Chapter 2

Gender equality in the “three Es” in the Asia/Pacific region
Introduction and main findings

The case for gender equality is founded in both human rights and economic arguments. As such, closing gender gaps must be a central part of any strategy to create more sustainable and inclusive economies and societies. In order to identify barriers to greater gender equality and build on its expertise in these areas, the OECD launched its “Gender Initiative” to help governments promote gender equality in education, employment and entrepreneurship (the “three Es” – see Box 2.1). Greater education participation, from an early age onwards, provides better economic opportunities for women by raising the overall level of human capital and labour productivity. Mobilising hitherto underutilised labour supply and ensuring higher female employment will widen the base of taxpayers and contributors to social protection systems which will come under increasing pressure due to population ageing. More gender diversity will help promote innovation and competitiveness in business. Greater economic empowerment of women and greater gender equality in leadership are key components of the OECD’s wider gender initiative to develop policies for stronger, better and fairer growth (OECD, 2011a and 2012a).

Achieving greater gender equality remains a big challenge notwithstanding the important gains that have been made in women’s education and employment outcomes in recent history. Most OECD countries have achieved gender parity in education attainment, but further action is needed in many developing economies to improve enrolment and retention of girls in post-primary education. Furthermore, women remain severely under-represented in key, growth-enhancing fields of education such as science, technology, engineering and mathematics (STEM).

Labour markets exhibit many “gender gaps”. There is a persistent imbalance in the household division of paid and unpaid work. Women are less likely to work for pay, more likely to have lower hourly earnings, and less likely to obtain decision-making positions in either public or private sectors, and women are also a minority amongst entrepreneurs. In general the gender gaps of disadvantage in the labour market are more pronounced in the Asia/Pacific region than across the OECD, and women in the Asia/Pacific region are therefore more likely to experience poverty and deprivation.

This chapter aims to illustrate progress with gender equality in education, employment and entrepreneurship in the Asia/Pacific region. The evidence-base may not be as comprehensive as the information sets generally available for OECD countries which contain a wider variety of indicators. Nevertheless, some clear areas of advancement can be identified:

- **Education participation is improving.** Almost half of the children in the Asia/Pacific region now participate in formal early childhood education and care (ECEC) facilities, and enrolment in primary education is almost universal. Also, around 15% of adults have completed tertiary education. In contrast to most OECD countries, there are still more men than women who have completed tertiary education, but as in OECD countries women in the Asia/Pacific region are less likely than men to graduate in science, technology, engineering and mathematics. In general, gender gaps in education are most noticeable in low-income economies across the region.

- **In some areas of the Asia/Pacific region adolescent students’ perform better in competency tests** than many of their peers in North America and Western Europe. According to the 2012 Programme for International Student Assessment (PISA), an evaluation of competencies in reading, mathematics and science, on average boys and girls in Australia, Hong Kong (China), Japan, Korea,
New Zealand and Singapore perform better than the OECD average in all three subject matters. Girls clearly outperform boys in reading competency, and on average are very close to boys’ scores in mathematics and science.

- Gains in educational attainment contribute to narrowing gender gaps in labour force participation, and in most countries gender pay gaps have declined. However, important gender differences in labour market outcomes remain, notably in Southern Asia (including Afghanistan, Bangladesh, Bhutan, India, Nepal, Pakistan and Sri Lanka) and the Pacific islands, with women most likely to be found in the most vulnerable employment conditions. In low-income economies the vast majority of women work in the agricultural sector, while in advanced economies they are most likely to be in service sector employment. Compared to men, women in the Asia/Pacific region are less likely to make career progression, with the share of women among legislators, senior officials and managers at around 25% (30% on average across the OECD) and declining since 2005.

- Women carry out most of unpaid work, providing care to children, elderly, and sick or disabled family members as well as doing other unpaid household work. In the Asia/Pacific region the gender gap in unpaid work is about three hours per day (2.5 hours for the OECD), and such gaps are particularly large in Southern Asia.

- Cross-nationally comparable indicators on entrepreneurship and access to finance are particularly hard to come by, but available indicators suggest that the number of female-owned and run businesses is less than half than the number for men. However, women are more likely to have been involved in setting up new businesses often without much financial gain in the start-up period. Across the Asia/Pacific region about 40% of men and women hold bank accounts with a financial institution – it is 80% across the OECD. These indicators suggest that there is considerable potential for the development of female entrepreneurship and its contribution to inclusive and sustainable economic growth.

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**Box 2.1. The OECD Gender Initiative**

The OECD Gender Initiative launched in 2010 examined existing barriers in gender equality in education, employment and entrepreneurship – three key dimensions of economic and social opportunities – with the aim to strengthen the evidence base, improve policies and promote gender equality in the economies of OECD, Key Partners (Brazil, China, India, Indonesia and South Africa) and other non-OECD countries. A particular emphasis on relevant issues in Asia was encapsulated in a joint workshop with the Asian Development Bank (ADB) which brought together experts and policy makers from China, India and Indonesia to identify the challenges, good practices and policy lessons to deal with gender inequality in the “three Es” in these countries (Manila, 28-29 February 2012, http://beta.adb.org/news/events/adb-oecd-joint-workshop-gender-and-3es).

The available evidence, policy analysis, and actionable policy messages were presented in the OECD report *Closing the Gender Gap: Act Now* (OECD, 2012a). This report was launched in December 2012, along with the OECD Gender Data Portal (www.oecd.org/gender/data) which includes a range of education, employment and entrepreneurship indicators for OECD and Key Partner countries which may serve as a tool for benchmarking progress. The portal has been and will be updated annually on 8 March to mark the occasion of International Women’s Day (OECD, 2014a).

Using the findings and policy recommendations in *Closing the Gender Gap: Act Now* as a basis, the OECD developed a Gender Recommendation which was adopted at the OECD Ministerial Council meeting on 29 May 2013 by all OECD member countries, and some non-member countries (OECD, 2013a). The Gender Recommendation sets out a number of measures that governments should consider to address gender inequalities in education, employment and entrepreneurship. It notably recommends that governments of member countries – through appropriate legislation, policies, monitoring and campaigning – provide equal access to education, adopt policies that close the gender
Gender equality in education

Investing in formal education is essential to reaching equality in employment opportunities for women and men and is a key driver of economic growth. Education increases cognitive and non-cognitive skills, improves productivity and provides individuals with a greater ability to further develop their knowledge and skills throughout their lives. Increased education is also associated with better health and more investments in children’s education and well-being (OECD, 2013b).

Educational achievements of women have spill-over effects within families and communities and across generations. In addition to better individual economic prospects, there is a growing body of literature which suggests that a mother’s education has strong social returns. Better educated women fully recognize the importance of health care and education, and know how to seek them for themselves and their children (OECD, 2012a). In this manner, education helps reduce child and maternal mortality as well as increase school attendance among future generations. Girls who have been educated are likely to marry later and have smaller and healthier families.

Children’s educational attainment is closely linked to their parents’ education with the mother’s education frequently being more influential than the father’s (UNFPA, 2013). An educated mother’s greater influence in household negotiations may allow her to secure more resources for her children. Educated mothers are more likely to be in the labour force, allowing them to pay some of the costs of schooling, and are likely to be more aware of returns to schooling.

Enrolment in pre-school and primary education

Participation in pre-primary education helps children develop social, cognitive and analytical skills; the resulting positive effects are largest for children coming from disadvantaged families (OECD, 2011b). Pre-school participation yields benefits in academic achievement, behaviour and education progression and attainment. Results from the OECD’s 2012 Programme for International Student Assessment (PISA) show that 15-year-old students who attended pre-primary education perform better on PISA than those who did not, even after accounting for their socio-economic backgrounds (OECD, 2013c and 2013d).

The enrolment rate for pre-primary education (children between the ages of 3 and 5) in the Asia/Pacific region is broadly equal among boys and girls with the largest differences seen in Malaysia and Pakistan where boys are favoured (Figure 2.1, Panel A). Enrolment rates in low-income economies are low (less than 50% in all developing economies in the Asia/Pacific region in 2011) compared to richer economies. Macau (China), Korea, Hong Kong (China), Thailand, New Zealand and the Maldives all have pre-primary education enrolment rates exceeding 80%. Pre-primary education is not
compulsory, but is encouraged and partially or completely subsidized in some economies, such as New Zealand and Hong Kong (China) (APEC, 2013).

The majority of economies in the region are achieving near universal enrolment rates at the primary level (UNESCO, 2012). Primary school enrolment rates were above 80% for all economies in 2011 except Pakistan where only 65% of girls and 70% of boys were enrolled in primary school, compared with 85% of girls and boys in other economies in the Asia/Pacific region (Figure 2.1, Panel B). Increasing access to primary education remains a priority, particularly in rural areas where enrolment rates are lower than in urban areas, and children and teachers often have to walk long distances to get to school.

Educational attainment of men and women

Increases in education have accounted for about half of the economic growth in OECD countries since 1960 (Thévenon et al., 2012), and a World Bank study covering 100 countries found that a 1% increase in the share of women with secondary education boosts annual per capita income growth by 0.3 percentage points (World Bank, 2011). Education policies in OECD countries and many Asia/Pacific economies aspire to have young people complete at least secondary education. On the whole, educational...
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attainment is rising across the region (Chapter 5), and female gains in educational attainment are strong, as exemplified by the growing number of women who complete tertiary education.

Female attainment in tertiary education steadily increased since the 1970s and is growing twice as fast as men (UNESCO, 2013). In many OECD countries younger women (up to age 25) are now more likely to obtain a tertiary qualification than their male counterparts. In Australia and New Zealand this is a long-established pattern for women among the population 25 years and over. Among the adult population across the OECD more women than men attain tertiary education in contrast to the Asia/Pacific region, which has a gender gap of four percentage points in favour of men (Figure 2.2).

![Figure 2.2. Proportion of adults (25+) who have completed tertiary education, 2011](http://dx.doi.org/10.1787/888933150737)

Gender gaps in education are often most visible in low-income economies. In such economies, policy needs to target obstacles to greater female participation in education that are not solely related to education infrastructure (classrooms, teachers and materials/supplies), but also to legal rights and access to health and transportation. Social norms and cultural practices, such as early marriage which is prevalent in some regions, can also influence the ability of girls to attend and complete school. Effective policies, therefore, need to be multifaceted (OECD, 2012a; World Bank, 2008).

A number of interventions appear to be successful in raising female enrolment and completion rates in developing economies, such as reducing user fees, providing school materials, uniforms and meals. Addressing concerns about the physical safety of girls attending school is also important, as is providing proper restroom facilities and training teachers to respond effectively to violence against girls (OECD, 2012a). Some economies have had success by increasing the number of female teachers. Nepal, for example, has made a provision that at least one female teacher be recruited for every primary school. Institutional schools are asked to ensure that at least 5% of their scholarships go to girls and other disadvantaged students, while community schools are asked to waive all fees for poor girls (see UNESCO, 2006; and EDRCN, 2011). Cambodia introduced a scholarship programme for girls who were in their first year (7th grade) of secondary school to facilitate a smooth transition from primary school to secondary school. This programme was found to have a positive effect on girls’ enrolment in secondary school, especially for girls in low-income households (Filmer and Shady,
Bangladesh has female secondary school stipend programmes which have increased the number of girls enrolled in secondary school (Raynor and Wesson, 2006; and Khandker et al. 2013). The programmes provide allowances and tuition subsidies to girls in grades 6 to 10 on the condition that recipients remain unmarried during these school years, attend 75% of the school days and score at least 45% in school examinations.

**Educational choices: Fields of study**

Large gender differences remain in the fields of study chosen by young men and women. Women are more likely to graduate with an education degree than any other degree for most economies in 2011. This is the case in Azerbaijan (90%), the Kyrgyz Republic (87%), Armenia (83%), New Zealand (82%), Myanmar (81%), Korea (76%) and Australia (72%). As in most OECD countries, health and the humanities are the other most popular degrees women obtain in the Asia/Pacific region (Figure 2.3). Women, on the other hand, are underrepresented among students and graduates of degrees in the so-called STEM fields of study – science, technology, engineering and mathematics (STEM).

Graduates with degrees in STEM areas are in demand in the labour market, and increasing the pool of women graduating in these areas can be critical to the development of the economy. Innovation can benefit from a concentration of individuals with STEM skills. With an increasingly knowledge-driven (global) economy and competition in the speed of innovation, governments, particularly in developed economies with the infrastructure and institutions in place, should prioritize the development and full use of a population’s available set of skills.

Preferences for a specific field of study are often shaped by personal experiences that start at a young age. Young girls are rarely encouraged to pursue maths and science, which are more likely to be presented as fields of study for boys. OECD (2008) suggests that interest in science and technology appears in primary school and remains stable until the age of 15 after which it declines. It is important that mathematics and science are taught in contexts that are interesting to boys and girls, and a positive attitude towards a subject is also related to positive teacher-student relations (OECD, 2010a). It thus pays to have highly qualified teachers who address gender-specific attitudes within the classroom.

**PISA competency scores**

Strong skills in maths, reading and science are fundamental to high academic achievement. Many studies and test results show gender differences in competency levels in these subjects. According to the 2012 OECD Programme for International Student Assessment (PISA), an evaluation of competencies in reading, mathematics and science for 15-16 year-olds, on average, students in OECD countries perform better than students across the Asia/Pacific region (Table 2.1). However, there is large variation across the Asia/Pacific region (Chapter 5) and students in Shanghai, Hong Kong (China), Macau (China), Japan, Korea and Singapore are all top-performers in OECD PISA programme competency scores (OECD, 2013c).

In general, girls excel in reading, but trail behind boys in math, but to a much lesser extent than boys in reading. In Kazakhstan, Malaysia, Singapore and Thailand girls on average perform at least as good as boys or better in reading, mathematics and science (Table 2.1).

In comparison with reading scores, the gender gap is narrower in mathematics where boys scored higher by 6 points on average across the Asia/Pacific region compared with 31 points in favour of girls in reading competency. The 2012 results show boys leading in mathematics in 9 of the 13 participating economies and countries. The greatest gender gap is observed in Hong Kong (China), Japan and Korea where boys outperformed girls by more than 15 points, while girls in Malaysia, Singapore and Thailand performed better than boys in mathematics.
Figure 2.3. **Women constitute the majority of graduates taking education and humanities degrees, but few take engineering and science degrees**

Percentage of graduates and field of study, 2011

Note: Data concerns young men and women who were awarded a particular degree in a given year. Other subject areas such as health, agriculture, social science and services can be found at UNESCO’s Institute of Statistics website. No data available on “Sciences” for Viet Nam.


StatLink: http://dx.doi.org/10.1787/888933150741
Gender equality is more prevalent in science competency scores than in mathematics and reading in OECD countries as in the Asia/Pacific region. On average boys outperform girls by 10 points or more in Japan, while it is the other way round in Malaysia and Thailand.

The patterns observed for average scores in the PISA tests are reinforced when examining the scores of the top and bottom performers. Top performers in the PISA mathematics and sciences tests are predominately boys, while the top performers in the reading test are girls. In most economies, there are more girls than boys among bottom performers in mathematics, but the gender gap is less significant than among the top performers (Figure 2.4).

Figure 2.4. Top and bottom performers of PISA mathematics scales, 2012

Table 2.1. OECD PISA Programme mean competency scores in reading, mathematics and science by gender, 2012

<table>
<thead>
<tr>
<th></th>
<th>Boys</th>
<th>Girls</th>
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<td>530</td>
<td>510</td>
<td>498</td>
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<td>383</td>
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<td>562</td>
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<td>OECD average</td>
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</table>


Gender equality is more prevalent in science competency scores than in mathematics and reading in OECD countries as in the Asia/Pacific region. On average boys outperform girls by 10 points or more in Japan, while it is the other way round in Malaysia and Thailand.

The patterns observed for average scores in the PISA tests are reinforced when examining the scores of the top and bottom performers. Top performers in the PISA mathematics and sciences tests are predominately boys, while the top performers in the reading test are girls. In most economies, there are more girls than boys among bottom performers in mathematics, but the gender gap is less significant than among the top performers (Figure 2.4).
In all, there are considerable gender differences in the field of study, but these differences seem larger than what might be expected on the basis of student performance: attitudes play a key role in shaping education choices (OECD, 2012a).

**Gender equality in employment**

In the past few decades, rapid socio-economic change has involved a shift towards greater financial independence among women and increased visibility in the workplace. Women have been entering the labour force in larger numbers and remain longer in employment over their life course. Greater female employment participation has contributed to stronger long-term economic growth while increased female earnings reduce poverty risks for women and their families. Increasing female employment participation can also help address imminent challenges stemming from population ageing in some Asian economies as, for example, in Japan and Korea.

However, women also remain largely responsible for unpaid household and care responsibilities and when in employment they often occupy poorly-paid jobs in labour-intensive sectors. This particularly holds true for women in low-income economies where low education attainment limits them to low-skilled jobs and temporary work. A high proportion of jobs in the informal sector are characterised by irregularity, low pay and a lack of security. For example, there has been an increase in the number of factories in Asian countries such as Cambodia, Bangladesh and Viet Nam, which has facilitated a rapid increase of women in the workforce, but working conditions in these factories are a serious concern (Natsuda et al., 2009). In all, gender gaps persist in hours worked, wages, occupations, career progression and unpaid work.

The ADB and ILO estimate that women’s limited access to employment causes a loss in economic growth to the Asia/Pacific region of around USD 42 to 47 billion per annum (ADB/ILO, 2011). Women’s full integration into the economy is a desirable goal for equity and efficiency in OECD and non-OECD countries alike. The challenge for policy makers is to find ways and means to reduce barriers to greater gender equality in employment, thereby providing more opportunities to pursue individual aspirations and boost economic growth.

**Labour force participation**

Female labour force participation rates – which measure the proportion of a country’s female working-age population (15-64), either in work or looking for work, have increased in recent years in many countries. Over the 2002-12 period the (unweighted) female labour force participation rate increased by just over 1 percentage point to 61% on average across the Asia/Pacific region (ILO, 2014). The gender gap in labour force participation narrowed by up to 10 percentage points over a decade (2002-12) in most Asia/Pacific economies. However, labour force participation rates are still lower for women than men and gender participation gaps are most significant in South Asian economies. Figure 2.5 shows that in 2012, the largest gender gaps in labour force participation were recorded for Pakistan, India and Sri Lanka. Women in these economies often face considerable educational, cultural and institutional barriers to labour market participation.

Labour force participation rates are frequently highest in the poorest economies where only a small proportion of the population can afford to remain outside of the labour force. Nepal, Cambodia and Lao PDR have the highest female labour force participation rates at over 80% and an average gender gap of 4.2 percentage points (Figure 2.5). This can be attributed to Asia’s large agricultural sector and textiles and garment industry (in urban areas) where women account for a considerable part of the workforce.

Some Asian economies are experiencing important demographic changes as persistently low fertility rates and increases in life expectancy are leading to a growing share of elderly in the population and declining work-age populations (Chapter 4). This will pose important challenges to policy makers in terms of addressing care needs (OECD, 2011c and 2013e) and financial sustainability.
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Figure 2.5. Gender gaps in labour force participation remain although they are declining in many economies

Panel A. Labour force participation rate, 2012

Panel B. Gender gap (male minus female level) in labour force participation rate, 2002 and 2012


Box 2.2. Demographic change in China, Japan and Korea

Japan has one of the “oldest societies” in the world. Life expectancy is higher than in any other country (Chapter 7), and already in 1960 the total fertility rate (TFR) was two children per woman. In 2014, the dependency ratio is 77%: there are 100 working-age people to take care of 77 non-working-age people (elderly and children).

By contrast the demographic transformation in China and Korea started later. In China the TFR in 1960 was around 5.5, 3.0 in 1975 and fell below 2 in 1995. The one-child policy in China contributed to a decrease in the number of children, while people born since 1950 are still in the workforce. In 2014, the dependency ratio was relatively low at 50% – there were 100 working-age people to take care of 50 non-working-age people (elderly and children). This temporarily favourable age structure of the Chinese population caused a “demographic dividend”, which underlined one quarter of per capita GDP growth (see Cai and Wang, 2006). However, longevity – at 76 years life expectancy at birth has increased and is above the Asia/Pacific average (Chapter 6), and with a TFR at around 1.7 the
Dependency ratio is projected to increase to 77 in 2050. The “4-2-1-1 problem” will become more prevalent: increasingly one working person will have to provide for four grandparents, two parents, and one child, while at the same time saving for his or her own retirement.

Korea’s demographic and social economic transition took place at an even faster pace. From a very poor country devastated by war in the early 1950s, Korea has developed into one of the richest countries in the region (Chapter 4) with life expectancy at birth close to 83 years. Family planning policies introduced in the 1960s contributed to a rapid decline of fertility rates from a TFR of 6 in 1960 to 1.6 in 1995 and 1.2 in 2011.

The demographic transition raises labour supply issues, especially in Japan and Korea with their rapidly ageing populations and declining working-age populations. Japan and Korea have traditionally experienced little immigration, and they need to use their human capital more effectively to face the challenge of a potentially dwindling pool of paid and unpaid workers. Japanese and Korean men will have to do more at home, more Japanese and Korean women will have to be part of the paid workforce, and Japanese and Korean workplace practices will have to become more family-friendly. China also faces these issues, but to a lesser extent than Japan and Korea. Furthermore its labour market experience is different, as its traditionally high female employment has fallen in recent years. Nevertheless, in all three countries increasing female labour force participation is key to greater gender equality in the labour force as well as sustaining labour supply and economic growth (see projections in Chapter 5).
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Working part-time

Part-time employment – i.e. working less than 30 hours per week – has become more prevalent in many countries. In part this is because groups with traditionally low labour force participation, such as mothers, use part-time employment as a tool to reconcile work and family commitments (OECD, 2007). Workers in part-time employment often still face a penalty compared with full-time workers in terms of pay, job security, training, promotion and lifetime earnings, pension entitlements, or unemployment benefits and/or re-employment assistance in case of unemployment (OECD, 2010b). Part-time employment is frequently associated with low quality and precarious jobs, and elevated poverty risks.

Women are more likely than men to engage in part-time employment. This is often related to women being the main caregiver in families, and reduced working hours helps parents reconcile work and family commitments. Across the Asia/Pacific region, there are more women than men in part-time employment, and at 22% of female workers, the proportion of part-time employment is just below the OECD average (Figure 2.6). The proportion of part-time employment is particularly high among higher income countries, including Australia, Japan and New Zealand. These countries also have large gender gaps in part-time employment, with up to a 25 percentage point difference.

Employment by sector

In the Asia/Pacific region, women are predominately employed in the agriculture and services sectors (Figure 2.7). Women’s participation increase in agriculture is related to an “outmigration” of men from low-paying agricultural work to industry (Vepa, 2005). In low-income economies, like Lao PDR and Pakistan, about two-thirds of employed women work in agriculture, but there is some shift from the agricultural to the service sector (ILO, 2012a). For example, in Cambodia, the number of women in agriculture decreased from 83% to 57% in 13 years (1998-2011) and increased from 13% to 26% in the services sector over the same period.

Employment in the services sector is high in industrialised economies. At least 80% of women in East Asia [Japan, Korea, Hong Kong (China) and Macau (China)] are engaged in the services sector. On average this is 83% for women in OECD countries (OECD, 2012a). Within the services sector, retail trade and hospitality are most popular for women in OECD countries, followed by health and social work.
In developing economies, the informal sector plays an important role in employment for both men and women. OECD (2009) suggests that in many developing countries informal employment makes up about half or more of total non-agricultural employment. A high proportion of men and women who work in the informal sector in developing countries tend to be self-employed (OECD, 2012a). Women are not always more likely than men to be in informal employment, but they are much more likely to be found in the most vulnerable forms of informal employment characterized by irregularity, low pay and job insecurity. Informal work among women often consists of unpaid work in family businesses, farming or concerns own-account workers and sub-contracted workers who produce from their homes, or in the domestic household sector, a key informal service industry that is growing and difficult to regulate (ILO, 2013a; and OECD, 2012a).

**Leadership and representation**

In terms of employment, women tend to be concentrated in fewer occupations compared with men. For European OECD countries on average, half of employed men work in 13 occupations while this is only 9 for women (OECD, 2012a). Across the OECD, women tend to work in sales and clerical occupations, the public sector (OECD, 2013b), health care, social care and teaching professions; they are under-represented in mathematics, science and engineering professions as well as in manual and production jobs. Occupational segregation is thus related to the sectoral structure of employment in a country (OECD, 2012a).

But there is also a “vertical” component to occupational segregation: women are under-represented in managerial jobs, especially at the most senior level. Women in private sector employment across the world tend to be concentrated in entry or middle-level positions. On average women make up about one-third of the managers across the OECD (OECD, 2012a), but only represent 10% of board members for listed companies. Looking across the broad group of managers, senior officials and legislators it appears that women in Asia are less likely than women in the OECD to be in a leadership position (Figure 2.8). In 2012 the number of women in ministerial positions and in parliament was higher in the OECD on average than in Asia/Pacific economies. In 2012, Nepal and...
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Figure 2.7. Women employment by sector

Panel A. Agriculture

Panel B. Industry

Panel C. Services


StatLink http://dx.doi.org/10.1787/888933150791
Timor-Leste had more women in parliament than on average across the OECD and the proportion of women among senior officials, legislators and managers was above the OECD average in 2011 in the Philippines (note Figure 2.8, Panel A), Mongolia, the Kyrgyz Republic and Singapore. Across the board, New Zealand consistently performs better than its OECD peers.

Women have become increasingly active and visible in politics in the Asia/Pacific region. In recent history, Indira Ghandi (prime minister of India from 1966 to 1977 and again in 1984) is arguably the most famous female Asian leader. But there are many others. For example in 2014, Park Geun-Hye is the current and first female President of South Korea while Sheikh Hasina is the current prime minister of Bangladesh and she and Ms Khaleda Zia have alternated as prime minister since 1996. Chandrika Kumaranatunga was President of Sri Lanka (1994-2005) and Jenny Shipley (1997-99) and Helen Clark (1999-2008) both served as prime minister of New Zealand. Gloria Macapagal-Arroyo was President of the Philippines from 2001-10 and Pratibha Patil was the first female President of India (2007-12). Furthermore, without ever having been president or prime minister, Ms Aung San Suu Kyi has played a leading role in politics in Myanmar for many decades.

Over the 2005-12 period the number of women in parliament increased in the vast majority of economies in the region (Figure 2.8, Panel B). On average, the share of women in parliament in the Asia/Pacific region increased by around 5 percentage points. In some countries this can be attributed to a quota system, which reserves a percentage of seats for women. Countries which have adopted quotas as a tool to advance women’s participation include Australia, Maldives, India, Bangladesh and Pakistan (McCann, 2013). India also made some headway in increasing the number of women in sub-national parliaments through a quota system (Nanivadekar, 2005).

The share of women with ministerial posts in national governments has also gone up (Figure 2.8, Panel C), but is small at just over 10% of all national ministers across the Asia/Pacific region (and half of the OECD average). In 2012, the share of women in ministerial posts was highest at 28% in New Zealand and lowest at 3% in Azerbaijan.

**Gender pay differences**

Gender pay differentials remain one of the most persistent forms of gender inequality in the labour market. For full-time employees in OECD countries gender pay gaps were 16% in 2010, down from 20% in 2000. In 2010, gender pay gaps as measured at median earnings for OECD countries were lowest in Hungary, Mexico and New Zealand at around 5 to 7% and largest in Japan and Korea at 29 and 39%, respectively (OECD, 2012a). Gender pay gaps are affected by occupational segregation, differences in working hours, education and work experience but a considerable part of the pay differentials cannot be explained by observed variables which may to some extent reflect discriminatory practices.

OECD (2012a) showed that in Japan and Korea unobserved variables and job characteristics were the two most important factors underlying wage gaps, and that in both countries gender pay differentials increase with motherhood and age more so than in other OECD countries. For young women (age 25-29) pay gaps with their male peers are around the OECD average (10-15%), but this increases with age to 30-40% or more. This is related to the dual labour markets in Korea and Japan where pay for “regular workers” (frequently men) is much better as linked to age and tenure than for non-regular workers (often women). In return regular workers, signal their commitment to their employer and career by putting in long hours, including unpaid overtime and taking less parental leave than to what they are entitled to. In such a workplace culture it is very difficult for regular employees (men and women) to be more fully involved in caring for children or elderly parents: of all men in the OECD, Korean and Japanese men spend the least time in unpaid housework (see below and OECD, 2014a, OECD Gender Data Portal); and women still frequently withdraw from the labour force when they have children. However, when they try to get back into work (e.g. when children enter...
2. GENDER EQUALITY IN THE "THREE ES" IN THE ASIA/PACIFIC REGION

Figure 2.8. Women in leadership positions

Panel A. Share of women among legislators, senior officials and managers, 2011 and 2005

Panel B. Share of women in parliament, 2012 and 2005

Panel C. Share of women in ministerial positions

1. Data on the workforce are collated in line with the International Standard Classification of Occupations version ISCO-88, and the relevant category counts "legislators, senior officials, and managers". However, data on Japan, the Philippines, Indonesia, Malaysia and Pakistan are based on the International Standard Classification of Occupations version ISCO-1968, and the relevant category includes "administrative and managerial workers". Hence, results for these countries are not fully comparable with outcomes for the other countries.

2. No 2012 data for Myanmar and Fiji; No 2005 data for Tonga.


StatLink http://dx.doi.org/10.1787/888933150809
school), they generally cannot go back to regular employment with opportunities for career and earnings development, and often end up in relatively low-paid employment.

Directly comparable information on gender pay gaps is not available for a broad range of Asian economies. ILO (2013b) contains information on real average monthly wages by gender, which facilitates a comparison of trends, but makes it difficult to draw meaningful conclusions on cross-national differences in wage levels and gender gaps therein. These data suggest that in most of the Asia/Pacific economies the gender pay differentials have declined since 2001 (Figure 2.9). However, the narrowing of the measured gender pay gap does not necessarily imply that the situation of women has improved; it may well reflect a deterioration of male earnings, or both.

**Figure 2.9. Changes in the gender pay gap, percentage points, between 2001-06 and 2006-11**

![Figure 2.9](http://dx.doi.org/10.1787/888933150811)

**Unpaid work**

Across the world women carry out the majority of unpaid work through providing care to children, elderly, and sick or disabled family members as well as other unpaid household work. In less developed economies, time spent on unpaid work includes time-consuming activities such as looking for fuel or queuing for water, and as societal norms frequently dictate that women are mainly responsible for such work, gender gaps in unpaid work can be substantial. Time spent on unpaid household work has been identified as a major contributor to the persisting gender differences in formal labour market outcomes.

In OECD countries the gender gap is smallest in Denmark where women “only” spend one hour more per day on unpaid work than men (OECD, 2012a), while the OECD average is 2.5 hours per day (Figure 2.10; and OECD, 2011d). In the Asia/Pacific region the gender gap in unpaid work is about three hours per day, and such gaps are particularly large in Pakistan and India where women spend four to five more hours per day on unpaid work than men. In India, unpaid workers account for a very large proportion of the rural female workforce (Mazumdar et al., 2011), and many poor women have the “double duty” of caring for the household as well as engaging in outside employment.
2. GENDER EQUALITY IN THE “THREE ES” IN THE ASIA/PACIFIC REGION

Gender equality in entrepreneurship

Entrepreneurship is an important driver of economic development and growth in many economies. It also has tremendous potential in empowering women, creating employment, transforming society and alleviating poverty. Apart from the general diversity in entrepreneurial practices, there appears to be significant differences in the characteristics of male and female entrepreneurs. Women entrepreneurs tend to own smaller businesses, operate with lower levels of capitalisation, start and manage firms in different industries than men, and the growth rates of their businesses tend to be slower than that of firms owned by men (OECD, 2012a). Entrepreneurial activities are still hampered by constraints which can be gender specific, such as cultural norms or restricted access to finance for women.

Access to finance is a key issue for many entrepreneurs. Although the sources of finance are the same for men and women, women often tend to face higher barriers to access finance. The main reasons for this gender gap are associated with differences in the sector of activity and the age and size of female-owned businesses. However, other possible explanations include lack of managerial experience, women’s weaker credit history, and a smaller business size. In a number of countries women’s access to financial services and resources is further hampered by general limitations to the formal financial infrastructure and – in some cases – legal and institutional barriers (OECD, 2012b).

A unique example of empowerment of poor women working in the informal economy concerns the Self-Employed Women’s Association (SEWA) in India with its 1.3 million members. SEWA is active in the areas of microfinance and insurance (mainly through the SEWA Bank), training and communication, but it is its work on labour issues – paralegal assistance, lobbying, health insurance, childcare, maternity benefits and pensions – that is at the heart of the association. Most of the women who joined SEWA experienced improvements in earnings, marketing and working conditions.

Overall, women entrepreneurship is gaining momentum and is seen as a source of new employment opportunities and innovation. For some women, starting their own business is out of necessity as job opportunities are scarce (GEM, 2012). However, for more women to be successful in starting and sustaining their own business, policies towards easier access to credit, affordable loans, and business management training are needed.
Box 2.3. **Microcredit as a tool to support female entrepreneurship, gender empowerment and poverty alleviation**

Microcredit is the extension of small loans (microloans) to impoverished persons who typically lack collateral, regular employment and an established credit history, all usual requirements for traditional forms of loans from formal financial institutions (Grameen Bank, 2014a). Microcredit is a major part of microfinance, which covers a range of financial services (credit, savings, insurance). Here the focus is on microcredit only and not on other aspects of microfinance, which may also help to promote female entrepreneurship, gender empowerment and poverty alleviation.

The intended effect of microcredit varies across programmes and countries, but in general the two main aims are: i) to alleviate poverty by promoting self-employment among the poor, who generally lack regular employment; and ii) to empower impoverished women through entrepreneurial activity as there is a gender bias in approved loans by formal institutions. Of the approximate 150 million microcredit clients across the world by 2010, roughly two-thirds were women (Reed and Maes, 2012). As microcredit loans are usually approved without collateral, interest rates for such loans are generally much higher than for traditional forms of loans. Microcredit loans are primarily provided by non-government organisations (NGOs), however, development banks have recently become active in this area (Grameen Bank, 2014b).

One of the first examples of an organised microcredit institution is the Grameen Bank, which provides an example of how microcredit functions in practice. The Grameen Bank was established in 1976, transformed into an independent bank in 1983, and became a corporate bank in 2002 (Reed and Maes, 2012). The institution’s loans are aimed at the rural poor and in October 2011 it had 8.35 million borrowers, 96% of whom were women. Another institution, BRAC, had 4.5 borrowers in September 2013 (Bangladesh had a population of around 150 million in 2011). Although initially lent to individuals, many loans are now disbursed to groups to aid monitoring, repayment, and spread risks. The bank also encourages borrowers to become savers (another microfinance tool) and the local capital is used to fund new loans, as with traditional commercial banks; around 90% of loans are now funded by interest income and deposits.

**Evaluation of the impact of microcredit in Bangladesh, India and Thailand**

Given the limited scale of most microcredit projects and the targeted nature of such loans, evaluations can prove difficult due to issues with sample size and selection bias (Banerjee et al., 2014). However, within these limitations, there are some large-scale studies based on comparisons of treatment and control groups in three Asian countries (Bangladesh, India and Thailand), where microcredit is well established.

In Bangladesh, Pitt and Khandker (1998) found that an additional Taka (national currency) of credit provided to women adds 0.18 Taka to total annual household expenditure, as compared to 0.11 for men, and found this difference to be statistically significant. However, in a similar study, Murdoch (1998) failed to find any positive impact of microcredit on poverty reduction or any form of female employment, including self-employment and entrepreneurship. In India, one of the few randomized studies on the effects of microcredit was undertaken by Banerjee et al. (2014) and found no significant difference in total household expenditure per adult. The study also reported that women receiving microcredit loans were no more likely to start entrepreneurial activity. By contrast, an evaluation by the Asian Development Bank (ADB, 2007) on its small-scale microcredit projects in India found some evidence of a positive effect on both high family income and female self-employment. In Thailand, the largest study on the effects of microcredit was undertaken by Coleman (1999). The study found that when endogeneity issues – due to possible causality loop between the income of individuals receiving microcredit loans and the intended outcomes – are not accounted for (relying simply on standard estimators, as is the case in many studies) the programme impacts are significantly
Business ownership

The average number of female-owned and run businesses is less than half of the number of male-run businesses in OECD and Asia/Pacific economies, while the number of entrepreneurs as a proportion of the employed population is very low for the economies on the right-hand side of Figure 2.11. Korea, New Zealand and Singapore feature among the countries with the highest proportion of female and male entrepreneurs.

Figure 2.11. Employers as a proportion of the employed population, by gender

![Bar chart showing employers as a proportion of the employed population by gender for various countries.](http://dx.doi.org/10.1787/888933150830)


In developing economies, women are more likely to operate their businesses in the informal sector and on a small scale often funded through microfinance loans. Women in the Pacific are largely in the informal sector, often involved in subsistence agriculture work (IFC, 2010). In Papua New Guinea and Timor-Leste, women are more active in agriculture than men, and mainly engaged in food processing. Although microfinance has empowered women through access to start-up financing, it can contribute to perpetuating women’s prevalence in the micro-business sector if they do not obtain access to commercial banks (see next section).
Women are currently underrepresented in the number of established businesses. However, nascent women entrepreneurs are just as likely to start a business as men, but they do not do so at a similar rate as men. In addition, they generally have less time available to explore opportunities to grow their business (also in OECD countries, see OECD, 2012a). Family obligations and traditional gender role expectations around the reconciliation of work and family life are often seen as a woman’s rather than a man’s affair. These constraints contribute to women running smaller business than men.²

On average, the Asia/Pacific region has a large number of nascent entrepreneurs and owner-managers of a new business between the ages of 18 and 64, more so than in OECD countries (Figure 2.12). In countries where data is available, more men than women are nascent or new entrepreneurs with the exception of the Philippines and Thailand. In Thailand, the high prevalence rate of entrepreneurs may be related to the country’s changing social and cultural norms that encourage and support women’s participation in the labour market (GEM, 2007).

Figure 2.12. Share of population between the ages of 18-64 who are either a nascent entrepreneur or owner-manager of a new business, in 2011

<table>
<thead>
<tr>
<th>Percentage</th>
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<tr>
<td>Female (♀)</td>
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Note: The GEM collects data on entrepreneurial activity around the world through telephone interviews of about 2 000 randomly selected individuals per country (sample sizes for Spain and the United Kingdom are larger). Nascent entrepreneurs are those who during the survey answer “yes” to the following questions: “Have you been actively involved in setting up a business you own or co-own? and this business has not paid salaries, wages, or any other payments to the owners for more than three months?”


Holding a bank account

Women face financial barriers to starting businesses. Loans from financial institutions are often the only solution for entrepreneurs to access credit for acquiring capital and opening a bank account is one pre-requisite for obtaining a loan. By looking at the number of accounts at a formal institution, a rough indication can be obtained on the number of individuals who may potentially have access to credit.

High-income economies with well-developed financial markets and infrastructure have the highest percentage of men and women with accounts with a formal financial institution (Figure 2.13), and in countries like Australia, Japan, Korea, New Zealand and Singapore there is no noticeable
gender difference in this regard. Around 85% of women hold a bank account in OECD countries, compared with 46% in the Asia/Pacific region in 2011. In some Asia/Pacific economies there are considerable gender differences with respect to holding bank accounts. Only 3% of women in Pakistan have an account compared to 17% for men. Conversely, the gender gap is in favour of women in Mongolia and in particular in the Philippines: close to 34% of women in the Philippines hold a bank account versus 19% for men.

Figure 2.13. **Share of women and men (15+) holding an account with a formal financial institution, in 2011**


Notes

1. ILO (2013b) presents data on the monthly real (i.e. adjusted for inflation) average wages. However, the underlying data collection mechanisms differ markedly across countries (e.g. establishment surveys, specific earnings surveys or general labour force surveys), and definitions of what is counted as a wage sometimes differ. The ILO aims to measure earnings of all paid employees but in practice cross-national coverage also differs as it can be limited to specific geographical areas (e.g. urban areas) or subgroups of employees. The available data also do not distinguish differences in working hours. OECD reports measure gender pay gaps at median earnings and not at the average (mean), and trends in average earnings are different from trends in median earnings (in contrast to trends in median earnings, trends in mean earnings are affected by any change across the earnings distribution). Also, while for male earnings the median is generally above the average, for female earnings, this is often the other way around (e.g. through part-time work).

2. Similarly, finding work that allows women to be close to home so as to facilitate matching work and care commitments often limits women in the type of work they can engage in. For example, in the Philippines, a large proportion of women are involved in retail trade, food preparation at (or close to) home or in home-based garment work (APEC, 2013).
References


ANNEX 2.A1

The OECD gender recommendation on gender equality in education, employment and entrepreneurship

The Recommendation of the OECD Council on Gender Equality in Education Employment and Entrepreneurship was adopted by the Council at Ministerial Level on 29 May 2013, and has been subscribed to by all 34 OECD member countries, Costa Rica, Latvia, Lithuania and the Russian Federation (for the full text, see www.oecd.org/gender/C-MIN(2013)5-ENG.pdf).

Key principles of the recommendation

A) Adopt practices that promote gender equality in education by:

1. Ensuring that boys and girls have equal access to good-quality education, equal rights and opportunities to successfully complete schooling and in making educational choices.

2. Reviewing and where necessary adapting school and early childhood education curricula, teaching and school practices to eliminate gender discrimination and stereotyping.

3. Making the study of science, technology, engineering, mathematics (STEM) financial and entrepreneurship issues, as well as education, arts and the humanities, equally inclusive and attractive for both boys and girls; promoting the development of stronger reading habits among boys and girls.

4. Campaigning and raising awareness among young men and women, parents, teachers and employers about gender-stereotypical attitudes towards academic performances and the likely consequences of overall educational choices for employment and entrepreneurship opportunities, career progression and earnings.

5. Encouraging more women who have completed STEM studies to pursue professional careers in these areas, for example by means of career counselling, adult education, internships, apprenticeships and targeted financial support.

B) Promote family-friendly policies and working conditions which enable fathers and mothers to balance their working hours and their family responsibilities and facilitate women to participate more in private and public sector employment by:

1. Designing tax-benefit systems so that both parents have broadly similar financial incentives to work.

2. Securing availability of and access to affordable good-quality early childhood education and care as well as affordable long-term care for other dependants, including for example disabled children or elderly relatives.

3. Providing employment-protected paid maternity and paternity leave to working mothers and fathers.
4. Encouraging working fathers to take available care leave, for example by reserving part of the parental leave entitlement for the exclusive and non-transferable use by fathers.

5. Providing incentives to fathers to use flexible work entitlements, promoting a more temporary use of part-time work among men and women, providing incentives for women to participate more hours in the labour force, and raising awareness of gender stereotypes to encourage a more equal sharing of paid and unpaid work (household responsibilities) between men and women.

6. Ensuring that all parents can participate in the labour market regardless of their partnership status, providing ample employment supports to sole parents.

7. Ensuring that policies that address the problem of unemployment do not discriminate either directly or indirectly against women.

8. Improving employment conditions and access to social support for informal workers, especially those in the most vulnerable categories such as home-based and domestic workers.

C) Increase the representation of women in decision-making positions by:

1. Encouraging measures such as voluntary targets, disclosure requirements and private initiatives that enhance gender diversity on boards and in senior management of listed companies; complementing such efforts with other measures to support effective board participation by women and expand the pool of qualified candidates; continuing to monitor and analyse the costs and benefits of different approaches – including voluntary targets, disclosure requirements or boardroom quotas – to promote gender diversity in leadership positions in private companies.

2. Introducing mechanisms to improve the gender balance in leadership positions in the public sector, such as disclosure requirements, target setting or quotas for women in senior management positions; strengthening the flexibility, transparency and fairness of public sector employment systems and policies; and monitoring progress of female representation in the public sector.

3. Encouraging greater participation and representation of women at all levels of politics, including in government, parliament, local authorities, and the judiciary system.

D) Eliminate the discriminatory gender wage gap by: strengthening the legal framework and its enforcement for combating all forms of discrimination in pay, recruitment, training and promotion; promoting pay transparency; ensuring that the principle of equal pay for equal work or for work of equal value is respected in collective bargaining and/or labour law and practice; tackling stereotypes, segregation and indirect discrimination in the labour market, notably against part-time workers; promoting the reconciliation of work and family life.

E) Promote all appropriate measures to end sexual harassment in the workplace, including awareness and prevention campaigns and actions by employers and unions.

F) Reduce the gender gap in entrepreneurship activity by:

1. Designing appropriate responses to gaps and market failures, including: policies to reduce barriers to women entrepreneurship, administrative burdens on firms and excessive regulatory restrictions; policies to support firm growth, internationalisation and innovation; support for the development and implementation of awareness campaigns, training programmes, mentoring, coaching, and support networks, including professional advice on legal and fiscal matters.

2. Ensuring equal access to finance for female and male entrepreneurs through actions that influence both the supply of and demand for finance by: easing access to finance for viable businesses owned by men and women; taking steps to improve the knowledge and attitudes of financial institutions; increasing awareness of finance sources and tools among women entrepreneurs; and, encouraging more women to join business angel networks or venture capital firms.
G) Pay attention to the special needs of women from disadvantaged minority groups and migrant women in relation to the aims set out above.

H) Reduce the gender gap in financial literacy by developing and implementing initiatives and programmes aimed at addressing women’s financial literacy needs, and in particular at fostering their awareness, confidence, competencies and skills when dealing with financial issues.

I) Mainstream the gender equality perspective in the design, development and evaluation of relevant policies and budgets, for example by conducting systematic gender-impact assessments and generating appropriate data and evidence to build a benchmark for future assessments as well as a compilation of best practices for governments and government agencies.

J) Strengthen accountability mechanisms for gender equality and mainstreaming initiatives across and within government bodies.