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# GENDER AND ECONOMIC POLICY MANAGEMENT INITIATIVE Asia and the Pacific

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## EMPLOYMENT AND LABOUR MARKETS

## **GENDER AND ECONOMIC POLICY MANAGEMENT INITIATIVE – ASIA AND THE PACIFIC: EMPLOYMENT AND LABOUR MARKETS**

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# INTRODUCTION

Having introduced unpaid work as a significant component of time and resource allocation in economic activity, this module introduces a gender analysis of employment and labour markets in the context of Asia and the Pacific, including labour supply issues and the segmented structure of employment, to create a fuller picture of time and resource allocation. Definitions of informal employment are stressed, given its importance in most countries in Asia and the Pacific. The module includes an employment mapping exercise and discusses employment policies from a gendered perspective.

# LEARNING OBJECTIVES

1. To consolidate participants' understanding of the relation between unpaid care work, subsistence work, informal work, and labour and employment.
2. To enable participants to recognize the gendered aspects of labour force participation decisions.
3. To facilitate participants' ability to evaluate the diversity of employment structures in Asia and the Pacific.
4. To impart to participants a fuller understanding of specific policy challenges related to gendered employment in Asia and the Pacific.

# OUTLINE

- I. What is employment? What is labour?
  - A. The SNA dividing line revisited.
  - B. Non-employment labour.
  - C. Two crucial institutions: labour markets and households.
- II. Labour supply.
  - A. Labour force participation decisions.
  - B. Education, skills and experience.
- III. The structure of employment for women and third gender persons in Asia and the Pacific.
  - A. Employment status.
  - B. Formal and informal employment.
  - C. Agricultural employment.
  - D. Manufacturing employment.

E. Service employment.

F. Extractive industries.

#### IV. Women and employment in Asia and the Pacific.

A. Labour market segmentation.

B. Discrimination and earnings inequalities.

## DURATION

One day

### EXERCISE 1

*Objective: to enable participants to discuss employment and gender segregation.*

In 2009, less than a third of male and female<sup>1</sup> workers engaged in regular wage and salaried employment in Asia, a strong indication of weak labour market institutions and a large informal economy. Only one per cent of all economically active women in Asia were running their own business with paid employees. 'Vulnerable' employment accounted for more than half of total employment, but also the vulnerable employment share was higher for women than men. South Asia had the highest rate of vulnerable employment among all regions in the world at 84.5 per cent for women and 74.8 per cent for men, suggesting that

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1 There is no available accurate or reliable data on third gender, wages and employment. However, the ILO Decent Work Team for East and Southeast Asia and the Pacific is currently (in 2012) conducting a study in Thailand on the multiple types of discrimination facing lesbian, gay, bisexual and transgender persons (LGBT) in the workplace as part of the multi-regional "Gender Identity and Sexual Orientation: Promoting Rights, Diversity and Equality in the World of Work (PRIDE)" project.

the sub-region's high rates of employment growth did not automatically equate to positive labour market trends.<sup>2</sup>

Before the exercise, the following headings should be written on flipchart paper:

1. Jobs/employment-primarily women.
2. Jobs/employment-primarily men.
3. Jobs/employment-primarily third gender.
4. Jobs/employment-women and men about equal.

The participants should divide themselves into pairs.

The pairs should come up with as many jobs (or specific types of employment) as they can under each of the three headings, based on the realities in their own countries. At this stage of the exercise, the focus should be on paid employment, including both employees who work for a wage and the self-employed.

After 10 minutes, the answers that each pair has come up with should be written on the flipchart paper under the appropriate heading. If a particular job comes up more than once, a check mark should be placed next to it each time it occurs.

When the lists are complete, the results should be discussed in plenary. Are there clear patterns in the paid employment opportunities for females, males and third gender persons? Which jobs are generally considered to be the better jobs? Do these jobs fall predominantly into the employment opportunities for females, males or third gender persons? Can women freely move from a traditionally female job to a typically male job? What do you notice about third gender jobs? What are the similarities and differences across countries?

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2 International Labour Organization (ILO) and Asian Development Bank (ADB) (2011), *Women and Labour Markets in Asia: Rebalancing towards gender equality in labour markets in Asia*, ILO Regional Office for Asia and the Pacific and ADB, Bangkok, p. 46.

# I. WHAT IS EMPLOYMENT? WHAT IS LABOUR?

*Objective: to consolidate participants' understanding of the relation between unpaid (care) work, labour and employment.*

The International Labour Organization (ILO)<sup>3</sup> defines employment as comprising all persons above a specified age who during a specified brief period, either one week or one day, were in paid or self-employment. So, people who:

- A. Performed some work for wage or salary in cash or in kind.
- B. Had a formal attachment to their job but were temporarily not at work during the reference period.
- C. Performed some work for profit or family gain in cash or in kind.
- D. Were with an enterprise such as a business, farm or service but who were temporarily not at work during the reference period for any specific reason are 'employed'.

## A. THE SYSTEM OF NATIONAL ACCOUNTS (SNA) DIVIDING LINE REVISITED

- A. Module 3 on unpaid work introduced the distinction between employment and unpaid work. Here we examine the definition of employment more closely:
  - In common usage a person is said to be employed when they are engaged in some form of paid labour. At times,

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<sup>3</sup> ILO (1988), *Current International Recommendations on Labour Statistics*, 1988 Edition, ILO, Geneva, page 47.

employment is interpreted more narrowly as only referring to paid employees, excluding the self-employed.

- As Modules 3 and 4 demonstrated, both are inexact definitions of employment. The SNA defines individuals as employed – whether they are paid or not – when they supply labour contributing to an economic activity which is counted in the SNA.
  - Thus a significant amount of unpaid labour by men, women and third gender persons can be considered as employment. By this logic, self-employment – paid or unpaid – is employment when it contributes to economic activity that is counted in the SNA. A person working without pay in a family business is considered to be employed. People engaged in subsistence agriculture are also employed because they contribute to economic activity. Unpaid apprentices are defined as employed. As Module 3 noted, technically speaking the collection of fuel and water should also be regarded as employment, but very few countries do this.
  - Illegal activity is counted as employment: for example, piracy, drugs or arms smuggling, or participation in the sex trade. As long as money is exchanged, these count as economic activities.
  - Unpaid labour in the household and some forms of voluntary or community work are not counted in the SNA and are not considered to be employment. As stressed in Module 3, the performance of most unpaid household work is a precondition of any employment. So the terms and conditions governing the performance of unpaid work structure an individual's ability to undertake employment as defined in the SNA.
- B. Labour force surveys, introduced in Module 4 on Gender, Data and Indices, in ILO terms, are supposed to use the SNA dividing line to define the economically active and employed



populations. As the example on carriage of fuel and water demonstrates, this rarely happens.

- C. In many countries in Asia, women disproportionately work in unpaid forms of employment as unpaid contributing workers to family businesses, including work in agriculture, manufacturing and service sectors. In the Pacific, both women and men do this work. Self-employment is also common among women in many countries of Asia. This represents a form of income-earning employment, and although earnings do not come in the form of wages, this employment is considered paid in the SNA.
- D. However, as discussed in Module 3, women spend a disproportionate amount of their time in unpaid work on the “wrong” side of the boundary of production, which in the SNA is defined as being engaged in non-economic activities.
- E. There is no reliable data yet available on the work of third gender persons on either side of the production boundary.

## B. NON-EMPLOYMENT LABOUR

- A. There is an important distinction between standard definitions of employment and labour.
  - Labour is supplied in all forms of employment.
  - However, labour is also supplied in unpaid work that is not considered an economic activity. Therefore, labour is not the same as *employment*.
  - Both types of labour – employment and unpaid work – are productive in the sense that, by transforming inputs of goods and services into outputs of goods and services, they add value to goods and services of economic and social use to the individual, household and community. As suggested in Module 3, in principle it is possible to estimate the monetary equivalent of this value added. However, it is not necessary to make these estimations in order to make the work

visible for policy purposes. Textured time use survey data, disaggregated by gender, age, class, caste, rural/urban, etc., retains its specificity, and is a better policy base than abstract market equivalents.

## C. TWO CRUCIAL INSTITUTIONS: LABOUR MARKETS AND HOUSEHOLDS

- A. As stressed in Modules 1 and 3, households, as institutions, are by and large not free of gender concerns. The distribution of resources within households, the division of labour in household and non-household activities, decisions concerning individual and household consumption choices, and the use of individual and household assets are all influenced by gender dynamics between females and males in the household, which in turn are a function of unequal power between women and men.
- B. The labour markets where women and men and third gender persons seek employment are also, as institutions, affected by gender. Labour markets may be segmented between those that generate jobs that are typically women's jobs, those that generate jobs that are typically men's jobs, and those that generate typically third gender persons' jobs, as discussed in Exercise 1. This means that women, men and third gender persons do not have free choice in employment opportunities. Social stigma, judgement and discrimination and even violence may be encountered by third gender individuals as well as women and men who try to enter non-typical jobs. Hostile practices in workplaces, including sexual harassment<sup>4</sup>, bullying and gender discrimination further disadvantage women and third gender persons relative to men in labour markets. So too does unequal access to personal development training

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4 See, for instance, Haspels, Nelien, Mohamed Kasim, Zaitun, Thomas, Constance and Mc Cann, Deirdre (2001), *Action against Sexual Harassment at Work in Asia and the Pacific*, ILO, Bangkok.

opportunities and scholarships. These disadvantages both affect and are affected by inequalities in wages and earnings, of which there is ample evidence.

C. Households and labour markets intersect in two ways:

- In terms of resource allocation decisions, the division of non-employment labour between women and men within the household influences decisions to supply labour into labour markets and take advantage of employment opportunities. As mentioned in previous modules, the performance of unpaid work within the household, predominantly by women, structures both women's and men's abilities to enter labour markets and take advantage of employment opportunities. Ingrid Palmer makes the point that, in effect, unpaid work by women subsidizes men's employment because it provides for the economy as a whole a public good that has positive externalities.<sup>5</sup>
- In terms of resource allocation outcomes, individual earnings in cash and kind from employment may or may not be pooled across the individuals within the household. When pooled within the household, even if only to a limited extent, overall earnings are often more important than individual earnings in shaping the allocation of unpaid work and thus labour market and employment decisions. Thus household pooling decisions shape labour market operations. When not pooled, individual earnings still shape the allocation of unpaid work and labour market and employment decisions, and thus, labour market operations. Household pooling decisions are themselves a function of gender dynamics between females and males in the household, which, in turn, are a function of unequal power between women and men.

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5 Palmer, Ingrid (2005), 'Public finance from a gender perspective', *World Development*, vol 23 no 11, pp. 1981 – 1986.

- In both instances, then, the structure of the household and its dynamics shape the operation of labour markets by affecting the supply of labour.
- D. However, much economic analysis and policy-making considers employment at the individual level, without accounting for household dynamics. This presents a highly misleading picture of labour market dynamics; as suggested in Module 3, it is crucial to account for the structure of the household and its dynamics when devising labour market and employment policies, if the aim is to raise living standards and reduce poverty.
- E. Labour market and employment policies cannot assume a limitless supply of available labour because of the role of unpaid work in making labour available. Effective employment policies should be based on the analysis of the allocation of unpaid work and the development of a prior set of economic and social policies that reduce and redistribute unpaid work.
- F. Time use surveys, of the type introduced to participants in Module 3 and further discussed in Module 4, are an important means of providing the data necessary to inform policies that recognize the allocation of unpaid work and the need to reallocate such work when formulating effective employment policies.

# II. LABOUR SUPPLY

*Objective: to enable participants to recognize the gendered concerns in labour force participation decisions.*

## A. LABOUR FORCE PARTICIPATION DECISIONS

A. The definition of labour force participation:

- Is that the total labour force equals the total employed population plus the unemployed population actively searching for employment (total labour force = total employed population + the unemployed).
- Typically equates labour supply with labour force participation.
- Defines it analogously to employment: a willingness and ability to supply labour to SNA-recognized economic activities.
- Also considers searching for employment to be a valid activity within labour force participation. Those looking for employment are defined as unemployed, and part of the economically active population.

The definition excludes individuals, mostly women, who are only engaged in unpaid work which lies beyond the production boundary, as well as full-time students and those considered too old to work. However, in policy making, as we are seeing, the lines between what is and is not work, as well as what is work but is still not counted, make many of these labour and employment figures problematic. This has implications for understanding female labour force participation as well as the dynamics of youth employment, unemployment, and underemployment.

## EXERCISE 2

*Objective: to enable participants to evaluate labour force participation data and better manipulate elementary quantitative data first discussed in Module 4.*

Using the breakdown of the population depicted in Table 3, which is based on simplified fictional numbers to make calculations easier, the participants should calculate the total labour force, labour force participation rates, total employment, and unemployment rates. Alternatively, actual labour force statistics from a country in Asia or the Pacific could be used for the exercise, but these ignore third gender persons.

**TABLE 3. POPULATION DATA**

	Total	Men	Women	Third Gender
Population	20 million	10 million	10 million	2 million
Working age population (15+)	12 million	6 million	6 million	1 million

School/university attendees (15+)	1 million	600,000	400,000	200,000
Retirees/pensioners (15+)	500,000	300,000	200,000	100,000
Only engaged in non-SNA household work (15+)	1 million	100,000	900,000	100,000

Wage employees (15+)	1.9 million	1.5 million	400,000	100,000
Own-account workers (15+)	4.9 million	2.5 million	2.4 million	200,000
Employers (15+)	100,000	100,000	0	0
Unpaid contribution family workers (15+)	1.6 million	400,000	1.2 million	100,000
Unemployed	1 million	500,000	500,000	200,000

CALCULATE				
Labour force				
Labour force participation rate				
Employment				
Unemployment rate				

Labour force participation rate = Economically active population/working age population

Unemployment rate = unemployed/labour force

The calculations should be reviewed in plenary, before proceeding to discuss the following questions:

- What are some of the limitations and problems with the standard labour force definitions and indicators?
- Do these data say anything about the quality of employment? Do they say anything about underemployment, as opposed to unemployment?
- If women, men and third gender persons are classified as ‘economically inactive’ when they lose a job, instead of being classified as ‘unemployed’, how does this affect labour force participation and unemployment rates?
- How do the data reflect child labour<sup>6</sup> by boys and girls?
- Does the data adequately capture youth employment, unemployment and underemployment?

#### B. Women’s labour force participation.

- Typically, women have lower labour force participation rates than men because the burden of unpaid work falls on women in most countries as a result of gender dynamics and unequal power relations in households.
- However, in many countries in Asia women’s labour force participation rates are high compared to other regions of the world. This means that women in many countries work in both paid employment and non-employment activities; they typically do not specialize in either unpaid or paid work. For years, this has been referred to as the double burden of employment and unpaid work, borne predominantly by women.

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6 National definitions of child labour may vary; however, according to most national legislative frameworks in the region, child labour is considered to comprise work undertaken by children under the ages of 13 to 15. According to ILO Convention No. 138 concerning the Minimum Age for Admission to Employment, the minimum age for work should not be below the age for finishing compulsory schooling, which is generally 15, although national laws or regulations may permit the employment or work of persons 13 to 15 years of age in light work. Any work which is likely to jeopardize children’s physical, mental or moral health, safety or morals should not be done by anyone under the age of 18. (<http://www.ilo.org/ipec/facts/ILOconventionsonchildlabour/lang—en/index.htm>)

### C. Third gender labour force participation.

In the world's first inquiry into transgender<sup>7</sup> people in New Zealand in 2007, four out of five submissions to the inquiry described examples of serious discrimination and harassment at work, including assault and sexual abuse. The inquiry found:

1. The career options of some trans people are limited by discrimination.
2. The experience of discrimination heightened trans people's concerns about disclosure of information about their trans status.
3. Harassment and intimidation affected trans people at work, with the result that some are under-employed, and others are dismissed or leave jobs.
4. Trans people who have the support of their employer and colleagues successfully transitioned at work. Some were long-term, valued employees and considered this support had helped them and their colleagues.
5. Given the experience of stigmatisation and marginalisation, trans people seldom ask for assistance or complain about the treatment they receive.
6. In summary, trans people experience discrimination throughout the employment cycle: navigating pathways to work, dealing with on-the-job issues, or changing jobs. Negative stereotypes about career options, few visible positive role models, fear caused by prejudice, lack of acceptance in the workplace, and discriminatory practices combine to create barriers to employment, which for many are insurmountable.<sup>8</sup>



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7 The New Zealand inquiry used the terms 'transgender' and 'intersex' persons, as opposed to 'third gender persons'.

8 Human Rights Commission (2007), *To Be Who I Am, Kia noho au ki tōku anō ao. Report into the Discrimination Experience by Transgender People*. Human Rights Commission, Auckland.



Third gender persons find themselves the object of discrimination in employment. Many third gender public leaders in India, Nepal and the Pacific, are described as being in the entertainment industry.

- In India they have been employed as tax collectors; in Thailand some have been employed as flight attendants by PC Air, adding to their main employment in shops, restaurants, beauty salons, and the entertainment and tourist sectors in that country.
- In Nepal, the right to employment is dependent on citizenship certificates. Such certificates are now available to third gender persons, and it is hoped this will see some change in employment prospects.



Bhumika Shrestha, Transgender Nepali Politician and elected as General Convention Member of the Nepali Congress Party in 2010.



Transgender New Zealand Politician: Georgina Beyer. Elected mayor of Carterton in 1995, serving in that role until 2000. Beyer served as MP for the Wairarapa electorate from 1999 to 2007, becoming the world's first transsexual MP.

#### D. Deciding to participate in the labour force.

- Neoclassical economic theory argues that individuals participate in the labour force if they expect to earn a wage greater than a 'reservation wage', which is defined as the minimum wage they are willing to accept. If wages increase, so should labour force participation, as depicted in Module 3.

- Neoclassical economic theory also links the reservation wage to productivity, in that firms will only pay wages that adequately reflect the productivity of the marginal workers, and thus hiring decisions are tied to productivity.
- A study of the 1997 East Asian crisis showed that women's labour force participation increased as real wages – the wage adjusted for inflation – fell. Through inflation, lower real wages reduced the purchasing power of household incomes and prompted women to seek employment.<sup>9</sup> Pressures on household income may cause women to increase the amount of time they dedicate to income-earning activities or the number of income-earning activities that they pursue simultaneously.
- Women disproportionately shouldered the brunt of the impacts of the global economic and financial crisis that started in 2008 because they were already structurally disempowered and marginalized in the labour market before the crisis. Women were hard hit by the first-round impact in terms of job losses in export-oriented industries; unemployment and underemployment, as well as the knock-on effects on informal and vulnerable employment, were the result. Women were also disproportionately affected by the second-round impacts on intra-household dynamics and coping strategies, as they were mainly responsible for household adjustment and coping strategies. The crisis also revealed that the informal sector's resilience to downturns is a myth, and that women themselves have no safety nets upon which they can rely.
- What must be noted, however, is that in East Asia the labour force participation rate for young women is higher than that of young men. This is not found anywhere else. This characteristic is due to East Asia's success at creating opportunities for women in the workforce, but it may also

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9 Elson, Diane (2006), *The Changing Economic and Political Participation of Women: Hybridization, Reversals and Contradictions in the Context of Globalization*, GEM-IWG Working Paper 06-8 November 2006.

reflect reliance on low-unit cost (productivity relative to wages) female labour in export-oriented industries.<sup>10</sup> It should be noted that this contradicts neoclassical theories of wage determination. Young third gender persons are also found in this sector in East Asia.

- In many countries in Asia, women are not in a position to increase their labour force participation even in the context of declining real wages. A large part of the region is still characterized by absolute income and consumption poverty which, as discussed in Module 6, shapes other non-monetary forms of poverty. The greater proportion of the workforce in all but a few countries is in informal activities, self-employment and vulnerable employment, which is overwhelmingly the case for women workers. The argument that women's labour force participation increases when real wages fall has limited salience when a significant share of employment is not for wages and much employment does not earn an income. Finally, some research has shown that women's labour force participation increases when male unemployment increases at the household level.
- Thus, contrary to economic theory, the relation between women's labour force participation, real wages and productivity is not clear in Asia.
- There is no reliable and accurate data yet available on third gender persons' decisions on labour force participation.

## B. EDUCATION, SKILLS AND EXPERIENCE

- A. Labour supply is not only characterized by the number of individuals who are economically active. Education, skills and experience are also important in determining the quality of the labour supply.
- B. There are gender-based differences in education and skills:

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<sup>10</sup> ILO (2011), *Global employment trends 2011: The challenge of a jobs recovery*. ILO, Geneva, p.39.

- Gender gaps in the educational opportunities and outcomes available to girls and boys as well as women and men lead to gender-based inequalities in employment opportunities and outcomes. This is especially evident in much of rural South Asia where women mostly engage in informal work in part due to low educational attainment. In 2011 in the Pacific there were more girls than boys in secondary schooling in Cook Islands, Fiji, Kiribati, Nauru, Palau, Samoa, Tokelau and Tuvalu. It will be interesting to see if this makes any difference in employment patterns.
- Even when girls and boys as well as women and men have comparable levels of education, across all countries where it has been measured, women still earn significantly less than men. Male and female teenagers in Mongolia are paid similarly, but a gender gap becomes sizeable and significant for those over 20.<sup>11</sup>
- Women's average earnings from paid employment often fall below those of men; that is, there is a gender wage gap that is global in character and which can only be explained as a consequence of discrimination. This gap is also apparent between self-employed women and men. The gender wage and earnings gap can be used as an implicit rationale for not investing in women's education and skills development because the returns from such investments are lower than they are for investments in men. This implicit reasoning limits women's earnings and employment choices, reinforcing existing gender inequalities in the labour market.
- Also, if women are expected to work primarily in unpaid work there may be less investment in their education because education is perceived to be unnecessary. Indeed, girls may be pulled out of school to help out in the household. This also limits women's earnings and employment choices, reinforcing existing gender inequalities in the labour market.

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11 Pastore, Francesco (2010), 'The gender gap in early career in Mongolia', *International Journal of manpower*, Vol 31 no. 2, pp.188-207.

- There is very little reliable data available on education, skills and experience for third gender persons. However, early in 2008 the State of Tamil Nadu in India formalized policies for *aravani*, creating a separate welfare board, issuing ration cards indicating the holders were third sex, providing reservations of seats in colleges and providing surgery and hormonal treatment at government hospitals. The social welfare aspects of the response were parallel to other programs in India for scheduled castes, women and “other backward classes”.<sup>12</sup>

C. There are gender-based differences in experience:

- Because of the unequal burden of unpaid work, women often leave employment temporarily to care for children, particularly when children are very young, reducing their accumulation of labour market experience. When this is repeated with the birth of additional children, the result can be experiential gender gaps that are a consequence of the distribution of unpaid work.
- Because of the duties associated with unpaid work, women are less able to work in the evenings and on weekends, or to travel far from their home. This further limits their labour market experience, their earnings and their attractiveness to potential employers, reinforcing experiential gender gaps. This also limits their capacity to be mobile for seasonal harvesting work.
- Lower earnings from employment sustain the idea that women should specialize in unpaid work, deepening gender-based differences in labour market experience and buttressing experiential gender gaps.
- Cumulatively, women’s experience in paid employment is often lower than men’s. Depending on the nature of employment, this may lower their earnings from paid employment.

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12 Sanders D. (2009), *Third Sex Identities and Transgender Rights in Asia*. Mahidol University, Thailand, IASSCS Conference 2009.

It also has important implications for social protection mechanisms (e.g., pension benefits) where such exist, because such mechanisms are often tied to earnings and to the number of years in paid work.

## EXERCISE 3

*Objective: to consider the relation between policies, unpaid work and employment.*

The withdrawal of or reduction in access to water and sanitation places a higher burden on unpaid labour typically performed by women. Remember that the carriage of water is often productive work. Remember too that 2.5 billion people have no access to clean sanitation, and the majority of these people are in Asia and the Pacific.

The participants should divide themselves into two groups, and take 15-20 minutes to discuss how the privatisation of water (group 1) or the free provision of water (group 2) would impact on inequalities in labour force participation.

Each group should present their conclusions in plenary.

Following the presentations, the unpaid work of the ecosystem in each scenario should also be discussed in plenary.

Note: if a country-specific case of privatisation of water is available, it can be used as a basis for the small group/plenary discussion.

# III. THE STRUCTURE OF EMPLOYMENT IN ASIA AND THE PACIFIC

*Objective: to facilitate participants' understanding of the diversity of the region's employment structure.*

The structure of employment is the distribution of employment across different activities, sectors and arrangements that currently exists in any given country. The structure of employment will be very different, for women and third gender persons when compared to men, because of gendered biases in the allocation of unpaid work, and the implications that such an allocation has for the taking up of employment opportunities, and because of a vast range of discriminatory and cultural practices. Knowledge of the existing structure of unpaid work and its relation to employment is one of the essential elements when devising any employment policy.

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## A. EMPLOYMENT STATUS

### A. Own-account and contributing family workers:

- In many countries in Asia and the Pacific, forms of self-employment are much more common than waged employment. Self-employment includes own-account workers and unpaid family workers that contribute to family enterprises.
- Most workers in Asia and the Pacific are own-account and contributing family workers, because agricultural self-employment falls within this category.
- The sum of all own-account workers and contributing family workers, when expressed as a share of total employment, is defined as vulnerable employment because they are far less likely to have decent working conditions, adequate

social security and voice through effective representation. Vulnerable employment is often characterized by inadequate earnings, low productivity and difficult conditions of work.

- Own-account and contributing family workers accounts for a larger share of women's employment than waged employment.<sup>13</sup> Thus, women are more likely to be engaged in vulnerable employment. Own-account and contributing family employment is more important for women because
  - Unpaid work limits access to wage employment.
  - Wage labour markets are strongly influenced by discriminatory gender practices.
- Own-account and contributing family work often gives women much more scope to combine unpaid work with employment activities.
- Policy discussions often assume the presence of a wage employment arrangement (e.g., minimum wage policies or calls for labour market flexibility). Such policy discussions exclude own-account and contributing family workers and their gender dynamics as well as the dynamics of unpaid work.

#### B. Employees:

- In Asia and the Pacific, wage employment accounts for a larger share of men's employment than women's.<sup>14</sup> Wage employment may be more accessible to men because they typically spend less time in unpaid work.
- By definition, labour laws are restricted to those in wage employment in the formal sector, which is defined below. Labour laws are at best ineffective and at worst absent for own-account and contributing family workers.
- Policy discussions that assume the presence of a wage employment arrangement fail to accommodate the relation

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<sup>13</sup> ILO and ADB, Op. cit.

<sup>14</sup> Ibid.



between unpaid work and the gender dynamics of wage employment. This may explain the failure of wage employment policy in parts of Asia and the Pacific, including those places where unregulated rural wage employment is an important component of household livelihoods.

- There is no reliable data yet available on the wage employment of third gender persons.

### C. Employers:

- Employers are those workers who, working on their own-account or with one or a few partners, are self-employed and have engaged, on a continuous basis one or more persons to work for them in their business as an employee.
- Employers make all operational decisions that affect the enterprise, or delegate such decisions while retaining responsibility for the welfare of the enterprise.
- Employers' remuneration is directly dependent on the profits derived from the goods or services that are produced.
- In Asia and the Pacific employers constitute a small proportion of total employment.
- In Asia and the Pacific a disproportionate share of employers are male, in part because of the legal basis upon which assets are distributed, in part because of the distribution of unpaid work, and in part because of prevailing gender norms and biases.

## B. FORMAL AND INFORMAL EMPLOYMENT

- A. Formal employment is employment that is governed by government regulations, laws, and/or formal social protection such as paid leave, employment insurance and pensions. It takes place within the framework of corporate private and public sector establishments codified in law.
- B. Informal employment is employment not governed by government regulations, laws, or formal social protection such as

pensions and paid leave. Informal workers are often excluded from participating in a variety of formal economic institutions (e.g. financial institutions) because of the informality of their earnings. Also, the sources of the earnings of informal workers are often not obvious; employers may deliberately hide them to bypass government regulations. In addition, many employees hide income from informal employment in order to avoid paying tax, where such tax structures are present.<sup>15</sup>

- C. Domestic workers are often included as informal employees, regardless of any social and legal protection that may exist. Increasingly, countries are developing legislation to cover domestic workers. In some contexts it is possible to speak of formal domestic workers and informal domestic workers.
- D. In principle, informal employment falls within the domain of the SNA, but the scale and scope of informal employment and unpaid work may not be adequately recognized in economic and social policy-making, in part because of a lack of adequate data.
- E. The International Conference of Labour Statisticians (ICLS) has issued recommendations on the formal statistical definition of informal employment and the informal sector. These terms are often used interchangeably, but they are not the same.
  - The *informal sector* is an enterprise-based concept. An enterprise is considered to be part of the informal sector if that enterprise is not formally incorporated as a legal form of organization, does not maintain separate finances from those of the household and is not registered. In practice, complete information is not available to define informal enterprises. Often the size criterion or registration status is used as a short cut for measurement purposes. Marketing of produce from home gardens that is in excess of domestic needs is a global informal sector.

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15 While observations and media tend to suggest high rates of third gender persons employed in informal sector, there is no reliable data as yet. Current ILO research (see earlier footnote) may provide some early data to add to these observations.

- *Informal employment* is a jobs-based concept that uses a different definition for own-account and contributing family workers and wage employees. Own-account and contributing family workers are considered to be informal if their enterprise is informal using the above definition of the informal sector. Employees are considered to be informal if they lack a core set of social or legal protections; the exact types of social and legal protections vary from country to country. Typical indicators of social protection that are absent in informal employment include employer contributions to social security funds, the existence of a pension linked directly to the job, the existence of an enforceable written contract and access to paid leave. As a consequence, informal employment for waged employees is casual, irregular, unpredictable and unstable. Countries have fewer statistics on informal employment than they have on the informal sector.
- F. With formal waged and salaried employment often constituting around one-third of total employment according to the ILO and Asian Development Bank (ADB), informal employment is more common in Asia and the Pacific than formal employment.
- G. In Asia and the Pacific informal own-account and contributing family work is particularly common.
- H. Most informally employed women work as own-account workers and contributing family workers. Unpaid work obligations limit occupational choices and channel women into informal forms of employment, especially because the lesser work intensity associated with informal employment better accommodates unpaid work responsibilities.
- I. Young people in employment also tend to be clustered into informal employment, as a lack of labour market experience combined with a lack of the social capital necessary to access labour market experience results in a channelling of young people into more informal types of employment.

- J. Informal employment typically fails to take account of the specific skill sets of its workforce, underemploying its labour force in a way that perpetuates poorly paid, insecure, and unprotected precarious work.
- K. There is typically a strong correlation between short-term, seasonal and casual employment and informal wage employment.
- L. Informal employment in Asia and the Pacific varies from country to country. Some broad generalizations in Asia and the Pacific are that:
- Applying the above definitions, the vast majority of agricultural employment in Asia and the Pacific can be considered to be informal. However, most measures of the informal sector exclude agriculture or even rural areas.
  - Informal non-agricultural employment is often the most important form of private non-agricultural employment in Asia and the Pacific. The relative importance of informal own-account and contributing family work and wage employment also varies from country to country. The ILO and ADB suggest that, on average, employment as an informal non-agricultural own-account worker accounts for a third of women's employment. There is no data available on third gender informal agricultural activities.
  - In general, earnings are highest in formal employment, but earnings in informal non-agricultural employment tend to be higher than earnings in agriculture. This can justify movement out of agriculture and into informal non-agricultural employment. But exceptions to this general pattern exist. It is not uncommon to find that informal employers who hire others earn more than formal wage employees. However, a still relatively small proportion of women and men work as informal employers. Moreover, illegal activities count in the SNA, meaning that the sex trade, the illegal drugs trade, the illegal arms trade, fraud,

and blackmail in many forms all count as SNA activity. Some women and third gender persons earn significant amounts in such industries, while other women, third gender persons, boys and girls can be enslaved in them.

- However, in some countries women's informal wage employment in the countryside, when combined with other rural earning activities both on and off the farm, is crucial in maintaining the livelihoods of household members. Employment options and choices may reflect the need to perform unpaid work before wage employment is undertaken, and work intensity has to accommodate the distribution of unpaid work.

M. Policy issues with regard to informal employment:

- Informal employment is often not included systematically in national employment policy formulation, despite accounting for the majority of employment in many countries in Asia and the Pacific. Indeed, sometimes policy is openly hostile to informal workers. For example, efforts to clear cities of informal workers such as street traders explicitly undermine the livelihood of the informal workforce, which may be subject to strong gendered dynamics. There is an overarching need to bring informal employment issues into the policy sphere.
- Women in informal employment continue to undertake this type of work because of its flexibility and its relatively lower levels of work intensity: It allows combining employment with their range of unpaid work.
- However, by definition, labour laws do not cover informal workers or are not enforced. As a result, informal female, male and third gender workers often do not have access to employment-related national social protection systems, rendering them more insecure.
- Policies to bring informal employment into the policy arena and formalize informal employment should seek to reduce

or redistribute the amount of unpaid work that women must carry out, which can push them into less intensive informal employment. For women, informal employment policies must be tightly aligned with unpaid work policies if the former are to be successful.

- The extent of informal employment may be a function of the extent of formal employment, in the sense that informal employment produces low-cost goods and services that act as inputs for enterprises that generate formal employment. In this sense, the formal-informal division should not be seen as a strict duality but more of a linear relationship. Gender-based earnings differentials could be an important factor in sustaining informal employment by providing more cost-competitive goods and services for use by formal employers. In this way, gender dynamics affect the relation between informal employment and formal employment.

## C. AGRICULTURAL EMPLOYMENT

- A. In most countries in Asia, agricultural employment accounts for the majority of all employment. Non-agricultural employment in manufacturing and services, while widespread, is not as important, particularly for the poor.
- B. Women's employment in agriculture varies across countries, but it is common to find that women disproportionately work as unpaid contributing workers on family farms and plots and as own-account smallholder producers. It is also common in agriculture, as well as in family businesses, for the woman to be named in surveys as the unpaid family worker, while the husband, doing more or less the same work, is named as the own-account or self-employed worker. This happens even when the husband is working overseas or in the city and returns rarely.
- C. Earnings tend to be lowest and income and human poverty risks highest in agricultural activities. This is more pronounced for women compared to men working in agriculture.

- D. Many countries of the Pacific have customary land titles and communal land that is worked by extended families. In Melanesian countries in particular, women farm substantial gardens of their own, with little equipment and no help. They are not counted as 'employed' because of the in-built discrimination in the System of National Accounts, which tends to treat women's 'gardens' as unpaid work rather than agricultural production. This happens in a context where the 'primary producer' is the woman, and where the 'head of the household' is not 'economically active'. Throughout Asia and the Pacific, census structures were inherited from the colonial period, or from multilateral programmes, and these structures have often not been changed at all to accommodate changes in the production boundary in the SNA.
- E. Employment policy issues:
- Although many countries in Asia and the Pacific have collected gender-disaggregated data, there is a widespread lack of availability of such data, which restricts the ability to develop evidence-based employment policies that recognize the interface between unpaid work and paid employment.
  - If agricultural employment accounts for the majority of all employment, then access to land is a key issue for employment. But land tenure arrangements differ widely across Asia and the Pacific and it is not possible to generalize. Land tenure arrangements are governed by different legal systems, which in some parts of Asia and the Pacific have been directly influenced by the legal systems of former colonial powers, while in other parts of Asia and the Pacific land arrangements are a legacy of social revolutions. In both instances, though, gender inequalities usually are more pronounced when women have no rights or lesser rights to private, public or customary land, or have more insecure tenure arrangements over such types of land compared to men. If women do not have rights over land, they may not be able to determine which crops to grow or receive all the earnings from the crops they do grow. Thus, access to land is a key employment policy issue for women.

- The position of third gender persons in relation to land inheritance or control over communal land varies from country to country. In Tonga, for example, fakaleiti may inherit land only if they have children.
- Landless workers face specific constraints in constructing a viable livelihood. Informally employed in highly precarious work that is poorly paid, insecure, without social protection and often inadequate to support a household, landless workers require greater bargaining power to negotiate their terms and conditions of employment. This is especially the case for female landless workers, who face even greater degrees of informality and precariousness.
- Seasonality is also a specific employment policy issue in Asian and Pacific agriculture. During periods of lesser demand for labour the ability to construct a livelihood will become more constrained. This is especially the case for females working in agriculture, who in the absence of social protection are often expected to be able to provide for their families even during periods when less employment is available.
- Access to non-land inputs is mediated by gendered relations and affects the earnings from agricultural employment by facilitating gender-based agricultural productivity differences on the land that is operated; the same is true of financial services, as discussed in Module 11 on Gender and Finance.
- The type of crops produced is also an important determinant of earnings from agricultural employment. In many cases women specialize in crops with different returns in income-earning potential than men. Women value food security as more important than monocropping cash returns. Women may use the crops that they produce as an input in the household consumption for which they are principally responsible.
- However, in parts of Asia where export-oriented agriculture predominates, it is common to find women comprising a key component of the labour force, whether it is part of the



informal or the formal economy. The extent of formality in export-oriented agriculture has important implications for the earnings women obtain from working in export-oriented agriculture.

- It should not be assumed that earnings from agricultural employment are pooled within households. In some parts of Asia and the Pacific, evidence suggests that when women and men in a household in agricultural employment farm different crops they often have separate earnings that are not fully, and at times not even partially, pooled.
- In many countries, labour migration out of the farm economy is an important issue as men leave the rural family home to seek non-agricultural employment elsewhere. In some cases this has resulted in a feminization of agriculture, as the prevalence of female labour in agricultural employment increases. However, in a number of countries female migration out of the countryside has also increased. When both females and males migrate out of the countryside, for example in Vietnam or China, the result may be that the unpaid work that remains – principally, caring for children – becomes assigned to other females in the household, either grandmothers or the eldest girl child.
- Part of the explanation for increasing female migration is that female migrants are sought to provide paid care work that in many instances replicates the tasks involved in unpaid work. This results in specific forms of feminized migration flows, both from exporting regions and importing regions. In many instances the terms and conditions governing employment amongst women in paid care work is precarious, in that it is poorly paid, insecure, and unprotected.
- Little is known about migration of third gender persons. In Nepal, a study of social context of stigma among Metis found that stigma from families led to rural-urban migration, but

this exposed Metis to discrimination from law enforcement and employers.<sup>16</sup>

- Among rural livelihoods in Asia and the Pacific, households increasingly construct an income from an assortment of employment activities: farming, earned income and petty trading, to name but three. In this regard, the importance of earned income tends to be underestimated, in large part because it is within the informal economy (as discussed earlier in this section) and such waged labour has significant gender dimensions. Gender dynamics have a strong bearing on the employment options and earning opportunities available to individuals in rural households seeking to construct a livelihood from a diversity of rural farming and non-farming activities. As above, women's responsibilities for unpaid work will limit the employment options available to them.

#### F. Employment policy priorities:

- Should the goal be to raise earnings and productivity in agriculture, including lowering women's risk, by strengthening women's control over land and tenure rights? Or should the goal be to move people – including women – out of agriculture into employment with better terms and conditions, which in turn requires policies to improve non-agricultural employment opportunities? Are there possible paid employment alternatives?
- In either instance, policies that seek to alter the terms and conditions of female agricultural employment must be predicated upon recognizing the linkages that exist between the requirement to undertake unpaid work and the ability to undertake employment. Public policies that ignore the unpaid work that women provide are likely to have only a limited effect on female earnings. But public policies that reduce unpaid work, or redistribute it, will increase the ability

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16 Wilson, E., Pant, S.B, Comfort, M. (2011), 'Stigma and HIV risk among Metis in Nepal', *Culture, Health and Sexuality*, Vol 23:3, pp.253-266.

of women to undertake employment that increases earnings and household livelihood security. Care must be taken that it does not cause food insecurity, or diets that are causes of non-communicable diseases (NCDs), as has been the result with diabetes in the Pacific. Where cash has replaced the nutritional food security, there are escalating expensive health problems.

- Public policies that reduce or redistribute unpaid work can be broadly divided into:
  - Economic policies: infrastructural investment in particular, for example, footpaths, footbridges, or “flying foxes”. These key features would assist women with their unpaid work activities, but usually do not register with ‘infrastructure’ funding agencies, which are focused on roads, bridges and other infrastructure that is expected to improve export. It is time women’s infrastructure needs were given serious attention.
  - Social policies: social and human capital investment in particular, e.g. communal child care facilities.
- There is some evidence that female control over the land that they farm results in more equitable distributions of unpaid work between females and males and lower levels of domestic violence.
- In parts of rural South Asia public policy has introduced employment guarantee schemes as a social safety net targeted at very poor households. Under these schemes, it is frequently women that are able to secure employment. However, these schemes do nothing to reduce or redistribute unpaid work and as a consequence can result in female workloads and the length of the working day increasing.
- Public policies that reduce unpaid work and increase female earning opportunities are likely to be beneficial to economic growth, described in more detail in Module 7, but only if they are accompanied by legal, cultural and social changes to decrease discriminatory practices.

## D. MANUFACTURING EMPLOYMENT

- A. Manufacturing employment in Asia accounts for almost one-quarter of all employment in Asia and the Pacific.
- B. Women's employment in manufacturing varies across countries, but for the region as a whole it is common to find that women's participation in manufacturing employment is less than men's. However, while less, women's participation in manufacturing is still significant in particular countries; for 21 developing Asian economies the median share of female employment in manufacturing as a share of all female employment was 47 per cent. It is also common for women to work as unpaid contributing family workers in micro-manufacturing, which may be home-based and thus accommodate the existing distribution of unpaid work responsibilities, while the husband, doing more or less the same work, is named as the own-account or self-employed worker.
- C. Earnings tend to be the highest in manufacturing employment when compared to other sectors, with the result that income and human poverty risks are lower for women working in manufacturing. However, while higher, there are significant gender-based wage differentials between females and males working in manufacturing, to the detriment of females. The gender wage gap is a global phenomenon that directly points to the discriminatory character of labour markets and employment opportunities.
- D. A particularly significant manufacturing sub-sector in which female employment is pronounced is that of export-oriented manufacturing, in which a preference for female workers reflects relatively lower unit labour costs for females when compared to males, along with lower levels of social protection. In Asian manufacturing, and particularly export-oriented manufacturing, for many years women were employed as a non-permanent workforce, while men were permanently employed. This made it possible to avoid paying women holiday pay, sick leave, pension

fund contributions, insurance costs, and other benefits. At times this made manufacturing costs very competitive and attractive for transnational companies, encouraging them to move manufacturing sites to Asia, even though labour costs often constituted a relatively small percentage of total production costs. These patterns of 'effective informality' for a full time paid work week became very entrenched, and pay scales and terms and conditions of employment still reflect this discrimination, with females having lower unit labour costs than males. There are indications that young third gender persons are employed in transnational companies, particularly in textile work, in the same conditions as women.

E. Manufacturing employment policy issues:

- Although many countries in Asia and the Pacific have collected sex-disaggregated data, there is a widespread lack of availability of such data, which restricts the ability to develop evidence-based employment policies that recognize the interface between unpaid work and paid employment.
- If manufacturing has the highest earnings for those that are employed in that sector, then access to manufacturing jobs is a key issue for employment. However, access to manufacturing employment is mediated by gendered relations and affects the earnings from such employment by facilitating gender-based differences in wages and unit labour costs and hence gender-based differences in cost competitiveness.
- It should not be assumed that earnings from manufacturing employment are pooled within households. In some parts of Asia and the Pacific, evidence suggests that when women are in manufacturing employment incomes must be transferred to men who then control how total earnings are used. In other parts of Asia and the Pacific, however, earnings are often separate and are not fully, and at times not even partially, pooled.

- Home-based manufacturing work is an important avenue of employment for many women in Asia and the Pacific. Such work is highly flexible and can thus accommodate the need to perform unpaid work. However, such work is often highly precarious, being poorly paid using piece-rates, insecure, unprotected and inadequate to support a household.
- Changes in manufacturing production lines can also affect gendered labour supply. The garment industry in Bangladesh has done very well by exploiting international wage differentials, initially creating many jobs for women. During the industry's early rise, males working as cutters and packers often were the only full-time employees, while all the women worked as piece workers, providing the industry with a competitive advantage. With more recent technological innovations, changes in production line organization and management have resulted in it starting to favour male workers in a much wider variety of jobs, reducing female employment.<sup>17</sup>

F. Manufacturing employment policy priorities:

- Should the goal be to raise earnings and productivity for those in manufacturing, or should the goal be to move more people – including women – into manufacturing employment, with its better terms and conditions?
- In any case, policies that seek to alter the terms and conditions of female manufacturing employment must be predicated upon recognizing the linkages that exist between the requirement to undertake unpaid work and the ability to undertake wage employment. Public policies that ignore the unpaid work that women provide are likely to have only a limited effect on female earnings. But public policies that reduce unpaid work, or redistribute it, will increase the ability of women to undertake employment that increases earnings and household livelihood security. Public policies that reduce or redistribute unpaid work

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<sup>17</sup> Mottaleb, KA; Sonobe, T, (2011), 'An Inquiry into the Rapid Growth of the Garment Industry in Bangladesh', *Economic Development and Cultural Change*, 60 (1): 67-89 OCT 1.

can be broadly divided into economic and social policies, as described above.

- Public policies must also address gender-based gaps in earnings and formality. As women who are employed in manufacturing may be clustered into precarious work, there is a need to promote opportunities to expand the sphere of 'decent work': formal productive work that 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 decisions that affect their lives, and equality of opportunity and treatment for women and men. The promotion of a decent work agenda has implications for the distribution of unpaid work.
- As mentioned above, public policies that reduce unpaid work and increase female earning opportunities are likely to beneficially affect economic growth, but only if they are accompanied by legal, cultural and social changes to decrease discriminatory practices.

## E. SERVICE EMPLOYMENT

- A. Across Asia and the Pacific as a whole, after agricultural employment the sector of the economy that accounts for the largest share of all female employment is that of the service sector. In South Asia female service sector employment accounts for 16.3 per cent of female employment; in East Asia the figure is 33.9 per cent of all employment; and in Southeast Asia and the Pacific female service sector employment accounts for 41.1 per cent of all female employment.<sup>18</sup>
- B. The service sector across Asia and the Pacific is highly differentiated. In India and the Philippines there has been rapid growth in higher value added tradable business services, but beyond wages these often have limited linkages to the rest of

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18 ILO (2010) *Women in Labour Markets: Measuring Progress and Identifying Challenges*. Geneva: ILO.

the economy. Many countries of the region have non-tradable service sectors that are important, labour-intensive sources of employment, in the countryside and especially in the city. However, in much of the region urban services often account for a large share of informal employment, including work in street trade, other forms of trade, personal services (e.g., hair salons), repair shops, waste collection and informal transportation. Informal construction work is also common. In these activities, service employment often act as an employment sink, offering low wage, insecure, precarious and marginal jobs the correlate strongly with income and human poverty status.

- C. Women's employment in services varies across countries. While female employment can be high in tradable business services it is far more common to find that women disproportionately work as unpaid contributing workers in informal micro- and small family businesses, while men, doing more or less the same work, are named as own-account or self-employed workers. Such work may be home-based, allowing a woman to combine informal employment with unpaid work obligations. Thus, female service sector employment is, by and large, strongly correlated with vulnerable employment that is precarious in that it is poorly paid, insecure, unprotected and inadequate to support a household.
- D. As the service sector is differentiated, earnings are differentiated. Earnings are higher in tradable business services, but in non-tradable services and petty services earnings tend to be lower than in manufacturing. Amongst petty services, earnings may match those of agriculture. As a result, income and human poverty risks vary depending upon the type of service activity within which workers are employed. However, gender-based wage and earnings differentials resulting from segmented labour markets mean that female wages and earnings across the services sector are lower than wages and earnings in manufacturing.



#### E. Service sector employment policy issues:

- Although many countries in Asia and the Pacific have collected sex-disaggregated data, there is a widespread lack of availability of such data, which restricts the ability to develop evidence-based employment policies that recognize the interface between unpaid work and paid employment.
- Where service sector self-employment is important, then access to assets is a key issue for employment generation as assets allow businesses to be built. The distribution of assets differs widely across Asia and the Pacific and it is not possible to generalize. Asset distribution arrangements are governed by different legal systems, which in some parts of Asia and the Pacific have been directly influenced by the legal systems of former colonial powers, while in other parts of Asia and the Pacific asset distribution arrangements reflect rapid shifts from formerly centrally planned economies to market-based economies. In both instances, though, gender inequalities usually are more pronounced when women have more insecure, lesser or no rights to private, public or customary assets compared to men, including but not restricted to financial assets. If women do not have adequate rights over assets, they may not be able to determine how to best facilitate improvements in the terms and conditions governing service sector self-employment, or receive all the earnings from the service sector self-employment activities in which they take part. As a consequence, women may become clustered in informal and precarious service sector employment.
- Types of service sector activities are important determinants of the earnings from service sector employment. In many cases women specialize in service sector activities with different returns in income-earning potential than those in which men specialize. For example, street food vendors may face different income earning potential depending on whether they are female or male.

- Female service sector employment is often undertaken on an informal basis so that it can be flexibly combined with unpaid work obligations. As a result, the distribution of unpaid work channels women into more precarious informal service sector work.
- It should not be assumed that earnings from service sector employment are pooled within households. In some parts of Asia and the Pacific, evidence suggests that when women and men in a household in service sector employment work in different activities they often have separate earnings that are not fully, and at times not even partially, pooled.

F. Service sector employment policy priorities:

- Should the goal be to raise earnings in service sector activities, including lowering women's risk, by strengthening women's control over assets? Or should the goal be to move people – including women – out of lower-value added and more marginal service sector activities into higher value added service sector activities, with better terms and conditions of employment?
- In either instance, policies that seek to alter the terms and conditions of female employment in the service sector must be predicated upon recognizing the linkages that exist between the requirement to undertake unpaid work and the ability to undertake employment. Public policies that ignore the unpaid work that women provide are likely to have only a limited effect on female earnings. But public policies that reduce unpaid work, or redistribute it, will increase the ability of women to undertake employment that increases earnings and household livelihood security. Public policies that reduce or redistribute unpaid work can be broadly divided into economic and social policies, as described earlier in the section.
- Public policies must also address gender-based gaps in earnings and formality in the service sector. As females that

are employed in services may be clustered into informal and precarious work, there is a need to promote opportunities to expand the sphere of 'decent work': formal productive work that 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 decisions that affect their lives, and equality of opportunity and treatment for women and men. The promotion of a decent work agenda in the service sector has implications for the distribution of unpaid work.

- Public policies that reduce unpaid work and increase female earning opportunities are likely to beneficially affect economic growth, but only if they are accompanied by legal, cultural and social changes to decrease discriminatory practices.

## F. EXTRACTIVE INDUSTRIES

- A. Mining is a very widespread economic activity in parts of Asia and the Pacific. It is extremely capital-intensive in its production process and is particularly male-intensive in its pattern of employment.
- B. Pay in mining is usually based upon a 'male-breadwinner' model of household structure. However, it should not be assumed that earnings from mining employment are pooled within households. In some parts of Asia and the Pacific evidence suggests that when men are employed in mining they retain control of the household budget to a significant extent.

# IV. WOMEN AND EMPLOYMENT IN ASIA AND THE PACIFIC

*Objective: to enable participants to gain a deeper understanding of specific issues facing women's employment in Asia and the Pacific.*

## A. LABOUR MARKET SEGMENTATION

Use Exercise 1 as a reference.

- A. As mentioned above, women tend to be concentrated in employment with low and volatile earnings, high risks of poverty, and limited social protection.
- B. Mobility from one type of employment to another may be more limited for many women because of:
  - Discriminatory legal, social, cultural and religious norms and institutions.
  - Responsibilities for unpaid work.
  - Household dynamics and unequal power relationships and restrictions on women's movements.
  - Gender inequalities in terms of education, training, skills and experience (although in an increasing number of countries, particularly in East Asia and parts of Polynesia, women are becoming more formally educated than men when they are able to obtain an education at all).
  - A lack of assets, including limited access to finance.
  - The limited transferability of skills from one sector to another.
- C. Labour market segmentation can formally be divided into two distinct categories. Vertical labour market segmentation is when males and females are ranked differently in the labour

market because of their sex; typically, males are ranked higher, and thus paid more. Horizontal labour market segmentation is when males and females cluster into different occupations and sectors of the labour market. Typically, males are more likely to work in manufacturing and extractive industries, while females are more likely to work in agriculture and services. Horizontal labour market segmentation may also reflect an element of the formal – informal employment distinction.

- D. While improving employment outcomes for women requires policy that removes the barriers to labour mobility, a prerequisite is the above mentioned reduction or redistribution of unpaid work. Policies that reduce or redistribute unpaid work and increase paid employment can be strongly complementary, in that a reduction of unpaid work can increase the employment opportunities available to women.

## B. DISCRIMINATION AND EARNINGS INEQUALITIES

- A. Segmentation is not the only source of gendered inequalities with regard to employment.
- B. As already noted, within similar kinds of employment women earn less than men. Two factors are important here:
- *Hours of work.* Because of the burdens of unpaid work, women tend to take part-time rather than full-time work, reducing what they are able to earn.
  - *Earnings inequalities.* Expressed as an hourly rate, which controls for the number of hours worked, women still earn less than men when performing similar jobs. In wage employment, this can be due to employer discrimination. But the same pattern often holds for self-employment, indicating that women face disadvantages in a variety of labour market transactions. One reason internationally is because of occupation and sector clustering – that is, women and men cluster into particular occupations and specific subsectors of

economic activity. Lower earnings in wage employment can give rise to employer preference for women employees; as their labour costs less, with a uniform level of revenues, they can contribute to enhanced profitability. An example is the dominance of women workers in labour-intensive export sectors in Asia and the Pacific.

- Limited evidence also suggests a clustering for third gender persons in Asia and the Pacific in specific sections – services, entertainment, tourism and sex work – where wages reflect women’s lower employment income.
- Still, ILO research and labour statistics show a gender wage gap that cannot be explained by women’s lower hours of work, lesser educational level or lower years of experience; much of this gap is thus attributed to discrimination.

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