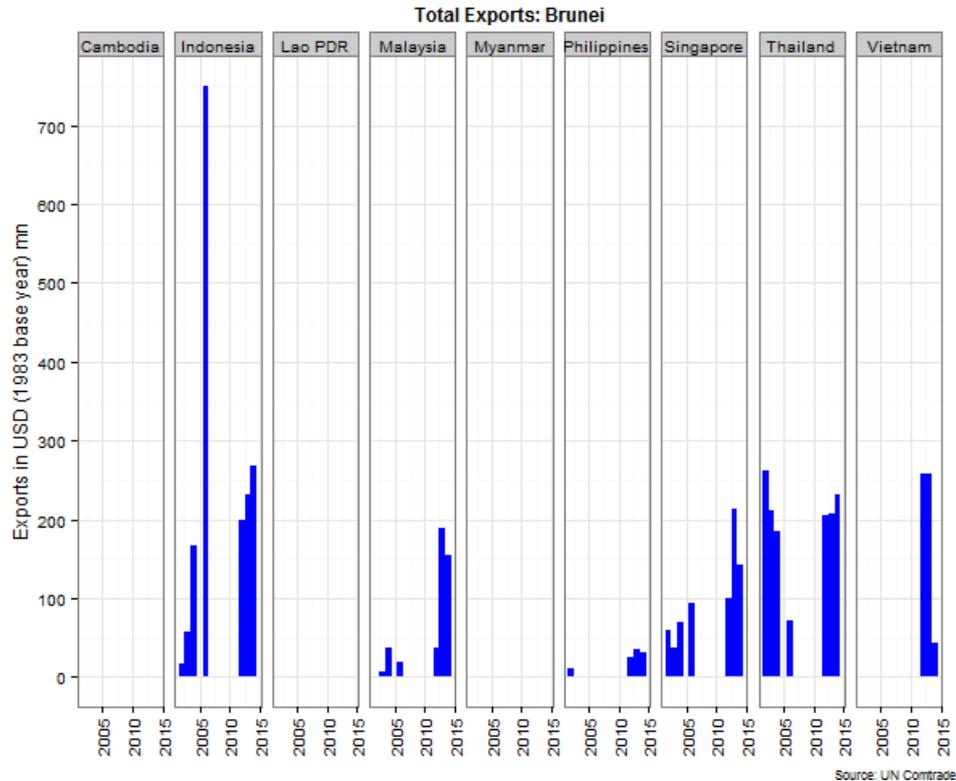
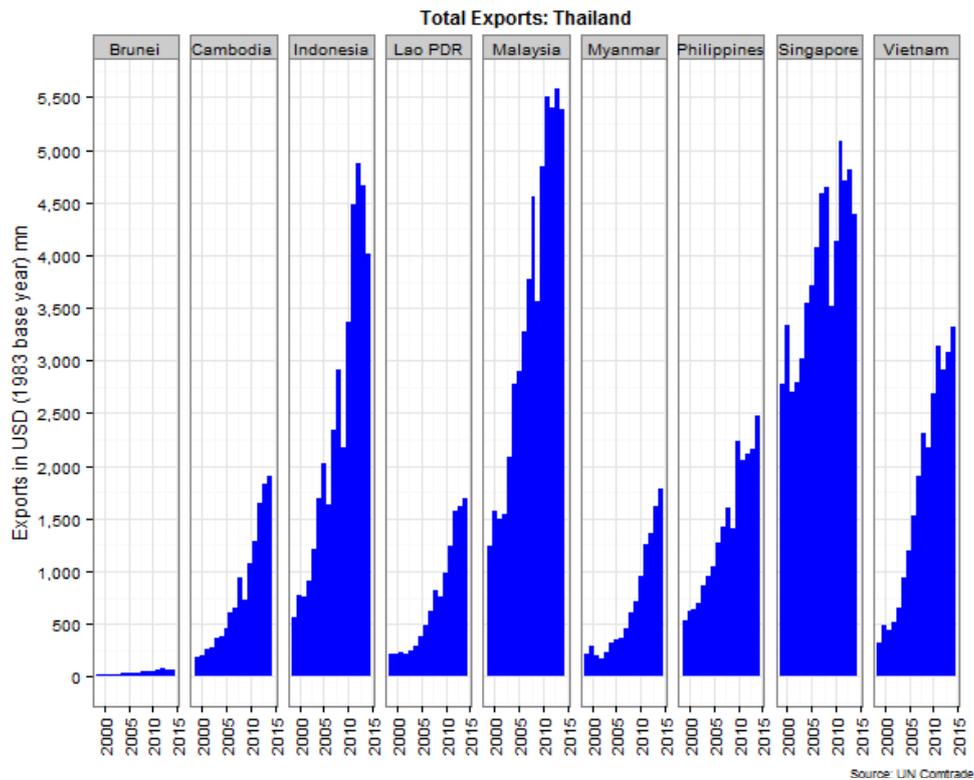
The Singapore Office for Women's Development in the Ministry of Social and Family Development (MSF) is the national focal point on gender policy matters and for regional and international cooperation pertaining to women. The agency's mandate is to identify issues, challenges and trends affecting women's development in Singapore and provide advice from the gender perspective to public sector agencies. Singapore's Inter-Ministry Committee on CEDAW, comprising ministries and public sector agencies, are responsible for monitoring, implementing and coordinating laws, policies, and initiatives within their own agencies' purview to better address the needs of women. There is no national strategy / plan / policy on gender, nor are their requirements or guidelines for gender budget allocation or monitoring.

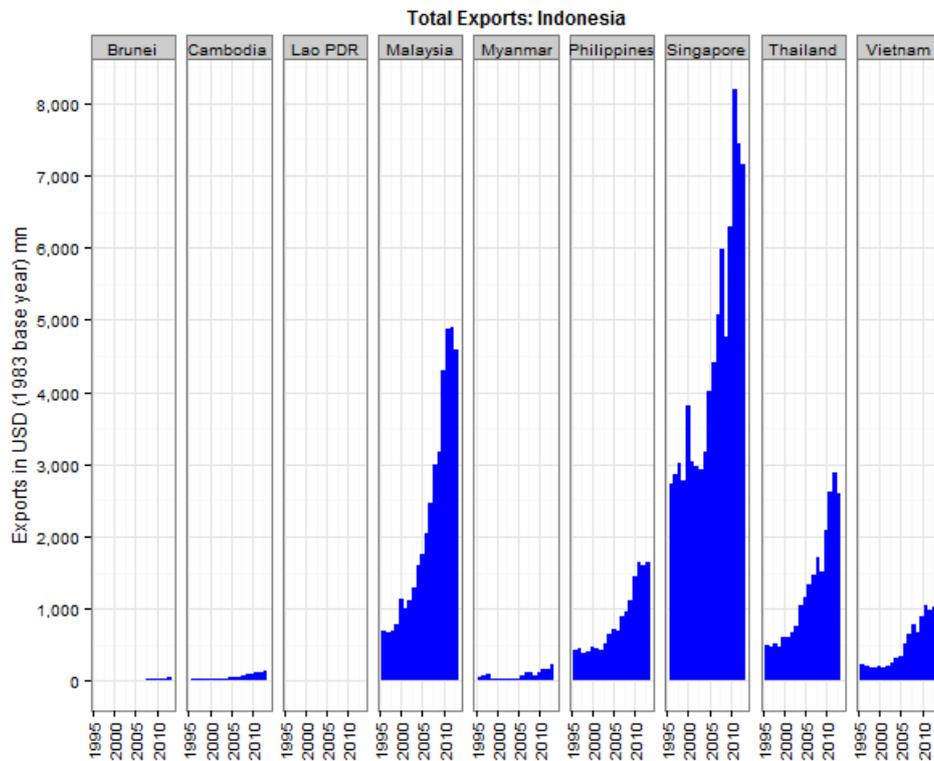
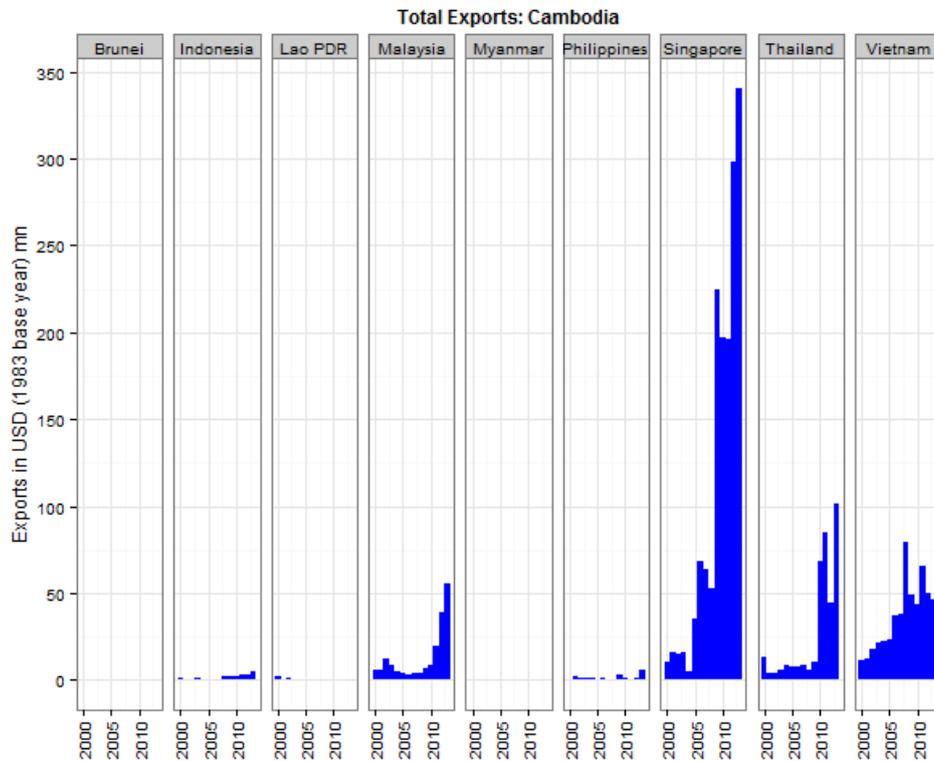
The Office of Women's Affairs and Family Development (OWAFD) under the Ministry of Social Development and Human Security in Thailand steers all the efforts towards ensuring gender equality. The office, chaired by the Prime Minister, also serves as the secretariat of the National Inter-Ministerial Committee on the Policy and Strategy for the Advancement of Women. The committee includes civil society representatives. The Office implements five-year-cycled National Women's Development Plans- the National Plan for the Advancement of Women

(2012-2016) is currently being implemented. The Chief Gender Equality Officer and Gender Focal Point (GFP), currently in place in 131 government departments and agencies, serve as key gender mainstreaming mechanisms. While an overall structure for gender mainstreaming is set up in Thailand, the capacities and understanding of the nodal departments and gender focal points is a concern in facilitating the effectiveness of gender mainstreaming efforts.

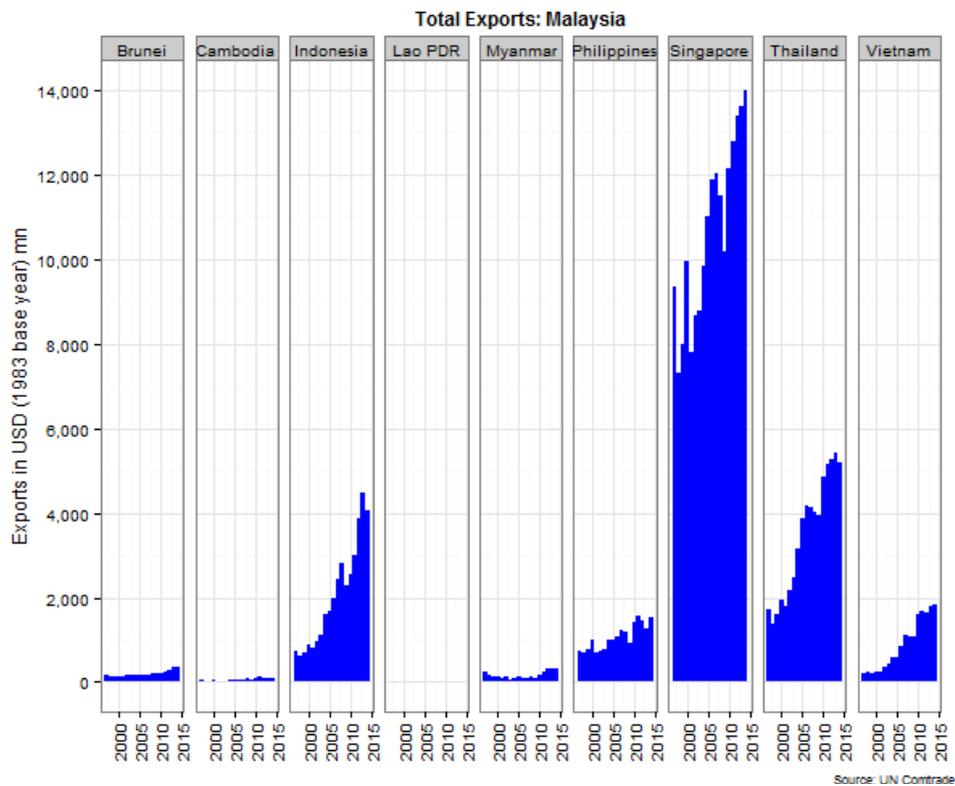
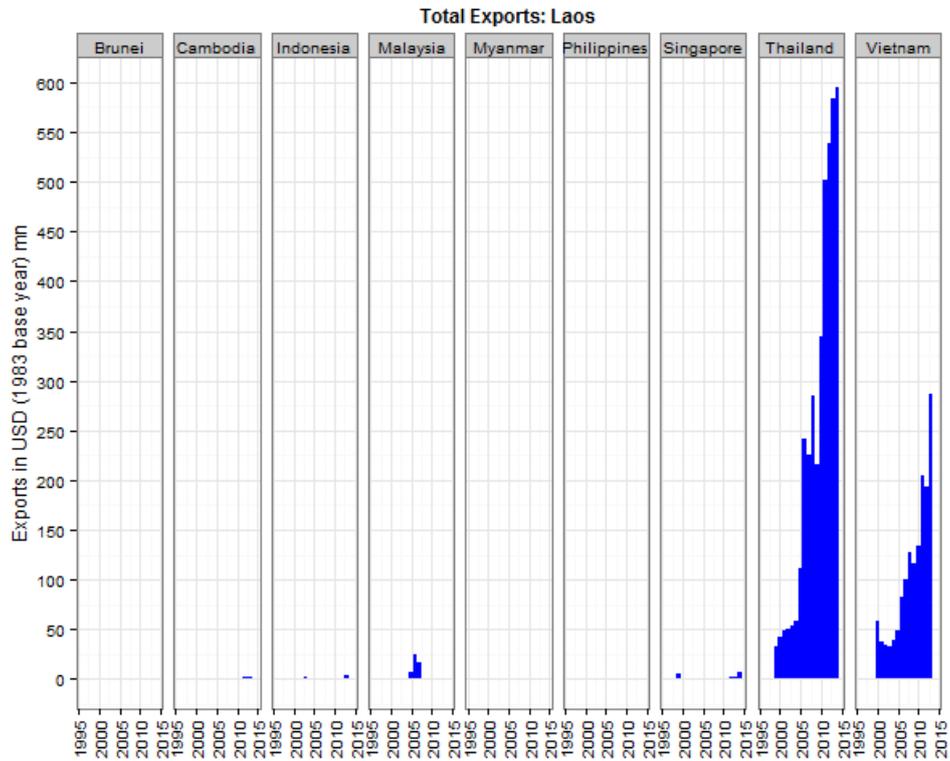
With the Ministry of Labour, Invalids and Social Affairs (MOLISA) as the central ministry responsible for gender empowerment and rights protection and an interministerial National Committee for the Advancement of Women, Viet Nam appears structurally adept from a governance perspective to secure women's empowerment. The Gender Equality Law of 2007 and a general awareness about gender mainstreaming at the policy level are a promising governance measures in this context. However, it was noted that despite the mandate, gender mainstreaming is very weak across major economic ministries, particularly powerful ministries such as the Ministry of Finance and the Ministry of Planning. Outside of MOLISA and the Gender Equality Department, the Ministry of Security has been most supportive of gender-sensitive policies. It was observed that the National Committee for the Advancement of Women needs to have actual motivation to implement gender mainstreaming in policies through a strengthened mandate, since the Vice Minister of each Ministry is already the focal point, which gives the Committee the potential ability to effect gender mainstreaming at high levels. As of now, the push for gender mainstreaming mostly comes from external donors and international agencies. Financial resources for gender mainstreaming are very meagre from the government side which is a significant barrier in implementing the gender mainstreaming mandate. However, in the new budget law there is gender responsive budgeting so it is step in the right direction.

## ANNEX 9 TOTAL (INTRA AND EXTRA) EXPORTS FROM AND TO ASEAN MEMBER STATES

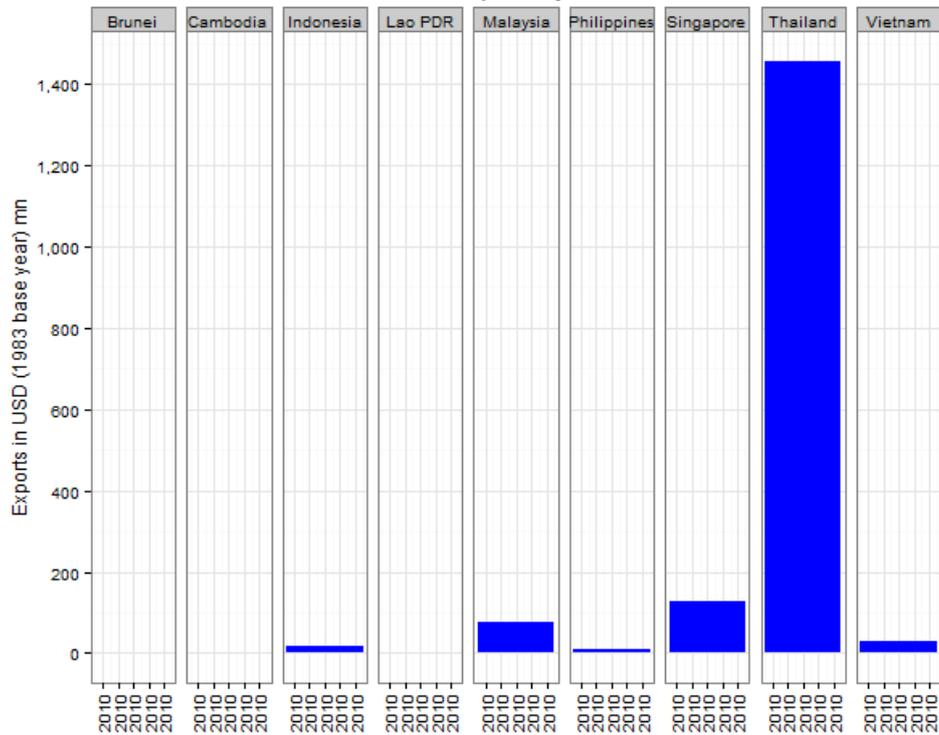




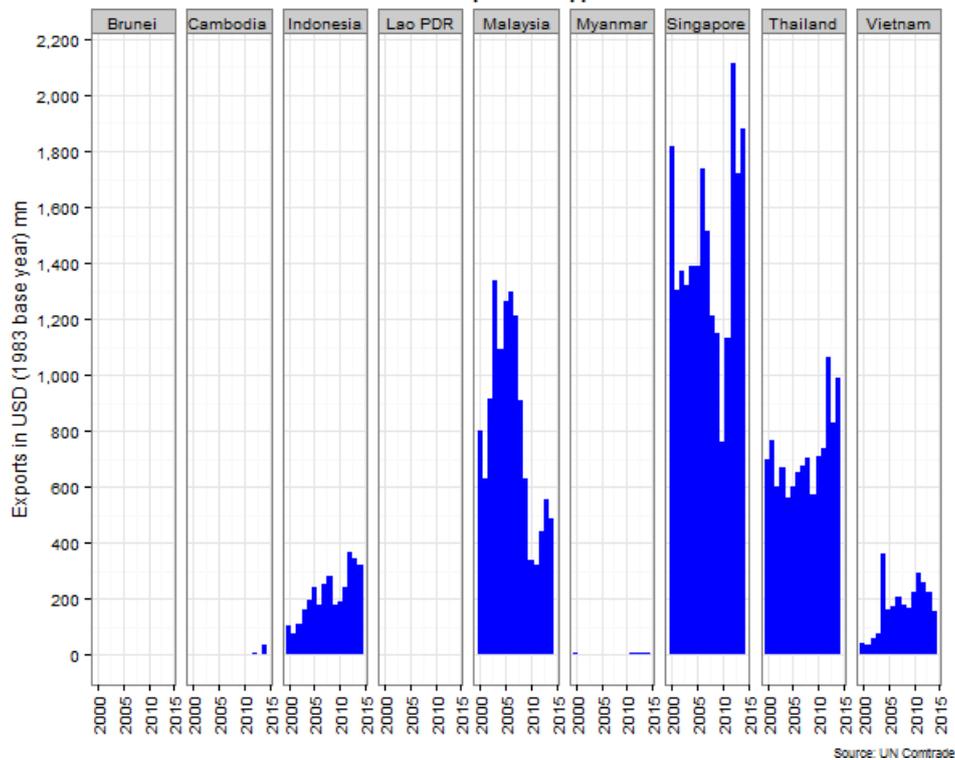
Source: UN Comtrade



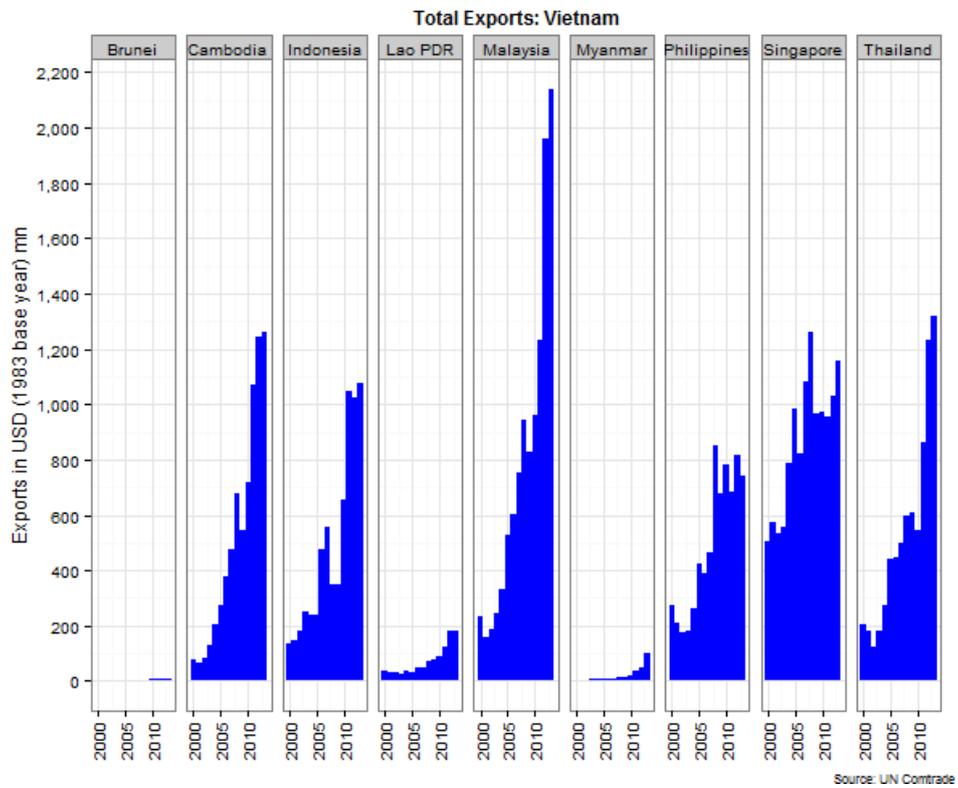
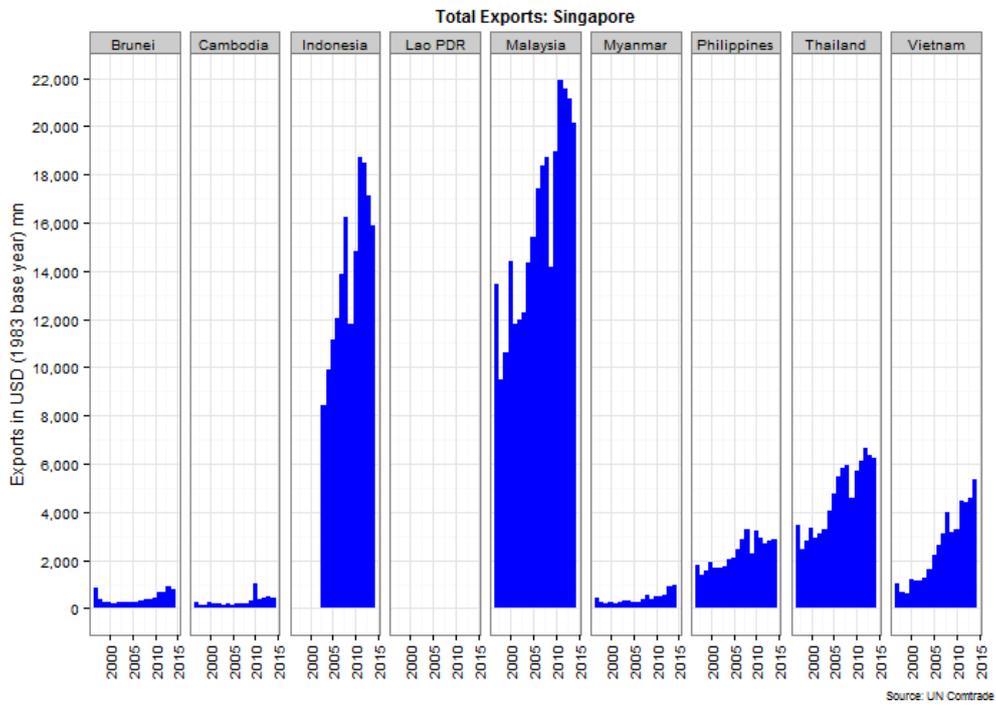
Total Exports: Myanmar



Total Exports: Philippines



Source: UN Comtrade



## ANNEX 10 AEC MECHANISMS AND COORDINATING BODIES

### AEC Pillar I Single Market and Production Base

#### 1. ASEAN Free Trade Area (AFTA Council)

The ASEAN Free Trade Area is the basic premise on which ASEAN economic integration is based. It was agreed upon by the ASEAN Leaders as long back as in January 1992, with the ultimate objective to increase the region's competitive edge as a production base geared towards the global economy. The key feature of AFTA is liberalization of trade in the region, done through the elimination of intraregional tariffs and non-tariff barriers<sup>93</sup>. The AFTA administration is done mainly through the customs and trade authorities in each of the ASEAN Member States which forms the AFTA Council. The Common Effective Preferential Tariff (CEPT) Scheme is the main cooperative arrangement among the Member States in AFTA whereby intra-regional tariffs will be brought down to within the zero to five per cent tariff band over a period of time, i.e. since 2002 – ASEAN 6 (Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore, and Thailand); and since 2006 – Viet Nam; 2008 – Lao PDR and Myanmar; 2010 – Cambodia<sup>94</sup>. Non-tariff barriers will also have to be eliminated under the CEPT Scheme. Trade facilitation measures are also being undertaken by Member States including the finalization of the ASEAN Harmonized Tariff Nomenclature (AHTN) 2012, providing a single harmonized tariff for firms doing business in ASEAN<sup>95</sup>. Through the efforts under AFTA, significant progress has been achieved in the lowering of tariffs and customs facilitation. As of 2011, 65.9 per cent of intended measures had been achieved in this direction.

#### 2. ASEAN Ministerial Meeting on Agriculture and Forestry (AMAF)

Regional cooperation activities to boost international competitiveness of ASEAN's food, agriculture, and forestry products, as well as sustained food security, are overseen by the ASEAN Ministerial Meeting on Agriculture and Forestry. The main areas of this cooperation includes a focus on the enhancement of food, agricultural, and forestry products competitiveness in international markets, while sustaining agricultural production. Other priority areas are the harmonization of quality and standards, assurance of food safety, and the standardization of trade certification<sup>96</sup>. The ASEAN Integrated Food Security (AIFS) Framework has been established and its medium-term Strategic Plan of Action on ASEAN Food Security, demonstrating that food security remains a priority for ASEAN. Other measures towards regulatory harmonization of agricultural products to ensure the free flow of safe and qualified products and improve competitiveness in the international markets, as well as the development of national good agriculture practices, have also been undertaken. As of 2011, 13 out of the 19 targeted measures on agriculture and forestry were fully implemented<sup>97</sup>.

<sup>93</sup> AFTA Brochure retrieved from <http://www.asean.org/images/archive/brosurAFTA.pdf> on November 5, 2015.

<sup>94</sup> Ibid.

<sup>95</sup> ASEAN Economic Community Scorecard retrieved from <http://www10.iadb.org/intal/intalcdi/PE/2012/10132.pdf> on November 5, 2015.

<sup>96</sup> ASEAN Ministerial Meeting on Agriculture and Forestry retrieved from <http://www.asean.org/communities/asean-economic-community/category/overview-12> on November 5, 2015.

<sup>97</sup> ASEAN Economic Community Scorecard retrieved from <http://www10.iadb.org/intal/intalcdi/PE/2012/10132.pdf> on November 5, 2015.

### 3. ASEAN Finance Ministers Meeting (AFMM)

ASEAN financial cooperation is geared towards maintaining the growth momentum of the Member States and to build financial resilience from the global economic crisis. Two key efforts in this direction are the establishment of the ASEAN Surveillance Process (ASP) and Roadmap for Monetary and Financial Integration of ASEAN (RIA-Fin). The ASP has led to the establishment of a dedicated unit at the ASEAN Secretariat (ASEC) to conduct regional surveillance and facilitate regional cooperation activities in finance; the establishment of national surveillance units in selected countries to assist in building capabilities in surveillance related work; capacity building training programmes for ASEAN finance and central bank officials on regional economic monitoring and surveillance, conducted by the Asian Development Bank (ADB); conduct of technical studies and policy papers on finance and economic issues (e.g. fiscal sustainability, banking and corporate restructuring, and monitoring of capital flows). The RIA-Fin looks at Capital Market Development; Liberalization of Financial Services; Capital Account Liberalization and; ASEAN Currency Cooperation, with the ultimate goal of greater economic integration in ASEAN by 2015. Additionally, the ASEAN Plus Three (ASEAN+3) Finance Cooperation aims at strengthening financial cooperation between the ASEAN Member States and Japan, China, and Korea.

### 4. ASEAN Investment Area (AIA) Council

The AIA Council is the ministerial body responsible for overseeing the implementation of the ASEAN Comprehensive Investment Agreement (ACIA), ASEAN's main economic instrument to ensure a free and open investment regime<sup>98</sup>. The ACIA, established in 2012, is an update over the erstwhile ASEAN Investment Guarantee Agreement (IGA) and the 1998 Framework Agreement on the ASEAN Investment Area (AIA)<sup>99</sup>. Keeping with the objectives of the ACIA, ASEAN has developed a modality to further eliminate investment restrictions and impediments and improve investment regulations. Also, efforts on investment promotion and facilitation have been boosted, through such initiatives as the linking of investment agencies' websites, development, and dissemination of investment publications, and conduct of investment roadshows, and seminars. As of 2011, 10 out of 19 of the targeted measures towards free flow of investments in the region, had been fully implemented<sup>100</sup>.

### 5. ASEAN Tourism Ministers Meeting (M-ATM)

The M-ATM is the key body overseeing the critical mandate of tourism development, facilitating free flow of services and skilled labor, and development of tourism standards throughout the region. Tourism being a priority integration sector for the AEC, the ASEAN Tourism Strategic Plan (2011-2015) is currently underway. As of 2011, all 29 intended measures on ASEAN PIS had been fully implemented<sup>101</sup>. By 2013, 75 per cent measures of the ASEAN Tourism Strategic Plan (2011-2015) had been duly completed<sup>102</sup>.

<sup>98</sup> ASEAN Investment Area (AIA) Council retrieved from <http://www.asean.org/index.php/communities/asean-economic-community/category/overview-14> retrieved on November 5, 2015.

<sup>99</sup> ASEAN Comprehensive Investment Agreement retrieved from [http://www.asean.org/images/2013/economic/aia/Doc\\_ACIA%20Fact%20Sheet\\_30%20April%202013.pdf](http://www.asean.org/images/2013/economic/aia/Doc_ACIA%20Fact%20Sheet_30%20April%202013.pdf) on November 5, 2015.

<sup>100</sup> ASEAN Economic Community Scorecard retrieved from <http://www10.iadb.org/intal/intalcdi/PE/2012/10132.pdf> on November 5, 2015.

<sup>101</sup> ASEAN Economic Community Scorecard retrieved from <http://www10.iadb.org/intal/intalcdi/PE/2012/10132.pdf> on November 5, 2015.

<sup>102</sup> ASEAN Tourism Ministers Meeting (M-ATM) retrieved from <http://www.asean.org/communities/asean-economic-community/category/overview-19> on November 6, 2015.

## 6. ASEAN Framework Agreement on Services (AFAS)

ASEAN Member States officially launched their joint effort to work towards free flow of trade in services within the region through the signing of ASEAN Framework Agreement on Services (AFAS) in 1995 by ASEAN Economic Ministers (AEM). The AFAS aims to substantially eliminate restrictions to trade in trade in services among ASEAN Member States in order to improve the efficiency and competitiveness of ASEAN services suppliers. It also provide broad guidelines for Member States to progressively improve market access and ensure equal national treatment for services suppliers. Further, seven Mutual Recognition Agreements have been concluded to enhance ASEAN cooperation on trade in services, wherein the qualifications of professional services suppliers will be mutually recognized by signatory Member States thereby facilitating easier movement of professional services providers in the ASEAN region.

## AEC Pillar 2: Competitive Economic Region

### 7. The ASEAN Experts Group on Competition (AEGC)

In August 2007, the ASEAN Economic Ministers (AEM) endorsed the establishment of the ASEAN Experts Group on Competition (AEGC) as a regional forum to discuss and cooperate on competition policy and law within the region. The AEGC has focused on strengthening competition-related policy capabilities and best practices among ASEAN Member States<sup>103</sup>. By 2011, all four of the intended measured on competition policy in the region had been achieved.

### 8. The ASEAN Committee on Consumer Protection (ACCP)

The inter-governmental ASEAN Committee on Consumer Protection (ACCP) is a spectral body under the purview of the ASEAN Economic Ministers. It was established in 2007 and serves as the focal point to implement and monitor regional arrangements and mechanisms to foster consumer protection in the ASEAN Economic Community. The strategic approach of the ACCP includes (i) notification and information exchange mechanisms on official/voluntary recalled products; (ii) cross border consumer redress mechanisms; (iii) research and dialogue on consumer protection; (iv) technical competency for consumer protection in ASEAN; and v) public awareness models and guidelines<sup>104</sup>. As of 2011, seven of the 11 targeted measures had been fully implemented on consumer protection<sup>105</sup>. A post-2015 consumer protection action plan is currently underway to chart the future work of the ACCP and to strengthen the development and enforcement of consumer protection policies towards an integrated market. ASEAN Consultative Committee on Standards and Quality (ACCSQ)

<sup>103</sup> Competition Policy retrieved from <http://www.asean.org/communities/asean-economic-community/category/competition-policy> on November 6, 2015.

<sup>104</sup> Consumer Protection retrieved from <http://www.asean.org/communities/asean-economic-community/category/consumer-protection> on November 6, 2015.

<sup>105</sup> ASEAN Economic Community Scorecard retrieved from <http://www10.iadb.org/intal/intalcdi/PE/2012/10132.pdf> on November 5, 2015.

The ACCSQ is a sectoral body under the ASEAN Economic Ministers Meeting that seeks to harmonize national standards with international standards and implement mutual recognition arrangements on conformity assessment to achieve its end-goal of “One Standard, One Test, Accepted Everywhere”. Harmonization of standards for 20 priority products and 81 standards for Safety and EMC has been achieved and new areas for harmonization are being identified with priority on those standards that are used in technical regulations in Member States.

## 9. Sectoral Body in Intellectual Property

The ASEAN Action Plan on Intellectual Property Rights (IPR) (2004- 2010) was adopted as a long term policy commitment towards IPR creation, commercialization, and protection as a driver of comparative advantage of enterprises and economies. It entailed a regional focus ‘to help accelerate the pace and scope of IP asset creation, commercialization and protection; to improve the regional framework of policies and institutions relating to IP and IPRs, including the development and harmonization of enabling IPR registration systems; to promote IP cooperation and dialogues within the region as well with the region’s Dialogue Partners and organizations; to strengthen IP-related human and institutional capabilities in the region, including fostering greater public awareness of issues and implications, relating to IP and IPRs’<sup>106</sup>. In August 2011, the ASEAN IPR Action Plan 2011-2015 was endorsed and as of 2011, out of five targeted measures towards IP strengthening the the region, had been fully implemented<sup>107</sup>.

## 10. ASEAN Ministers on Energy Meeting (AMEM)

The ASEAN Ministers on Energy Meeting (AMEM), works for intensified cooperation in the development and exploitation of energy resource potentials in the ASEAN region, and towards attracting private sector participation and investment in the ASEAN energy sector. Member States had agreed to work collectively in moving forward the Trans-ASEAN Gas Pipeline (TAGP) and the ASEAN Power Grid Projects to provide greater stability and security of energy supply in the ASEAN region. It was also agreed to enhance the ASEAN Energy Business Forum (AEBF) as a platform for facilitating business, technology transfer, and project financing opportunities between the ASEAN energy authorities and the private sector<sup>108</sup>. The the ASEAN Plan of Action on Energy Cooperation (APAEC) is in its third cycle as of now (2010- 2015) and energy cooperation and energy security in the region has been steadily increasing. As of 2011, two of the targeted measures had been fully implemented and one was yet to be fully implemented<sup>109</sup>.

<sup>106</sup> Intellectual Property retrieved from <http://www.asean.org/index.php/communities/asean-economic-community/category/intellectual-property> on November 6, 2015.

<sup>107</sup> ASEAN Economic Community Scorecard retrieved from <http://www10.iadb.org/intal/intalcdi/PE/2012/10132.pdf> on November 5, 2015.

<sup>108</sup> ASEAN Ministers on Energy Meeting (AMEM) retrieved from <http://www.asean.org/communities/asean-economic-community/category/overview-11> on November 5, 2015

<sup>109</sup> ASEAN Economic Community Scorecard retrieved from <http://www10.iadb.org/intal/intalcdi/PE/2012/10132.pdf> on November 5, 2015.

### 11. ASEAN Ministerial Meeting on Minerals (AMMin)

The ASEAN Ministerial Meeting on Minerals works to intensify regional minerals cooperation and enhance sustainable ASEAN connectivity in minerals. The ASEAN Minerals Cooperation Plan is in its third phase now spanning 2016 to 2025<sup>110</sup>. It is notable that in 2011, all eight targeted measures towards enhanced regional cooperation in minerals, had been achieved<sup>111</sup>.

### 12. ASEAN Ministerial Meeting on Science and Technology (AMMST)

The ASEAN Ministerial Meeting on Science and Technology (AMMST) works through the ASEAN Committee on Science and Technology (COST) towards achieving cooperation and leadership in science and technology in the region. COST works through a series of Plans on Science and Technology based on the main areas of priority viz. (i) food science and technology; (ii) biotechnology; (iii) meteorology and geophysics; (iv) marine science and technology; (v) non-conventional energy research, (vi) microelectronics and information technology, (vii) material science and technology; (viii) space technology and applications; and (ix) S&T infrastructure and resources development.

### 13. ASEAN Transport Ministers Meeting (ATM)

Established in 1996, the ASEAN Transport Ministers Meeting (ATM) has under its mandate the key priorities to 'improve transport infrastructure, enhance transport safety, and realize seamless connectivity in the region'. Regional efforts to enhance transport facilitation and transport liberalization were strengthened through strategic actions geared towards the realization of the AEC as well as new priorities under the Master Plan on ASEAN Connectivity. The full realization of ASEAN Open Skies was achieved through the signing of the ASEAN Multilateral Agreement on the Full Liberalisation of Passenger Air Services and its protocol providing a Charting Progress Toward Regional Economic Integration framework. The Strategy Toward the Integration of ASEAN Single Shipping Market (ASSM) was developed to facilitate intra-ASEAN shipping services without substantial restrictions. ASEAN also completed the stocktaking of road inventory of all national route components to strengthen ASEAN regional infrastructure. By 2011, 21 targeted measures towards transport integration had been fully implemented and 18 were yet to be implemented<sup>112</sup>. Now at the stage of a Post-2015 Transport Action Plan, the ATM is looking at strengthening cooperation towards the completion of the ASEAN Highway Network (AHN), the Singapore-Kunming Rail Link (SKRL), the ASEAN Single Aviation Market (ASAM) and the ASEAN Single Shipping Market (ASSM) initiatives<sup>113</sup>.

### 14. ASEAN Telecommunications and IT Ministers Meeting (TELMIN)

The ASEAN Telecommunications and IT Ministers Meeting (TELMIN), through the adoption of the Singapore Declaration in 2003, works to harness technological advances in Information

<sup>110</sup> ASEAN Minerals Cooperation Plan retrieved from <http://www.asean.org/images/2015/November/AMCAP/Annex%209i%20-%20AMMin%205%20-%20AMCAP-III%202016-2025%20Phase%201%20Final1.pdf> on November 5, 2015.

<sup>111</sup> ASEAN Economic Community Scorecard retrieved from <http://www10.iadb.org/intal/intalcdi/PE/2012/10132.pdf> on November 5, 2015.

<sup>112</sup> ASEAN Economic Community Scorecard retrieved from <http://www10.iadb.org/intal/intalcdi/PE/2012/10132.pdf> on November 5, 2015.

<sup>113</sup> Joint Ministerial Statement, The 20th ASEAN Transport Ministers Meeting, 27 November 2014, Mandalay, Myanmar; retrieved from

and Communications Technology (ICT) to create digital opportunities for ASEAN and to enhance ASEAN's overall competitiveness. A significant role of the TELMIN is to fulfil the e-ASEAN Framework Agreement to develop, strengthen, and enhance the competitiveness of the ICT sector; to reduce the digital divide within and amongst ASEAN Member States; to promote cooperation between the public and private sectors; and to develop the ASEAN Information Infrastructure. Another key task being undertaken by TELMIN is the establishment of the ASEAN Information Infrastructure to promote interoperability, interconnectivity, security, and integrity<sup>114</sup>. It is impressive that by 2011, all six of the targeted measures in this direction had been implemented. Further, in 2011, the ASEAN ICT Master Plan 2015 was adopted to set common direction and actions in driving and stimulating the right ICT development in the region. This included key initiatives like the ASEAN Broadband Corridor and the ASEAN Internet Exchange<sup>115</sup>.

## AEC Pillar III Equitable Economic Development

### 15. ASEAN Mekong Basin Development Cooperation (AMBDC)

As a subregional mechanism, the ASEAN Mekong Basin Development Cooperation was formed in 1996 towards the development of infrastructure and human capital in the Mekong subregion. It aimed to enable the sharing of a resource base between ASEAN Member States and Mekong riparian countries, and with China- while promoting inclusive and equitable growth in the region. It has also led to the international recognition of the subregion as a growth area. The Singapore- Kumning Rail Link Project is the flagship project of the AMBDC. Additionally, the Yuxi-Mengzi Railway is underway to boost land transportation between China and ASEAN Member States, as well as tie the economies closer. While the need for better subregional development and cooperation has been underscored by the Member States, many projects under the AMBDC still lie waiting in need of funding<sup>116</sup>.

### 16. Initiative for ASEAN Integration (IAI) and Narrowing the Development Gap (NDG)

The Initiative for ASEAN Integration (IAI) and Narrowing the Development Gap (NDG) aim to address these development issues among Member States and ensure that benefits of the ASEAN economic integration are shared among all Member States despite varying stages of their economic development. The NDG Framework seeks to address various forms of disparities among and within Member States, coordinating closely with other subregional cooperation frameworks in the region (e.g., BIMP-EAGA, IMT-GT, GMS, Mekong programmes). The IAI was launched in 2000 to achieve the objectives of the NDG and aims to provide support to the newer ASEAN nations i.e. Cambodia, Lao PDR, Myanmar, and Viet Nam (CLMV)<sup>117</sup>. By 2011, three out of four targeted measures under the IAI had been fully implemented.

<sup>114</sup>ASEAN Telecommunications and ASEAN Ministers Meeting (TELMIN) retrieved from <http://www.asean.org/index.php/communities/asean-economic-community/category/overview-18> on November 6, 2015.

<sup>115</sup>Ibid.

<sup>116</sup> ASEAN Mekong Basin Development Cooperation (AMBDC) retrieved from <http://www.asean.org/index.php/communities/asean-economic-community/category/overview-16> on November 6, 2015.

<sup>117</sup>Initiative for ASEAN Integration (IAI) and Narrowing the Development Gap (NDG) retrieved from <http://www.asean.org/communities/asean-economic-community/category/overview-ndg-iai-iai-work-plan-iai-task-force-idcf> on November 6, 2015.

The IAI Work Plan II (2009-2015) comprises of 182 prescribed actions, which includes studies, training programmes, and policy implementation; to ensure that the benefits of the AEC trickle down to the smaller ASEAN economies. Also, the ASEAN Framework on Equitable Economic Development (EED) has been adopted under this pillar<sup>118</sup>.

#### 17. ASEAN SME Agencies Working Group (ASEAN SMEWG)

The ASEAN SMEWG works towards building the capacities of SMEs in the region to ensure that they are highly competitive, innovative, and be able to utilize the regional economic initiatives and incentives provided by the government. The ASEAN SMEWG works through the Strategic Action Plan for ASEAN SME Development 2010- 2015. It seeks to achieve the SME related goals of the AEC Blueprint including (a) a common curriculum for entrepreneurship in ASEAN (2008-2009); (b) a comprehensive SME service centre with regional and subregional linkages in AMSs (2010-2011); (c) SME financial facility in each AMS (2010-2011); (d) a regional program of internship scheme for staff exchanges and visits for skills training (2012-2013); and (e) a regional SME development fund for use as a funding source for SMEs that are undertaking business in ASEAN (2014-2015)<sup>119</sup>. Until 2011, five of the eight targeted measures for SME development had been fully implemented<sup>120</sup>. Two projects under the Strategic Action Plan were completed, i.e. the ASEAN Multi-media Self-reliant System Toolkit Package, and the Feasibility Study of the SME Service Center. Efforts are also being made to promote linkages of SMEs to regional and global supply chains and production networks and to encourage innovation and creativity among ASEAN SMEs<sup>121</sup>.

#### 18. Sectoral Body on Public Private Sector Engagement (PPE)

Engagement with the private sector is prioritized in the establishment of the AEC and achievement of its goals. ASEAN forums have been created for engagement with the private sector, such as the ASEAN Economic Ministers (AEM) consultations with chambers of commerce and industry associations in the region, as well as with foreign business councils based in ASEAN. Rules of Procedures for Private Sector Engagement have also been developed to ensure more effective Public-Private Sector Engagement. Platforms for regular dialogues have been the ASEAN Economic Ministers and the ASEAN Business Advisory Council (ASEAN-BAC), ASEAN bodies and the representatives of industry associations and business councils from ASEAN and dialogue partner countries have been established. Some private sector entities include the East Asia Business Council (EABC), the US-ASEAN Business Council (US-ABC), the EU-ASEAN Business Council, and the Federation of Japanese Chambers of Commerce and Industry in ASEAN (FJCCIA) .

<sup>118</sup> ASEAN Economic Community Scorecard retrieved from <http://www10.iadb.org/intal/intalcdi/PE/2012/10132.pdf> on November 5, 2015.

<sup>119</sup> Small and Medium Enterprises retrieved from <http://www.asean.org/communities/asean-economic-community/category/small-and-medium-enterprises> on November 6, 2015.

<sup>120</sup> ASEAN Economic Community Scorecard retrieved from <http://www10.iadb.org/intal/intalcdi/PE/2012/10132.pdf> on November 5, 2015.

<sup>121</sup> Ibid.

## **AEC Pillar IV Integration into the Global Economy**

### **19. Sectoral Body on External Economic Relations**

The ASEAN Economic Ministers work on the key mandate of the AEC to strengthen extraregional economic relationships and foster collaborations towards economic growth and the competitive advantage of Member States. As of 2011, ASEAN had concluded and completed the ratification of five free trade agreements with Australia and New Zealand, China, India, Japan, and Republic of Korea. ASEAN- India and ASEAN-Japan Services and Investment Agreements were under negotiations. In this respect, 12 out of 14 targeted measures for strengthened external economic relations, had been fully implemented by 2011 .



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