Promoting Women’s Economic Opportunities: Challenges and Policy Directions for Developing East Asia and Pacific

Tokyo
February 14, 2017
Why does gender equality matter for development?

• **Gender equality**
  - Is the right thing to do
    - It is an integral part of development
  - And the smart thing to do
    - Underutilizing women’s talents and skills means lost productivity and forgone growth
    - Children benefit from better educated and healthier mothers
    - Women’s participation in decision making can improve institutions and policies

• **Ensuring that women and men have the same access to economic opportunities** is a key domain of gender equality
The economic benefits of greater equality in access to economic opportunities

Greater participation of women in labor force can mitigate the effect of ageing in East Asia and Pacific countries.

Projected number of people in labor force

- Baseline
- Women participate at the same rate as men
- Elderly remain in labor force
- Permanent migration of 10 percent of labor force (aged 25-35)

Women’s economic opportunities in East Asia and Pacific: an overview
Women are less likely to participate in the labor force than men in EAP

- LFP among women is lower than LFP among men in every country in EAP
- Significant heterogeneities exist
- Average FLFP in EAP is above the world average

Note: Labor force participation is the percentage of the working age male/female population that is active in the labor market
Women earn less than men on average in EAP

The gender gap widens as education and sector are taken into account
Women and men work in different sectors

Share of men and women in different sectors of employment

<table>
<thead>
<tr>
<th>Sector</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education, health and social work</td>
<td>37.9</td>
<td>62.1</td>
</tr>
<tr>
<td>Commerce</td>
<td>46.7</td>
<td>53.3</td>
</tr>
<tr>
<td>Other services</td>
<td>47.1</td>
<td>52.9</td>
</tr>
<tr>
<td>Financial, insurance and real estate</td>
<td>54.4</td>
<td>45.6</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>55.1</td>
<td>44.9</td>
</tr>
<tr>
<td>Total employment, regardless of sector</td>
<td>61.0</td>
<td>39.0</td>
</tr>
<tr>
<td>Public administration</td>
<td>66.5</td>
<td>33.5</td>
</tr>
<tr>
<td>Agriculture and fishing</td>
<td>69.7</td>
<td>30.3</td>
</tr>
<tr>
<td>Electricity, gas and water</td>
<td>77.0</td>
<td>23.0</td>
</tr>
<tr>
<td>Mining and quarrying</td>
<td>90.1</td>
<td>9.9</td>
</tr>
<tr>
<td>Transport, storage and communication</td>
<td>91.2</td>
<td>8.8</td>
</tr>
<tr>
<td>Construction</td>
<td>95.3</td>
<td>4.7</td>
</tr>
</tbody>
</table>


Note: The red line indicates where equal representation of both genders in the sector would be.

Source: World Bank staff calculations using EAPPOV harmonized database
What factors contribute to these gender gaps in labor markets in EAP?

The framework from the WDR 2012 Gender Equality and Development facilitates understanding of factors which contribute to the observed disparities in the labor market in EAP.
Insufficient gender-related workplace protections

EAP lags behind global averages in terms of gender-related workplace protections

Limited parental benefits

Parental benefits are lower than the world average and may hinder women’s opportunities in EAP

- Does the government support or provide childcare services? Yes (EAP 52%, Global 73%)
- Does the law mandate paid or unpaid maternity leave? Yes (EAP 85%, Global 95%)
- What is the length of paid maternity leave (days)?
  - EAP average: 86
  - Global average: 104
  - Japan: 98

In many countries in EAP female and male labor force participation rates diverge during childbearing years.

Source: World Bank staff calculations using EAPPOV harmonized database
Childcare responsibilities may result in having lower quality jobs, e.g., unpaid work.

Women are more likely to work in household enterprises or as unpaid family workers.

Employment type by gender

- **Male**
  - Wage and salaried: 39%
  - Employer or self-employed: 37%
  - Household enterprise worker or unpaid family worker: 16%
  - Other: 8%

- **Female**
  - Wage and salaried: 35%
  - Employer or self-employed: 31%
  - Household enterprise worker or unpaid family worker: 30%
  - Other: 3%

Source: World Bank staff calculations using EAPPOV harmonized database.
Childcare responsibilities may result in having lower quality jobs, e.g., part time work.

Women are more likely to work part time.
In most EAP countries, women are less likely to have a loan with a formal financial institution. However, much heterogeneity exists: some countries having higher access than the world average, some – lower.

In Vietnam and Philippines, women are more likely to have a loan than men.
.. which may negatively affect female entrepreneurship

In Indonesia, female owners of micro-enterprises are less likely to have a business loan for start-up capital, and generally have lower start-up capital.
Promising policies to increase women’s economic opportunities
## Improving formal institutions

<table>
<thead>
<tr>
<th>Tax policy to encourage both spouses working (e.g., secondary earner contribution, credits for child care)</th>
<th>Canada: reduction of tax contribution of secondary earners triggered increase in female labor force participation (Tsounta, 2006)</th>
</tr>
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<tr>
<td>Paternity leave</td>
<td>Sweden: 480 days of parental leave with benefits, of which 60 days are reserved for each parent and not transferable</td>
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<tr>
<td>Investing in basic service delivery</td>
<td>South Africa: electrification significantly raises female employment (Dinkelman, 2011)</td>
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<td></td>
<td>Papua New Guinea: road maintenance and rehabilitation program improved access to markets and increased women's incomes from market activities (Jusi, Asigau and Laatunen, 2007)</td>
</tr>
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</table>
### Changing informal institutions

<table>
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<tr>
<th>Mentoring, role models and networks</th>
<th><strong>Ethiopia</strong>: having a male mentor increases the likelihood of going into a male dominated field (Campos et al., 2015)</th>
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<td><strong>India</strong>: bringing a friend to a training increases its effectiveness (Field et al., 2014)</td>
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<td>Curriculum revisions</td>
<td><strong>Lao PDR</strong>: new gender-sensitive primary education curriculum developed (UNICEF, 2009)</td>
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<td>Dialogue on gender roles</td>
<td><strong>Different countries</strong>: Promundo carries out trainings with men and women to address gender roles</td>
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</table>

**Notes:**
- Mentoring, role models, and networks can be influential in guiding individuals into fields that may historically have been dominated by one gender.
- In Ethiopia, the presence of a male mentor can increase the likelihood of individuals entering fields traditionally dominated by males (Campos et al., 2015).
- In India, bringing a friend to a training can enhance its effectiveness (Field et al., 2014).
- In Lao PDR, a new gender-sensitive primary education curriculum has been developed (UNICEF, 2009).
- Promundo conducts trainings with both men and women to address gender roles across different countries.
### Addressing market failures

<table>
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<th>Skills building and transition to work</th>
<th>Liberia: Economic Empowerment of Adolescent Girls and Young Women increased employment by 43% (Adoho et al., 2014)</th>
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<tr>
<td>Subsidized or state-funded childcare provision</td>
<td>Brazil: provision of free childcare increased employment of women who did not work before by 9-17 percent (Paes de Barros, 2011)</td>
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</tbody>
</table>
However, more rigorous evidence is needed...

Monitoring and evaluation, including impact evaluations, is imperative.

The World Bank Group contributes to global knowledge creation on what works to improve women’s economic opportunities through its Federation of Gender Innovation Labs, including the one focused on EAP.
Thank you!