



THIRD REPORT ON THE *Advancement of*  
*Women* IN ASEAN



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of Women*  
IN ASEAN

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

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#### Catalogue-in-Publication Data

Third Report on the Advancement of Women in ASEAN  
Jakarta: ASEAN Secretariat, May 2007

vi, 171 p; 21.0cm

1. ASEAN – Women – Social conditions
2. Women – Social conditions – ASEAN

305.459

ISBN 978-979-3496-48-1

Printed in Indonesia

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The ASEAN Secretariat gratefully acknowledges the assistance provided by the Canadian International Development Agency (CIDA) in the production of this publication.

Cover photographs:

Clockwise from top left: The ASEAN Secretariat, Ministry of Community Development, Youth & Sports (MCYS) of Singapore, SILAKA of Cambodia, Ngo Thi Lan Phuong of Viet Nam, SILAKA of Cambodia, SILAKA of Cambodia.

## Foreword

In 1988, ASEAN Foreign Ministers signed the Declaration on the Advancement of Women in ASEAN signalling ASEAN's commitment to involve women in all spheres of life at both national and regional levels. It also called for women to be active in the development of the region as they constitute half of the labour force. Since then, ASEAN has monitored the implementation of the 1988 Declaration through regional status reports. The first report was published in 1996, with data from 7 ASEAN countries, and the second in 2001 with data from all ten member countries.

The Third Regional Report on the Advancement of Women aims to be an innovative report as it synthesises the progress of implementation of the Declaration on the Advancement of Women in ASEAN with a special focus on women and economic integration. The Report highlights where progress has been made and what needs to be done to address gaps in advancing the interests of women in the context of intensifying ASEAN integration.

As ASEAN accelerates its goal of establishing an ASEAN Community from 2020 to 2015, Member Countries would need information that is differentiated on the basis of what pertains to women and their roles, and to men and their roles in society. Such information will enable planners to know the potential impact of proposed activities on women and men.

The compilation of indicators for documenting progress of women's participation in economic and political life is the first step towards establishing or strengthening mechanisms for mainstreaming women's issues as well as policies for promoting women's participation in the political, social and economic development of their respective nations. Gender-disaggregated data enhance the

understanding of the economic realities and contribute to inform public dialogue and policy development.

Through the Third Regional Report on the Advancement of Women in ASEAN: Gender Dimensions of Globalisation and Regional Integration, ASEAN is taking a significant step towards making women visible in development statistics. This Report reaffirms ASEAN commitment to producing timely and appropriate gender-differentiated information to provide a better understanding of poverty, equity and human development issues in realising ASEAN's goal of one caring and sharing community.

A handwritten signature in black ink, appearing to read 'Ong Keng Yong', with a long horizontal stroke extending from the bottom of the signature.

**ONG KENG YONG**  
Secretary-General of ASEAN

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# Introduction

The Association of Southeast Asian Nations (ASEAN) is committing to the inter-related pillars of a thriving and integrated economic community, vibrant socio-cultural foundation and secure environment for all (Bali Concord II). In moving towards an ASEAN community, narrowing the development gap is considered among the key dimensions in unleashing the full potential of ASEAN. For women in the region, among the priorities for fostering the ASEAN community is narrowing the “development gap” between women and men, providing equal opportunities to unlock the productive and reproductive contributions of all under an equitable, inclusive and caring ASEAN community.

The advancement of women through policies and programmes upholding gender equality reinforces the ASEAN pillars: *first*, by providing women equal opportunities in

society, ASEAN recognises the actual and potential contributions of half of the population to economic expansion and integration; *second*, by addressing gaps and differentials in access to human development such as health, education and welfare, productive assets and governance, ASEAN moves towards a “community of equals”; and *third*, addressing substantive inequality on account of gender fosters the inter-connections of rights, solidarity and security.

## **1 Background, objectives and parts of the report**

The report aims to provide information on the progress of ASEAN Member Countries in implementing or addressing key regional priorities for the advancement of women in the context of intensifying ASEAN integration. This is the third regional report on women after ASEAN came out with its first in 1996 covering seven



ASEAN Member Countries followed by another regional report for all ASEAN Member Countries in 2002.

The report is strongly informed by the need to engender the monitoring indices proposed in the ASEAN Baseline Report: Measurements to Monitor Progress Towards the ASEAN Community (Lamberte et al July 2006). As well, it builds upon the monitoring indices arising from the Monitoring and Reporting Mechanism on the Implementation of the Declaration on the Advancement of Women in the ASEAN Region (1995). It also considers the priorities in the Work Plan for Women's Advancement and Gender Equality 2005-2010 (WAGE) in particular the promotion of women's employability and overall development while addressing the challenges of globalisation.

Specifically, the report aims to (a) enhance understanding of the implications of globalisation and regional integration and increase awareness of these implications on women's advancement and gender equality in ASEAN Member Countries; (b) identify an initial set of gender monitoring

indicators to enhance measurements for monitoring progress towards the achievement of 2010 goals and regional coordination measures in the Vientiane Action Programme (VAP); and (c) identify policy options for integrated policies for consideration by ASEAN.

This technical report has three parts that are inter-linked but which may also serve as individual 'mini' reports. Part 1 is a report on the status of women in ASEAN vis-à-vis various indicators of economic, social and political well-being. The extent to which ASEAN women have advanced in participating in and benefiting from development is presented here with 'snapshots of information' along inequality indicators, similar to what the previous two reports on the advancement of women had done. This report however differs from the earlier ones in that it utilises a set of indicators that measure the gender gap in human capabilities in ASEAN. This is undertaken with the use of Amartya Sen's Schema of Seven Women's Inequalities.

Part 2 is a set of country situation reports of women engaged in specific economic

activities including the range of opportunities and challenges facing them as trade and trade related reforms are felt in the market. The country cases provide more in-depth and qualitative information on subsets of women economic actors which serve as valuable data on how economic reforms - in particular the opening up of domestic markets to the free flow of goods, services, and investments as well as ASEAN-wide harmonisation of standards and technical regulations are affecting their economic options as women producers, traders and workers. The country reports cover the countries of Indonesia, Philippines and Thailand in the ASEAN-6 and Cambodia, Lao PDR and Viet Nam in the CLMV group of ASEAN Member Countries.

Part 3 proposes a preliminary set of gender indicators which could engender ASEAN-wide monitoring indicators on tracking progress towards economic integration of ASEAN. Technical comments are offered here in terms of the availability, frequency, consistency and quality of data to measure advancement of women vis-a-vis men in the six Member Countries covered by

the study. The state of national and regional gender statistics is important to stress as the opportunity to make women visible through gender-fair policy- and decision-making processes, outputs and outcomes rests on quality of data.

## **2 Approach and methodology**

The report flows from a straightforward assumption: women and men have disproportionate access to and benefits from market reforms and macroeconomic development. This is not only harmful to women, who traditionally enjoy a lesser share in the fruits of economic reforms and development, but also for society in general.

- First, gender-based disparities are bad for growth, wealth creation and poverty reduction. By limiting women's capacity "to do" and "to be", the productive capacity and potential of women are also concomitantly limited, restricting their contributions in the economy and stunting the capacity of the economy to become more dynamic.

Persistent inequities on account of gender affect the distribution of costs and benefits from economic arrangements, including regional economic integration and free trade agreements.

- Second, gender inequality feeds into the cycles of disadvantage in society. Because women are denied their fair share in paid work and other opportunities, relegated to socially-ascribed, unpaid caring responsibilities, and face enormous gender-related systemic barriers in the market, they also tend to be more vulnerable to human poverty. And because their well-being and agency are often culturally qualified and passed down through generations, women more than men tend to have limited power in all spheres of life.
- And third, gender inequality not only erodes human security, but also deepens festering structural conflicts, vulnerabilities and exclusions in society.

Ensuring that policies and programmes address gaps

between women and men requires the collection of statistics to monitor gender inequality. However gender statistics tend to lag behind others and in many cases collection and analyses are ad hoc and not mainstreamed in the core statistics programme of countries (UNIFEM The World's Women 2005: Progress in Statistics 2006).

Within ASEAN, the availability of gender statistics reveal the extent women's concerns and gender disparities are responded to, help identify gaps as well as support improvements in gender statistics collection and sharing among its members.

The report focuses on both nationally available statistics and regional estimates. Part 1 of this report relies on region-wide sex segregated statistics and estimates found in statistical handbooks and reports from the ASEAN Secretariat, World Bank and United Nations agencies. Data sets for 2003, where available, have been collected and presented in an attempt to provide comparable gender statistics across ASEAN Member Countries around the time when the Vientiane Action

Programme was adopted. This is consistent with the approach of the ASEAN Baseline Report (Lamberte et al July 2006) that this report aims to influence. At the time of writing, however, some Member Countries may have advanced in terms of collecting, systematising and making available updated gender statistics to inform policy and decision-making. Moreover, some national data for 2003 admittedly may have been more updated and accurate than the regional data utilised in this report. Preference for regional data was undertaken for uniformity and comparability that is required for this part of the report.

Complementing the regional landscape of gender statistics in Part 1 is a set of country specific qualitative reports that are found in Part 2. These focus on how economic reforms linked to regional integration and trade openness are affecting ASEAN women's market-based activities. This part provides useful information on the diversity of women's locations in vastly different national and local markets that could inform policies and programmes

aimed at supporting women's economic security and rights at the national level and closing the gender gap at the regional level. Statistics presented in these stand-alone country situation reports were directly sourced from national statistical offices and reflect more current data.

Part 3 differs from Parts 1 and 2 in that rather than presenting indicators, a discussion on the state of gender statistics in each of the ASEAN Member Countries covered by the study is provided. The gender statistics considered were limited to a few key indicators that may be considered for inclusion in the set of indicators that have been identified by the ASEAN Baseline Report for tracking the economic leg of ASEAN integration. The challenge is to rally the ASEAN Community to begin its consistent collection of a cluster of gender information to monitor the advancement of women in the region as economic integration is deepened, and to use the same as platform to widen the base of gender information and to inform country-specific and ASEAN-collective development policies and directions.

### **3 Collaborating Institutions & National Stakeholders Consultations**

The report is a collective undertaking that brought together several national and regional state actors, governmental, non-governmental and academic institutions, and women and men across six Member Countries of ASEAN (see Annex 1). Regional coordination was shared by the ASEAN Secretariat and the Women and Gender Institute of Miriam College in the Philippines. Six country researchers who were closely linked to non-governmental women's organisations, research institutions, academe, or government agencies took part in the study.

The draft country reports and the matrix of indicators were shared in national multi-stakeholder consultations convened by the national women's machineries and focal points of the ASEAN Committee on Women. These national consultations took place in six Member Countries between the months of August to October 2006.

In November 2006, the draft full report was shared at the Fifth Meeting of the ASEAN Committee on Women in Singapore. Further consultations across the focal points and within their respective national women's machineries after the said meeting led to the integration of additional statistics and information.

## Part One

The Third Regional Report on the Advancement of Women in the ASEAN follows the 2005 Human Development Report (HDR) which presented compelling reasons why inequality matters in designing appropriate policies and programmes and targeting desirable development outcomes. As such, this report focuses on the comparative human development capacities and opportunities of ASEAN women vis-a-vis those of men. More broadly, it serves as a reference point for developing a gender-sensitive roadmap toward ASEAN's comprehensive integration.

Inequality slows down human development. There are systemic barriers to a more equitable distribution of opportunities in education, income, health and wider life chances in society, which arise from “complex hierarchies of advantage and disadvantage transmitted across generations”

[2005 HDR: 51] and reinforced by stark inequalities in access to and benefits from resources, capacities and potentials.

Second, in the realm of values particularly on social justice and moral imperative, the 2005 HDR also upheld that inequality is unjust: “...few people would accept in principle that inequalities in opportunity are tolerable when based on gender, inherited wealth, ethnicity or other accidents of birth over which individuals have no control. The idea that people should be consigned to an early death, illiteracy or second-class citizenship because of inherited attributes beyond their control violates most people's sense of what is fair.” [2005 HDR: 52]

In both reasons, distribution of benefits, resources, capacities and opportunities is at the core of advancing human development beyond the systemic barriers

posed by gender, ethnicity, class and/or location. Analysing aggregate indices, while important, is limited. In fact, despite milestones in aggregate performance, overlooking the painful realities of distribution in society might even reinforce persistent inequalities and reverse human development gains.

Therefore it is not enough to raise the question of whether or not there have been improvements in total (and gender-blind) human development, but also to take account of whether or not those improvements have addressed inequalities.

### **1 'Many Faces of Gender Inequality'**

The most felt patterns of inequality are those that directly or implicitly hit the human person. Amartya Sen [2001] stressed that "...within each community, nationality and class, the burden of hardship often falls disproportionately on women." Gender inequality is among the structural inequalities that erode human development. Sen [2001] identified seven types of inequality

"...characterised by deeply unequal sharing of the burden of adversities between women and men." These include the following:

- Mortality inequality – inequality between women and men that involves matters of life and death
- Natality inequality – inequality arising from exercising male preference as a result of cultural reinforcement of prejudice against women specifically in male-dominated societies
- Basic facility inequality – inequality arising from differential access to literacy, education, health and nutrition for individuals to function effectively in society
- Special opportunity inequality – inequality arising from differential access to tertiary education and training
- Professional inequality – inequality arising from differential access to employment opportunities
- Ownership inequality - inequality arising from lack or limited control over assets and other resources
- Household inequality - basic inequalities within the family

These types of inequality may already be operative in reproductive decisions, where males are preferred over females for economic and cultural reasons, reinforced by social norms and expectations, and entrenched in the different stages of the life cycle. The disproportionate burdens of women systematically marginalise, if not exclude them, from participating fully in economic and political life of society. The challenge therefore is in narrowing, if not

eradicating gender disparities, for the realisation of the human rights of women as equals of men, to widen the life opportunities of women to the same extent as that of men, and to generate positive externalities for the family, community and society as a whole.

In this report, Sen's seven types of women's inequality have been further specified to encompass several indicators for each:

<b>Sen's Seven Types of Inequality</b>	<b>Selected Indicators for this Report</b>
Natality inequality	<ul style="list-style-type: none"> <li>• Male-female population ratio</li> <li>• Presence/absence of sex selected abortion</li> </ul>
Mortality inequality	<ul style="list-style-type: none"> <li>• Male-female life expectancy</li> <li>• Male-female infant mortality</li> <li>• Maternal mortality</li> </ul>
Basic facilities inequality	<ul style="list-style-type: none"> <li>• Nutritional status by sex and age group</li> <li>• Nutritional status of pregnant women</li> <li>• Literacy rate by sex</li> <li>• Basic education by sex</li> <li>• Percentage of unmet family planning needs</li> </ul>



Sen's Seven Types of Inequality	Selected Indicators for this Report
Special opportunity inequality	<ul style="list-style-type: none"> <li>• Post secondary and higher education graduates by sex</li> <li>• Percentage of college graduates by cluster by sex</li> <li>• Training opportunities by sex</li> </ul>
Professional inequality	<ul style="list-style-type: none"> <li>• Employment by sex</li> <li>• Wage disparity</li> <li>• Women and men in bureaucracy, technical and managerial positions, political leadership</li> </ul>
Ownership inequality	<ul style="list-style-type: none"> <li>• Land ownership</li> <li>• House ownership</li> <li>• Ownership over other assets resources</li> </ul>
Household inequality	<ul style="list-style-type: none"> <li>• No. of female-headed households</li> <li>• Prevalence of domestic violence</li> <li>• Time-use analysis</li> </ul>

These indicators have been culled from existing information using 2003 data to conform with the ASEAN Baseline Study. The most recent data available have been utilised where 2003 data were lacking. At the most extreme, “no data” has been specified to prompt

ASEAN member-governments on the need to obtain sex-disaggregated data to inform gender-affirmative and redistributive policies and strategies, a technique similarly employed by the technical writers of the ASEAN Baseline Study.

## 2 Human and gender-related development in ASEAN

ASEAN Member Countries generally fare well in human development. All Member

Countries are within the band of medium human development countries, with the exception of Singapore and Brunei Darussalam which are within the elite group of high human development countries.

**Table 1. Selected Human Development Indicators**

HDI rank	Country	Human development index value	GDP per capita (PPP US\$) 2003	GDP index	Gender-related development index	
					Rank	Value
25	Singapore	0.907	24,481	0.92	..	..
33	Brunei Darussalam	0.866	19,210	0.88	..	..
61	Malaysia	0.796	9,512	0.76	50	0.791
73	Thailand	0.778	7,595	0.72	57	0.774
84	Philippines	0.758	4,321	0.63	63	0.755
108	Viet Nam	0.704	2,490	0.54	83	0.702
110	Indonesia	0.697	3,361	0.59	87	0.691
129	Myanmar	0.578	..	0.39	..	..
130	Cambodia	0.571	2,078	0.51	99	0.567
133	Lao PDR	0.545	1,759	0.48	102	0.540

Note: This report uses 2003 data in ASEAN for comparability purposes. This data set is also consistent with that of the ASEAN Baseline Report.

Source: 2005 Human Development Report

However, among the countries within the medium human development group, it is also instructive to cluster the countries further. Malaysia, Thailand and the Philippines are among the high end of the band; Viet Nam and Indonesia at mid-range; and Myanmar, Cambodia and Lao PDR at the low end of the medium human development countries.

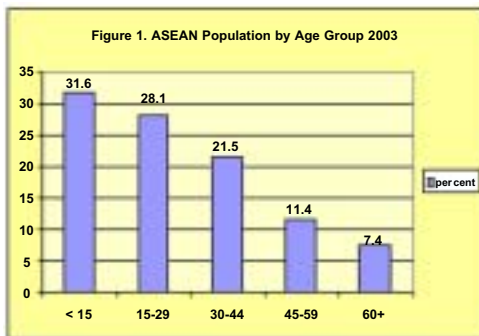
Life expectancy and education indices generally follow the human development pattern of ASEAN Member Countries, but income indices show a wide gulf in the region. GDP per capita in Singapore is more than twice as much as Malaysia; six times as much as the Philippines; and more than twenty times as much as Cambodia and Lao PDR.

Adjusted for measuring gender equality, the gender-related development index generally follows the overall trends in human development. However, Singapore, Brunei Darussalam and Myanmar were not ranked in terms of gender index, because of lack of sex-disaggregated information on combined gross enrolment ratio for Singapore and on estimated earned income for Brunei Darussalam and Myanmar.

Singapore and Brunei Darussalam, despite being ASEAN's pride in the elite circle of high human development countries, have not been ranked in terms of advancement in gender equality as comparative figures were not available in the year surveyed.

### 3 Women and men in ASEAN

ASEAN has a young population, a third of which are children 14 years old and below. This, in addition to those in the 60 years old and above age group, accounts for a high dependency age in ASEAN at about 40 per cent of the population. Except for Singapore and Thailand, the population structure in the rest of ASEAN is one where the 0-14 age group is most dominant (see Table 2). Two complementary reasons explain this. One is that population growth is still high, except for Singapore and Thailand which were able to contain population growth below 1 per cent. And two, the rest of ASEAN, except Indonesia and Viet Nam, still have growth rates higher than the ASEAN average of 1.5 per cent.



It is instructive to stress the implications of having a population with high proportion of dependency age. First, this creates pressure on human development (or child development) costs /

**Table 2. Selected Population Indicators**

Countries	% Population Growth 2003	Number ('000) 2003					Total
		< 15	15-29	30-44	45-59	60+	
Brunei							
Darussalam	2.7	121	105	87	32	18	363.5
Cambodia	2.0	5,540	3,657	2,286	1,160	677	13,320
Indonesia	1.3	65,048	62,709	46,486	24,128	15,348	213,720
Lao PDR	2.5	2,418	1,556	897	460	288	5,620
Malaysia	2.5	8,307	6,727	5,241	3,156	1,599	25,030
Myanmar	2.3	17,495	14,175	10,956	6,583	4,305	53,515
Philippines	2.0	30,007	22,424	15,485	8,326	4,839	81,081
Singapore	0.3	869	843	1,146	853	474	4,185
Thailand	0.8	15,425	16,374	16,547	9,574	6,027	63,947
Viet Nam	1.5	26,181	23,653	17,157	7,575	6,337	80,902
ASEAN	1.5	171,410	152,224	116,288	61,849	39,912	541,683

Source: 2005 ASEAN Statistical Yearbook

investments particularly on health and nutrition and education. A young population “consumes” human development goods and services, which are critical to the long-term quality of the nation’s human stock and by implication, to the competitiveness and resilience of the country’s economy. A healthy and educated populace is assumed to contribute to more active and responsible citizens of society and a healthy stream of future participants in the economy.

Second, prioritising human development investments means increasing budget pressures for health, nutrition

and education. However, the capacity of governments to provide these is usually eroded by inadequate resources, if not running fiscal deficits, which result in under-investment in public services and an impetus to encourage private provisioning. This situation pushes the burden downwards—at the level of the household, most notably on women who, by virtue of their culturally attributed caring roles in the family, absorb the full impact of government’s inability to provide access to health and education services and the likely momentum towards the marketisation of basic human development needs.

#### **4 Faces of gender inequality in ASEAN: trends and patterns**

While Table 1 shows modest performance of ASEAN Member Countries in terms of gender-related development index, the indices may not capture the full range of trends and patterns that could either advance or hinder women's well-being in the region. The following report provides an enlarged snapshot of the extent by which gender equality has been upheld so far in the various aspects of development in ASEAN. By comparing how women fare vis-à-vis men, "gender-based differentials" may be exposed in the hope of raising appropriate action measures to correct the same, as the ASEAN Member Countries intensifies its economic integration in pursuit of commitments found in the Vientiane Action Programme.

The comparison is not meant to derive a "race to the top" between women and men in appropriating development imperatives and outcomes, but to ensure that the process of economic integration removes rather than reinforces barriers to the advancement of women,

unleash their capacities to contribute more meaningfully to the economy and to the society as a whole and to deepen a more robust foundation for inclusive and egalitarian economic integration, poverty reduction and income and opportunity redistribution.

#### ***Natality inequality: males are preferred over females?***

ASEAN has about 550 million people, with an almost equal number of women and men in the region. There are more males in Brunei Darussalam, Indonesia, Malaysia and the Philippines, but the number of males in the last three countries seems to be not as significant compared to that of Brunei Darussalam (see Table 3).

On the other hand, sex ratios in Cambodia, Lao PDR, Myanmar, Singapore, Thailand and Viet Nam show a slightly higher number of females than males. Unlike in South Asia where the termination of pregnancy has been documented as an affirmation of male preference, ASEAN Member Countries do not seem to practise sex-selection at birth, although there is

**Table 3. Population by Sex, 2004**

Countries	Number ('000)			Percentage			Sex Ratio
	Male	Female	Total	Male	Female	Total	
Brunei							
Darussalam	194	179	373	52.0	48.0	100.0	108.5
Cambodia	6,593	6,996	13,589	48.5	51.5	100.0	94.2
Indonesia	108,416	107,994	216,410	50.1	49.9	100.0	100.4
Lao PDR	2,851	2,909	5,760	49.5	50.5	100.0	98.0
Malaysia	13,023	12,557	25,580	50.9	49.1	100.0	103.7
Myanmar	27,151	27,594	54,745	49.6	50.4	100.0	99.0
Philippines	41,580	41,083	82,664	50.3	49.7	100.0	101.2
Singapore	2,107	2,133	4,240	49.7	50.3	100.0	98.8
Thailand	31,909	32,560	64,469	49.5	50.5	100.0	98.0
Viet Nam	40,313	41,709	82,022	49.1	50.9	100.0	96.7
ASEAN	274,137	275,715	549,852	49.9	50.0	100.0	99.8

Source: 2005 ASEAN Statistical Yearbook

cultural inclination to prefer male children to perpetuate the family name and to assist in hard labour, particularly in agricultural or entrepreneurial work. Although natality inequality may not be as pronounced as in other parts of the world, the more important indicators are those that emphasise gender-based inequities after children are born and socialised into a world where divides between women and men could be direct or implicit, affecting the individual well-being of ASEAN women and men.

### ***Mortality inequality: who outlives whom?***

Females generally outlive males. This is true in the ASEAN region, as shown in Table 4. All ASEAN Member Countries show female longevity. Several assumptions may be advanced to explain this phenomenon. One could be that men are more exposed to risks, as they tend to be “outside the home” in general to earn a living for the family. Another could be that men are socialised into lifestyles that might be less healthy than that of women.

However, these assumptions need a more nuanced and rigorous basis, particularly to take into account physiological, social and cultural factors that contribute to female longevity. What is more instructive in Table 4 is the disparity within ASEAN in terms of longevity indicators. Women and men in Cambodia, Lao PDR and Myanmar have mortality rates which are about a decade shorter than that of Indonesia, the lowest in the ASEAN-6 group.

Although females outlive males, ASEAN Member Countries still have alarming rates of maternal death. Except for Brunei Darussalam, Malaysia, Singapore and

Thailand which reduced their maternal mortality rates to less than 50 out of 100 thousand live births, ASEAN Member Countries still experience high death rates for females giving birth from 130 in Viet Nam to as high as 450 deaths in Cambodia.

Maternal deaths could be attributed to the inadequate access to and poor quality of health care, including the extent of poverty, in ASEAN Member Countries. The 2005 Human Development Report has documented the disproportionate access of poor and non-poor women to maternal health care. Among pregnant women belonging to the richest 20 per cent, skilled

**Table 4. Selected Mortality Indicators**

Country	Life expectancy (years) 2003			Infant mortality rate (per 1,000 live births) 2003	Maternal mortality ratio (per 100,000 live births) 2000
	Male	Female	F-M		
Brunei Darussalam	74.0	79.0	5.0	5	37
Cambodia	56.5	62.7	6.2	97	450
Indonesia	66.3	70.3	4.0	31	230
Lao PDR	54.0	56.0	2.0	82	650
Malaysia	70.5	75.9	5.4	7	41
Myanmar	55.0	60.0	5.0	76	360
Philippines	67.2	70.5	3.3	27	200
Singapore	77.0	80.9	3.9	3	30
Thailand	68.0	75.0	7.0	23	44
Viet Nam	67.0	72.0	5.0	19	130

*Source: 2005 World Development Indicators*

**Table 5. Inequalities in maternal and child health**

Country	Survey Year	Births attended by skilled health personnel (%)		One year olds fully immunised (%)		Infant mortality rate		Under-5 mortality rate	
		Poorest 20%	Richest 20%	Poorest 20%	Richest 20%	Poorest 20%	Richest 20%	Poorest 20%	Richest 20%
Brunei Darussalam		..	..	..	..	..	..	..	..
Cambodia	2000	14.7	81.2	28.6	67.7	109.7	50.3	154.8	63.6
Indonesia	1997	21.3	89.2	42.9	72.1	78.1	23.3	109.0	29.2
Lao PDR		..	..	..	..	..	..	..	..
Malaysia		..	..	..	..	..	..	..	..
Myanmar		..	..	..	..	..	..	..	..
Philippines	1998	21.2	91.9	59.8	86.5	48.8	20.9	79.8	29.2
Singapore		..	..	..	..	..	..	..	..
Thailand		..	..	..	..	..	..	..	..
Viet Nam	2000	58.1	99.7	44.3	92.3	39.3	13.8	52.9	15.8

Source: 2005 Human Development Report

health personnel attended to births as much as 81 per cent in Cambodia to 99 per cent in Viet Nam. However, of the poorest 20 per cent, only about 15 per cent of women in Cambodia and about 60 per cent in Viet Nam had births assisted by competent health personnel.

Although Tables 4 and 5 do not show mortality by sex, it is important to emphasise indicators of child health as an extension of maternal health. Patterns of infant mortality in the ASEAN Member Countries follow that of maternal mortality. While Brunei Darussalam, Malaysia and Singapore have reduced infant

mortality per 1,000 live births to a single digit, the rest remain high with double-digit figures as high as 97 infant deaths in Cambodia (see Table 4).

Table 5 provides some clues explaining the high incidence of infant deaths in some ASEAN Member Countries:

- Poverty increases the vulnerability to infant and child death. Infant and under-5 mortality rates tend to be higher among those in the poorest 20 per cent, as shown in the national data of Cambodia, Indonesia, Philippines and Viet Nam.
- Poverty also limits access to health care. In all countries in Table 5, the percentage of one-year old



babies fully immunised is between 28 per cent in Cambodia to 60 per cent in the Philippines for those belonging to the poorest 20 per cent, compared to 68 per cent in Cambodia to 92 per cent in Viet Nam for those in the richest 20 per cent, showing a difference of about 40 percentage points in both low and high levels.

**Basic facilities inequality: how are women and men equipped to function effectively?**

Basic health, nutrition and education are essential to making women and men function effectively in society. Reproductive health is also

important to women. Healthy and educated women and men tend to demonstrate greater capacities “to be” and “to do”, contributing to improved individual well-being.

However, this premise might not hold true for some ASEAN Member Countries, in view of disparities within the region in terms of nutritional status of children:

- In general, about one-third of Cambodia’s population and about one-fifth of the population of Lao PDR, the Philippines, Thailand and Viet Nam are undernourished. This could be attributed to poverty; families tend to skip meals, allocate food

**Table 6. Nutritional status of children**

Countries	Population undernourished* (% of total population) 2000-2002	Prevalence of child malnutrition* (% of children under age 5)		Infants with low birth weight (% of births) 1998-2003
		Underweight (1995-2003)	Stunting (1995-2003)	
Brunei Darussalam	..	..	..	10
Cambodia	33	45.2	44.6	11
Indonesia	6	27.3	42.2	9
Lao PDR	22	40.0	40.7	14
Malaysia	< 3	19.0	15.6	10
Myanmar	6	28.2	41.6	15
Philippines	22	31.8	32.1	20
Singapore	..	3.4	2.2	8
Thailand	20	17.6	13.4	9
Viet Nam	19	33.8	36.5	9

Note: \* total of both sexes and all age groups; no available data by age and sex

Sources: 2005 World Development Indicators; 2005 Human Development Report

and/or cut down on the quantity and quality of food intake to survive.

- By extension, the extent of child malnutrition in ASEAN is also significant. Children are most affected by decreasing quality and quantity of food intake as a consequence of poverty. Except for Singapore and Brunei Darussalam, all ASEAN Member Countries registered a significant percentage of underweight children, from 17 per cent in Thailand to 45 per cent in Cambodia. Children are also stunting, as high as 44 per cent in Cambodia.

The foregoing figures, although important to highlight, do not provide an indication of gender-based dynamics in food allocation. In extreme cases, particularly in response to survival needs, males are generally given priority in food allocation as they are expected to assist the household in income-generation or females are sent to other families to assist in housework in an attempt to earn and to lessen food expenditures at home.

Poor nutrition also robs children of the opportunity to participate well in school. Poor

learning outcomes have also been attributed to, among others, nutritional deficiency among children. Their limited absorptive capacity in school is hampered by hunger, which, in most cases, reinforces the decision of the child to drop-out from school.

The above discussion indicates that food security and the protection of essential food crops such as rice and corn emerges as a critical policy concern in regional economic integration and the drive for modern, export-oriented agriculture.

As a measure of the UN commitment to provide “education for all”, it is important to note how many are in school. While enrolment ratios at the primary level are on the high side in ASEAN, there are notable differences in female and male enrolment ratios.

- Cambodia, Lao PDR, Singapore and Thailand show higher enrolment ratios for males at the primary level. However, only Cambodia shows a significant difference between male and female enrolment ratios at 89 and 83 per cent, respectively.

**Table 7. Primary and secondary enrolment by sex, 2001**

Countries	Net primary enrolment ratio (%)		Net secondary enrolment ratio (%)	
	Male	Female	Male	Female
Brunei Darussalam	98.1*	85.4*		
Cambodia	89.0	83.2	26	15
Indonesia	93.0	93.0	..	..
Lao PDR	86.1	79.4	35	28
Malaysia	96.0	97.4	77.6	82.9
Myanmar	81.8	82.0	36	34
Philippines	91.9	94.1	51	62
Singapore	94.5	94.0	92.6	92.8
Thailand	87.5	85.1	..	..
Viet Nam	..	..	..	..

Note: \* Total of both sexes.

Sources: 2005 Human Development Report; 2005 ASEAN Statistical Yearbook

- On the other hand, Malaysia, Myanmar and the Philippines show higher enrolment ratios for females in the same level, with the Philippines registering the highest enrolment ratios for females at a difference of 3 percentage points.
- However, a different pattern emerges at the secondary level. Cambodia, Lao PDR and Myanmar show higher enrolment rates for males. The disparities in male and female enrolment is significant at 11 percentage points for Cambodia; Lao PDR with 7 percentage points; and Myanmar, 2 percentage points.
- On the other hand, Malaysia, the Philippines and Singapore show higher enrolments for females at the secondary level.

Table 7 not only shows disparities in enrolment within ASEAN, it also indicates low enrolment at the secondary level. This could mean two things.

- One is high drop out rate at the primary level and a low transition rate from primary to secondary education. It might be instructive to reveal who drops out at the primary level and the gender dimension of school level transition. The latter is usually a critical point for parents to determine whether pursuing secondary education is

worthy of time and investment. The option to have their male and female children work to contribute to family income is usually attractive, even if unskilled work does not pay well and terms are usually exploitative.

- Another is the inability of the public education system to track those who drop out from formal education and to assist them to return to school or initiate them for non-formal, alternative education, which is one of the basic human rights of children.

It would also be instructive to consider sex-segregated information on cohort survival rates. Of those who enter the

first grade in elementary school, it is important to know how many females and males continue progressively to each level until they complete secondary education.

Meanwhile, the ability to read, write and undertake basic numeracy skills is important to make a person function well in society. In the ASEAN region, males are generally more literate than females, except for the Philippines which also registered the most equitable literacy rates between females and males. Cambodia and Lao PDR registered the highest disparity in literacy between males and females, at 21 and 22 percentage points, respectively (see Table 8). Both countries also have the

**Table 8. Adult literacy, 2003**

Countries	Adult literacy rate (% of ages 15 and above) 2003		
	Male	Female	Male-Female
Brunei Darussalam	94.8	88.5	6.3
Cambodia	81.1	60.2	20.9
Indonesia	93.5	86.2	7.3
Lao PDR	78.0	56.2	21.8
Malaysia	89.3	81.9	7.4
Myanmar	89.3	81.9	7.4
Philippines	92.5	93.9	(1.4)
Singapore	97.0	91.4	5.6
Thailand	97.5	94.6	2.9
Viet Nam	94.7	91.5	3.2

Source: 2005 ASEAN Statistical Yearbook

lowest literacy rates for females at 60 and 56 per cent, respectively, which are way below their ASEAN counterparts. Limited literacy rates for women constrain their ability to participate meaningfully in the economic, social and political life of society.

Ensuring the reproductive health of women is important to ensuring basic facilities to participate well in society. Table 9 shows various trends in reproductive health in the

ASEAN region. Cambodia and the Philippines show high percentage of women at risk of unintended pregnancy at 30 and 19 per cent, respectively. Contraceptive prevalence rates in the region indicate extreme cases. Indonesia, Thailand and Viet Nam are within the cluster of 60-79 per cent in terms of contraceptive prevalence. On the other hand, Cambodia, Lao PDR and the Philippines have low contraceptive prevalence rates ranging between 24-49 per cent.

**Table 9. Reproductive health and nutritional status of pregnant women**

Countries	Women at risk of unintended pregnancy (% of married women ages 15-49) 1990-2003	Contraceptive prevalence rate (% of women ages 15-49) 1995-2003	Antenatal care, at least one visit (%)*	Tetanus vaccination (% of pregnant women) 2003	Births attended by skilled staff (% of total) 2000-2003
Brunei Darussalam	..	..	100	..	..
Cambodia	30	24	44	43	32
Indonesia	9	60	95	51	68
Lao PDR	..	32	27	36	19
Malaysia	..	..	84	..	97
Myanmar	..	33	76	77	..
Philippines	19	49	94	70	60
Singapore	..	..	95	..	..
Thailand	..	72	86	..	69
Viet Nam	7	79	68	79	85

Note: \*Most recent year; no year indicated in the UNFPA 2005-Country Profiles for Population and Reproductive Health: Policy Indicators and Development

Sources: 2005 UNFPA; 2005 World Development Indicators

Moreover, Table 9 also shows that except for Cambodia (44 per cent) and Lao PDR (27 per cent), all ASEAN Member Countries have respectable percentage of women who had antenatal care. Cambodia, Indonesia and Lao PDR had 51 per cent and below of pregnant women who have undergone tetanus vaccination.

Moreover, women's well-being may be measured by a proxy indicator on meeting family planning needs. While Indonesia and Viet Nam have reduced unmet need for family planning to single-digit levels, Cambodia, Lao PDR and the Philippines still face high unmet

needs for family planning at 32, 40 and 17 per cent, respectively. Specifically, Cambodia has high unmet need for family planning, particularly spacing (17 per cent) and limiting (15 per cent).

***Special opportunity inequality: who are poised to seize better life chances?***

Given the gender differentials in basic facilities in the ASEAN region, it is likely that women and men have unequal opportunities to improve their individual well-being. This is most apparent in post-secondary education, vocational training and tertiary

**Table 10. Percentage of unmet family planning needs**

Country	Unmet need for family planning, total (%) Most recent*	Unmet need for family planning, spacing (%) Most recent*	Unmet need for family planning, limiting (%) Most recent*
Brunei Darussalam	..	..	..
Cambodia	32.6	17.4	15.2
Indonesia	8.6	4.0	4.6
Lao PDR	40.0	..	..
Malaysia	..	..	..
Myanmar	..	..	..
Philippines	18.8	8.2	10.6
Singapore	..	..	..
Thailand	..	..	..
Viet Nam	4.8	2.0	2.8

Note: \* No year specified in the UNFPA 2005-Country Profiles for Population and Reproductive Health: Policy Indicators and Development 2005

Source: 2005 UNFPA

**Table 11. Participation in post-secondary, non-tertiary education**

Country	Enrolment in post-secondary, non-tertiary education, total ('000) 2002/2003	Enrolment in post-secondary, non-tertiary education, % female 2002/2003
Brunei Darussalam	0.1	60
Cambodia	8.5	32
Indonesia	..	..
Lao PDR	20.1	42
Malaysia	172.8	46
Myanmar	..	..
Philippines	452.2	46
Singapore	..	..
Thailand*	17.3	72
Viet Nam	..	..

Note: \* 2003/2004 data

Source: UNESCO Global Monitoring Report

education, which prepare the entry of women and men into the labour force. Education and training opportunities, among others, enlarge human capacities to assume greater economic, social and political roles in society and increase the likelihood of socio-economic mobility.

It is instructive to note that in Brunei Darussalam and Thailand, females tend to dominate enrolment in post-secondary, non-tertiary education (see Table 11). This is not an isolated development as enrolment in tertiary education in 2001-2002 (Table

12 below) and the number of tertiary graduates in 2001 (Table 13 below) are also predominantly female. This bodes well for advancing the opportunities of women in education in these countries.

Table 11 also shows a significant number of females enrolled in post-secondary, non-tertiary education as a percentage of male enrolment in Cambodia, 32 per cent; Lao PDR, 42 per cent; Malaysia and the Philippines, 46 per cent.

However, it may be instructive to examine the structure of

non-tertiary education as this might reinforce gender bias. For example, vocational-technical education might deepen gender stereotyping in the choice of courses available for women and men.

Enrolment in tertiary education also indicates the extent to which women and men advance to prepare for and benefit from special opportunities. Preparation for professional work usually entails 10-15 years of education, an investment to ensure that women and men find or create employment after college.

In Brunei Darussalam, Myanmar, the Philippines and Thailand, females enjoy higher enrolment ratios in tertiary education with a difference of 7, 8 and 3 percentage points, respectively, compared with the enrolment ratios for males (see Table 12). On the other hand, there are about two males for every female enrolled in tertiary education in Cambodia and Lao PDR. This is consistent with the low tertiary completion rates of women in both countries at about 25 and 33 per cent, respectively, making Cambodia and Lao PDR fall behind its ASEAN counterparts in terms

**Table 12. Tertiary enrolment by sex**

Country	Tertiary level gross enrolment ratio 2001-2002	
	Male	Female
Brunei Darussalam	10	17
Cambodia	4	2
Indonesia	16	14
Lao PDR	7	4
Malaysia*	46	28
Myanmar*	8	15
Philippines	27	35
Singapore	..	..
Thailand	35	38
Viet Nam	11	9

Note: \* 2000-2001 data

Source: UN Statistics Division website



**Table 13. Number of college graduates by sex**

Country	Number of college graduates 2001	
	Total ('000)	Female (%)
Brunei Darussalam	1	67.4
Cambodia	3	25.1
Indonesia	506	45.2
Lao PDR	5	32.7
Malaysia*	125	51.3
Myanmar	..	..
Philippines	364	61.0
Singapore	..	..
Thailand*	394	55.6
Viet Nam	125	45.1

Note: \* 1999/2000 data

Source: *EFA Global Monitoring Report*

of closing the gender gap in tertiary education.

In terms of trends in completing tertiary education, there are more female graduates in Brunei Darussalam, Malaysia, the Philippines and Thailand (see Table 13). Indonesia and Viet Nam produce more male graduates, but are near to upholding egalitarian completion rates as females comprise 45 per cent of the total number of college graduates in both countries. Table 21 (attached) provides information on the participation of females in tertiary education, particularly along disciplinary specialisations.

However, it is important to deepen the analyses of the trends in education by examining the cohort survival and the transition rates in all levels of education (i.e. from basic to tertiary education). Locating the gender dimensions of these indicators would reveal biases in household decision-making and the likely implications to gender-fair education opportunities.

*Professional inequality: how do women and men fare in employment?*

Where are females and males located by economic activity? In general, female and male

economic participation follows the general structure of the economy.

Based on most recent information available in Table 14, Indonesia and Thailand remain predominantly agricultural, which accounts for the highest concentration of female and male economic activity. Both countries show nearly equal percentage of female and male participation in agriculture. This observation is sharply in contrast with the figures in Malaysia and the Philippines where agriculture is dominated by male participation by as much as 7 and 20 percentage points, respectively.

Except for Indonesia and Thailand, the rest of ASEAN in Table 14 show a remarkable shift to services. Malaysia, the Philippines and Singapore indicate a robust concentration of female and male economic participation in services. However, employment in services is predominantly female by as high as 10 percentage points in Malaysia; 26 percentage points in the Philippines and 12 percentage points in Singapore.

In terms of economic activity in industry, all ASEAN Member Countries in Table 14 exhibit higher male participation. Among the ASEAN Member Countries, Singapore has the

**Table 14. Employment by economic activity, 1995-2002\***

	Agriculture (%)		Industry (%)		Services (%)	
	Female	Male	Female	Male	Female	Male
Brunei Darussalam	..	..	..	..	..	..
Cambodia	..	..	..	..	..	..
Indonesia	43	43	16	19	41	38
Lao PDR	..	..	..	..	..	..
Malaysia	14	21	29	34	57	45
Myanmar	..	..	..	..	..	..
Philippines	25	45	12	18	63	37
Singapore	..	..	18	31	81	69
Thailand	48	50	17	20	35	30
Viet Nam	..	..	..	..	..	..

Note: \*Data refer to the most recent year available during the period specified.

Source: 2005 Human Development Report

highest gender disparity in employment in industry with 13 percentage points higher for male participation. Bias for male participation in industry is not as high in Indonesia with male-female disparity of 3 percentage points; Malaysia, 5 percentage points; Philippines, 6 percentage points; and Thailand, 3 percentage points.

What is important is to examine beyond the gender differentials in employment per industry is the quality of employment. One indicator that may be used is wage differentials between women and men.

Table 15 provides information on wage differentials between

females and males in the manufacturing sector in Malaysia, Myanmar, the Philippines, Singapore and Thailand. Women's wages in Malaysia, the Philippines, Singapore and Thailand are lower than that of men, or an average of about two-thirds that of men in the manufacturing sector. Only Myanmar registered higher women's wages in the manufacturing sector.

To analyse the full implications of wage differentials, it would be instructive to examine the magnitude of women workers in the manufacturing sector as a proportion of male workers. This is important to ascertain in view of the increasing

**Table 15. Industrial wage differentials by sex**

Country	Women's wage in manufacturing as % of men's wages	Year
Brunei Darussalam	..	..
Cambodia	..	..
Indonesia	..	..
Lao PDR	..	..
Malaysia	63	1997
Myanmar	112	1999
Philippines	80	1998
Singapore	61	2003
Thailand	72	2001
Viet Nam	..	..

Source: UN Statistics Division

**Table 16. Selected indicators for female economic, professional and political participation**

Countries	Labour force participation rate (ages 15-64)		Seats in Parliament held by women (%)	Female Legislators, Senior Officials and Managers (%)	Female Professionals and Technical Workers (%)
	Most recent		Most recent	Most recent	Most recent
	Male	Female			
Brunei Darussalam	84.2	49.4	..	..	..
Cambodia	82.3	76.2	10.9	14	33
Indonesia	86.3	53.2	8	..	..
Lao PDR	91.1	77.4	22.9	..	..
Malaysia	35.7	39.4	16.3	20	45
Myanmar	89.7	68.3	..	..	..
Philippines	84.3	54.8	17.2	58	62
Singapore	82.7	56.3	16	26	43
Thailand	81.1	65.0	10.6	27	55
Viet Nam	86.0	79.4	27.3	..	..

Source: 2005 UNFPA

'feminisation' in the manufacturing sector. Women's wages are generally cheaper and females are deemed socially adapted to do tedious work more than men in manufacturing firms, particularly in the electronics sub-sector; hence the preference for female workers.

In general, the participation rate of females in the labour force is usually lower by half to two-thirds that of males (see Table 16). It is interesting to note that compared with the rest of ASEAN Member Countries, Cambodia, Lao PDR, Myanmar and Viet Nam show higher participation rates for women in the labour force.

About three in every four women ages 15-64 in Cambodia, Lao PDR and Viet Nam join the labour force. This is very high in the region. However one has to examine where women workers are gaining in terms of employment and incomes. Studies in the Asian region have shown that these had tended to be from low-value added and labour-intensive sectors, such as, garments, electronics and horticulture (Durano and Francisco, 2006)

In terms of political participation of women, ASEAN has taken steps in having women make an entry in Parliament, occupying seats

**Table 17. Unemployment by sex, 2000-2002**

<b>Country</b>	<b>Male (% of male labour force)</b>	<b>Female (% of female labour force)</b>	<b>Total (% of total labour force)</b>
Brunei Darussalam	..	..	..
Cambodia	1.5	2.2	1.8
Indonesia	4.1	5.0	9.1
Lao PDR	..	..	..
Malaysia	..	..	3.8
Myanmar	..	..	..
Philippines	9.4	10.3	9.8
Singapore	5.4	5.0	5.2
Thailand	2.7	2.5	2.6
Viet Nam	..	..	..

*Source: 2005 World Development Indicators*

from a low of 8 per cent in Indonesia to a respectable 27 per cent in Viet Nam which is nearest the desirable UN benchmark figure of 30 per cent. Most countries have women occupying less than 20 per cent of all parliamentary positions.

In terms of inroads in occupying managerial posts, among others, the Philippines leads ASEAN in opening doors to women legislators, senior officials and managers with 58 per cent, followed by Thailand and Singapore with 27 per cent and 26 per cent respectively.

Women tend to become professionals and technical workers, with the Philippines

and Thailand topping the region with 62 and 55 per cent, respectively.

The other side of professional inequality is inequality in getting jobs or having jobs that meet one's capacity to work. Table 17 shows the gender dimensions of unemployment in selected ASEAN Member Countries.

The Philippines and Cambodia experience higher unemployment for females than males (see Table 17). It is interesting to note that despite more females completing tertiary education in the Philippines (see Table 13 above), they also experience greater likelihood of

unemployment. This may mean that job creation is low and slow or that for every job created, either there is preference for males or that females crowd out each other. Cambodia, on the other hand, has a contrasting experience compared to the Philippines as it only produces one female in every four graduates, making tertiary education predominantly male (see Table 13).

On the other hand, Singapore and Thailand show slightly higher unemployment rates for males (see Table 17). Table 18 shows the extent of underemployment by educational attainment. In Indonesia and Thailand,

underemployment is highest for people who have completed primary education only. Both Singapore and Thailand have significant underemployment for those who have completed tertiary education.

It is worth noting that there is no underemployment data available by sex.

***Ownership inequality: who has control over resources?***

Control over resources and productive assets help shape the degree of autonomy and the scope of economic, social and political participation of women. Productive assets such as land, capital, labour

**Table 18. Unemployment by educational attainment, 1999-2001**

Country	Primary*	Secondary*	Tertiary*
Brunei Darussalam	..	..	..
Cambodia	..	..	..
Indonesia	46.0	36.6	6.7
Lao PDR	..	..	..
Malaysia	..	..	..
Myanmar	..	..	..
Philippines	..	..	..
Singapore	25.5	26.9	32.0
Thailand	70.6	7.2	19.2
Viet Nam	..	..	..

Note: \* % of total unemployment; total for both sexes; no data available by sex

Source: 2005 World Development Indicators

and technology remain predominantly within the control of men, which therefore deter women's full participation in society.

However, data is not available for "ownership" indicators, particularly on land ownership, access to capital and credit and access to technology and information. The following implications show challenges to gender equality:

- Land is predominantly owned by males. Land-titling is usually under fathers' and sons' names, as they carry with them the cultural tradition of being bread-winners for the family. In the Philippines, land redistribution through the Comprehensive Agrarian Reform Programme shows an insignificant number of women-beneficiaries.
- Access to credit is also predominantly biased against women as they lack asset which formal financial institutions usually require as collateral. This situation pushes women to access informal arrangements, which are expensive and may even be exploitative.
- Women's access to technology and information

may largely be an urban phenomenon. The location of women may also be a barrier to the opportunities afforded by technology and information.

If we use earned income as a proxy indicator of capital, Table 19 shows significant disparities between female and male income. In all ASEAN Member Countries, the estimated earned income of males is twice as much as that of females. This means females earn half of what males get.

With the lower disposable income of women, they are therefore more constrained to invest on productive assets.

#### *Household inequality: how is household work allocated?*

There is limited household-level information. But the gender dynamics at the household level reinforces the economic, social and political arrangements in the community and in society as a whole. The degree of empowerment at the household, or lack thereof, defines the scope for women's advancement at all aspects of socio-economic life in society.

**Table 19. Estimated earned income, 2003**

Country	PPP US\$	
	Female	Male
Brunei Darussalam	..	..
Cambodia	1,807	2,368
Indonesia	2,289	4,434
Lao PDR	1,391	2,129
Malaysia	6,075	12,869
Myanmar	..	..
Philippines	3,213	5,409
Singapore	16,489	32,089
Thailand	5,784	9,452
Viet Nam	2,026	2,964

Source: 2005 Human Development Report

Table 20 shows work and time allocation in Indonesia and the Philippines. In both Indonesian and Philippine data, women tend to spend more time working than men. However, women tend to spend more time doing unpaid, non-market activities than men.

In urban Indonesia, 65 per cent of women's time is spent for non-market activities (i.e.

household management and caring responsibilities) which take away time for them to participate in paid, market activities (i.e. production and employment). This is in sharp contrast with men spending only 14 per cent of their time for household, non-market activities.

The same pattern can be observed in the data for rural

**Table 20. Work and time allocation**

Countries	Year	Total work time (minutes per day)		Female work time (% of male)	Total work time		Time allocation (%)				
		Women	Men		Market activities	Non-market activities	Time spent by women		Time spent by men		
				Market activities			Non-market activities	Market activities	Non-market activities		
Urban:											
Indonesia	1992	398	366	109	60	40	35	65	86	14	
Rural:	1975 -										
Philippines	1977	546	452	121	73	27	29	71	84	16	

Source: 2005 Human Development Report



Philippines. About two-thirds of women's time is spent for household matters, while men only devote 16 per cent of their time for household responsibilities.

## 5 Conclusion

Using the gender inequality framework of Sen and reflecting on the need to consider redistribution strategies in advancing human development (see 2005 Human Development Report), ASEAN is poised to benefit from correcting inequities between women and men to appropriate equitably and fairly the benefits from regional integration and to manage vulnerabilities arising from policy shifts and transitions.

Gender-based disparities impede socio-economic growth and development and erode the foundation of an inclusive, caring ASEAN community. Equality in life opportunities matters for women as they face disproportionate economic, social and cultural opportunities. This should also matter for ASEAN governments as advancing the welfare and potentials of women pushes the socio-economic frontiers of society

and nurtures human and collective security.

Care should be taken in making gender policies and programmes sensitive to the unique needs and vulnerabilities of women and men, especially in a momentum of regional integration and economic intensification, to advance welfare gains and to minimise reversals in opportunities. For example, closing the gender gap in education and training in ASEAN could be considered a milestone in advancing women between 5-21 ages, but the same could be easily reversed by implicit male preference in employment and/or significant wage differentials between women and men during the 'employment age', usually after completing tertiary education. In facing the challenges that may arise from a high dependency ratio in the region, ASEAN must begin to seriously and consistently look into the disparities in work and time allocation between women and men and address women's double burden that arise from their productive and reproductive responsibilities.

However, the mapping of inequity indicators does not

only provide a snapshot of where ASEAN women are vis-à-vis men in the continuum of development outcomes, but also signify the range of regional integration policies and programmes whose gender impacts need to be anticipated and corrected, where these entrench inequality, disadvantage and exclusion. Trade intensification and regional integration are not gender-neutral. This makes a strong case for gender analysis to be as robust as the usual socio-economic methodologies used to measure benefit incidence and welfare gains.

And while the foremost challenge is to formulate and implement appropriate gender-informed policies and programmes, there is a strong case to prompt ASEAN to commit to common gender indicators to track women's advancement in the region. Access to regular, adequate and reliable gender information is necessary to inform policy dialogue and enrich policy options that uphold gender equality in regional integration.

Table 21. Tertiary enrolment by programme and by sex, 2003

Country	Enrolment in humanities and arts		Enrolment in social sciences, business and law		Enrolment in science		Enrolment in engineering, manufacturing and construction		Enrolment in agriculture		Enrolment in health and welfare		Enrolment in services		Enrolment in general programmes		Enrolment in unspecified programmes	
	2003		2003		2003		2003		2003		2003		2003		2003		2003	
	total	female	total	female	total	female	total	Female	total	female	total	female	total	female	total	female	total	female
Brunei Darussalam	464	237	557	333	196	95	138	55	—	—	520	388	—	—	—	—	115	64
Cambodia(1)	6,505	2,144	23,478	8,702	7,437	1,036	1,066	45	1,644	279	1,370	487	2,351	1,031	940	324	28	2
Indonesia	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	3,441,429	1,511,088
Lao PDR (2)	—	1,243	5,506	2,276	270	98	1,922	184	2,470	456	689	390	1,051	180	—	—	7,979	3,155
Malaysia (3)	—	48,786	170,514	116,016	103,098	51,778	150,285	46,037	13,800	9,166	27,008	18,784	1,205	768	—	—	75,865	415,447
Myanmar	—	—	126,566	—	202,827	—	29,957	—	4,476	—	7,773	—	64	—	—	—	—	—
Philippines	75,281	43,033	744,048	482,653	299,666	161,126	299,831	90,816	84,609	43,651	220,195	160,963	99,839	15,187	—	—	180,335	28,407
Singapore	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Thailand	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,205,581	1,166,995
<b>Viet Nam</b>	28,933	19,190	316,019	157,354	—	—	164,141	23,576	53,059	16,864	29,434	11,873	—	—	47,228	21,641	—	—

Source: UNESCO website

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(2) : 2001 Figures

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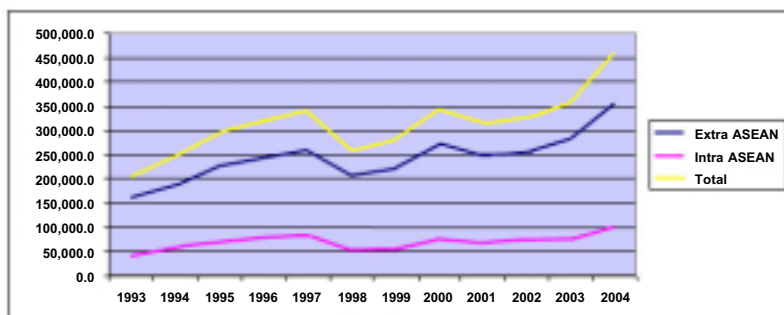
## Part Two

The establishment of an integrated regional market for ASEAN through the ASEAN Free Trade Area (AFTA) had been slow. The slowness of economic integration is evident in the still wide disparity between intra-ASEAN and extra-ASEAN trade. Exports data shows that more than a decade since AFTA, total ASEAN exports are increasing (Figure 1). However, ASEAN has been trading more with non-ASEAN economies rather than with one another. Total ASEAN exports in 2004 amounted to US\$459.9 billion,

representing a 28 per cent increase from the previous year. However, intra ASEAN trade of US\$101 billion is less than a fourth of this total. It is expected that intra-ASEAN trade will pick up, given recent pronouncements by the ASEAN ministers on the need to fast-track regional integration and what appears to be a more serious effort at engaging all member countries around a roadmap to an ASEAN economic community.

This section aims to raise market-based issues for

**Figure 1. Total ASEAN Exports, 1993-2004 (in US\$ million)**



Source: 2005 ASEAN Statistical Year

women and gender equality that may arise as a result of greater market openness through the encouragement by the members of ASEAN of a freer flow of goods, services and finance. ASEAN women's economic security and rights do not represent the entirety of women's empowerment nor do they occupy the most important set of empowerment indicators. Rather the focus here on the economic aspect of women's realities is meant to surface to the fore the embeddedness of market factors and processes in a prevailing gender system of a particular society. The discussion on women and gender that follows is concentrated on data on incomes and labour which are the easiest to retrieve from available statistics. The mainstream expectation is that trade intensification will expand employment and will lead an increase in the government's revenues. However as pointed out by many economists, such connections are never predictable or clear and at best results are mixed (Durano and Francisco, 2006).



Photo: SILAKA

In the following case studies, women in ASEAN occupy specific locations and perform particular roles in national economic systems that are undergoing shifts linked to intensified trade. The question: what are the opportunities and challenges facing them as trade and trade related reforms take root in the markets in which they operate? This section provides qualitative in-depth information on subgroups of women economic actors that enables policy makers to better understand how the opening of domestic markets to the free flow of goods, services and investments are affecting the economic options of women producers, entrepreneurs, traders and factory workers.

There are six country studies in this section, each with a story to tell yet the stories often transgress national boundaries as their storylines reverberate in various places. The case studies from Thailand and Lao PDR and to a certain extent, Viet Nam, provide valuable information on ordinary women's small and micro enterprises. In Thailand women's SMEs are being linked— through outsourcing channels - with the tourism industry that has become an important source of revenue for the Thai government. Meanwhile women SMEs in Lao PDR had gained from intensified cross border informal trade. In both instances, women entrepreneurs have to deal with not just institutional and administrative barriers but also cultural attitudes and norms that make it hard for them to access market information and resources. In the case of the Lao PDR the pattern of firm ownership is one in which men tend to dominate in the large firms whereas women are found mostly in the small and micro firms.

The case studies of West Kalimantan, Indonesia, Cambodia and to a certain

extent Lao PDR, meanwhile, tackled the phenomenon of expanded women's employment in the primary sectors where labour intensive work and low pay prevail. For thousands of women, mostly young migrants from rural communities, employment in the garments factories that had sprouted across ASEAN region through foreign direct investments has been an important source of survival but also of individual empowerment. The creation of new jobs especially for poor women who used to perform unpaid family work in the rural areas was lauded as a benefit from globalisation. Nevertheless, the over-reliance on a single FDI-dependent sector such as garments



Photo: SILAKA

presents many risks and uncertainties. Across all the case studies, issues related to quality of work foremost of which are low wages, long working hours and lack of adequate occupational and health safety measures, were cited. Men tend to occupy higher paying supervisory positions or leadership positions in the trade unions even in female prone industries such as garments

The cross-border labour migration of women in and around ASEAN, according to the case studies on the Philippines, West Kalimantan in Indonesia, Cambodia and Lao PDR, has been further stimulated by trade liberalisation. In the Philippines, the government's long-standing policy of sending abroad a part of its labour force coupled with its inability to generate enough employment inside the country, had given impetus to the exodus of health professionals thereby creating a care drain crisis for the country. The problem of trafficking in women and children was specifically raised in the case study on West Kalimantan but also mentioned in the case of Lao PDR and Cambodia.

The integration of the rural economy into the regional and international markets was the central theme of the case study in Viet Nam where agricultural liberalisation had promoted the cultivation of higher value added crops away from traditional rice farming. In the border villages of Lao PDR, there is an increase in the trading of natural timber, forest products, and handicrafts, by indigenous women. The need to support the ability of the women traders to command good prices for their products emerged in the case studies.

Tourism development which was prominent in the case study on Thailand was also discussed as a new source of revenue for governments in Cambodia and Lao PDR where concerns on the rise of the 'hospitality' industry and possible spread of STDs including HIV and AIDS through unprotected sex, were raised.

Although three of the case studies were carried out in the ASEAN-6 countries and three were in the CLMV group of countries, the situation of ordinary women who engage directly with the liberalised market do not reflect a huge development gap. Regardless



of which country the poor women resided, they were found to be concentrated in low-waged and/or small-scale economic activities in manufacturing, informal trading, agriculture, care-giving, and tourism.

## 1. “Women in SMEs and Tourism in Thailand” by Pawadee Tonguthai

### *Introduction*

As a result of trade liberalisation, women in Thailand are now living and working in an environment that is continuously changing and their livelihoods depend on being able to understand and keep up with new conditions and challenges arising from global competition. Women need to gain new knowledge, upgrade their skills, and improve their productivity as well as take advantage of emergent forms of networks and alliances. New opportunities can also be explored in bilateral free trade agreements.



*Photo: Pawadee Tonguthai*

The suspension of WTO negotiations announced in July 2006 as a result of the inability of trade ministers from major powers to come to agreement on main issues is a clear sign that the multilateral trading system will be further weakened, or even on its way out, replaced by regional and bilateral free trade agreements which take much shorter time to conclude. The need for continued global linkages will mean regional blocs like ASEAN and FTAs will become more important mechanisms for Thailand.

Although trade liberalisation affects both men and women in developing countries, women tend to be among the most vulnerable to adverse impacts. Women’s groups in fact see the ‘indefinite suspension’ of

WTO Doha negotiation as a unique opportunity to review the existing global trading system and to adopt a new approach that will promote gender equality and women’s human rights. In Thailand this finds expression in the

dual track approach of government, which is, strengthening the economy at the grassroots level while at the same time pursuing competitiveness in increasingly integrated regional and global markets.

### ***Women's work in the era of trade intensification***

Thailand's economic and social structure has long been an enabling factor for women's high rate of labour force participation, beginning with small scale, family owned farming enterprises where everyone — including women and children — contribute to the family's economic activities and share in the benefits. In such a setting, however, women's work is unpaid which have implications on how they value their time and how much (or rather how little) they are willing to accept as wages from paid employment. Export-oriented industrialisation in the 1970s and the resulting demand for unskilled workers for labour-intensive production — particularly in textile/garment, electronics, and food processing— brought millions of women into the manufacturing sectors. Young, single women migrated from

rural farms into the cities, most of them earning income for the first time and sending money home to support their families. These remittances would give them a greater voice and recognition in their households.

As trade liberalisation proceeded in the late 1980s, more women joined the workforce but the pattern of work had changed considerably. The policy of attracting foreign direct investments saw local companies fiercely competing with lower cost global firms. They tried every means to cut costs and to adapt quickly to changing consumer demand by adopting new practices such as letting go of fixed/permanent workers or buying less specialised machinery. The only type of workers retained were those who were flexible in terms of skills, could adjust to new types of work demands and willing to work on short-term basis often without any contract. The rest of the tasks were outsourced to small firms or home-based workers, where women comprised a majority, turning both the new and the old employees into informal and flexible workers. Such outsourcing was made

possible by the rise of international production networks in which the work process could be subdivided into a series of small tasks across several locations.

Although women workers find this type of arrangement appealing since it enables them to combine their role of wife and mother with that of income earners, they have no bargaining power over their wages and working conditions, no control over the regularity of their work and income. Furthermore, they work outside the formal protection of either the labour law or any form of social security, working 10-12 hours a day under unsanitary conditions and even running the risk of turning their homes into unhealthy or hazardous

environments for their family members.

The practice of outsourcing provided employment and income to villagers at the same time that formal employment in the urban areas was declining. Competition from countries with lower labour costs have shrunk the export share of goods traditionally dominated by female workers. Table 1 shows that the proportion of women in textiles and garments are two-thirds and four-fifths respectively but the share of textile/garments in total exports had kept dropping, from number 8 to its current place at number 11.

The ability of the informal sector to absorb retrenched workers partly account for the

**Table 1. Proportion of women workers in selected industrial sectors, June 2006**

Type of Industry	Proportion of women (%)
Food	56.6
Textile	66.7
Garment	83.3
Leather goods	59.4
Electrical goods and equipment	47.5
Chemical and chemical products	33.6
Plastic products	47.8
Total	45.6

*Source: Industrial Works Department "Industrial Factory Statistics"*

**Table 2. Daily hours of housework performed by male and female, 2005**

Participation in housework and number of hours per day	Male	Female
Per cent of population who participate in housework	43.8	84.6
Average number of hours per day spent in housework (by all population)	0.7	2.8
Average number of hours per day spent in housework (by those who participate in it)	1.6	3.3

Source: National Statistical Office, *Report of the Time Use Survey, 2005*

consistently low unemployment rates (1.5 per cent and 1.2 per cent for male and female, respectively, in 2005) regardless of the impact of global competition on exports and production on formal employment. Among the 50 million people 15 years and older, 36.3 million are currently employed (19.5 million men and 16.8 million women). Of these, 13.8 million are in the formal sector (7.5 million men and 6.3 million women), and 22.5 million in the informal sector (12 million men and 10.5 million women).

Although women are working longer hours or double shifts – either in the factory setting or at home, there is hardly any change in their family duties – the entire weight remains solely on women’s shoulders instead being shared by men. Table 2 shows that only 44 per

cent of men participate in housework and even among those who participate, women put in twice the number of hours that men put.

Women are concentrated in a few industries, and in almost all of them women are paid less. On average, women are paid 89.8 per cent of men, with the lowest being 65.7 per cent in health and social work where women constitute three-quarters of the workforce (see Table 3). It is notable, however, that there are several industries where women’s average wages is higher than men, such as that in wholesale and retail trade and in public administration. Among those working for international organisations, where a large number of women are at the higher grade of professional levels, women’s average wage is 173.7 per cent that of men.

**Table 3. Average wage by industry by sex, 2005 (amount in Thai baht)**

Industry	Average wage of male	Average wage of female	Proportion female in industry
Agriculture, hunting and forestry	3,079	2,385	45.0
Fishing	4,773	3,093	20.9
Mining and quarrying	8,606	6,595	24.7
Manufacturing	7,686	5,617	53.1
Electricity, gas and water supply	18,823	19,013	16.8
Construction	5,387	4,632	14.8
Wholesale and retail trade	6,564	6,913	47.9
Hotels and restaurants	6,431	4,901	66.9
Transport and communication	11,598	15,932	16.3
Financial intermediaries	22,274	16,862	52.3
Real estate and business activities	10,354	8,981	42.1
Public administration	11,377	11,870	33.7
Education	15,873	14,091	58.2
Health and social work	15,703	10,315	74.5
Other community and social services	7,337	6,044	58.5
Private households with employed persons	7,166	3,856	87.6
International organisations	30,000	52,123	86.4
Unknown	11,850	12,180	43.7
Total	7,903	7,099	46.4

Source: National Statistical Office, Report of the Labour Force Survey, July-September 2005, calculated from Table 14

### ***Strengthening Local Thai Economy for Competitiveness***

#### *The rise of SMEs*

As Thailand went through years of unprecedented growth of both GDP and exports in the late 1980s and early 1990s, the benefits of globalisation and trade liberalisation was seen to far outweigh its costs. Thailand's 'golden economic age' has been attributed to a

combination of external and internal factors — prosperous global market and efficient management of domestic macro-economy. Low inflation and steady growth created by Thailand's commitment to market-oriented industrialisation have provided an enabling environment for the dynamic private sector whose initiatives were the main forces behind those years of rapid growth.

Although institutional reform to

adjust to the force of globalisation was initially not a government priority, the effects of globalisation and trade liberalisation quickly exposed local enterprises to the full force of international competition. The government was forced to recognise the urgent need to come up with strategies to support its industries in the face of relentless competition. With the entry of countries like Viet Nam and China into the world market, Thailand could not depend solely on low-cost labour to provide a competitive advantage.

As global buyers kept raising their expectations of variety and quick response, export success could no longer depend on large manufacturing enterprises with benefits from economies of scale. Firms

were downsizing, if not disappearing completely, and the era of small and medium enterprises (SMEs) was born. Part of the growth of SMEs in the 1990s was linked to large firms dividing their operations in response to the globalised, competitive markets. As well, the need to increase domestic content and value of exports was emphasised especially after the 1997 financial crisis led to a sharp rise in the cost of production.

SMEs are key components in Thailand's recent economic development and reforms. The 2004 survey of establishments indicated that out of 2 million enterprises, 99.5 per cent of them are classified as SMEs, with the following distribution: manufacturing 21.6 per cent, services 35.9 per cent, wholesale 6.3 per cent

**Table 4. SMEs by Sector**

Sector	Employed Persons	Fixed Assets
Manufacturing & Services	Small = not more than 50 persons; Medium = 51-200 persons	Small = not more than 50 million baht Medium = more than 50 million up to 200 million baht
Wholesale	Small = not more than 25 persons Medium = 26-30 persons	Small = not more than 50 million baht Medium = more than 50 million up to 100 million baht
Retail	Small = not more than 15 persons Medium = 16-30 persons	Small = more than 30 million to 60 million baht Medium = more than 50 million up to 100 million baht

and retail 36.2 per cent. Almost one-third (30.6 per cent) of them are located in the Bangkok Metropolitan area. SMEs contribute to 38.1 per cent of GDP and although their share of total exports is small, they account for 45.5 per cent of manufacturing exports.

The definition of SMEs, according to the Ministry of Industry, uses the number of employment or fixed assets (excluding land) as the main criteria (see Table 4).

The Thai government's strategy of promoting SMEs actually began earlier in the late 1980s but did not receive much attention and was developing slowly until the 1997 crisis gave it a tremendous boost. The crisis that caused several large firms to collapse with tens of thousands of workers being laid-off was not followed by massive unemployment and economic suffering. It was apparent that the agricultural sector and SMEs gave the Thai economy enough resilience and acted as an effective cushion absorbing unemployed workers.

The government's motivations were not only economic but

also political. Politicians came to realise the link of SMEs, particularly in the rural areas, to large number of potential voters, and during the run up to the hotly contested elections in the late 1990s. Each political party tried very hard to come up with policies supporting SMEs. None was more effective than the Thai Rak Thai Party which boldly announced it as one of the main themes for its 2000 election campaign. It subsequently won by a landslide.

The Thai government currently has a clear set of policies dedicated to promoting and developing SMEs which it regards as significant for Thailand's long term economic development. The SME Plan 2002-2006 specifically states the aim of encouraging more Thais in their entrepreneurial efforts, enhancing the quality of SMEs to be able to compete internationally, and serve as a solid foundation for both local and national economy.

Thailand's commitments to free trade, along with the current government's strategy of bilateral free trade agreement (FTA) with a number of countries have translated into

**Table 5. Employed persons by work status by sex, 2005 (In thousands)**

<b>Work status</b>	<b>Male (percentage)</b>	<b>Female (percentage)</b>
Employer	874 (4.48)	256 (1.52)
Government employee	1,670 (8.57)	1,393 (8.27)
Private employee	6,986 (35.8)	5,797 (34.4)
Own account worker	7,280 (37.4)	4,167 (24.7)
Unpaid family worker	2,635 (13.5)	5,191 (30.8)
Member of producers' cooperatives	24 (0.12)	27 (0.16)
<b>Total</b>	<b>19,470 (100)</b>	<b>16,832 (100)</b>

*Source: National Statistical Office, Report of the Labour Force Survey, July-September 2005*

strategies to promote competitive capability of SMEs, including: the upgrade of workers' skills, advisory service to enterprises, SMEs use of modern technologies and knowledge, expansion of market, packaging, and brand promotion. There is also a programme for the promotion of new entrepreneurships, especially in knowledge-based areas such as ICT, agricultural technology, and biotech. This is done through training, upgrading courses and providing information, to give existing entrepreneurs new and wider choices.

Data in Table 5 is instructive to SME development in that it shows women are less likely than men to be operating an

enterprise of any size - among all employed women, one quarter are classified as own account worker compared to more than one third of the men. Men are also three times more likely than women to have the status of employer. In addition, where they work for family enterprises, women are less likely to get paid, three out of ten being in the category of unpaid family worker compared with only 13.5 per cent of men.

#### *Tourism development*

Export of services and tourism in particular, is one of the economic sectors that had been receiving support and encouragement from the Thai government because it is a leading provider of foreign



exchange. Since 1990, Thailand has enjoyed surplus in its current account and in 2004 the surplus was 211,315 million baht — most of which came from tourism.

In 2005, tourist arrivals in Thailand numbered 13.38 million, an increase of 14.8 per cent from 2004, with 25 per cent from the ASEAN Member Countries. Average expenditure per person/day was 4,150 baht and length of stay 8 to 10 days, generating revenue of 450,000 million baht. The highest category of expenditure in 2004 was the purchase of goods/souvenirs, accounting for 28.32 per cent, followed by accommodation (26.31 per cent) and food/ drinks (16.84 per cent).

One achievement from the efforts to make Thailand a leading tourist destination in this region is the change of its



*Photo: Tourism Authority of Thailand*

image from a 'male paradise' to a safe destination, for families or single woman. The country attracted 4.9 million female visitors in 2004 — almost double the figure of 2.6 million in 1995. Ratio of female to male tourists rose from 38:62 to 43:57 during that 10-year period and the number of female tourists from at least four countries exceeded that of males. In 2004, the growth rate of female visitors was 29 per cent compared to 9 per cent for male visitors. If this trend continues, the 50:50 male-female ratio is not too far in the future.

A contributing factor to this trend is that globally more women are working, earning incomes which allow them to make independent decisions on travelling as well as take a more active role in choosing destinations for family holidays. Also, recent marketing campaigns seem to be appealing to women travellers, particularly those promoting Thai cuisine, exclusive health spa and shopping. Products under the "One Tambon One Product" (OTOP) project, being inexpensive and imbued with a unique cultural

identity make for excellent gifts. The sales are generating employment and income for women, especially in the rural areas.



Photo: Tourism Authority of Thailand

The government is developing tourism infrastructure to enhance access to the country's natural beauty and diverse cultures but there is not enough linkage being made to women in SMEs. This despite the fact that compared to other sectors, a higher proportion of benefits derived from the travel and tourism industry go to women – whether through formal or informal employment. Women constitute 70 per cent of the entire tourism workforce, estimated to be around 3.1 million in 2004.

Most of the tourism services are not only performed by women in SMEs but also have the potential to create employment and value added to many supporting industries: transportation, hotels, restaurants, handicrafts, souvenirs, retail trade, health and entertainment. In 2004, 82 per cent of value of GDP from

hotels and restaurants came from small (62.3 per cent) and medium (19.7 per cent) enterprises. In terms of employment, 80.1 per cent were generated in small enterprises while 7.7 per cent in medium enterprises.

The new types of tourism (in addition to the regular business and leisure travels) being promoted that are likely to have more impact on women are those around nature-based eco-tourism. The government is also discussing plans to better link the highly successful "One Tambon One Product" (OTOP) project to tourism by pushing for the 'OTOP Tourist Village' which will encourage tourists to visit the source of products they are buying for souvenirs. It is expected to be a new alternative destination for tourists wishing to experience the local lifestyle and appreciate the application of local knowledge and skills.

#### *Financing local economies*

A part of the 'dual track' policy of the current government is

strengthening the economy at the local grassroots level along with promoting competition on the global level. Towards this end, the provision of credit to local communities is an important strategy. There are indications that women SMEs are benefiting from the government's microfinance programme even though it was not originally formulated to target them.

**SME Bank:** The origin of the SME Bank dates back to more than three decades ago when the government approved a financing scheme to promote small industries. The Small Industries Finance Office (SIFO) was set up to provide financial support to small manufacturing enterprises. Its operations, however, were hindered by limited funds which were solely coming from the national budget as well as its lack of programme flexibility. Subsequently, the status of the office was transformed to allow it to raise capital domestically and internationally. In 2000, its equity was raised to 2,500 million baht and the office was re-established as 'the Small and Medium Enterprise Development Bank of Thailand' or SME Bank. This was to be a key mechanism to

assist small and medium enterprises that are considered to be the foundation of the Thai economy.

**People's Bank:** Recognising the financial needs of people who want to start small scale and micro enterprises but lack assets to be used as collateral for bank loans, the government assigned the Government's Savings Bank (GSB) to set up the "People's Bank" to provide low income people with better access to financial resources. The scheme was also an alternative that government hoped would help reduce the poor's dependency on informal often usurious sources of fund. Credit is provided without requiring assets as collateral but the bank relies on personal guarantees and the person's capacity.

Community savings groups have been set up in coordination with the Department of Community Development. The savings groups operate on the basis of common trust, with members providing guarantee for each other's loans. In most community groupings, a majority of the members are female. In particular, more than 90 per cent of rural savings



Photo: Pawadee Tonguthai

groups are women (housewives' group), and which are seen as playing an important role in supporting grassroots economy. Credit is given to these social groups at the smallest level, to build a solid foundation. The members of the social group not only guarantee each other's loans and assist one another in accounting, marketing and coordinating with those who will bring the products to various trade/export fairs.

Mobile units (on bicycles or on foot) reach out to owners of small enterprises who need to attend to their business for most of the working hours. Their assistance begins with financial planning, provision of working capital to purchase raw materials and other production inputs, as well as marketing. The bank has helped disseminate their customers' product through the

various branches and the bank's website. Bank customers with reliable occupation and products can use them as collateral, with the bank focusing on discipline and savings.

Collateral is the main obstacle to obtaining a loan for small enterprises, particularly women-owned enterprises. To address it, a recent responsibility assigned to GSB is "Assets Capitalisation - Converting Assets into Capital," with assets broadly defined as including such things as the right to use street pavements for petty trading or OTOP brand name or copyrights – which can be used as loan collateral.

### ***Promoting Women in SME and Tourism Development***

Although both SME and tourism sectors in Thailand have contributed significantly to women's employment opportunities, there are still a number of areas for improvement if women are to take advantage of the fast changing global market, in particular in relation to *networking and linkages, and new knowledge and technologies.*

### *Networking and Linkages*

There is room for a wider use of network. At present, women tend to focus on details surrounding their production base rather than take advantage of wider networks that can reduce costs, improve product quality or expand market. Women are more likely than men to attempt to do everything themselves rather than make use of networks, and subsequently their enterprises remain small. The type of networking they have engaged in put more emphasis on the traditional *networking among groups and communities* rather than the required *networking among product segments*.

Promotion of tourism can pay more attention to the linkage between large tourist operators and local SMEs. For example, large hotels can benefit from outsourcing of services like laundry, creating excursion packages to visit villages to see how handicrafts are made, home-stay or lodging with local people etc.

Networking between agencies with mandates to provide support/promote SMEs can be very beneficial; for example,

between SME Bank and other financial institutions which can lead to easier access to credit for SMEs in the provinces. Given the small number of branches of SME bank and that 99.5 per cent of enterprises fit into that category, there remain a vast number of them that do not have access to SME bank and have to resort to borrowing from other financial institutions. Regular banks, however, tend to give low priority to SMEs because of the large expenses relative to the size of the loan. In addition, the nature of women's business are sometimes seen by loan officers as carrying higher risks. If the SME bank can join with other banks with countrywide branch such as Government Savings Bank and Agricultural Bank, it may be able to reach out to a larger number of its target groups.

### *Knowledge and Technologies*

Currently, Thailand has taken part in several regional economic cooperation efforts such as Asia Pacific Economic Cooperation (APEC) and Asean Free Trade Agreement (AFTA) at the regional level and bilateral free trade agreements (FTAs) with a

number of countries. They all have implications for SMEs. The reduction of tariff and non-tariff obstacles to trade has opened up markets allowing Thai producers to sell more goods abroad but at the same time allows foreign goods to compete with Thai products. SME managers therefore need to know how these economic agreements will affect them, and how to adapt to new challenges that these bring.

Knowledge about intellectual property rights is essential, since it can help creative SME entrepreneurs improve their market positions and income potentials by enhancing the market value of the enterprises and consequently their ability to raise fund, find new partners and suppliers, and even to acquire new technology to upgrade quality.

Many SMEs owned by women have the potential to own brand names, copyrights and even patents. However, the issue of intellectual property rights is far from their minds, either they are completely unaware or pay little attention to it and therefore rarely consider

registering their products. The government should have outreach programmes to build awareness among SMEs about the significance of intellectual property rights in the age of trade liberalisation, how to protect their own property rights over products and inventions, and how to use existing ones.

An example is the forthcoming *Japan-Thai Economic Partnership Agreement*. Japan is well recognised as the country that has provided advice and assistance to the promotion of SMEs in Thailand from the beginning. It has many best practices and opportunities that Thailand can use to its advantage. Some of the special projects included in the agreement have clear implications for women SMEs, such as: *'kitchen of the world' 'textile and apparel cooperation'* through which



Photo: Pawadee Tonguthai

there will be a transfer of technological know-how. Among the many trade agreements that Thailand has been negotiating for the past few years which mainly focus on the reduction/elimination of tariffs, this pact with Japan discusses technology transfer and training which will not only increase trade/exchange between the two countries but will help Thailand SMEs become more competitive.

Some possibilities for women SMEs relate to Thai food. The potential for exports of food and fruits is immense but up to now the main barrier has revolved around proper processing, packaging and marketing. Thailand needs food processing technology, and this trade deal may speed things up by helping to deal with the improvement of the quality of agricultural produce for export so that these may pass strict food safety standards in countries such as Japan. In this regard, Thai producers will benefit from accessing information on Japan's Food Sanitation Law which is the key instrument used by Japan's Ministry of Health, Labour and Welfare to control food safety and quality.

It has made some adjustments (enforced since May 2006) in that law, changing the system and list of chemicals, additives in animal food, including the type of antibiotics allowed.

There exists a considerable pool of knowledge among ASEAN Member Countries regarding SME promotion, particularly in Malaysia and the Philippines. Thailand does not need to 'reinvent the wheel' but can take advantage of this, as has been recently done by the signing of MOU between Thailand's SME Office and its Malaysian counterpart – *the Small and Medium Industries Development Corporation SMIDEC*. These two agencies have in fact been cooperating for some time using the APEC and ASEAN forums, and have bilaterally exchanged information and visits. Malaysia emphasised the necessity of having a high level committee, in its case shared by the highest government leadership. Under the MOU plan for exchange of information between these two agencies, local entrepreneurs can learn from one another's best practices as well as trade information and possibly joint ventures.

## *National / Regional Monitoring Indicators*

Free trade offers both opportunities and challenges to women in Thailand, and indicators on the implications of globalisation and trade liberalisation on the status of women in the past 5-10 years should be made available. These indicators should be designed not only to keep track of the impacts on women as mentioned in this regional report (see Part III) but also to show common concerns among countries in the ASEAN region. Consequently, this will encourage the ASEAN community to come up with a common strategy to promote women in SMEs so they can take full advantage of new opportunities resulting from trade liberalisation and regional integration.

As H.E. Ong Keng Yong, the current ASEAN Secretary-General recently remarked: *“SMEs have an exciting role to play in the wake of these developments in ASEAN and the global economy. But bold changes in business mindset and a supportive policy environment are needed to bring performance of the regional SMEs closer to their*

*potential. The process is far from easy. But it is far from insurmountable either.”*

## **2. “Market-Based Gender Issues in West Kalimantan under the BIMP-EAGA” by Delima Hasri Azahar, Rita Nur Suhaeti & Edi Basuno**

### ***Introduction***

As an engine for growth and development, trade strongly affects many aspects of life, including its norms, values and culture as a whole. As a player in a new growth area, trade serves as a leading sector developing the area into a bustling established city. Influences of strategic social changes such as globalisation also bring about many transformations in every aspect of life. These changes need to be analysed from a gender perspective to ensure that the trade sector does not worsen gender inequalities. This paper is a study of market-based gender issues in Indonesia, and as a case study it will focus on West Kalimantan, an Indonesian member province of Brunei Darussalam, Indonesia, Malaysia, the Philippines - East ASEAN Growth Area (BIMP-EAGA). It



is Asia's largest sub-regional grouping, spanning territories of four ASEAN Member Countries. BIMP-EAGA comprises the entire Sultanate of Brunei Darussalam; 10 provinces in the Indonesian islands of Kalimantan, Sulawesi, Maluku, and Irian Jaya; Sabah, Sarawak, and Labuan in Malaysia; and Mindanao and Palawan in the Philippines.

BIMP-EAGA has a combined land area of around 1.5 million sq kms, which is about half the size of India. Add to the land its combined sea area, and BIMP-EAGA's total size is much larger. It has some 57 million people, 2.5 times more than Malaysia's total population, with a significant percentage of them low-income earners who live on the thousands of islands spread across this vast area. These sub-regional collaborating countries add high value to agro-industry, natural resource based



*Photo: Rita Nur Suhaeti and Edi Basuno*

manufacturing, high grade tourism and other non-resource based industries.

West Kalimantan with which this study is concerned, lies side by side Sarawak, East Malaysia. It is also right on the equator line which makes it one of Indonesia's provinces with a high temperature and high air humidity.

Geographically, West Kalimantan has a great opportunity to develop faster than others because it is hemmed in by four growth areas. The first growth area is Sarawak in the north, the second is Java in the south. The third growth area is Singapore, Malaysia and the Batam Authority and other potential areas in Sumatra island in the west. The fourth growth area is one of the richest provinces in Indonesia, East Kalimantan in the east.

West Kalimantan has an area of 146,807 km<sup>2</sup> representing 7.64 per cent of Indonesia's total area. It is 1.13 times bigger than Java island and consists mostly of lowland, swamp, and peat. West Kalimantan is also famous for its big, long rivers, foremost of which is the

Kapuas river. Kapuas, Indonesia's longest river, winds through the four provinces of Kapuas Hulu, Sintang, Sanggau and Pontianak Regency.

Twelve years have passed since the BIMP-EAGA was created. But this sub-region of ASEAN has so far failed to live up to its name as a growth area. Economic integration among its focal areas is progressing but at a snail's pace. Given its archipelagic nature, BIMP-EAGA is desperately in need of an efficient regional air transportation system to link its various economic centers and to realise its economic integration objective.

The implementation of liberalisation measures will certainly yield benefits. However, the call for "improvement in competitiveness and export diversification can also easily lead to a "race to the bottom," building on gender wage gaps and gender biases, and marginalising or steering women into low paid/dead end jobs in free trade zones and export oriented sectors. Furthermore, unregulated import liberalisation threatens

women's livelihoods. The challenge now is how to implement the policy that can boost economic integration activities on one side while benefiting gender on the other.

### ***The Economic Situation of Women in West Kalimantan***

West Kalimantan's population in 2004 was about four million, with almost the same number of men and women. Total male-headed households were more than ten times that of female-headed ones, a proportion of 91 per cent compared to 9 per cent. Most of the population (60 per cent) belonged to a productive age (15 - 65 years), while population with less than 15 years and more than 65 years were 33 and 5 per cent respectively. Among the population who were less than 15 years, around 20,000 boys and 13,000 girls worked as child workers. Like other Indonesian women, generally, women in West Kalimantan get married for the first time at less than 20 years of age.

From the economic and employment condition point of view, West Kalimantan Province is average compared to other provinces in Indonesia.

**Table 1. West Kalimantan and Indonesian Population (2004)**

No. Indicators	West Kalimantan		Indonesia	
	Men	Women	Men	Women
1. No. of population (persons)	2,058,853	2,135,165	108,876,089	108,196,257
2. Productive age population (%)	61.98	61.67	62.34	63.21
3. Population less than 15 years (%)	32.74	33.14	30.46	28.76
4. Population above 65 years (%)	5.28	5.28	7.80	8.0
5. Number of people in Household (HH)	831,494	78,186	47,952,261	6,943,092
6. Household (%)	91.41	8.59	87.40	12.60
7. Woman's age, first time married (year)	-	19.94	-	19.29
8. Number of children labourers (persons)	20,160	13,111	714,247	421,942
9. Child labour (%)	0.98	0.67	0.66	0.39

Source: Gender indicators by regions, 2006, Ministry of Women Empowerment

The number of poor men-headed household was still above the nationwide average, while women-headed ones was lower than the national figure. Overall employment rate at 87.76 was a little better than that of the national average of 86.58 per cent. The Central Bureau of Statistics claimed that women's employment rate in West Kalimantan was at 45.60 per cent in 2001 but this increased to 55.50 in 2004 (CBS, 2004). Like the employment rate, the unemployment rate in West Kalimantan was also better than the national average for both men and women. In other words, the average employment opportunity in West Kalimantan was a lot better than that for the whole of

Indonesia but the wide gender gap in favour of males, remains reflected in the provincial data.

The Central Bureau of Statistics has divided the economy into three: (a) the primary sector, which strictly relates to natural resource utilisation, for instance agriculture (food crops, livestock, and fishery), forestry and mining; (b) the secondary sector, which refers to industry. The industry processes raw material into processed ones, including electricity and construction, and has wide coverage, ranging from small-scale industry to wood processing. Unlike the primary sector, however, the secondary sector differs from

province to province, depending on the industries that exist. The more industries in a province the bigger the figure for both men and women; and (c) tertiary sector, which includes trade, transportation, finance, and services.

Employment in the primary sector is dominated by the plantation and mining sectors. Of the total number of male workers, 62 per cent were primary sector workers and for women the figure was higher, at 72 per cent. Secondary and tertiary sectors, which demand more skilled workers, only accommodated 37 per cent working men and 27 per cent women. Human resource

quality in West Kalimantan is relatively low and this is reflected by the fact that most of the population work in the informal sector. Men and women who are engaged in the informal sector are 67 per cent and 83 per cent respectively, with both figures higher than the national averages.

Compared to the national figure, however, the urban wage for men in West Kalimantan is almost the same, but for women it is slightly higher. The situation is different for rural wages, which are higher than the Indonesian average. This shows that rural livelihood in West Kalimantan is better than that of Indonesia as a whole.

**Table 2. Gender indicators on economic condition and employment rates in West Kalimantan and Indonesia (2004)**

No.	Indicators	West Kalimantan		Indonesia	
		Men	Women	Men	Women
1.	No. of poor households (unit)	89,505	6,441	6,310,485	753,858
2.	No. of poor households (%)	10.76	8.24	8.24	10.86
3.	Employment participation rate (%)	87.72	55.50	55.50	47.91
4.	Unemployment (%)	7.48	16.50	16.50	19.96
5.	Primary sector (%)	61.80	72.40	45.24	45.23
6.	Secondary sector (%)	12.20	5.25	18.48	14.68
7.	Tertiary sector (%)	25.00	22.71	36.28	40.09
8.	Formal sector (%)	33.40	17.12	36.48	30.01
9.	Informal sector (%)	66.60	82.88	63.52	69.99
10.	Urban wage (Rp/month)	978,826	755,974	1,000,396	721,639
11.	Rural wage (Rp/month)	774,247	582,080	692,927	488,600

Source: Indikator Gender Berdasarkan Wilayah (Gender Indicators by Regions), Ministry of Women Empowerment 2006

**Table 3. Average of wage for women and men by main sector and sex, 2003**

No. Sector	Wage (Rp)		Average
	Women	Men	
1. Agriculture	290,167	708,360	663,537
2. Mining	644,780	663,378	660,615
3. Industry	535,382	730,278	686,636
4. Electricity, LPG and water	911,938	724,507	747,756
5. Construction	-	698,566	698,566
6. Trade	415,367	640,631	556,749
7. Transportation and communication	429,935	748,604	723,852
8. Finance	1,006,465	1,200,654	1,136,694
9. Services	839,151	1,162,386	1,038,816
10. Others	-	1,581,964	1,581,964
11. Total	658,816	830,822	790,063

Source: CBS, Susenas (National Socio-economic Survey), 2003 in Baporapp 2004

Details of the imbalanced wage for men and women in West Kalimantan are presented in Table 3. The significant imbalanced wage for women is shown in agriculture, trade, and transportation and communication. Even in the construction sector, no data is available for women's wage, reflecting the assumption that construction work is predominantly for men.

### ***The Role of BIMP-EAGA in West Kalimantan's Economy***

#### *Overseas promotion of local businesses*

The BIMP-EAGA was established to improve the performance of similar

enterprises in four adjoining countries. Since its establishment, however, Indonesia has been less active than the other three countries, in promoting the businesses and commodities of West Kalimantan. In fact, the other three countries have been actively promoting their own potential, and even invested funds in Indonesia. The West Kalimantan Regional Chamber of Commerce (Kadinda), which is supposed to represent private entrepreneurs, has not yet functioned. The coordinators among stakeholders in the BIMP-EAGA themselves are the local government and Kadinda of West Kalimantan. The role of Kadinda had only been minor,

and that of the local government had been much more dominant, despite the fact that the local government is supposed to be only a facilitator. The results of various meeting among BIMP-EAGA members have almost never been followed up. Kadinda has not performed well partly because of budget unavailability. According to Kadinda, the progress of BIMP-EAGA's development since its establishment in 1996 has been minimal. Brunei Darussalam, Malaysia, and the Philippines (Davao) have been more enthusiastic about benefits from BIMP-EAGA. Adding to difficulties of Indonesia, the BIMP-EAGA formation has overlapped with similar programmes such as Malindo, founded in 1967.

Nevertheless, through the Governor's Decree No. 510/2327/Bakomapin-C dated August 22, 2005 and which came into effect in early 2006, the BIMP-EAGA has another opportunity to play an important role. The decree is transferring the joint secretariat of BIMP-EAGA from Bappeda to the Agency for Cooperative, Small Medium Enterprise (SME) and Collaboration of Promotion and Investment

(Bakomapin). This time, Kadinda expects to maximise the existence of BIMP-EAGA, and for a start, introduces a BIMP-EAGA Road Map at the Bakomapin's Office so that the latter could better facilitate contacts among entrepreneurs in the four BIMP-EAGA countries. It will also involve the district level government toward harmonising provincial and district rules thereby avoiding investors confusion. Talks on the topic of alternative direct transportation from Brunei Darussalam to West Kalimantan other than via Kuching in Sarawak that are still in progress will be fast tracked; the existing Kuching road considered to be too circuitous and too far a distance for travel of goods and personnel.

#### *Overall Investments in West Kalimantan*

Following the objectives of BIMP-EAGA, business volume, both domestic and foreign, is still expected to rise. Table 4 shows that there was an obvious difference in growth between the two kinds of investments. There was a decrease in the number of domestic enterprises from 259 units in 2000 to 111 units in

**Table 4. Growth of Investments in West Kalimantan (2000 – 2005)**

Year	Domestic Investment		Foreign Investment	
	No. of Enterprise	Investment (Rp millions)	No. of Enterprise	Investment ('000 US\$)
2000	259	3,395,910.48	66	190,628.74
2001	92	3,681,353.57	41	240,093.79
2002	101	3,871,001.49	48	318,913.03
2003	105	4,411,370.44	53	419,792.66
2004	110	4,437,964.81	68	433,126.49
2005	111	9,576,507.51	81	573,089.68
r*)	-133,33	64,54	18,52	66,74

*r = Growth rate*

*Source: Bakomapin, West Kalimantan (The Regional Agency for Cooperative and Investment), 2005*

2005. It must be recalled that the region was still recovering from the 1997 Asian financial crisis, such that a 130 per cent decrease in the number of domestic enterprises was recorded between 2000 and 2005. Nevertheless, the value of investments increased during the above mentioned period, from Rp 3.40 billion in 2000 to Rp. 9.58 billion in 2005. In other words, there was an increase of 64.54 per cent in the amount of investment during these periods. A significant increase occurred in 2004 to 2005.

Unlike domestic investments, foreign investments showed a different picture. Although there was a decrease in the number of businesses from 2000 to 2003, an increase from 68 to

81 units was recorded in 2005 (18.5 per cent). It is interesting to observe that the increase of foreign investment value was also significant, at 66.74 per cent. The highest increase occurred during 2004-2005 from US\$4.33 billion to US\$5.73 billion. Thus, the biggest impact of BIMP-EAGA's presence is the increase in the value of investments from 2000-2005, both for domestic and foreign investments in West Kalimantan.

#### *Domestic Investment by Sector*

Data on domestic investment in West Kalimantan during 2000-2005 show that the number of enterprises decreased for all three sectors (see Table 5). The amount of

investment during 2003 and 2005 did not depend on the number of enterprises, but may be due to more expensive investment and to devaluation of the Indonesian rupiah.

As a whole, investment in the primary sector was always bigger than the secondary sector, and the secondary sector's investment was bigger than that placed in the tertiary sector. The primary sector was dominated by the plantation sub-sector and mining sector and was labour intensive, but the secondary and tertiary sectors required more expertise and more capital.

The decreasing primary sector investment also reflected a deteriorating environment in West Kalimantan which called for more expensive investment. In 2000 there were 142 enterprises operating in the primary sector, but in the following years, this fell to only about 50. The same pattern occurred in the secondary sector where the number of enterprises fell from 90 to only around 40 in 2005, and in the tertiary sector, from around 30 in 2000 to only 10 enterprises in 2005. During 2001-2004, there had not been a single mining enterprise and in 2005 there were only two. The high

**Table 5. Domestic Investment by Sector in West Kalimantan (2000- 2005)**

Year	Sector	No. of Enterprise	Investment (Rp million)	No. of Labourers	
				Domestic	Foreign
2000	Primary	142	2,780,936.73	63530	81
	Secondary	86	827,472.54	14747	16
	Tertiary	30	38,251.21	649	1
2001	Primary	49	2,745,147.13	43759	46
	Secondary	33	450,884.15	7783	3
	Tertiary	10	33,622.29	534	0
2002	Primary	53	3,373,561.12	51959	50
	Secondary	38	463,620.75	9573	5
	Tertiary	10	33,729.62	573	0
2003	Primary	55	3,779,758.42	22975	55
	Secondary	40	597,822.40	9738	5
	Tertiary	10	33,729.62	573	0
2004	Primary	57	3,805,932.79	62013	56
	Secondary	42	598,302.40	9950	5
	Tertiary	11	33,729.62	573	0
2005	Primary	57	3,360,690.62	66168	56
	Secondary	43	647,778.11	13166	16
	Tertiary	10	88,098.07	829	0

Source: Bakomapin, West Kalimantan (The Regional Agency for Cooperative and Investment), 2005



increase in tertiary sector investment in 2005 was mostly from hotel and restaurant activities.

From the labour absorption point of view, the primary sector was the winner due to its lower skill requirement when compared to the two other sectors. Physical activities dominated this sector, and generally, physical activity is done by men. The few foreign workers in West Kalimantan also tend to be found in the primary sector, mainly as supervisors.

#### *Foreign Investment by Sector*

Collaboration among the BIMP-EAGA countries can take two forms: West Kalimantan or Indonesian enterprises investing in other BIMP-EAGA countries or other BIMP-EAGA countries investing in West Kalimantan. The latter can be in the form of running new enterprises or joining existing ones by buying its stocks, etc. BIMP-EAGA is expected to facilitate collaboration among countries towards a win-win solution, and that its presence will enhance enterprise collaboration.

From 2000-2005, foreign investment in the primary

sector was relatively steady, and only 2 out of 39 enterprises had collapsed (see Table 6). In 2004 the number of enterprises rose again. Unlike the number of enterprises which tend to decrease, the value of foreign investment continuously increased, from US\$ 1.71 million to US\$ 5.40 million. The same pattern took place for domestic labour absorption, which increased from 8,511 to 24,080 persons. This means that the foreign investment was capable of absorbing domestic labour. The same phenomenon characterised foreign labour in the primary sector. The number of foreign workers increased again in 2004 following a decrease during 2000-2003. As a whole, foreign investment in West Kalimantan is a lot better than domestic investment. This must trigger some questions, such as why did domestic business decrease while foreign investment remained relatively stable?

Like the primary sector, the secondary sector showed a pattern similar to that of the primary sector. In 2000, the number of firms was at 39 units and this fell to 15 units in 2003. In 2005 it again rose to 20 enterprises. Unlike the primary

**Table 6. Foreign Investment by Sector in West Kalimantan**

Year	Sector	Number of Enterprise	Investments US\$ ('000)	No. of Workers	
				Domestic	Foreign
2000	Primary	39	171,065.36	8,511	103
	Secondary	19	17,800.30	1,914	31
	Tertiary	3	1,763.08	375	6
2001	Primary	24	224,062.75	15,011	61
	Secondary	12	8,324.59	991	16
	Tertiary	5	6,247.60	81	6
2002	Primary	23	265,191.79	11,204	76
	Secondary	13	16,138.60	1,224	33
	Tertiary	11	37,582.64	63	6
2003	Primary	23	356,506.79	12,761	99
	Secondary	15	25,703.23	1400	40
	Tertiary	12	37,582.64	10,097	12
2004	Primary	30	401,161.96	15,205	104
	Secondary	17	25,716.93	1,527	101
	Tertiary	19	6,247.60	14,397	32
2005	Primary	37	540,072.37	24,080	111
	Secondary	20	26,748.33	1,685	99
	Tertiary	23	5,268.98	14,587	62

Source: *Bakomapin, West Kalimantan (The Regional Agency for Cooperative and Investment), 2005*

and secondary sectors, the tertiary sector steadily increased from only 3 units in 2000 to 23 units in 2005. A significant increase occurred in 2002 from 5 to 11 units. Investment increase in the tertiary sector reflected foreign investment interest in the processing and services sector.

The value of secondary sector foreign investments increased consistently, except in 2001. Investment in 2000 was US\$ 17.80 million and rose to US\$ 26.75 million in 2005. In the tertiary sector, foreign investment was US\$ 1.76

million in 2000 and reached US\$ 5.27 million in 2005. During 2002-2003, it increased significantly, from US\$ 6.25 to US\$ 37.58 million. The number of domestic workers in the tertiary sector decreased from 375 persons in 2000 to 63 in 2002 and rose again to more than 10,000 in 2003. Even as late as 2005 the number of domestic workers for the tertiary sector was more than 14,500 persons. It showed that the skill of domestic labourers had increased so that they could take part in the secondary and tertiary sectors. The same pattern also took place among

foreign workers for the tertiary sector.

### **Market-based Gender Issues in West Kalimantan**

#### *Gender Issues in Employment*

Below are the results of a focused group discussion (FGD) conducted in a timber processing enterprise called PT Sinar Kapuas Kalimantan Barat (Sikab) which included 11 women workers and four supervisors. Women workers interviewed in PT Sikab had an average age of 33.5 years, with work experience of about 8.4 years. The average educational background was only 9.3 years, which means the average worker finished Junior High School. The average number of family members was 5.3 persons per household, with an average of 3-4 dependents each, who could be their own children, parents, in laws, niece/nephew, cousins or maid. A gender analysis of the domestic domain did not show any inequality between men and women, and only one out of 11 woman workers

had a husband who was jobless. Everyone was eager for their children to become well-educated in the future. Household asset was relatively good, and almost everybody owned a magic jar and coloured television set. Less than 50 per cent owned a refrigerator, VCD, LPG stove and motor bike. Most of the houses had wooden floors and walls, a few had ceramic floor. Like the general condition in West Kalimantan, their access to clean water was poor and only 2 out of 11 FGD participants had access to clean water, apart from not having their own private toilets.

Although data from the Ministry of Women's Empowerment revealed a wage gap between men and women, the issue never emerged from the focused group discussion. However information supplied



*Photo: Rita Nur Suhaeti and Edi Basuno*

by the government officer from the Provincial Labour and Transmigration Service Office (Disnakertrans Provinsi) referred to the prevailing practice of male preference especially for managerial work and to a wage gap based on ethnicity. Labourers from the indigenous population usually get a lower wage for the same job performed by her/his counterpart of Chinese descent.

#### *Cross Border Smuggling by Women*

Many women in West Kalimantan are engaged in smuggling at border areas. At the Entikong Immigration Station, for example, there are many smuggling-prone areas. Women carry smuggled goods from Sarawak, usually sugar, garlic, canned goods, etc, which vary depending on the price gap between the two countries. The choice of smuggling reflects women's poverty and powerlessness. They lack capital, and can only use their labour power as cross-border transporters for organised smugglers. They face a high risk of arrests and receive wages that are too small even for their family survival.

#### *Cross Border Trafficking in Women*

Women play a role as both object and subject at this time of international trade. Women are subjects or agents in trading activities but they could also be commodified objects or victims as found in women trafficking (WT). Women trafficking and women involved in international trade are usual twin phenomena in the border areas. For West Kalimantan area that borders Malaysia, the two activities are understandable and are direct consequences of economic disparities between the two countries. Poverty, or economic difficulty, is the main root of human trafficking. Women trafficking refer to a trading transaction using women as commodities who are either materially exchanged for money or informally transferred through buying and selling activities.

Poverty is something familiar to the population, especially to those who live in the rural areas. Rural living means various shortages, aggravated by the fact that the agricultural work is not attractive for earning a living, markets are unavailable and inaccessible,

information is limited, and there is closed communication to the outside world. Moreover, people have low educational attainment and low skilled. These poor conditions force women to seek jobs abroad, such as in Malaysia where wages are higher.

With low educational level and little information, women are vulnerable to human rights violations through various forms of trafficking. In West Kalimantan, at least 65 border entrances can be used for illegal WT activities. The West Kalimantan Police has reported 29 cases from 2001 – 2004, ranging from labour deception, to WT for prostitution purposes, to trafficking in children, child labour, and children identity falsification (Bapporap, 2005). But observers say this may just be the tip of the iceberg, unreported cases must be much higher than those contained in police blotters.

Another form of WT is the transnational marriage, which involves mostly Chinese women who live in Pontianak and Singkawang. The transnational marriage usually takes place between Chinese women and Taiwanese men.

Since 1992, marriages have occurred with increasing frequency, sometimes more than 1000 times a year. The marriage is usually an arranged one, forcible, and with brides being placed in subordinated and weak positions. The couple meets only once or twice before getting married. In addition, there is a capitalist factor in the marriage since it involves middlemen, who see it as a profitable business venture. Usually, women are subordinated to their family in Indonesia or the husband's family in Taiwan, the destination country.

### ***Supporting Women's Development in BIMP-EAGA***

#### *Women's Development in West Kalimantan*

The Government of West Kalimantan has set a development slogan as the basis of their way of thinking and action: "to create ethnic harmony, support successful business affairs and good governance." In addition, an institution dealing with women's empowerment has also been created in echelon III, Division of Women Empowerment, Agency for

Youth, Sport and Women Empowerment (Badan Pemuda, Olah Raga dan Pemberdayaan Perempuan/Baporapp).

The vision of Baporapp is to realise gender equity and equality, community welfare and children's protection in the family, community, nation and state life. Its mission clusters around (1) making women's quality of life better; (2) improving women's involvement in political processes and public functions; (3) eliminating all forms of violence against women and children; (4) improving children's welfare and protection; (5) strengthening gender mainstreaming and institutional data availability; and (5) improving community participation in development.

Strategies in empowering women are: (1) gender mainstreaming implementation; (2) gender awareness for all communities; (3) legal development for women's protection; (4) gender advocacy, facilitation and mediation; (5) harmonious partnership development; (5) development of gender information system; and (6)

community participation development.

In the economic realm, programmes aimed at empowering women fall under the following areas: poverty alleviation, improving women's productive activities; increasing the proportion of employed women; and improving women's working conditions.

### *Regional agreements*

Regional integration differs from other types of market opening in that it offers the possibility of establishing arrangements at the regional level to cope with the social dimensions of trade. The *effectiveness and comprehensiveness* of these structures depend on available resources and the underlying political commitment. Which social dimensions should be determined and resolved at the regional level and which should be typical national responsibilities ('subsidiary') is another matter for consideration.

BIMP-EAGA countries want to upgrade production and raise local value added so that they can continue to provide decent labour standards and compete internationally. In the past

decades, many jobs were created in foreign-owned enterprises, which offered a ready package of technical, managerial and marketing know-how. Ambitious governments relied on such direct foreign investment for growth to a considerable extent. In West Kalimantan the number of jobs spurred by FDI did increase while other provinces had a less comparable experience. But many of the activities involved only the simple processing of imported inputs with little value being added domestically.

Relaxing rules on intra-regional migration has been suggested as another means of expressing BIMF-EAGA solidarity among low-and high-income members. International migration is an important link between BIMF-EAGA countries. Migrants keep local labour costs low and act as safety valves in host countries' labour markets. They are active in manufacturing (e.g. garments, plywood and other timber processing) and construction, on plantations (rubber, fruit and vegetables) and as domestic workers. The abundant use of migrant labours in the trade industry often indicates a loss of competitiveness; the industry

cannot compete at prevailing levels of productivity and labour costs. Relocating those activities that make intensive use of migrant labours to where migrant labour come from could serve as an interregional redistributive instruments.

Moreover, intra-regional migration should take place in an orderly fashion (preferably as part of a regional agreement), taking into account the interests of both sending and host countries and making sure that the rights of migrant workers are protected. Migrant workers in general and women workers in particular should be protected from exploitation, particularly sexual abuse. In order to enhance the experience of women in the labour market at least three sets of questions must be addressed; why is access to training and education easier for men than for women, and what can be done to remedy this? Why is it easier for men than for women to set up their own business, and what can be done to remedy it? And finally, what would be the effect of a gender equality policy on women's participation in the economy and how can this best be brought about?

### **3. “The Gender Dimension of Health Professional Migration from the Philippines” by Jean Encinas-Franco**

#### ***Institutional Arrangements for Trade Liberalisation***

Since the late 80s and early 90s, the Philippines has actively pursued and managed globalisation by opening its economy and liberalising trade in a bid to attract foreign direct investments. In line with this, it has continuously sought to integrate its economy with the rest of the world. The country's entry into the World Trade Organization in 1995 provided the imprimatur that ushered in the Philippines' link to the global market economy. At the regional level, the Philippines signed the Association of Southeast Asian Nations Free Trade Agreement (AFTA) in 1992. Through the Common Effective Preferential Tariff (CEPT) Scheme, the agreement aims to eliminate high tariffs or taxes on traded goods and to scrap the quantitative restrictions (QRs) and other non tariff barriers (NTBs) within the region. It seeks to enhance intra-ASEAN trade and bolster ASEAN market's competitiveness in the global economy. Philippine

commitment to the AFTA has been realised as 100 per cent of all the tariff lines are now at zero to five per cent. AFTA intends to achieve full economic integration by the year 2020. Some less-developed member countries such as Cambodia, Laos, Myanmar and Viet Nam are allowed more time to adjust their tariff rates.

Consistent with the sequencing of liberalisation, members of the ASEAN have also agreed to cooperate and expand trade in the services sector, more specifically in temporary labour migration, as a means to improve competitiveness. As such, an ASEAN Framework on Agreement on Services (AFAS) was signed at the Fifth ASEAN Summit in Bangkok in 1995. To date, two negotiations have already taken place while a third round has started. In the first round, seven key priority sectors are covered, namely: air transport, business services, construction, financial services, maritime transport, telecommunications and tourism (Manning and Bhatnagar, 2004).

The General Agreement on Trade in Services (GATS) of the World Trade Organization (WTO) serves as a reference



point in the formulation of the AFAS. In particular, the four modes<sup>1</sup> by which natural persons can provide services as contained in the AFAS is culled from similar provisions in the GATS (Ibid).

Philippine's commitment under the AFAS includes the liberalisation of business services and construction and engineering services. Meanwhile, under the GATS-WTO, the country has agreed to open up its telecommunications, financial, air transport, maritime and tourism sectors (Ibid). At present, the Philippines is in the process of AFTA negotiations with regard to the mobility of health professionals and information technology workers. Notably, the movement of workers within ASEAN is relatively limited. In the case of the Philippines, a huge portion of migrant workers can be found in countries outside of ASEAN. However, AFAS is relevant given that Singapore and

Malaysia are emerging markets for Filipino workers. At present, there are only three bilateral agreements the Philippines has signed pertaining to nurses. These are with Norway, the United Kingdom (UK) and the most recent one with Japan.

As a result of these commitments, the government has pursued a major restructuring of the economy. It initiated the liberalisation of the telecommunications, financial services and banking sectors, the privatisation of major industries such as water services and the deregulation of oil. Lowering of if not the removal of tariffs on key sectors have been met. At the same time, labour, monetary, fiscal and expenditure policies are managed to attract investments and maintain market competitiveness. Education and training policies have also been geared towards making the Filipino a 'world class' worker. Government officials pursued

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<sup>1</sup> The four modes are as follows: Mode 1: A service is provided in the manner of international trade of goods such as in cross-border supply where the supplier and the user are not in direct contact with each other; Mode 2: When a specific consumer moves to a country to avail of a supply otherwise known as Consumption abroad; Mode 3: The establishment of a commercial presence, and Mode 4: The movement of natural persons as when an individual supplier physically moves to the country of the client (Manning and Bhatnagar, 2004:11-12).

**Table 1. Share of agriculture, industry and services to GDP, and Sectoral Growth**

Share (%)	1990-1995	1996-1999	2000-2003
<b>Philippine (average)</b>			
Agriculture	22.44	20.36	19.97
Industry	34.96	35.33	34.17
Services	42.61	44.31	45.87

Source: IMF Financial Statistics in Pasadilla, 2005b

**Table 2. Average share (%) of agriculture, industry, and services on employment**

	1991-1995	1996-1999	2000-2003
<b>Philippine (average)</b>			
Agriculture	45.06	40.27	37.36
Industry	15.78	16.16	15.67
Services	39.11	43.54	46.96

Source: IMF Financial Statistics in Pasadilla, 2005b

or at the very least made policy pronouncements that seek to enhance what is perceived to be the Filipino worker's comparative advantage of English proficiency and tertiary-level education.

Liberalisation has restructured the Philippine economy as the services sector increasingly occupied a bigger chunk of the country's gross domestic product (Table 1) and employment (see Table 2).

### **Gender Issues in Expanding Services Sector**

The declining share of industry and agriculture has

consequences for women's work in the country. In general, economic restructuring in favour of the services sector is said to increase the labour force participation of women in developing countries (Orbeta, 2002:4). International fragmentation of production brought by lower communication costs, has contributed to this trend (van Liemt, 2005). There is at present a surge in Business Product Outsourcing (BPO) and other ICT-related jobs in the country. Reports indicate that call centers in particular hire predominantly female employees (Benitez-Reyes, 2004).

Indeed, female labour force participation in the Philippines increased from 48.2 per cent in 1994 to 51.4 per cent in 2004 (SEPO,2005). Likewise, in terms of sector-specific data, women generally outnumber men in the services sector compared to agriculture and industry from 2001 to 2003 (Table 3). While on the surface this may seem to mean more jobs for women, it is in the services sector where gender-based jobs can be found such as personal services and sales. Orbeta (2002) explains that women are generally favoured by employers because they are less organised and underpaid allowing increased flexibility in operations. Moreover, these types of jobs are usually associated with casual or temporary working arrangements (Ibid). At the same time, because some industries resulted in retrenching workers due to

high cost of production, the Philippine labour force is pushed into the informal sector (ILS, 2000). Estimates in 1998 show that 5 million women are in the informal sector (Ofreneo in ILS, 2000) where women are most vulnerable to harassment and low remuneration. The lack of reliable data in this sector also hampers protection efforts.

Studies have also noted that women's predominance in the services sector is a result of gender stereotyping in occupations and industries, and in the course chosen in the tertiary level (ILS, 2000) as well as bias in employment recruitment (Illo, 2005). Thus, prevailing gender bias in cultural norms endemic in Philippine society also explains why most women workers are in this sector.

Moreover, privatisation, liberalisation and market-led

**Table 3. Employed Persons by Sex, 2001-2003 (in thousands)**

	2001		2002		2003	
	Male	Female	Male	Female	Male	Female
Agriculture	8085	2765	8205	2916	8356	2863
Industry	3300	1412	3309	1386	3430	1409
Services <sup>1</sup>	6535	7053	6790	7451	7085	7490

Source: National Statistical Coordinating Board (NSCB)

<sup>1</sup> Services do not include Extraterritorial Organisations and Bodies

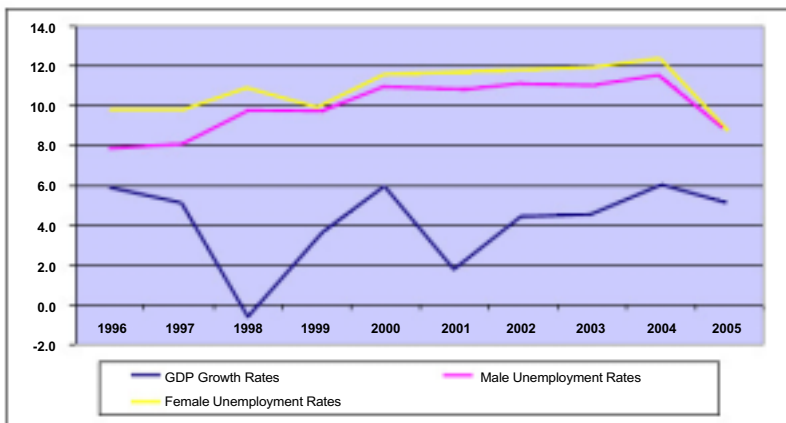
growth strategies have consequences for women as care providers (Young and Hope, 2003:16) particularly in the country like the Philippines where the poverty incidence stands at 24.7 per cent of households (FIES 2003). For one thing, women bear the burden as vital social services are de-prioritised in favour of debt service payments which occupy a third of national government expenditures. As such, the lack of resources for social services has a detrimental impact on women's role in social reproduction (Ibid). As it is, Filipino women perform about 90 per cent of unpaid work (Virola and de Perio in ILS, 2000).

### ***Philippine Labour Migration: The Case of Health Professionals***

#### *General Trends*

Since the 1970s, out-migration has been the response of Filipinos to labour contractions. However, what was then a temporary stop-gap measure continues to this day; Filipino exodus to the rest of the world remains unabated. As such, the country is considered to be one of the world's primary labour exporters. Economists point to the 'jobless growth' characteristic of the Philippine economy as the primary reason why Filipinos leave in search of jobs. Simply put, the

**Figure 1. Male and Female Unemployment Rates, Gross Domestic Product, 1996 to 2005**



Source of data: NSO, NSCB

economy is unable to generate jobs for the new entrants to the labour force even in periods of relative growth (Figure 1), making unemployment levels high compared to other countries.

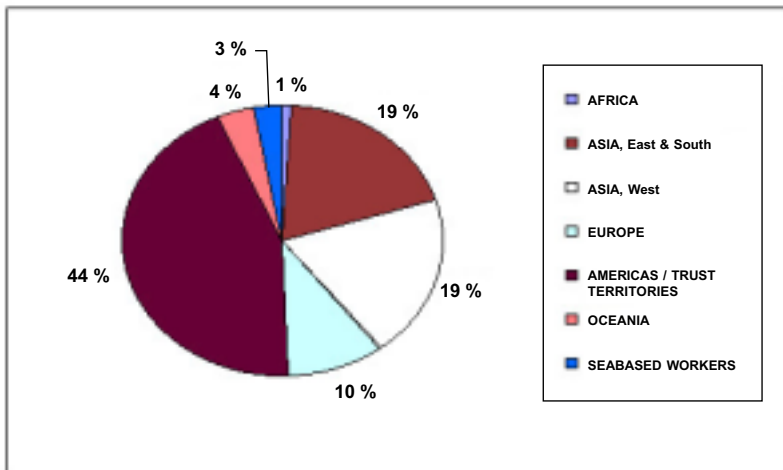
As of December 2004, the stock estimate of overseas Filipinos is at 8.08 million (see Figure 2) or nearly ten per cent of the country's population and 23 per cent of the country's labour force. Of this, 3.2 million are permanent workers, 3.6 million are temporary while about 1.3 are irregular. Notably, a huge bulk or 2.7 million of the permanent overseas foreign workers

(OFWs) are in the Americas and its trust territories while East and South Asia and West Asia have 1 million and 1.4 million temporary OFWs, respectively. East and South Asia have the biggest share of irregular workers (443,343). The daily deployment average stands at 2,709 in 2005 (POEA).

### *Feminisation of Migration*

The 2004 Survey of Overseas Filipinos shows that 51 per cent of migrant workers are women. This trend continues as latest POEA data show that female new hires comprise 72 per cent of those deployed in

**Figure 2. Stock Estimates of Filipino Overseas Foreign Workers (OFWs), 2004**



TOTAL: 8.08 MILLION OFWS

2005. They are mostly employed in the services sectors as entertainers, domestic helpers, care-givers and nurses.

Women migrant workers can be found in Hong Kong, Saudi Arabia and Japan. The low-paying jobs that women have reflect the amount of remittances they send home. In 2004, they sent a mere 57 per cent of the P74,267 sent by their male counterparts (SOF in NCRFW, 2005).

#### *Economic Contribution and Government Response*

OFW remittances help fund the country's imports and prop up

the balance of payment (BOP). From 2001-2005 alone, OFW remittances<sup>2</sup> have averaged \$7.9 billion dollars and contributed an average of 8.9 per cent of the country's gross national product (GNP). Remittances also constitute about a fifth of the country's total export earnings for the five-year period (Table 4). However, studies show that remittances can have a deleterious effect on the economy. A good number of families dependent on remittances have lost the energy to actively participate in the economy and passively depend solely on the remittances sent their way (Chami, et.al. in Opiniano,

**Table 4. Total Remittances as Percentage of GNP and Total Exports, 2001-2005**

	2001	2002	2003	2004	2005	Average
Total Remittances <sup>1</sup>	6,031	6,886	7,578	8,550	10,689	7,947
Gross National Product <sup>1</sup>	76,023	81,756	84,708	92,212	105,213	87,982
Percentage of Remittances to GNP (%)	7.93	8.42	8.95	9.27	10.16	8.95
Total Exports <sup>1</sup>	31,313	34,403	35,339	38,794	40,231	36,016
Percentage of Remittances to Total Exports (%)	19.26	20.02	21.45	22.04	26.57	21.87

Source: Banko Sentral ng Pilipinas (BSP)

<sup>1</sup> in Million U.S. Dollars

<sup>2</sup> It is widely believed that these figures are underreported since a huge percentage of OFWs course their remittances thru door-to-door delivery and other informal systems other than the banking sector. Thus, the exact amount that the economy receives from Filipino migrant workers is difficult to ascertain.

2004). Moreover, research finds that remittances made very little dent in improving poverty levels because they were spent in consumption rather than in income-generating activities (Opiniano, 2004).

Migration also eases unemployment levels in the country as a percentage of the labour surplus is absorbed by other countries. Because of these factors, the government has increasingly facilitated labour migration by creating agencies such as the Philippine Overseas Employment Administration (POEA) and the Overseas Workers' Welfare Administration (OWWA) to facilitate overseas employment and protect migrants and their families. The Philippine government encourages migration and even labels Filipino OFWs as "modern-day heroes".

A Migrant Worker's Act (RA 8042) was enacted in response to the clamour for more protection and assistance to OFWs and their families as a result of the national trauma over the death of Flor Contemplacion, a domestic helper in Singapore. It is in this measure where plans to

deregulate overseas employment to increase the role of the private sector are suggested (Opiniano, 2004:16). The Medium-Term Philippine Development Plan (MTPDP) of 2001 to 2004 has also made a pitch for deregulation for "employment enhancement".

In particular, the government sought to transform its education and training systems to meet the demands of the international market. Notably, "flexible, market-oriented and user-driven tertiary education and training programmes" (Tan, 2005a :246) were created. Also, the Medium-Term Philippine Development Plan (MTPDP) of 2001-2004 pursued the country's regional and international commitments as it recognised the need for a 'shift to higher skill and knowledge-based categories of jobs in the new economy...' (NEDA, 2001). A law was approved decentralising the public elementary and secondary educational system even as the Commission on Higher Education (CHED) was established. The Technical Education and Skills Development Authority (TESDA) was put up to certify skills for vocational and

technical education that would respond to overseas employment.

### ***Deployment Trends of Filipino Health Professionals***

Of late, the large out migration of the country's health professionals has been receiving attention. Since 1996, medical or health professionals consistently formed the bulk of new hires among selected professional and technical workers (Table 5).

Predominant among these health professionals are nurses.

The World Health Organization (WHO) estimates that the

country loses 15,000 nurses yearly. This has prompted some sectors to warn, not only of a brain drain, but of a health systems crisis if this trend persists. This forecast is not without basis as the Philippines is perennially threatened with shortage of health professionals due to decades of underinvestment in health. From 1992 to 2003, nurses far outnumbered other health professionals in deployment abroad (Figure 5).

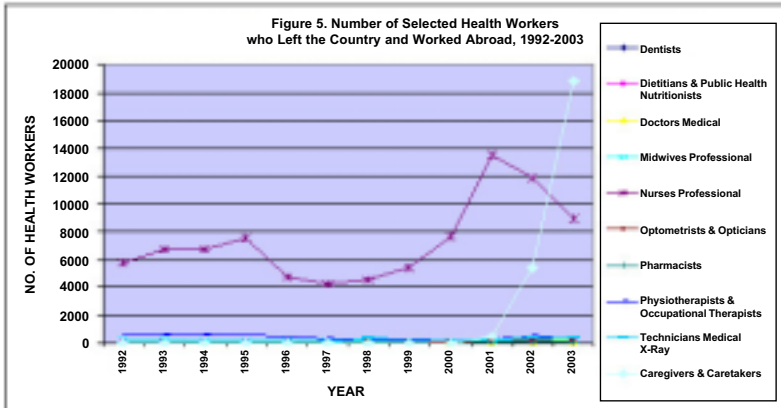
The recent migration of health professionals is contributing to the over-all pattern of feminisation of migration in the country. Health workers, particularly nurses are

**Table 5. Deployment Per Skill Of Selected Professionals and Technical Workers, (New Hires), 1996-2002**

Occupation	1996	1997	1998	1999	2000	2001	2002
<b>Engineers</b>	<b>2,819</b>	<b>3,653</b>	<b>2,986</b>	<b>2,248</b>	<b>2,098</b>	<b>2,834</b>	<b>2,688</b>
Chemical	26	21	26	17	14	29	21
Civil	571	786	575	361	267	377	455
Electrical and electronics	667	754	645	548	509	626	570
Industrial	124	238	138	97	104	135	144
Mechanical	494	618	544	416	336	384	362
Geodetic/Surveyors	225	280	208	158	106	188	235
Others	712	956	850	651	762	1095	901
<b>Medical</b>	<b>5,515</b>	<b>5,305</b>	<b>5,454</b>	<b>6,031</b>	<b>8,368</b>	<b>13,882</b>	<b>12,419</b>
Doctor	38	60	55	59	27	61	129
Nurses	4,734	4,242	4,591	5,413	7,683	13,536	11,867
Nursing personnel	743	1,003	808	559	658	285	423
<b>InfoCom / (ICT)</b>	<b>704</b>	<b>955</b>	<b>1073</b>	<b>808</b>	<b>470</b>	<b>581</b>	<b>340</b>
Computer programmer	702	944	1066	805	469	539	324
Systems analyst	2	11	7	3	1	42	16
Teachers	<b>114</b>	<b>166</b>	<b>140</b>	<b>128</b>	<b>241</b>	<b>390</b>	<b>623</b>

Source: Philippine Overseas Employment Administration in Tan, 2005a





Source: POEA in Lorenzo, forthcoming

gendered occupations as these are perceived to be extensions of the traditional role of women as nurturers. Indeed, among the total nurses deployed since 1992, 8 out of 10 are female (Table 6). Notably, from 1910-1950, the Philippines produces health professionals purely for domestic needs (Lorenzo, forthcoming). In the 1950s, nurses joined exchange visitor programmes in the United States. In the 1970s, Filipino nurses were deployed in oil producing and exporting countries.

However, recent migration patterns are different. From 1992 to 2003, nurse deployment has increased exponentially, reaching its peak in 2001 when more than

70 per cent of nurses left the country (Table 6). As of 2003, a total of 87,852 nurses have been deployed abroad (Table 6).

Parallel to the pattern of feminisation, a peculiar trend in the recent wave of health professional migration is 'de-skilling' as the number of 'nurse medics' or doctors training to be nurses are lured by overseas jobs. A National Institute of Health (NIH) study estimates that about 1000 nurse medics per year went abroad from 2000 to 2003 (Lorenzo, forthcoming). It is estimated to triple in 2005 and the coming years.

POEA figures indicate that on an annual average, more than

**Table 6. Distribution of Nurses Deployed Abroad by Gender and Year, 1992-2003**

Year	Male	%	Female	%	Total
1992	680	11.8	5,067	88	5,747
1993	729	10.8	6,015	89	6,744
1994	1,013	15.1	5,686	85	6,699
1995	1,160	15.3	6,424	85	7,584
1996	665	14	4,069	86	4,734
1997	671	15.8	3,571	84	4,242
1998	666	14.5	3,925	85	4,591
1999	839	15.5	4,574	85	5,413
2000	1,273	16.6	6,410	83	7,683
2001	2,269	16.8	11,267	83	13,536
2002	1,615	13.6	10,295	86	11,911
2003	981	10.9	7,986	89	8,968
<b>Total</b>	<b>12,561</b>	<b>14.3</b>	<b>75,289</b>	<b>86</b>	<b>87,852</b>

Source: *Philippine Overseas Employment Administration in Lorenzo (forthcoming)*

POEA. Note: Data for 2002 and 2003 may not add up to the total due to the lack of information on gender.

half of Filipino nurses deployed from 1999 to 2003 are in Saudi Arabia (Figure 6) though there are estimates that high income countries in Asia such as Singapore and Japan are emerging as new markets.

Though the first wave of migration of health professionals occurred in the 1950s in the United States, today's trend indicates a more permanent or long-term 'pull' pattern on the demand side. Demographic changes brought by declining birth rates in high income countries and shift in

education and labour trends in wealthy countries that no longer view the nursing profession as a means to acquire upward mobility, indicate a continuing demand for nurses. Within ASEAN, countries like Singapore and the wealthy middle class of Malaysia and Thailand are reported to be poised to increase demand for health professionals (ASEAN-ANU Migration Research Team, 2005).

On the supply side, health professionals see higher

income, better working conditions, opportunities for migration and peace and order condition as ‘pull factors’ that combine with the ‘push’ factors of low pay, job stress and negative socio-political environment in the Philippines (Lorenzo, forthcoming). This is consistent with findings of the World Health Organization (WHO) on structural and societal reasons for health professional migration in Pacific Island Countries (2005).

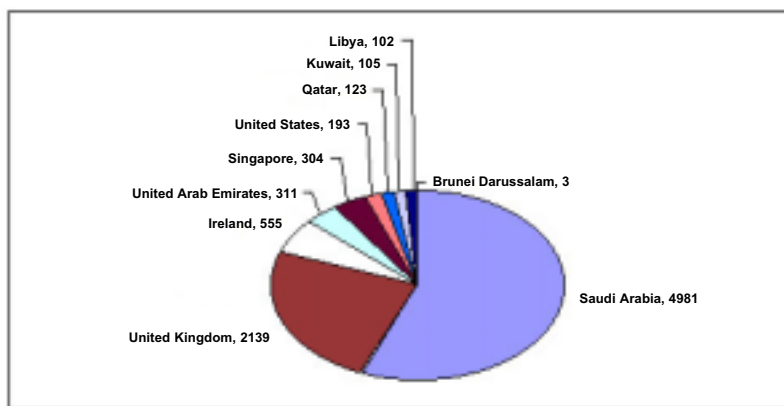
***The Gender Dimensions of Labour Migration of Health Professionals***

Clearly, the feminisation of health professional migrants should be examined. Indeed,

the benefits of increased job opportunities and higher income are a boon for their families. However, a critical examination of their role in their own health care systems, in the international division of labour and in their families must be done to mitigate the potential negative impact of migration and maximise its supposed gains.

While brain drain is the traditional approach used to calculate the costs of professional migration to the host country, it does not take into account the differential impact of migration on men and women. An alternative framework of a ‘care drain’ is therefore needed.

**Figure 6. Five-Year Average, Deployment of Nurses by Major Country of Destination (1999-2003)**



Source: POEA in Lorenzo, forthcoming

The 'global care chain' framework is particularly compelling. Feminist economists and activists (Durano and Francisco, 2006; Hochschild and Ehrenreich, 2003) argue that the feminisation of migration sets a condition wherein women who are supposed to be responsible for social reproduction or the nurturing and care of an individual in the source country are made to perform these tasks in the host countries, exacerbating what is already a 'care-deficit' in their own countries. Women leave their families and ask other members of the family, particularly a female elderly, their older female children or a domestic helper (most possibly female) to care for them. This then, leaves them with no one to care for, given the gaps in social service delivery in their own country. At the national level, the reproductive care function of the health care system is particularly relevant as it is responsible for the

nurturing and care of the individual for human capital.

### *Vulnerabilities of Women Health Professional Migrants*

At the level of women health worker migrants, the main person in the care chain, vulnerabilities exist brought about by many factors. To begin with, as frameworks for the international movement of workers, the AFAS and the GATS Mode 4<sup>3</sup> have inherent limitations. The GATS provision fails to take into account nurses that form the huge bulk of health worker migrants in the Philippines and where the women are located (Wee et.al. as cited in Durano and Francisco 2006). While Mutual Recognition Agreements (MRA) in the nursing profession are currently being negotiated under the AFAS, its impact is limited since more than half (56.5 %) of Filipino nurses are in Saudi Arabia because of the less stringent requirements. At

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<sup>3</sup> Under Mode 4 of the GATS, there are three ways by which a person can temporarily provide a service: "(1) having been sent by his/her employer to a foreign country in order to undertake a specific assignment of duty for a restricted and definite period of time; or (2) engaged in work that requires professional, commercial, technical or other highly specialised skills for a restricted and definite period of time, or (3) upon the request of his/her employer in the country of employment, engages in work that is transitory or brief for a restricted and definite period of time" (Garnier, as quoted in Stahl, 2001:371-372).

the very least however, successful AFAS MRAs may redirect the destinations of Filipino nurses to ASEAN member countries.

Moreover, much of the out-migration of health professionals that is occurring, fall outside of formal bilateral agreements between the Philippines and the labour-importing countries as majority of Filipino nurses in particular are in the Middle East. As mentioned earlier, there are only three (UK, Norway, Japan) existing bilateral agreements on nurses the country has signed. Also, because of the huge demand for nurses, there is active recruitment that occur outside of the POEA (Galvez-Tan, 2005) thus exposing some migrants to potential hazards such as illegal recruitment, human smuggling and trafficking. This also makes national accounting of the deployment of health professional migrants difficult. Outside the rubric of the GATS and AFAS, international human rights conventions such as the 1990 UN Convention on the Protection of the Rights of All Migrant Workers and Members of their Families (Migrant Workers Convention), the 1979

Convention on the Elimination of Discrimination Against Women (CEDAW) and the 1993 Declaration on the Elimination of Violence Against Women can be viewed as a source of redress for women health worker migrants. However, many host countries have not even signed these agreements (Piper, 2003:31).

Meanwhile, it has been pointed out that a rights-based approach is also limited in the sense that even if the Migrant Workers Convention includes female migrants, it has not taken into account their role in the care-taking economy (Truong in Piper, 2003: 31). The reluctance of some labour importing governments to recognise the public sphere in their legal frameworks and the specifically harsh policies that countries impose on their own citizens (Piper, 2003: 32) also make migrants in the care economy vulnerable. This is especially true for Filipino nurses who are mostly in Saudi Arabia, a Middle Eastern country known for its restrictive laws against women. Likewise, this has implications on some nurses who are actually not even hospital-based especially those hired to take care of children and the elderly.

However, POEA does not have available data on this.

For ASEAN in particular, its non-intervention policy with member-states' human rights violation makes it difficult for migrant health workers to seek redress for violations committed by countries within the region. Likewise, labour-sending members in the ASEAN like the Philippines can hardly use the organisation because the lack of a regional human rights mechanism dilutes its bargaining capacity to adopt a rights posture at the international level when it so requires. At the same time, there is wide disparity in the number of International Labour Organization Conventions that ASEAN governments have ratified (van Liemt,2005:23).

#### *Vulnerabilities of migrants' households*

Vulnerabilities also exist at the level of the household for the female migrant. In terms of gender relations, it is lamentable that few studies have covered this important dimension despite the feminisation of migration. Studies on health professional



Photo: Jean Encinas-Franco

migrants in the US find that gender relations go through the process of renegotiation (Espiritu, 2002:47) as women move in to their new environment. However, studies are divided in their assessments of whether migration is a boon or a bane for women. In some instances, emigration ends in 'increased participation in wage employment, more control over earnings, and greater participation in family decision-making' (Espiritu in Pessar 2002:47). In a study that used in-depth interviews with Filipino American women health professionals who brought their husbands and families to the United States, their increased resources and status did not necessarily translate in women's being empowered at home, thus challenging traditional notions of income as leveling the playing field

(Ibid.2002:64). If any, the findings suggest that ‘traditional workload and male privilege’ persists’ with paid jobs, further adding to the women’s work at home (Ibid).

Moreover, a study on “left-behind households” (Morada, 2003) using 1997 Labour Force data notes that on the one hand, when a woman is the OFW, there are more household members who are employed than when the male is the OFW. Likewise, there are more unemployed persons in the male-OFW households than in the female-OFW abode. Among others, these findings show that women migrants have much greater need for financial support than male migrants (Ibid). Another result of the Morada (2003) study indicates the high dependency ratio of the female migrant who are left with more people to care for. While they have fewer elderly people in their households than their male counterparts, they have more single persons who do not possess college education and therefore have low economic potential.

A care deficit also exists at the level of the eldest

female or the grandmother who are often tasked to care for the family because of insufficient publicly provided day-care institutions. At the lowest chain of the care drain is the female house maid who often comes from the rural areas (Ehrenreich and Hochschild, 2002) who themselves have children left behind. An ILO study that analysed Filipino domestic workers argue that they are least educated and least protected by outdated and inconsistent legislative and regulatory framework (Sayres, 2005). Also, informal work arrangements expose them to trafficking and inhumane treatment (Ibid).

Batistella and Conaco (1996) find that children of migrant parents from Luzon, Philippines, performed worse in school and tended to be less socially adjusted, particularly if



Photo: Jean Encinas-Franco

the mother had emigrated. Despite these realities, national indicators do not take into account the feminisation of migration, seriously undermining efforts to craft policies and programmes pertaining to women migrants' plight and to women's work in general. Data gathering and domestic laws must consider the changing nature of work and the increasing participation of women both in local and migrant work. In its questionnaire, the Family Income and Expenditure Survey (FIES) still adopts a territorial view of defining the household head who accordingly is the person who makes the decisions for family expenditures. This type of data gathering does not take into account women migrants who may indeed be making family decisions even as they are abroad and the breadwinners. Moreover, domestic work has not even been fully recognised in the national accounts. The country's 32-year old Labour Code has not taken into account key changes in the labour market conditions since it was enacted. Equal opportunity employment should also be incorporated in the code.

At the international level, domestic work has not been incorporated in the definition of work in the statutes of the ILO, despite the huge number of migrants performing domestic work.

### ***The Care Deficit in the Philippine Health System***

The impact of labour migration of health care professionals are usually examined in the context of its effect on "health systems performance, population health outcomes and the health workers remaining in the country" (WHO, 2005).

The increasing out-migration of health professionals exacerbates an already existing 'care-deficit' in the Philippine health care system. It must be pointed out that a 'care-deficit' also exists in wealthy countries as a result of declining population resulting in an aging population. However, the huge wage differentials between the Philippines and these countries lure health professionals to find jobs overseas. This has prompted even the head of the World Health Organization to declare a health systems crisis if the



trend continues. A brief discussion of the existing care deficit in the country is in order to understand how the continued migration of health professionals impact on women in particular and the health system in general.

The resources allocated to the health sector in the Philippines reflect a pattern of under-investment in social services. While sectoral allocation may show that social services seem to get a huge chunk of the budget next to debt servicing, (Table 7) in reality, when the budget is broken down by expense class, personnel services and interest payments crowd out funds for the delivery of basic services such as health (Figure 7).

Many studies have documented that cutbacks in social services put a heavy toll on women mainly because of their role in the social reproduction of services. The health sector is specifically important for women because of its care component or its impact specifically on maternal and child services.

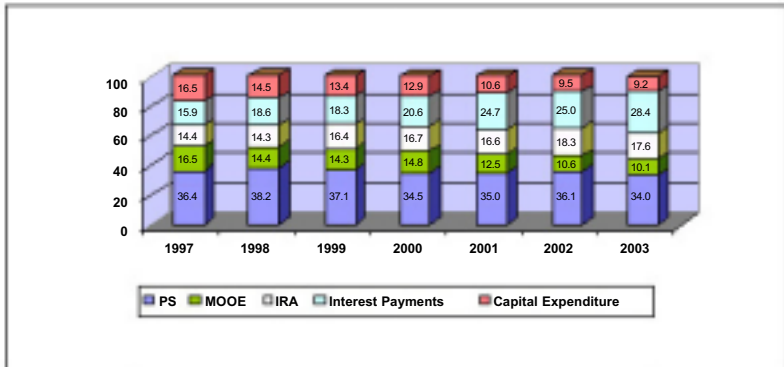
Since 1997, the health budget as a percentage of the allocation for social services has been decreasing in nominal terms (Table 7). Coupled with the rapid increase in the country's population, this has profound consequences for the health sector. Per capita expenditure on health in the Philippines averages \$ 28 and is in fact

**Table 7. Sectoral Allocation of National Government Expenditures, Obligation Basis (Per cent Share)**

	1997	1998	1999	2000	2001	2002	2003	2004
Economic Services	26.80	24.08	23.98	24.50	22.13	20.38	20.22	18.03
Social Services	32.30	32.59	33.23	31.21	30.36	31.06	29.03	28.71
<b>Health</b>	<b>2.88</b>	<b>2.52</b>	<b>2.58</b>	<b>2.15</b>	<b>1.83</b>	<b>1.95</b>	<b>1.60</b>	<b>1.49</b>
Defense	5.94	5.86	5.68	5.31	5.09	5.24	5.01	4.99
General Public Services	18.82	18.84	18.25	17.95	17.13	17.91	16.63	16.23
Debt Service	15.85	18.57	18.31	20.65	24.73	25.05	28.43	31.40
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Congressional Planning and Budget Department

**Figure 7. National Government Expenditure by Expense Class (1997-2003)**



one of the lowest among selected countries in Asia and the West according to a World Bank report. Moreover, public spending on health is a mere 1.1 per cent of GDP and accounts for only 39 per cent of total health expenditure in 2002. Governments of Laos, Indonesia and Cambodia spend more on health for their citizens than the Philippines. Health spending is also borne by households, and out of pocket expense for health is at 77.8 per cent (World Bank, 2005). Private hospitals represent 60 per cent of the total 1,600 hospitals in the country (Lorenzo, forthcoming). Moreover, the devolution of health services provided under the Local Government Code of 1991 has affected health care

since disparities in Internal Revenue Allotments (IRA) of local government units and the political will of local executives affect health spending.

This situation accounts for the dismal state of the country's health system both in terms of two inter-related factors: maldistribution of health professionals and health outcomes.

As it is, the distribution of public health professionals in the Philippines remains poor (Table 8). Hence, the fear that unmanaged migration will lead to critical shortage of health professionals are not unfounded. The NIH finds that health manpower stands at 8.8 per cent of the 82 million

Philippine population (Lorenzo, forthcoming). Even more, urban to rural and regional disparities in the distribution of health professionals remain alarming (Table 8) as most are concentrated in the National Capital Region (NCR) and other urban areas while regions such as Autonomous Region of Muslim Mindanao (ARMM) and the Cordillera Administrative Region (CAR) hardly see physicians and nurses.

This is not surprising given that a lack of a comprehensive national policy that pertain to public health workers since the

1992 Magna Carta for Health Workers provided them subsistence allowance and hazard pay. While the Congressional Commission on Health reported in 1993 the need for a health human resource development, no legislation has been pursued along this lines. Even the health sector reform agenda, launched in 2000, failed to include health workers in its bid to develop the country's healthcare system (Lorenzo, 2006). Salaries also remain dismally low especially for public health workers at the local government levels as devolution made their salaries

**Table 8. Total Number of Selected Public Health Professionals by Region, 2002**

AREA	DOCTORS	DENTIST	NURSES	MIDWIVES
<b>PHILIPPINES</b>	<b>3,021</b>	<b>1,871</b>	<b>4,720</b>	<b>16,534</b>
N.C.R.	658	540	745	1,165
C.A.R.	85	33	159	579
REGION 1	158	96	203	1,033
REGION 2	175	58	267	801
REGION 3	297	161	382	1,573
REGION 4	350	256	648	2,282
REGION 5	190	85	338	1,026
REGION 6	226	112	433	1,791
REGION 7	229	115	379	1,473
REGION 8	153	109	233	887
REGION 9	90	55	196	675
REGION 10	99	71	189	803
REGION 11	79	71	161	791
REGION 12	84	32	158	671
CARAGA	79	54	130	613
A.R.M.M.	69	23	99	371

and benefits hostage to the priorities of local government executives.

Health outcomes show improvements but still fall below regional averages. Maternal mortality rate (MMR) stood at 172 in 1998 while infant mortality (IMR) rate decreased from 48.9 per cent in 1998 to 29 per cent in the latest National Demographic Health Survey (NDHS). However, the Philippine IMR is still considered high compared to other Southeast Asian countries such as Brunei Darussalam, Malaysia, Singapore and Thailand (PLCPD, 2005). Results of the NDHS are also alarming in terms of maternal and child health as it reports 67 per cent of Filipino women do not have access to health care. At the national level, most (61%) deliveries occur at home while 38 per cent are in a health facility. However, of those who delivered babies at health facilities, only 22 per cent come from rural areas and 54 per cent from urban areas. Nine out of ten mothers at the National Capital Region gave birth in health facilities. Only 60 per cent of women in the country give birth with the assistance of a doctor, nurse,

or midwife. Of this, 79 per cent come from urban and 41 per cent from rural areas. While fertility rates decreased in the last 30 years, from 6.0 children in 1970 to 3.5 in 2001, the NDHS says this is still considerably high compared to Brunei Darussalam, Indonesia, Singapore, Thailand and Viet Nam where women have an average of TFR of 2.5 (PLCPD, 2005). The NDHS also notes that the poorer and the less educated the women are, the more children they tend to have. Moreover, while Filipino women's use of the contraceptive method dramatically increased from 17 per cent in 1973 to 49 per cent in 2003, the NDHS finds that 51 per cent lack proper access to information on family planning methods. The Philippines has also one of the highest drug prices in the world with the cost of medicines occupying 44 per cent of health expenditures while health institutions cover only 5 per cent of drug costs (Bernardino, 2004).

Given these health indicators, the role of health professionals is crucial as they are said to be "the most important of the health system's inputs" according to the World Health

Organization (WHO). Thus, should migration continue sans critical intervention from the government, this can lead to, among others: (1) delays in care intervention due to long waiting time; (2) closure of health services; (3) compromised care, and even (4) deaths in the worst instance (Brown in WHO, 2005:2-3).

Though there are reports of hospitals closing due to lack of doctors and nurses, the Department of Health has not come out with definitive data for an accurate assessment. Compromised care due to burn-outs has not been documented. Shortage of health professionals may lead to decreased quality of care as will be pointed out in the next section.

Furthermore, in developing countries such as the Philippines, health workers not only provide the needed care interventions as they also perform an equally important role in rural areas where health information is scarce given the lack of comprehensive nationwide health information campaign on health issues such as family planning. The above-cited results of the 2003 NDHS reveal that women have

unmet needs for information regarding family planning, ante and post natal care and child care. In all this, the shortage of health professionals has consequences not only for women's right to health but for their reproductive rights as well. Likewise, their role in social reproduction is compromised leading to serious gaps in the country's human capital capacity.

### ***Health Labour Market and the Care Deficit***

The outflow of health professionals and their job-seeking behaviour is affected by many factors such as the quality of the local stock, requirements of labour importing countries, wage differentials and characteristics of the economy. This has consequences for a continuing care deficit. Because of the unparalleled increase in the outflows of nurses and the phenomenon of nurse medics, this discussion will limit itself to nurses and doctors.

The demand is high as the United Kingdom (UK) and Northern Ireland are said to need 10,000 doctors and 20,000 nurses for their new health plans (WHO, 2005)

while the United States (US) estimates that it will be needing one million nurses in the next ten years to meet its own shortage (Ibid). Recently however, the UK with whom the Philippines has bilateral agreements on health professionals, has declared that it will no longer include general nurses in its preferred list of professional migrants. The NIH has also identified the Netherlands and high income Asia as new markets and Japan as an emerging one. Yet it is interesting to note that still, Saudi Arabia remains the primary destination of Filipino nurses.

Contrary to popular belief that Filipino nurses trek to the US, deployment rate to the US is a mere 16.7 per cent of total local supply while 33.7 per cent go to the UK (Tan, 2005a: 242) in 2002. This represents a significant decline in deployment rate in the US since 1994 when the country was able to deploy 81.4 per cent of job orders (Ibid). Several factors account for this. Stringent requirements exist in these countries primarily in the United States where nurses need to pass the Test of Spoken English (TSE), the Commission of Graduates

of Foreign Nursing Schools (CGFNS) and the National Council Licensure Examination (NCLEX) examinations (Ibid). These tests require significant amounts of money, thus indicating not only the quality of nurses deployed in the US but also their capacity to pay. Among the UK requirements is 77 per cent minimum score in the board rating (Ibid). Expectedly, this limits the entry of nurses to the US and UK to those who have money and good credentials. On the other hand, Saudi Arabia just requires a nursing degree, a board license and one year experience in a hospital (Ibid). Given this scenario, nurses are not able to go to so-called attractive destinations. Rather they are pushed towards countries with less remuneration, harsh laws and discriminatory policies against women.

The low passing rate in the nursing board in recent years is also another contentious issue and affects both the supply and quality of nurses. The proliferation of nursing schools since the early 90s has led to low quality nursing instruction, compelling the Commission on Higher Education to issue a

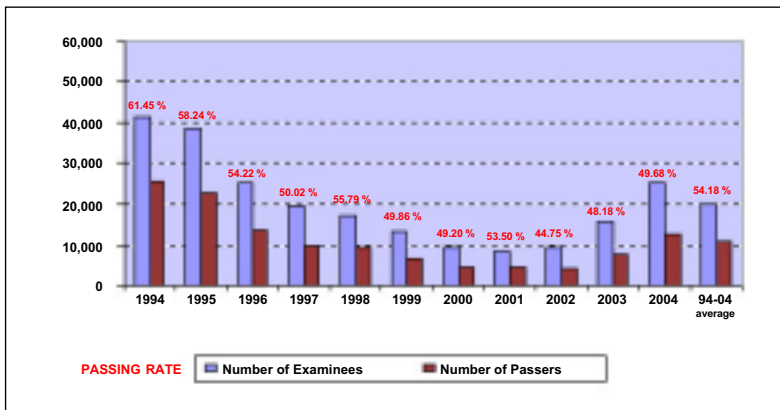
moratorium on new nursing schools. In June 2003, nursing schools increased by 47 per cent nationwide and 84 per cent in Metro Manila alone (Galvez-Tan, 2005). From 1994 to 2004, the passing rate in the nursing board examinations has ranged from a high of 61.45 per cent to a low of 44.75 per cent. Passing rate within this ten-year period averaged at 54.18 per cent (Figure 8). Within this time frame, the country produced an average of 10,991 registered nurses per year. However, this low passing score prevents them from migrating to better destinations.

Likewise, applicants for the National Medical Entrance Test

have also decreased in recent years (Table 9) affecting the country's supply of doctors.

As had been noted, wage differentials between developed and developing countries are staggeringly high that nurses serving abroad receive salaries as much as 30 times higher than their local counterparts. A study on wage structure of migrant workers pegged the average monthly salary of a nurse in the Philippines at US\$109, compared to US\$506 in Saudi Arabia and US\$3359 in the United States (Tan, 2005). This wide wage differential informs the job-seeking behavior of health professionals, often resulting in

**Figure 8. Nursing Board Exam Performance and Number of Examinees, 1994 to 2004**



**Table 9. National Medical Entrance Test Applicants 1994 - April 2003**

YEAR	VOLUME	% Increase
1994	5049	0%
1995	5360	6%
1996	5814	8%
1997	5730	-1%
1998	5948	4%
1999	6121	3%
2000	6245	2%
2001	6192	-1%
2002	5853	-6%
2003	4475	-24%

*Professional Regulation Commission in Galvez-Tan, 2005*

de-skilling. There is anecdotal evidence that nurses make Saudi Arabia their springboard to the US.

Meanwhile, the huge wage differential and the unabated demand for nurses contribute to the emergence of nurse medics in the Philippines who are willing to forego their first profession to meet the current demand. Most of these professionals are women and are actually specialists in vital fields of medicine (Lorenzo, forthcoming). The high cost and length of time in training doctors makes replacement levels in the country more problematic. In addition, consistent with studies that reveal the economic gains from migration are higher the longer

the duration of their stay abroad, (Go, 2002) nurse medics may opt to stay longer to recoup their personal investments. The consequences are dire for the health system. This is not to mention health migrants who opt to permanently stay in such attractive destinations as the US and the UK. It is logical to believe that nurse medics are those that can afford to pay high costs of tests as doctors relatively are middle class, not to mention their capacity to pass the nursing board and the foreign examinations. These factors show that once the decision to be nurse medics are made, there is reason to believe that entry to the US or other attractive nurse importing countries is assured.



Another supply issue is the low deployment levels abroad compared to the number of health professionals in the country. Given this, Tan (2005a) questions the existence of a brain drain. Consistent with this, the NIH study noted the 'oversupply' of 138,983 nurses in the country. According to the study, this is the net of the study's estimate current stock of 332,206 and the international and local nurses employed which is 193,223 (Lorenzo, forthcoming).

Several explanations may account for this. First, strict requirements and low quality of nursing schools prevent nurses from working abroad. Second, some of these nurses may be waiting for job placements. Third 'oversupply' may actually be a misnomer. A better term should be 'missing' nurses as this may indicate that these registered nurses are either unemployed or have shifted to occupations that may not necessarily be hospital or clinic-based but offer better remuneration. Again, this is a local version of health professionals resorting to deskilling due to unattractive remuneration and benefits in the local health labour market.

Without a systematic database and monitoring of health professionals, it is difficult to ascertain the extent of this trend. In the same vein, the lack of a systematic and institutionalised profiling of departing health professionals impedes a serious investigation of deskilling in labour importing countries.

Clearly, what these explanations raise is the low absorptive capacity of the local economy. This is consistent with the challenges facing the rest of the professionals and college graduates in the country. Furthermore, the proliferation of nurses will further depress their already low wages.

Lastly, this situation also has consequences for the quality of the local stock in terms of experience, age and competence. Given that the NIH study indicates that most migrant health professionals leave at their prime and after an average training of 10 years, (Lorenzo, forthcoming), the consequences for the quality of the remaining health labour force in the country are not good, ushering in a generational divide. One set may either be young and

inexperienced and the other set may be past their prime and no longer trainable. This leaves little incentive for the government and the private sector to improve salary, training and benefits. Also, stringent requirements in some countries coupled with the low quality of nursing instruction, enable rich countries to get quality stock while leaving behind those who are of inferior lot. This then directly affects the quality of health care services in the country and exacerbates health care inequality between the Philippines and developed economies.

### ***Research Implications and Policy Recommendations***

The Philippine country study demonstrates that long-standing gender-based discrimination in society and the specificities of the local economy contribute to losses and impede whatever gains a country may attain from a liberalised regime of goods and services. Taking this into account, a set of research and policy recommendations at the national, regional and international levels are explored both for women migrants in general and for

health professionals in particular:

#### ***National Level***

A comprehensive study on how to better address health worker outflows must be designed by taking into account the ratio of new entrants to total stock, skill mix, distribution of new entrants according to gender and ethnic grouping, and the cost of training (WHO, 2002). This will inform the government about the costs of retaining health professionals in the country in terms of benefits and remuneration packages. This also arms the government with the necessary information and strategies for negotiations in future bilateral and regional agreements.

In terms of research, the complex nature of the feminisation of health migrants compels scholars to look beyond remittances and be more eclectic in their methodologies. Remittance-based accounts fail to dig into gender relations and the social costs of migration. The care-drain analysis is a step in the right direction. Existing public use file of surveys done by various government agencies can be rich sources of studies

that can generate an understanding of gender and work in general and in exploring patterns of gender relations and family welfare in female-OFW households, in male-OFW households, and in non-OFW households.

There needs to be a serious investigation of the extent of deskilling trends both for the local stock of health migrants and for those deployed. While there are as yet no reliable databases and no monitoring mechanisms, estimates can provide the government with information on how to design policies for training of the local stock and manage the outflow of health migrants.

Resources must be allocated for creating a reliable and systematic national database of health workers for the government to effectively address the impact of migration on the country's health system. Different data bases of the Professional Regulation Commission (PRC) and the different health professional associations each have their own limitations. For instance, the PRC limits itself to those who passed licensure examinations but do not take into account deaths. At the same time, memberships in

professional groups are not mandatory. Profiling of departing health professional migrants must be enforced so that the national government is informed of their demographic profiles and the nature of their work.

Huge budgetary support must be allocated to the education, training and incentives of health professionals to improve the quality of existing and future health workforce. *Barangay* (local unit) health workers who usually fill the medical professional gaps in rural areas must also be included. Toward this end, a comprehensive health human resource policy must be prioritised. Linked to this, the government must also ensure a better regulatory framework for nursing and medical schools and allied professionals. This will help improve the quality of schools and hopefully improve the passing rate of board examinations.

It is lamentable that after several decades of feminisation of migration, national indicators have not fully taken them into account. Toward this end, the POEA, the Commission on Overseas Filipinos and the National

Statistics Office must be provided with resources and proper training to devise indicators that will better present the gender dimensions of migration. Unpaid work of women must also be integrated into the national accounts.

The government must enact poverty alleviation programmes that increase provision of care services and ensure citizens' well-being. Laws that empower women and give them 'substantive equality' must be prioritised and their role in the care economy must be reflected in policy-making and in resource allocation at all levels. In line with this, reproductive health programmes and population management must be implemented to curb the country's high birth rate which impacts on the education sector and labour supply.

The country's 32 year-old labour code must be reviewed to take into account developments brought by trade liberalisation such as the international fragmentation of production and labour mobility. Key amendments must address equal opportunity employment and the provision of institutional and societal

mechanisms to enhance both the productive and social reproductive role of women. The framework for the review is one of giving women substantive equality, consistent with the intent of the Convention on the Elimination of All Discrimination Against Women (CEDAW).

Finally, while the usual knee-jerk reaction of governments is to limit migration by seeking a ban on, say health professionals schooled in state institutions for a required number of years to recoup investments, this report argues that it is discriminatory to women's economic rights and may just increase the propensity for irregular migration. What is needed are better retention strategies that are incentive-based. As such, health tourism as a mode of retention strategy for the country's health professionals should be explored as an option. The country's competitiveness in this area may generate revenues for the development of the health sector.

### *Regional Level*

Existing cooperation frameworks used by other

countries should be studied and evaluated to determine arrangements that can be used during negotiations. Gender analysis should be incorporated into these frameworks. In line with this, the Commonwealth Code of Practice for International Recruitment of Health Workers is said to be a sound framework that can be used in bilateral and regional agreements (WHO, 2005). This code ensures fairness, reciprocity and transparency for both labour-sending and labour-importing countries since employment conditions, training programmes and return arrangements are facilitated during the negotiations (Ibid).

Since it is apparent that the deployment of health professionals is affected by labour and immigration policies of labour importing countries, there is a need to continually audit labour and immigration policies of major labour importing countries. This has implications not only in terms of protection of migrants but also in designing local labour

market policies, education, and training.

Regional cooperation both by state and non-state actors in trade policy research is being proposed (Pasadilla, 2005) to better capacitate negotiators. At the local level, health professional associations must be harnessed to create the constituency for health professional migrants. At the global and regional levels, transnational civil society organisations must be supported in their efforts to fill the state's limitations in meeting the challenges of migration. In particular, advocacy for labour-importing countries to ratify international human rights instruments and enact local complementary laws must be pursued. Track Two initiatives to develop an ASEAN Human Rights Mechanism must also be endorsed. Lobby efforts to recognise women's unpaid work in national accounts must be supported, as well as efforts to redefine the meaning of 'work' to include domestic work in ILO statutes.<sup>4</sup>

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<sup>4</sup> *Speech of Labour Secretary Patricia Sto. Tomas at the 95th International Labour Conference, Geneva, Switzerland as cited in "RP Pushes for New Definition of 'Work' ", Philippine Daily Inquirer, June 11, 2006 p.A10.*

#### **4. “Livelihood and Crop Diversification in Rural Viet Nam: The Case of Thai Binh Province” by Ngo Thi Lan Phuong**

##### ***Introduction***

In July 1988, the conference of ASEAN Ministers of Foreign Affairs declared the importance of the advancement of women in the region, and in 1995 the Beijing Platform for Action appealed for gender equality. Inspired by these and other United Nations’ declarations, the Vietnamese Government has focused a lot of attention on poor women’s groups

Viet Nam is concluding the final discussions for its entry into the WTO, and will join it after several years of undergoing the accession process. This event will impact on the national economy, especially on agriculture. The question is, what difference will it make for the rural poor and particularly for the rural poor women? What policies will help the farmers and women best? What should be done to support the rural poor and poor women to minimise risks and maximise benefits during this era of economic integration? The study focuses on the

impact of new agricultural policies influencing livelihoods and crop diversification in Thai Binh Province which is an agricultural plain in Viet Nam’s Red River Delta. In recent years, it has seen a lot of shifts in plant, husbandry and crop production. In Thai Binh, many policies create favourable conditions for women to gain economic advancement. Thai Binh is also where 11 per cent of cultivated area reached a spectacular total production of VND 50 millions per hectare per year.

##### ***Viet Nam’s economy in the past 5 years***

In recent years, the Vietnamese economy has shown much dynamism, thanks to many government policies, investment programmes and the active participation of civil society organisations (see Table 1). Viet Nam has recently stabilised its growth rate, and GDP per capita during the last 5 years has increased to 7.5 per cent. In 2005, GDP was USD 52.375 million, and per capita was over USD640 per year which, according to World Bank classification, is above the average situation of the low- income countries, which

**Table 1: Viet Nam's growth rate, 2001 to 2005**

2001	2002	2003	2004	2005
6,9%	7,08%	7,34%	7,80%	8,43%

Source: GSO

have a per capita of USD 530 per person per year.

As a result, the national poverty rate has consistently gone down. At present, according to new poverty standards used by the government, there are 3.9 million poor households, accounting for 22 per cent of the total population. Life has generally improved for poor women - their access to finance/capital resources has increased, and the rate of female unemployment has dropped. The number of literate women has increased, as well as that of women who are earning advanced formal degrees which now accounts for 19.9 per cent of total number of women. Already, more than 1 per 5 female officials had received government skills training. An

increasing number of women are also now in management jobs.

Viet Nam has the goal of making Viet Nam an industrial country in 2020 and it has consciously led shifts in the economic sectors, with industry and services gaining more prominence (Table 2).

Traditionally a food-importing country, Viet Nam is now self-sufficient in food. While food production in 2000 was 34.5 million tons, in 2004 this reached 39.32 million tons and in 2005, reached a record 40 million tons. The value of agricultural, forestry, and fishery products has increased by 5.4 per cent. This increased capacity, productivity, and technological advance in agriculture and aquaculture are now ensuring

**Table 2: Ratio of economic sectors to the GDP (2000 and 2005)**

	Industry	Agriculture	Service
<b>2000</b>	36.8%	24.5%	.....
<b>2005</b>	41%	20.9%	38.1%

Source: GSO

**Table 3: Rice export productivity**

	1989	2005	2006 (estimate)
Rice export productivity	1.37 million tons	4.4 million tons	5 million tons

Source: GSO

food security for Viet Nam.

Viet Nam also exports agricultural produce. It is the 2nd rice-exporting country in the world, and some other of its agricultural products also vie for important positions in the global economy. Coffee and cashew are contending for the position second to rice, pepper contends for the first and rubber for the fourth. Total export revenue, mainly from agriculture, in the last five years reached USD 211 billion, an increase of 17.5 per cent a year. Export per capita is USD 390 per person.

The state has issued significant policies for people to plant new forests and to care for renewable ones. It has also ordered the protection of watersheds by allocating 5 million hectares for reforestation. It has resettled and allocated funds, through programme No. 186, for the six neediest mountainous provinces (Cao Bang, Bac Can, Lang Son, Ha Giang, Lai

Chau and Son La). The result: forest cover has increased from 33.7 per cent a year in 2000 to 37.4 per cent a year in 2005. Forests are being developed in combination with high value trees such as bamboo shoots, field bamboo, and green bamboo. The Northern Central area plants *ramnoneuron* for exploiting *aquilaria*.

Aquaculture is being promoted, with the government implementing a programme of turning rice areas of low-income farmers into aquaculture. Aquaculture production includes smooth-skin fish, shrimp and prawn farms. In 2005, 200,000 hectares of rice were converted to aquaculture development. For instance, the aquaculture areas in Ca Mau increased by 11 per cent, and in Bac Lieu by 15 per cent in 2005.

As well, crop diversification toward higher value-added agricultural products is taking



**Table 4: Diversification in agricultural products according to location**

Suburban areas	High land and South-East areas	The Red River and Mekong deltas
Vegetables, fruits, flowers, meat, eggs, milk, agricultural products, processing, agricultural service	rubber, coffee, cashew, pepper, fruit trees, livestock	rice, crops, husbandry, aqua products, rural services

Source: GSO

place (see Table 4). The North has diversified its winter crops to include corn, bean, groundnut, other vegetables, and flowers.

There are now multiple forms of agricultural producing organisations. An estimated 7,300 agricultural cooperatives and 71,914 farms with 400,000 hectares (with products of USD 440 million, each farm reaching VND97 million a year) attract 400,000 farm workers. There are 412 forest areas with 6.3 millions hectares and 314 state farms with 636,000 hectares.

### ***Thai Binh's economic performance from 2001 to 2005***

Thai Binh is a province with much potential especially in the areas of agriculture, forestry and aquaculture. It includes one city and seven districts with 284 communes and towns. Thai Binh's population

in 2002 was about 1,827,000 people, of which 94.2 per cent live in the rural areas and 58 per cent in the urban area. Population density is 1,183 people per square km. and population growth is 1.02 per cent a year. (source: [www.thaibinh.org.vn](http://www.thaibinh.org.vn))

Of its 104,000 hectares of agricultural land, 87,000 hectares are cultivated. Approximately 7,000 hectares consist of ponds, lakes and swamps; 16,000 hectares of alluvial land can be devoted to aquaculture (more than 4,000 hectares have already been cultivated as such).

Thai Binh traditionally produces rice, harvesting over 12 tons per hectare per year. Food yield is continuously more than one million ton each year. The area for high quality food trees has recently been widened to include potato, cucumber, tomato, onion, and garlic.

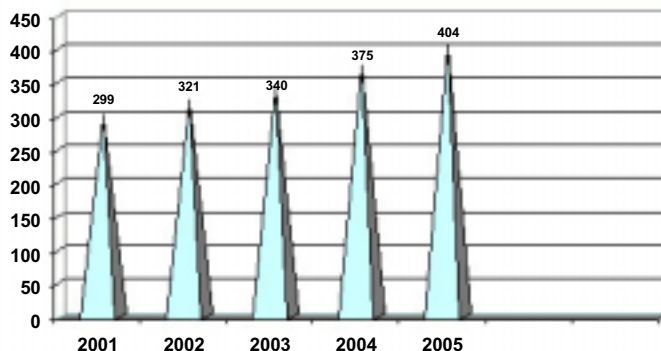
**Figure 1: Map of Thai Binh Province**



There are tropical fruits like longan, lychee, orange, apple, guava and many other organic indigenous fruits. A great potential exists for fruit juices for beverage factories. Industrial trees include jute, sedge, and strawberry. Herbal plants consisting of mint, *Sophora japonica*, and others can also be developed. The total pig production is roughly 800,000 heads; pork meat production is more than 50,000 tons a year. Cow breeding includes 40,000 heads using the Singapore style of milking and raising leaner cows. The total cattle production of 7 million cattle is being diversified, while maintaining meat productivity of over 60 tons a year.

In the past years, the Thai Binh has implemented many programmes in support of its agro-forestry-fishery development, among which are the following: (1) prioritised investment in cattle and agricultural processing, aquaculture in coastal seawater, brackish water, seedling and stud animal production; (2) improved ponds, lakes, and swamp areas for intensive farming and rapidly developed the model of fish-rice linkage in the low land; (3) introduced and raised new aquaculture such as shrimp, prawn, lobster, crayfish, white brills, tilapia and crab for processing and exporting; and (4) developed household, farm, trade villages and building

**Figure 2: GDP of Thai Binh (USD Million)**



Source: Thai Binh Statistic Department

infrastructure in the rural areas. Table 5 below gives an overview of the trend in production of the province's main produce.

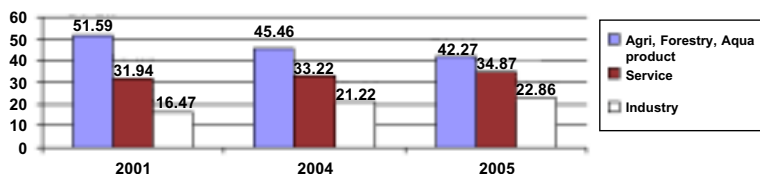
Local authorities have allowed farmers to improve ponds and swamps, and convert them into big-scale and intensive farming areas. From 2001 to 2005, the

**Table 5: Volume of Production of Main Agricultural Products and Livestock in Thai Binh (2000 – 2005)**

#	2000	2001	2002	2003	2004	2005
<b>1 Agricultural products</b>						
- Rice (tons)	1,050,536	993,914	1,081,575	930,766	1,071,311	981,598
- Per capita (kg)	583	548	593	507	581	530
- Corn	19,90	18,732	21,024	33,668	55,468	51,715
<b>2 Industrial tree</b>						
- Sedge	3,267	2,456	4,636	5,905	4,254	3,940
- Jute	1,420	1,736	2,293	1,766	1,371	1,214
- Ground-nut	5,396	5,425	4,860	5,712	6,539	6,236
- Soya	6,404	6,444	6,639	7,758	11,879	11,767
<b>3 Livestock</b>						
- Buffalo ('000)	11,142	7,964	7,602	7,095	6,717	6,652
- Cow ('000)	57,371	40,263	40,961	43,611	47,364	53,950
- Pig ('000)	691	778	794	906	1,015	1,134
- Chicken ('000)	5,679	4,972	5,618	6,694	6,130	6,319

Source: Thai Binh Statistic Department

**Figure 3: Share of economic sectors in GDP of Thai Binh**



Source: Thai Binh Statistic Department

areas converted into intensive farms cover 3,644 hectares, including 2,724 hectares of fresh water, 920 hectares of brackish water, making the total cultivated land in 2005 cover over 12,376 hectares, an increase of 2,916 hectares (31 per cent) from 2000. In Nam Cuong commune, (Tien Hai district) the average revenue is USD 8,000 with a profit of USD 3,650 per hectare per year. In Thai Do commune (Thai Thuy district), income is USD 3,000 per hectare with a profit of USD 1,250 per hectare per year. This is 6.2 times more profitable compared with income from rice cultivation. In Dong Minh (Tien Hai district) shifted areas reached an income of over USD 5,000 per hectare per crop and created employment for 40 per cent households in the commune. Cultivated productivity in year 2005 accounted for 33,500

tons, an increase of 71 per cent; production value is estimated at USD16.25 million, 81 per cent more than in 2000. In the coming years Thai Binh will focus on high value fruits and coastal watershed planting, and will try in 2005 to develop 200 hectares of saphora, 7,500 hectares of fruit trees and, within a dyke, 10,000 hectares of perennial trees such as eucalyptus, sophora (pagoda tree), longan, lychee, and mangoes.

Thai Binh has 49.25 km of coastal area where 156 species of fish thrive. Many high value fish such as sardinella, perch, conger pike, and mackerel are found in both fresh and sea water. There is a potential for diversified aquaculture, and Thai Binh's capacity for cultivating fish is expected to bring great economic benefits. At present,

**Table 6: Aquaculture Productivity, 2000 - 2005**

TT	Aqua productivity (tons)	2000	2001	2002	2003	2004	2005
<b>1 Cultivation</b>							
1.1	Shrimp	616	1,357	1,902	2,344	2,683	2,201
1.2	Fish	10,695	12,727	14,153	12,157	16,307	19,733
<b>2 Exploitation</b>							
2.1	Shrimp	1,984	1,971	1,886	1,766	987	1,091
2.2	Fish	12,666	12,909	14,960	19,170	18,976	22,775

Source: Thai Binh Statistic Department

more than 4,000 hectares of alluvial land have been planned for aquaculture. Every year, aquaculture harvest reaches 24,000 tons, of which 4,000 to 5,000 tons of shrimp and fish are exported.

Total production revenue from aquaculture in 2005 was USD 29 million, an increase of 11.08 per cent to 2004, and an increase of 67.9 per cent to 2000. Total achieved harvest in five years is over 60,000 tons. The ratio of aquaculture in agro-fishery-aquaculture increased from 6.8 per cent in 2000 to 9.4 per cent in 2005 (see Table 6).

The shift from agricultural production for consumption to production for the global market has resulted in a drop in farming areas by 10 per cent - 15 per cent and a

transformation of the water system to allow the cultivation of high value plants. This shift is aimed at supporting processing and export industries. It has also meant applying advanced technological systems into intensive farming and raising the productivity of livestock cultivation. Fruits covered by intensive farming include: orange, tangerine, pineapple, longan, lychee, mango, coconut. Vegetables include soya bean (Hung Ha), sedge and chili (Quynh Phu), baby corn and cucumber (Kien Xuong), and groundnut (Vu Thu, Hung Ha).

### ***Assisting the Rural Population and Local Women make the Shift***

In the last five years, the Thai Binh People's Committee

(TBPC) has focused some of its energies on the export of high-quality rice. Consequently, the Thai Binh Province Women's Union cooperated with the Department of Agriculture, the Center for Agricultural Extension, and the Plant Protection Department to study and select the high quality breed of rice. This has raised the value of farming acreage, and the quick transfer of technology to women (training seminars are given twice a year). The Women's Union also supports farmers who are late in their payment for agricultural materials (e.g., manure, breed, food, and herbicide). This means payments may be made even after harvest to help poor women cope. Besides supporting women in agriculture extension, the Women's Union also provides credit of USD100 million a year to poor women (the Women's Union manages this directly). The Women's Union also identifies markets for products and consistently mobilises assistance for capital, grain and technical consultancy. As well, it focuses on capacity building for

women by offering skills training (business management, effective use of loans, and budget management).

The Women's Union also works with the district authority to organise vocational training seminars on embroidery, conical stitching, and basket crocheting. Poor people and Orange Agent victims from the war are the main target groups for these seminars and are exempted from training fees. This is in line with the programme of the Thai Binh People Committee on enlarging the trade villages, of which a total of 188 such villages are in the province.

Provincial and district Women's Unions have conducted a survey of 2,200 women who head their own businesses, and subsequently gave several



*Photo: Ngo Thi Lan Phuong*

training seminars. Participants usually expand their businesses after such trainings. Some, whose small businesses consisted of five workers or less, then grew to about 200-500 workers. For example, Mrs. Cuc, Doan (Tra Giang, Kien Xuong), Mrs. Ngan (Tay An, Tien Hai) are now able to employ 3,000 workers for 25 communes and districts. Facilitators are in charge of looking out for quality products. They also provide the conditions for women to create new products raise their income and overcome poverty. The Women's Union also assists women in their capital and credit application, advises them regarding land lease documents, and gives special attention to single women.

Viet Nam has a competitive edge in rice production and aquaculture, advantages that encouraged the country to join the WTO. Nevertheless, it seeks to learn lessons from others countries who have already entered the WTO. These countries' experiences show the risk of being sued by dumping goods with low prices into the global market. In principle, the WTO does not allow subsidies in agriculture, but many other kinds of

technical support such as infrastructure, technology, training and human resources are accepted and may be given to needy agricultural areas. WTO requests for more competitive products from Viet Nam for the global market, as it needs to encourage quality goods. However, the monopolies and subsidies are anticipated to create an environment for corruption. For the above reasons, Thai Binh Women's Union focuses on raising women's awareness on seedling selection, soil improvement, water environment and insecticide use – ensuring food hygiene and safety – the first conditionality for Vietnamese agricultural products to be accepted in the world market.

Although the poverty rate in Thai Binh has fallen and the number of crops has diversified, there is still hunger in some parts of the province. Women need support so they can raise their income, given that they are unequal in power within their families and cannot make important decisions. However, women who when they become good entrepreneurs are seen as contributing to the development of the local economy, and

subsequently acquire more power within their households and communities.

Three stories reflect the varied outcomes of the efforts of the Women's Unions and the People's Committees. The first is that of Mrs. Bon. There are five people in Mrs Bon's family, in Thai Thuong (Thai Thuy, Thai Binh). Some years back, her husband went to the Central district to learn aquaculture from other farmers. He transmitted the techniques he learned to his wife, who successfully developed them. Now she provides fish, crab and shrimp breeders to four provinces. Every year, her harvest is worth roughly USD 25000-30000. Her secret? Twice a week, her husband buys seawater for her breeders. She religiously follows the whole procedure from breeder selection, feeding methods, scale of ponds, and swamp conditions; otherwise, she knows the breeders may immediately die. Thanks to high-tech breeding procedures that she had adopted, she now provides breeders not only to Thai Thuy but also to its neighboring areas.

The other is the story of Mr. Pham Duc K who went back to

his village in 1989. Life was very hard but he was determined to catch meretrix (marine bivalve mollusk), and other fish to earn his living. In 1989, he and a friend made a one kilometer dyke in an area devoted to cultivating aqua products. He then carved out 30 hectares for shrimp, fish and gracilaria ponds. His total investment capital is almost USD 200,000, and he now owes the bank only USD 17,000 which is still due at the end of 2008. His main worry now is the limit recently imposed on sea-surface allocation that has designated only 2 hectares of land for each household. This new policy came out after he had already established his business and after 40 labourers from other communes now work on his farm. His case presents a dilemma for the Thai Thuong authorities who want to support the entrepreneurial spirit of ordinary people but would also need to balance this out with redistributive objectives.

The last story tells of the woes of farmers in Thai Do (Thai Thuy) (VTV1, September 4 2006). In 2005, in line with shift from rice cultivation to a higher plant/breed seventy hectares of low rice field was dug for



feeding shrimp. The electric station has already been built but up to now, there is no electric grid line. The pump is stained and rusty, and cannot replace the water in the pond. Because the farmers did not attend any training in aquaculture, the shrimps and fish also died. Farmers who used to plant rice now do not have enough land for rice cultivation. They stare far into the vast swampland. They are disappointed but keep waiting for new guidance from the government. The lesson seems to be that hurried investments without careful planning and preparation is a waste of state budget when planning a shift in crop cultivation. Shifting to higher value plant products and husbandry can bring many changes in the farmers' lives. If intensive investment is done wisely, the state can help the

poor to be better-off.

### **Recommendations**

In response to the myriad challenges of trade liberalisation and market integration regionally and globally, Viet Nam should continue to understand the potential and foresee the difficulties and risks spawned by its market reforms. Towards this, information should be collected and assessed in a timely fashion to help policy makers continue to develop policies that are beneficial to the Vietnamese people. The information system should be perfected, and the Statistics Department should evaluate and manage all the local indicators (there are nearly 50 indicators provided by different organisations that are still not under the Statistics Department's management).



*Photo: Ngo Thi Lan Phuong*

Government should support the poor (especially women) with capital, production methods and create markets to increase poor people's income. There are a wide variety of tropical fruits in Viet Nam for export, among them mango, mangosteen,

durian, pineapple, and longan etc. However, Viet Nam is lacking in post-harvest processing technology, and needs to learn from others and apply useful lessons to its own agricultural and aquaculture processing.

Government should allocate land to farmers for a longer time so they can invest in the land for the long-term. More importantly, opportunities should be given for accessing social services such as credit and banking. This will help poor farmers and women develop their small businesses and create quality production that can compete globally.

Finally, government agencies should cooperate with scientists to study high breed plants suitable to local conditions and prepare a master plan for intensive cultivation of ideal crops.

##### **5. “Foreign Direct Investment-led Growth Strategy: Women in the Garment Industry” by Thida C. Khus**

###### ***Introduction***

After more than two decades of national strife and considerable

external assistance, Cambodia has achieved some peace and economic stability. Peace and security have paved the way for national reconstruction and an enabling environment for social and economic reform.

Cambodia has joined the Association of Southeast Asian Nations (ASEAN) in 1999 and the World Trade Organization (WTO) in 2003. It is part of a cluster of new developing countries within the ASEAN called the Cambodia, Lao PDR, Myanmar and Viet Nam (CLMV). Cambodia also signed onto the Asian Free Trade Area (AFTA) which was set up in January 2002 to eliminate tariff barriers among Southeast Asian countries. AFTA aims to integrate the ASEAN economies into a single production base and create a prosperous regional market of 500 million people. The ASEAN-6 countries (Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore and Thailand) only have 3.8 per cent or 1,683 items out of 44,060 that would have tariffs above 5 per cent by 2002. The plan is to eliminate all tariffs by 2008. In the spirit of economic integration with ASEAN, Cambodia has committed to

reduce import tariff of goods traded among other ASEAN Member Countries to 0-5 per cent by 2010 and for other sensitive products, such as rice, by 2015.

The leaders of ASEAN have also entered into economic cooperation with China, and have agreed to establish an ASEAN-China free trade area in 10 years. If this agreement takes place, ASEAN and China would have a combined market of 1.7 billion people and a gross domestic product of 2 trillion US dollars (ASEAN Secretariat, 2002). Trade estimates place ASEAN export to China growing at 48 per cent and China to ASEAN growing at 55 per cent. To boost this growth, ASEAN and Japan have established a joint

experts' group to work on recommendations for economic cooperation. Leaders also see further collaborations with South Korea, Australia and New Zealand.

Cambodia has actively traded with China with the hope of receiving investments and gaining access to the vast Chinese market. However, at this stage, Cambodia appears to be losing out. Cambodian trade with China has become lopsided since Cambodia has a limited capacity to compete in the Chinese market. Bold economic policy has created wider inequalities, especially among the least developing countries, of which Cambodia is one. Cambodia's economic development has so far

**Table 1: Asia Pacific Countries' trade balance with China, 2004 (\$ millions)**

	<b>Export to China</b>	<b>Import to China</b>	<b>Trade balance</b>
LDC of which:	314	3560	-3246
Bangladesh	57	1906	-1849
Cambodia	30	452	- 422
LAO PDR	12	101	- 89
Myanmar	207	938	- 731
Nepal	8	163	- 155
Low income countries	11,460	12,945	- 1,485
Middle income countries	46,017	25,140	20,877
High income countries	247,109	228,419	18,690
<b>Total Asia Pacific</b>	<b>304,900</b>	<b>270,064</b>	<b>34,836</b>

Source: IMF, 2006

created too few jobs for youth and women (UNDP-HDR 2006).

Since joining the World Trade Organization, Cambodia's National Assembly has approved only two measures required by the WTO. Twenty eight more legislative bills are waiting to be passed in compliance with the WTO, including civil procedure codes, criminal codes and criminal procedural codes, expected to become law by the end of 2006 (The Joint Monitoring Indicators of the Country Consultative Meeting in March 2006).

Cambodia has also been bold in taking steps to integrate the economy into the region and has embarked on several regional initiatives, including the Economic Cooperation Strategy (ESC).

### ***Cambodia's National Situation***

#### *Economic Profile*

Cambodia has an estimated GDP per capita in 2005 of \$448 (Ministry of Planning 2006) and a population of 13.9 million. Cambodia's economic

growth has fluctuated for the past 10 years. The high economic growth averaged around 6 per cent in the last decade with the population growth decreasing from 2.49 per cent in 1998 to 1.81 per cent in 2004. Cambodia has a favourable geographic area with vast land areas for cultivation and an impressive seaport. Cambodia also has borders with two fast growing economies, something which is favourable to cross border trade. As well, Cambodia has many tourist sites that can attract thousands of visitors, especially if it can put an end to the political and social turmoil.

Cambodia's real GDP is estimated to have grown by 13.4 per cent in 2005 (IMF Mission to Cambodia, May 2006). This growth is attributed to higher agriculture production borne by recent favourable weather conditions, raised productivity, and continued robust performances of the tourism, garment, and construction industries.

The source of economic growth for Cambodia is concentrated in a few areas, namely: (1) garments; (2) tourism; (3) private

**Table 2: Cambodia Economic Growth (% , 2000 prices)**

Sectors	2002	2003	2004	2005e
<b>Agriculture</b>	<b>-2.8%</b>	<b>12%</b>	<b>-2.1%</b>	<b>1.3%</b>
Paddy	-7.8%	22.3%	-12.3%	-0.4%
<b>Industry &amp; Constructions</b>	<b>17.7%</b>	<b>12.3%</b>	<b>16.5%</b>	<b>6.8%</b>
Garments	21.2%	16.9%	24.9%	8.5%
<b>Services</b>	<b>4.4%</b>	<b>0.1%</b>	<b>9.2%</b>	<b>6.5%</b>
Tourism	18.8%	-10.3%	23.6%	18%
<b>Total GDP</b>	<b>5.2%</b>	<b>7%</b>	<b>7.7%</b>	<b>5%</b>

Source: NIS for 2002-04; EIC model projection for 2005

construction; and (4) new cultivated areas recovered from deforested land.

Garments export has remained strong because of the imposition of safeguards by the United States on imports from China, and a bilateral agreement between the European Union to restrain the import of garments from China as well. This has created opportunities for Cambodia and has absorbed 87 per cent of Cambodian garments export.

The garments export has totalled \$2.25 billion in 2005, an increase of 12 per cent over the 2004 figure (IMF, *ibid*).

However, the EU and US restrictions on Chinese garments will end by 2007. Threats on the garments industry are therefore anticipated, especially when Viet Nam enters the WTO.

Cambodia has to work quickly to make the industry more competitive and to diversify production in other sectors.

The service sector, on the other hand, is spurred by tourism. In 2005, tourist arrival rate reached 1.4 million, an increase of 35 per cent over 2004 rates (Ministry of Finance, 2006). This sector has contributed to the GDP, growing 6.2 per cent annually from 1999-2005. With value added by hotels and restaurants, the service sector has contributed an average of 15 per cent to the GDP.

Agriculture made a strong comeback in 2005, compared to 2004 which was marked by drought. However, as in other developing countries, Cambodia has seen a decrease in food production

due to the growth of cheap food imports from China and other neighboring countries (UNDP-HDR 2006). Many farmers have abandoned food production due to high production costs and the inability to compete with imports from Viet Nam and Thailand. This trend, if it continues, will create problems for national security which is built on food security.

Attracting Foreign Direct Investment (FDI) has been a central feature of Cambodian economic development. FDI is concentrated in the urban areas and in the garment, tourist and construction sectors, benefiting only a small proportion of the rural poor (20 per cent). Because of foreseen challenges within the garment and tourist industries, FDI is estimated to drop by half in the first semester of 2005, according to the Economic Institute of Cambodia. The government has initiated a new strategy to create a Special Economic Zones (SEZ) and Industrial Zones at the borders of Thailand and Viet Nam as a way of geographically dispersing FDI. It also has to work on several fronts to keep on attracting foreign investments. It has to

overcome obstacles in the form of weak public institutions, including public administration, the judicial system, a high level of corruption and a poorly educated work force. The private sector has cited also inadequate infrastructure and poor access to financing. To attract more foreign investment, Cambodia has to be more competitive and develop other relevant industries for the manufacturing of ancillary materials such as buttons, thread, and other accessories.

The government's fiscal policy aims at maintaining fiscal stability through a gradual increase in budget for social and economic programmes, reducing public expenditure and broadening the tax base. It also aims to prevent leakage, strengthen customs and tax administration and collect additional revenues. The Cambodian government's policy is to ensure a level of public spending consistent with macroeconomic stability. This means promoting domestic savings, productive investment, and an efficient resource allocation.

The Cambodian Government has also swiftly reformed its

monetary policy. The central bank's role has been transformed to one of oversight for the whole financial sector. Banking is completely privatised; after a few bank failures in the previous five years, private banks appear to be regaining the trust of foreign investors. As a result foreign currency deposits rose by 20 per cent in 2005, and credit to the private sector – mainly to finance the construction of hotels and houses - rose by 40 per cent. Bank capital and reserves is up by 9.6 per cent and official reserves rose by 12 per cent. All these activities reflect a strong export performance, sustained by tourist arrivals and capital inflows. To add to these positive developments, inflation has been kept at a minimal of 5.8 per cent despite the high oil prices. However, more needs to be done to encourage locals to use the local banking system instead of keeping their savings in US dollars or in gold standards.

Cambodia's external debt situation has been considered manageable and sustainable. Current outstanding debt is now equal to 43 per cent of GDP, with a debt ratio of 2.6 per cent. Lately, however,

Cambodia has missed its payments to Russia and the US. A debt rescheduling with these two countries is needed for Cambodia to continue to enjoy credit from multinational banks.

### *Human Development*

Trade in the past decade has mainly benefited the educated and the higher income population, resulting in many rural communities being left out of development. These rural poor do not have access to development opportunities because of lack of information and education. Indeed, globalisation has created many opportunities but the rural population has not taken



Photo: SILAKA

advantage of them. Poverty stalks the countryside where economic development has been slow. The national poverty line, based on a food basket computed at \$0.45 per day per person, is said to be around 34 per cent in 2004, with a higher proportion of those living in the rural areas being affected. The poverty rate has consistently dropped by 1 per cent annually but this improvement has left out the majority of the rural population.

Formal employment is much smaller compared to employment in the informal economy which is estimated to be the source of up to 90 per cent of jobs. New entrants into the labour force increase by an estimated 3.5 per cent annually, such that 300,000 new jobs have to be created each year. However, the rate of job creation is slow, and only 50,000 jobs in the formal sector had been created during this period (Cambodia Economic Review 2004). According to the Economic Institute of Cambodia the unemployment rate among the rural poor rose from 150,000 in the period 1994 to 1998 to 200,000 in the period 1999 to 2003. An estimated 230,000 were unemployed in 2004-

2005. The total combined unemployment and under employment from the rural community is estimated at be about 2 million in 2004. The modern sector only absorbs 20 per cent of this labour pool while 5 per cent of the excess labour migrates to other countries, mainly to Thailand.

The bias of economic development toward the urban area mainly in Phnom Penh where garment firms are mostly found and Siam Reap where there is a thriving tourist industry has generated migration from the countryside to the city. It is estimated that 150,000 migrated from the rural community to the urban areas in 1994. This number has jumped to 300,000 in 1997. In the 1998 census, 30 per cent of people surveyed in the city of Phnom Penh were found to have migrated from the rural areas.

Landlessness has grown and threatens to become a critical political problem. The rural poor have found themselves more and more without land, such that according to an Oxfam study, landlessness has increased from 3 per cent in 1984 to 12 per cent in 1999 (or 1.2 million people). Within this



**Table 3: For population 25 years and older**

Education Level Completed	Both Sexes	Male	Female
Pre School	0.1%	0.1%	0.2%
None	4.3%	4.3%	4.3%
Primary not completed	54%	45.9%	63.6%
Primary	23.7%	27.3%	19.5%
Lower secondary	11.3%	13.6%	8.6%
Secondary/diploma	4.5%	6.0%	2.6%
Vocational training	0.8%	1.0%	0.6%
Beyond secondary	1.1%	1.6%	0.5%

Source: Cambodian Inter-Censal Population Survey 2004, Ministry of Planning

group, 21 per cent are female headed households.

#### *Socio-economic Status of Cambodian Women*

Fifty-two per cent of Cambodia's 13.9 million are women according to the 2004 inter Census conducted by the Ministry of Planning of the Royal Cambodian Government. More women (63 per cent) than men (45.9 per cent) have not completed

primary education. Of the 0.8 per cent of the population that has attended some skills training, women also fare worse than men.

Cambodian women are disadvantaged in employment, with the men dominating the few occupations that bring in good pay (see Table 4). A large majority of the economically active women are found in the agriculture and fisheries related occupations

**Table 4: Distribution of Literate and Economically Active Population**

Occupation	Cambodia		Urban		Rural	
	Males	Females	Males	Females	Males	Females
Legislator, senior officer, manager	0.7%	0%	1%	0.1%	0.7%	0%
Professional	0.3%	0.1%	1.6%	0.4%	0.1%	0%
Technicians	3.6%	1.7%	6.9%	5.3%	3.1%	1.2%
Clerk & services	7.5%	10.6%	23.1%	23.3%	4.8%	7.3%
Agriculture/fishery	70.1%	75%	31.8%	36.8%	76.4%	80.5%
Craft	6.6%	6.4%	13.4%	11.7%	5.4%	5.6%
Other	11.3%	6.2%	22.4%	12.2%	9.5%	5.3%

Source: National Institute of Statistics, 2005

(75 per cent of total and 60.5 per cent of those found in the rural areas).

The country has a rather high rate of women-headed households, about 29.2 per cent of all households nationwide (National Institute of Statistics, Ministry of Planning 2004). Women-headed households are mostly found in the rural areas where less than half of all female heads (48.9 per cent) are literate, more than one-third are 50 years and older and 89.7 per cent of these women work in agriculture.

About a third of the population is reported to have migrated from their home towns for various reasons. Both men and women are also migrating. An overall increase in migration of both male and female populations has been noted, from 9 per cent in 1998 to 12.5 per cent in 2004. However, in the urban areas where the

garments factories are located, there are slightly more females than males that have migrated in-city (females at 58.2 per cent and males at 54.2 per cent).

Maternal mortality rate in Cambodia, from 1994-2000, is among the highest (437 per 100,000) in the region. Approximately 2000 women die during child birth annually. It is estimated that more than one-fifth of women between the ages of 15 to 44 die of illnesses related to pregnancy complications, causing concern among health authorities. Poor women with little or no education are less likely to receive prenatal care and have their baby delivered by trained health professionals. The survey cites the cost of services as the major obstacle to receiving care (CDHS 2000). Poor women's access to prenatal care is only at 30 per cent compared to 75 per cent among better-off women. The

**Table 5: Migrant and Non Migrant Population**

Status	Cambodia		Urban		Rural	
	Males	Females	Males	Females	Males	Females
Non Migrant	64.9	65	45.8	41.8	68.2	69
Migrant	35.2	35.1	54.2	58.2	31.8	31

Source: National Institute of Statistics, 2005

**Table 6: Garment Industry: Economic structural effect**

Effects on Economy	1995	2000	2005
Contribution to economy as % of GDP	1	9	15
Share in exports of goods	3	70	82
Physical infrastructure	Rehabilitation and new construction		
Financial infrastructure	Enhancement of banking and financial services		
Government policies	<ul style="list-style-type: none"> <li>- Globalisation &amp; regionalisation</li> <li>- Institutional reforms</li> <li>- Institutional establishment: GMAC, Trade Unions, ILO better factories,</li> </ul>		

*Source Neak Samsen, EIC, June 6, 2006*

situation is further complicated by the shortage of doctors for the general population (in 1998, there was only one doctor per 6,808 persons).

### ***Focus on the Garment Industry***

Although the Multi Fiber Agreement was eliminated at the end of 2004, the garment industry in Cambodia amazingly showed resiliency and survived in 2005. Earlier, it had been anticipated that the elimination of the quota will benefit China and India, countries that are large garment producers. However, the import safeguards against China that were introduced by the US and the EU in 2005 had

unwittingly benefited Cambodia. While other countries in the region have moved away from garment production, Cambodia has managed to continue attracting investments even from China itself and Taiwan as well as buyers from the United States and the European Union. Cambodian products have accounted for 82 per cent of garment merchandise among its export products which when compared to those in other Least Developing Countries such as Pakistan (68 per cent), Bangladesh (59 per cent), Sri Lanka and Nepal (around 50 per cent each) is much larger (UNDP-HDR 2006). The garment industry has significantly benefited the

economy as may be gleaned from Table 6. Its share in export has increased from US26 million dollars to US2 billion dollars in 2004 and now accounts for over 80 per cent of the country's total exports.

Over a quarter of a million workers are currently employed in the garment industry, and a greater number work in the informal support sectors. These workers are mostly women from rural communities, their remittances sustaining an estimated 20 per cent of the country's population of 13 million (EIC, April-June 2005). It has also remitted for the workers a total of 110

million US dollars last year. As well, from 1995 to 2005 the number of exporters rose from 20 to 258, when exports simultaneously climbed from 27 million to 2.197 million US dollars. The export market has been mainly the European Union in 1995 but in 2005, the US export market rose to 70 per cent (see Table 7).

While the garments industry has brought much of the needed foreign exchange and created the desperately needed jobs for the rural poor, Cambodia has not profited as much as it should due to the high costs of imported materials needed in garment

**Table 7: Overview of Garment Industry in Cambodia**

	1995	2000	2005
Producers/exporters	20	190	258
Production (US \$ million)	27	985	2,197
Market	US: 1% In 1996 EU: 96% Other 3%	US: 63% EU: 34% Other: 3%	US: 70% EU: 22% Other: 8%
Employment	19,000	123,000	284,000
Indirect Employment (1 for every 5 direct employment)	3,800	24,600	56,800
Nominal wage	50-75 USD/month		72 USD
Remittance	40-50% of monthly wage; 110 US Million in 2005		

Sources: Customs and excise; GMAC(compiled by EIC)

**Table 8: FDI-led Industries: Costs as Percentage of Total Sale**

	Garment	Tourism
Import Input	67%	62 %
Labour cost	13 %	3 %
Others	20 %	35 %
Total	100 %	100 %
Total sale (USD)	1,300	570

Source: EIC 2004

production. Only 13 per cent of labour costs directly benefit the poor. Nevertheless, the garment industry is still better than the tourist industry in terms of job creation and other economic benefits.

#### *Impact on women workers*

Eighty eight per cent of workers in the garment industry have access to housing and sanitation (CRD/ADB survey in 2003). They also have access to clean water, unlike in the rural areas, where only about 30 per cent have access to it. In an interview conducted by EIC survey in 2006, 74 per cent of the respondent said that they limit their expenditures on food and spend 68 per cent of their incomes on clothing. An ADB survey of 112 workers from Prey Veng province found that the garment workers save on their monthly remittances to

support families in the rural areas. 88 per cent of those surveyed report having contributed to family health care, and about 60 per cent said they contribute to their siblings' education. This contribution has given the women garment workers more authority in their families' decision making and has reportedly altered relationships so that Cambodian families now allow their daughters to venture out of their homes, to work in the city or outside their home towns. This was rarely the practice in Cambodian conservative communities in an earlier period. Moving out from their rural communities to city life therefore has brought both advantages and disadvantages to Cambodian women.

In-depth interviews of seven women were carried out by the study. The workers were

young, between the ages of 20 to 35 years; three of whom are single. The rest who are either married or divorced have only one child each. They depend on their family to watch over their children, aged between 1 to 9 years. One child died while in the care of the grandmother in the rural area. All of them came to work in the garments industry in search of employment in place of farm work. Two of the women brought their siblings to work in the same factory.

They reportedly earn from US\$45 to US\$90, depending on overtime work. They work an average of 10 hours daily, but with overtime work this can run to over 14 hours per day. All the women insist they need the overtime pay to make ends meet and to be able to send money home. With this income, they spend an average of US\$30 for basic needs such as housing, food and utilities. All report having health problems, ranging from stomach ache to headache. All support their parents and siblings, sending an average of US\$10 to US\$30 a month.

Women variously work as sorters and sewers while the few men work either as loaders, cutters, inspectors,

and managers — the latter jobs being more highly paid. The women workers reported an improvement in their working conditions in the last 3 years. Two factories have built a health clinic for their employees, and there are an adequate number of restrooms for men and women. Some factories have even installed electric fans for air to circulate inside the work place. Women can avail of maternity leaves averaging 3 months, with some reduction of salary if leave is extended. One factory gives baby formula and a small stipend for the new mothers until the baby is 8 months old. They also revealed belonging to unions but feel that some unions are not as effective as others in protecting women members' interest.

All the women reported some form of sexual harassment coming from male workers, especially male supervisors. Forms of sexual harassment include name calling and sexual innuendos. Other unfair labour practices come in the form of unexplained cuts in paycheck. Most of the women want to learn new skills and get other jobs but do not have any idea how or where to go. Five out of the seven women interviewed have managed to

save US\$400 for the past 6 years working at their jobs. They plan to work 2 more years and move on to their own business.

The garment industry has certainly brought employment to thousands of women who otherwise would not find similar opportunities in the rural areas where they came from. Having acquired city-based employment also meant having access to information, mainly through radio and television. Their new-found capacity to send income back to their left-behind families in the rural areas has given them some prestige and power within their families. Some of the women have been able to make decisions about their lives such as getting out of a marriage that do not satisfy them. In a recent survey (EIC 2006) 53 per cent of those surveyed reported to be a union member which taught them to be effective in group bargaining. Women have also reported to have been effective in dealing with the police during strikes. Despite the women making up 85 -90 per cent of the total work force in the garment sector, however, they still are not represented in union leadership.

Cambodian women's employment in the garments sector, however, remains tenuous. It is predicted that in the next two to three years, the garment industry will become unstable unless the government addresses the needs of the industry for a more effective bureaucracy, adequate infrastructure and provision of basic utilities. A relocation of garment firms to foreign countries where business might be more profitable would mean a loss of jobs for thousands of women garment workers who will not find any comparable employment to fall back on.

And while women workers are grateful for the incomes they get from the garment sector, they are, however, not oblivious to the risks that they face. Most expressed concerns over the deterioration of women workers' health which they linked to malnutrition, under-monitored environment safety standards, and long working hours.

#### *Government Response*

The Cambodian Government has adopted what it calls a "Rectangular Strategy" that focuses on economic growth,

**Table 9: Components of Government's Economic Approach**

Enhancement of the agricultural sector	Further rehabilitation and construction of physical infrastructure	Private sector development and employment generation	Capacity Building & Human Resources Development
1. Improved productivity and crop diversification	1. Transport infrastructure	1. Strengthening the private sector and attracting investment	1. enhancing quality of education
2. Strengthened land reform and mine clearance	2. Management of water resources and irrigation	2. Creating jobs and ensuring improved working conditions	2. Improving health service
3. Fishery and forestry reform	3. Energy sector and electricity network	3. Promoting SMEs	3. Fostering gender equity
	4. Information and communication technology	4. Ensuring social safety nets	4. Implementing population policy

full employment and an equitable distribution of profits and resources. The strategy has four components: (1) enhancement of the agricultural sector; (2) further rehabilitation and construction of physical infrastructure; (3) private sector development and employment generation; and (4) capacity building and human resources development (see Table 9). In line with this plan, the Cambodian Government has acted on key reform areas, including legal and judicial reform, armed forces reform and demobilisation, public administration reform, and reforms to fight corruption.

Specific measures have been taken to maintain the garment

industry and to diversify it (Ministry of Economy and Finance Consultative Meeting, March 2006). These are as follows: (1) increased incentives given to garment industries to stay in Cambodia; (2) diversification of industries into toys, footwear, electrical and electronic assembly; (3) establishing special economic zones (at the border towns of Viet Nam and Thailand); and (4) persisting with reforms (administrative, judicial and legal, public financial management).

A generous package of incentives is extended by the government to FDIs in the garment industry in order to entice them to stay in Cambodia. These include: (1)



pegging corporate tax at a low nine per cent; (2) guaranteeing tax relief on corporate tax to up to nine years which may be extended to five more years if losses are reported; (3) exempting profits from tax if reinvested in Cambodia; (4) exempting dividends from withholding tax; and (5) unrestricted repatriation of profit. Such tax exempt measures given to foreign corporations had meant that government has been hard pressed to look elsewhere for funds to support its anti-poverty programme and measures that cut across the four components of its economic development strategy.

To increase competitiveness and attract investments, Cambodia plans a Special Economic Zone (SEZ) and industrial zones at the border towns of Thailand and Viet Nam. This strategy is designed to take advantage of these neighbouring countries' cheap basic utilities and their already developed infrastructure. Hopefully, this strategy will also lessen the movement of Cambodia's rural communities to the urban areas. To succeed, the Cambodian Government has to prioritise

improved health care, the development of agricultural and rural non-farm activities, as well as improved infrastructure.

### ***Conclusion and Recommendations***

Globalisation and a growth strategy have brought prosperity to Cambodia in a highly uneven manner that is also full of uncertainties. The gap between the rich and poor has become wider and the majority of the population, especially from the rural areas, is being left behind while the middle class from the cities enjoy the fruits of liberalisation. The garment industry has certainly reversed the situation of unpaid agricultural work that an estimated 300,000 women workers now employed by the garment firms used to engage in. There are indications that employment in the garment industry had empowered individual women in making personal decisions, engaging in family decisions, and in accessing information. Nevertheless, the development of the garment industry shows that government has also become overly dependent on a small group of foreign direct investors who would need to be continually enticed by tax

and other incentives in order to remain in Cambodia. And it is hurting not just government but also the ordinary citizens who now have to assume the costs of inadequate, inefficient or privatised services and utilities. For women workers in the garment industry, the health and safety issues are major concerns.

In the Cambodian context, a more sustainable approach to growth and development is found in supporting women in the rural communities and in developing measures to safeguard the majority of the Cambodian rural population. Economic integration with the neighbouring countries without special protective measures is tantamount to denying rural folks' basic rights to survival. Effective measures should include support to agricultural producers such as the strengthening of agricultural services, technology and low interest loans. Irrigation systems must be developed to provide farmers with adequate access to water. Farmers must also be protected from massive agriculture imports, especially in sensitive products such as rice and meat. Farmers must also increase their capabilities to go beyond just gathering of

food from their natural habitat; they must have access to technology and credit. They must be trained in food processing, packaging, and business skills if the farmers are to increase the value added to their products. They need government protection from competitors from neighboring countries. Protection of local products is necessary to national food security and to food sovereignty.

As well, develop a competent corps of public servants that will protect the good of the general population. This is already a government priority, but it is important to underscore it as the only way Cambodia will be able to protect its public interest. Effective policy implementation builds trust with the general public and will ensure economic transformation. The pace of planned reforms of the bureaucracy should be accelerated. Fighting corruption will become easier with a better structured system of administrative and public finance management, staffed by qualified public servants receiving decent wages. Reform of the judicial system will result in making Cambodia

credible and attractive to foreign investors and to local businesses.

Put in place services in support of women in the garment industry. As the country opens itself up to foreign investment and moves toward industrialisation, women will be pulled from their homes and into factories. These women will need basic family services such as child care, health care, and adequate housing. Government must ensure that factories provide daycare, improved housing, and health care for their employees' children. An educational system must also be put in place to upgrade women's skills so they can move up within the industry or move elsewhere to better opportunities.

Increase the national capacity to collect and analyse data related to gender issues. This will improve the monitoring of policies that address women's needs. In the process of collecting data for this research, for example, many obstacles were encountered, including the difficulty in accessing national data for a systematic gender analysis.

A final recommendation is comprised of a set of studies that need to be carried out in support of policies and regulations pertinent to women's economic security and rights in the context of globalisation and regional integration. These studies are as follows:

- Study on social costs related to the garment industry. We need to know the industry's impact on family life, child rearing, and the costs of a changing life style for rural women in the industrial sector.
- Study on women workers' health and well being in the garment industries. The women save on food, health care, and clothing so they can send home a portion of their salary to support their families. How is their reproductive health affected by this practice and their exposure to chemicals in factories?
- Study on the informal garment sector and the other businesses that are linked to garment workers. This informal economy is registered and is not being monitored for labour code compliance.
- Study on garment workers' children's health and

education. Most of the garment workers have entrusted their children in the care of the grandparents and older relatives in the rural areas, but little is known of their well being and how they are growing up.

- Study on the multidimensional implication of the Cambodia National Economic Policy to women's empowerment and advancement.
- Study on cross border trade with Thailand and Viet Nam and its link to women's employment and livelihoods.
- Study on the impact of tourism and construction industries on Cambodian women.

## **6. "Lao Women's Cross Border Trading and New Customs Regulations" by Gender Resource Information and Development Center [GRID]**

### ***Introduction***

The Beijing Platform for Action, which Lao PDR and other UN Member Countries endorsed in 1995, supports enhancement of women's economic potential

and economic security. Women and the economy is one of the twelve areas of concern in the Beijing Platform for Action. Therefore, in Beijing all governments committed themselves to promote women's access to employment and appropriate working conditions; eliminating occupational segregation and employment discrimination; facilitating women's equal access to resources, markets, and trade; providing business services, training and access to markets, information, and technology especially for low income women; and strengthening women's economic capacity and commercial networks. Since introducing the New Economic Mechanism in 1986, the Government has been expanding trade, transport, and other links with neighbouring countries in the Greater Mekong System. Through sub-regional cooperation, the Government aims to turn Lao PDR's "landlocked" status to advantage as a "land link" between the more dynamic economies in the region. This expansion of cross-border transport networks and trade would also restore the country's historical position as a crossroads for the movement

of people and goods. Greater economic links with neighbouring countries present a number of opportunities for Lao women and men.

As a member of ASEAN, Lao PDR has committed to reduce import tariffs and to take other steps under the framework agreement for the ASEAN Free Trade Area (AFTA). The country is also included in ASEAN framework agreements to liberalise trade with PRC, India, and Japan. Lao PDR has a trade and cooperation agreement with the EU and a more specific agreement on textiles and clothing that accounts for the large increase in textile and clothing exports to the EU in recent years. Lao PDR signed a trade agreement with the United States in late 2003 that is still to be ratified. Lao PDR has also applied for membership in the WTO.

In addition to the gradual development in the trade sector and in order to expand its role in promoting development and poverty eradication, especially to encourage poor people to engage in trade activities as a means for their overcoming poverty, the Government of Lao PDR has introduced its

pro-poor trade strategy as follows: 1) continuing sustainable trade policy reforms; 2) mainstreaming trade into national growth and poverty reduction strategy; 3) rationalising and streamlining trade administration procedures; 4) upgrading the capacity of service delivery system in the trade sector; and 5) improving trade facilitation.

The Constitution guarantees equal rights of women and men. It states that 'Lao citizens of both sexes shall enjoy equal rights in political, economic, cultural, social and family affairs. The Law on Women Development and Protection defines principles, rules and measures relating to the development and protection of women. Article 15 clearly states the equal economic rights of women and men- it says "The State, society and family shall promote the rights of women to engage in production, business and service which are permitted by the law on an equal basis with men. The State, society and family shall also ensure to women equal rights to work, to employment and remuneration. Women who have the same position and responsibilities as men shall have the right to

allowances and benefits on an equal basis with men.

The Government of Lao PDR has taken some initiatives to promote women's enterprises, in weaving, silk production, handicrafts, etc. National bodies such as the Lao Trade Promotion Centre (LTPC) of the Ministry of Commerce and the Vientiane Women's Business Association (VWBA) are supporting the government. The LTPC is providing assistance to larger textile and weaving enterprises owned by women and organises business training seminars for rural entrepreneurs (women and men). VWBA on the other hand, is providing training and other kinds of support to businesswomen who are based in Vientiane.

The Lao Women's Union is implementing some projects in all provinces covering 1941 villages in 68 districts in the country. The main activities include vocational training, extension of micro credit, handicraft development and income generation activities for women. The micro finance project has been implemented in 8 districts. The LWU set up 289 groups of saving schemes with 20,764 members. The Lao

Women's Union Training Centre provides training on vocational education for employment and income generation skills.

### ***The Lao PDR Economy Under a Liberalised Regime***

The Lao economy remains predominantly subsistence agriculture. Agriculture is employing 80 per cent of the labour force. The annual GDP per capita is US\$320 in 2003. About 48 per cent of value added of GDP comes from the agricultural sector, 26 per cent from industry and handicrafts, 25 per cent from the service sector and 1 per cent from import duties (NSC, 2003). The Lao PDR is rich in forest and water resources, which is a great potential for its development of its economy which has grown rapidly for more than a decade. In the 1990s, real GDP grew by an annual average rate of 6.3 per cent and exports grew at around 15 per cent a year. Agriculture grew rapidly as did industry and services. Donors provided considerable financial and technical support; in 2002/03, donor-funded programmes accounted for 7 per cent of GDP, 39 per cent of total public expenditure, and 61 per cent of

the capital budget (WB Economic Monitor 2004). The country's trading activity has increased substantially over the past decade. Exports rose from US\$64 million in 1990 to US\$443 million in 2002 while imports rose during the same period from US\$149 million to US\$763 million. The Lao PDR's main exports are electricity, garments and wood products.

In recent years, larger private enterprises have been set up with foreign owners or partners including garment factories. The recent mushrooming of garment factories in Lao PDR has opened up new job opportunities for young Lao women from mainly rural areas. However, Lao garment workers are also in an uncertain position because of the phase-out of import quotas on textiles and clothing under the World Trade Organization Agreement. This liberalisation of the textile and clothing market will expose Lao garment manufacturers to greater competition with uncertain effects on jobs and wages in the sector.

Tourism and related services are also expanding in the big cities. In general, the number

of tourist arrivals to Lao PDR increased rapidly from 37,613 in 1991 to 894,806 in 2004 (LNTA, 2005). Tourism contributes substantially to national income with a total revenue of 118 million US dollars in 2004 and generates employment. Tourism has demonstrated its potential for creating jobs and encouraging income-generating activities to benefit local communities.

At present, the important trading partners of Lao PDR are mainly Asian and Pacific nations, such as Thailand, Viet Nam, Japan, China, Singapore, Hong Kong and some European nations like France, Germany, Italy, the United States of America, Russia and others. Lao PDR's export goods are mainly timber products, electricity, gypsum, rattan products, coffee, cardamom, sesame, forest products, garments and handicraft items. Some exports contribute more directly to human development in the Lao PDR than others. Exports that contribute most directly include labour-intensive export products - garments, wood products, processed foods and handicrafts – as well as international tourism overseas labour migration to Thailand.

**Table 1: Direct Employment by Type of Export and by Gender 2002-2004**

Export	Total direct employment	% Women	Number of women	Number of men
Agriculture + NTFPs	277,000	50 (est.)	138,500	138,500
Labour to Thailand	250,000	55	137,500	112,500
Garments	26,000	80	20,800	5,200
Wood products	20,000	10 (est.)	2,000	18,000
Handicrafts	20,000	70 (est.)	14,000	6,000
International tourism	18,000	50	9,000	9,000

*Source: International Trade and Human Development, Lao PDR, 2006*

These create employment particularly of women, they expand opportunity and choice, they increase incomes of rural families and rural women, and are more likely to reduce poverty directly, and to benefit rural and other communities via remittances sent or carried home and through other multiplier effects.

There were about 37,075 workers in 2000 (Shyam Upadhayaya and Ittichai Yossri, 2000) employed in the industry sector. About 70 per cent of the workers are production workers, 13 per cent technicians, 10 per cent administrative and 7 per cent seasonal and temporary workers. The highest numbers of production workers are in the textile and garment industry, of which 85 per cent are women. The vast majority of workers in Lao garment

factories are young women. There were 24,874 industry handicraft establishments in Lao PDR that employ 91,034 workers (MIH, 2003). When we exclude the garment industry, the number of women employed in the production industry is low, about 33 per cent while that of men is 67 per cent. Electricity production employs more technicians than others, while wood, wood products do; non-metallic mineral products (brick and tile industry) and basic metal products industries employ more seasonal and temporary workers than the other industries (Shyam Upadhayaya and Ittichai Yossri, op.cit.).

Variations in salaries, wages and other kinds of remuneration are common among female and male workers. The average salaries and wages of female workers



**Table 2: 1 Number of employee in the 2005 Census**

Code	Categories	Total	Women (%)	Men (%)
1	Government Employee	168,388	31	69
2	Parastatal Employee	11,446	33	67
3	Private Employee	121,786	40	60
4	State Enterprise Employee	19,486	27	73
5	Employer	7,210	31	69
6	Owner Account Worker	1,149,906	32	68
7	Unpaid family work	1,260,671	71	29
Total		2,738,893	50	50

Source: Census 2005, National Statistics Center

in the textile and garment industry are lower compared to males. For example in 1999, male workers received an average of 2.7 million Kip and female workers 1.41 million Kip. The male-female wage discrepancy was explained by the fact that average wages and salaries for females in the predominantly-female textile and garment industry, were lower than that of male employees in other industries. The CEDAW report (2003) noted that low factory wages have contributed to an increase in prostitution. There are also reports of harsh, even abusive working conditions in some garments factories.

### **Women's Small and Micro Enterprises**

The 1995 National Small Enterprise Survey found that

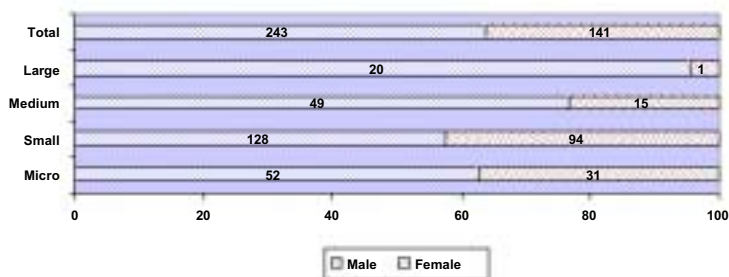
63 percentages of micro and small enterprises in the Lao PDR are female owned. LECS 3 survey (2003) noted that 28 per cent of Laos' households operate at least one household business and that 53 per cent of household businesses are operated by women (62 per cent in urban and 43 per cent in rural areas). The most common sub-sectors for women's commercial micro and small enterprises are retail, vending, and guesthouse/restaurant operations. Men are mostly involved in wholesaling. In the manufacturing sector, textiles appear to be the exclusive domain of women. Lao women have long been active in small-scale trading including cross-border trading. The expansion of cross-border trade is also opening up new markets for hand-woven textiles and other

Table 3: Summary of Export and Import by fiscal Year 2004/05

No	Items	Fiscal I (10,11,12)/04	Fiscal II (1,2,3)/05	Fiscal III (4,5,6)/05	Fiscal IV (7,8,9)/05	Fiscal 04/05 Total I+II+III+IV	In Percentage Export	Remark
<b>I</b>	<b>Export Items</b>							
1	Timber and wood products	18,024,721	18,104,661	25,958,739	10,041,261	<b>72,129,382</b>	15.83	
2	Rattan and bamboo	226,998	226,998	10,150	1,506,445	<b>1,970,591</b>	0.43	
3	Coffee beans	2,372,113	4,728,706	2,228,505	270,003	<b>9,599,327</b>	2.11	
4	Gypsum, tin and gold ores/Barite	1,600,010	2,213,424	5,876,472	35,652,602	<b>45,342,508</b>	9.95	
5	Gold	15,555,140	15,555,140	20,389,402	31,511,211	<b>83,010,893</b>	18.22	
6	Forestry produced	850,635	1,105,523	507,178	1,444,407	<b>3,907,743</b>	0.86	
7	Agricultural products and others	2,683,267	6,625,657	1,669,199	8,667,203	<b>19,645,326</b>	4.31	
8	Poultry and feeding animals	338,704	362,747	2,406,457		<b>3,107,908</b>	0.68	
9	Handicraft products	258,201	258,201	2,240,233		<b>2,756,635</b>	0.61	
10	Garment products	31,820,551	40,107,897	19,654,023	16,000,000	<b>107,582,471</b>	23.61	Source: GSP Division
11	Electricity Power	26,370,000	15,237,957	23,540,684	29,481,356	<b>94,629,997</b>	20.77	Source: MOAF
12	Other industrial products & miscellaneous	2,740,610	3,122,535	5,525,005		<b>11,388,150</b>	2.50	
13	Others	139,509	143,847	100,201	170,125	<b>553,682</b>	0.12	
	<b>Total</b>	<b>102,980,459</b>	<b>107,793,293</b>	<b>110,106,248</b>	<b>134,744,613</b>	<b>455,624,613</b>	<b>100.00</b>	
<b>II</b>	<b>Import Items</b>							
1	Agricultural tools and inputs	2,016,203	2,314,403	3,891,879	2,581,744	<b>10,804,229</b>	1.57	
2	Office supplies & sports equipment	117,558	117,466	100,554	1,035,927	<b>1,371,505</b>	0.20	
3	Food stuffs	4,944,534	5,051,674	4,958,501	5,752,550	<b>20,707,259</b>	3.02	
4	Clothes, textile, and other consumption	6,351,367	6,700,591	4,659,568	3,402,389	<b>21,113,915</b>	3.08	
5	Electrical appliances	1,566,053	1,619,184	1,186,098	3,033,535	<b>7,404,860</b>	1.08	
6	Construction materials	4,554,557	4,825,550	4,119,742	9,397,357	<b>22,894,206</b>	3.34	
7	Fuel and gas	11,346,094	17,291,040	56,735,523	62,627,343	<b>148,000,000</b>	21.57	
8	Pharmaceutical products	791,418	751,219	1,090,127	712,425	<b>3,345,189</b>	0.49	
9	Vehicles and spare parts	4,101,624	4,847,899	4,331,225	6,826,331	<b>20,107,079</b>	2.93	
10	Luxury goods	985,264	1,007,264	3,280,225	950,000	<b>6,222,753</b>	0.91	
11	Import of electricity power	1,932,200	3,337,320	2,790,780	11,840,250	<b>19,900,550</b>	2.90	Source: MOAF
12	Other commodities	338,470	307,947	392,550	5,366,796	<b>6,405,763</b>	0.93	
13	Raw materials for garment production	22,369,432	22,369,432	13,757,816	13,732,270	<b>72,228,949</b>	10.53	
14	Informal Trade	4,690,000				<b>4,690,000</b>	0.68	
15	Other raw materials for industry production	49,608,766	52,597,215	24,065,909	19,199,429	<b>145,471,319</b>	21.21	
	<b>Total of import for production and consumption</b>	<b>115,713,539</b>	<b>123,138,204</b>	<b>125,360,487</b>	<b>146,458,346</b>	<b>510,670,576</b>	<b>74.44</b>	
	<b>Total of import for investment project</b>	<b>51,315,597</b>	<b>51,873,373</b>	<b>32,360,233</b>	<b>39,800,289</b>	<b>175,349,492</b>	<b>25.56</b>	
	<b>Total of Import in Lao PDR</b>	<b>167,029,136</b>	<b>175,011,577</b>	<b>157,720,720</b>	<b>186,258,635</b>	<b>686,020,068</b>	<b>100.00</b>	
	<b>Trade Balance</b>	<b>64,048,677</b>	<b>67,218,284</b>	<b>47,614,472</b>	<b>51,514,022</b>	<b>230,395,455</b>		
<b>III</b>	<b>Transit and re-export goods</b>	21,387,441	31,272,097	21,993,896	87,902,904	162,556,338		
	<b>Border Trade values</b>	643,292	1,135,079	404,152	1,732,131	3,914,654		
	<b>Duty fees values</b>	413,285	433,949	1,314,961		2,162,195		

Sources: Department of Trade Provincials, MOAF, Foreign Trade Department (GSP Division)

**Figure 1. Firms' owners by gender and size**



Source: Census 2005, National Statistics Center

handicrafts that are produced mainly by women.

The NSC (2005) survey showed a similar pattern. In total, only 36.2 per cent of sample firms' owners are female. The highest share (95.5 per cent) of males is in large enterprises. Female owners have been noticed in medium (23.4 per cent) and small (42.3 per cent) enterprises. The share of female owners in the micro enterprise group with 37.3 per cent was slightly smaller than those in small enterprises group. This is still in line with the findings of the 1995 survey, that businesses owned by women are generally smaller than those by men. A closer look at Figure 1 shows that the female share of firms owned is slightly higher in rural settings

(38.8 per cent) compared to urban ones (34.9 per cent). This could be due to a number of embroidery, handicraft and other home-based production activities. (Census NSC, 2005).

Studies also showed that the main constraints of female small enterprises consist of: 1) limited capital, 2) taxation system, 3) lack of technical skills for business, and 4) bad experience with banking institutions. Moreover, women also predominate as unpaid family workers in many sectors, thus reinforcing their economic dependence, which further limits opportunities for them to generate income. Other factors include women's multiple chores arising from the traditional system of gender roles and division of labour that hinder women's full

participation in public life and in economic development, as well as, the persistence of negative cultural values that disadvantage women in terms of their participation in politics and decision-making processes. Finally, marketing problems become much more significant over time as the domestic market is limited in terms of the number of consumers and their purchasing power (GTZ 1995; GRID 2004).

Women entrepreneurs are constrained by the lack of, or limited access to credit and financial facilities due to a number of reasons: (a) cumbersome procedures of applying for loans/credit; (b) collateral requirements; and (c) gender bias on the part of some bank officials. As a result, many women entrepreneurs rely on traditional money lending schemes of borrowing money from money lenders at exorbitant interest rates. A UNIDO study also found that women are more constrained than men because they have fewer assets and less revenue. The study also found that the average loan received by women entrepreneurs is normally smaller than that of

men. Many of the micro finance programmes to assist women's micro enterprises businesses had village revolving funds to promote women's traditional livelihood activities of e.g. small livestock raising and embroidery. However, these revolving funds are/were generally controlled by men in some ethnic minority villages, most of who are members of Village Development Committees. And also the funds are normally given to powerful families in the villages and not to poor families.

Moreover, business licenses and taxes are too heavy for women owners of micro and small enterprises since they have very little working capital to start with. This is, in turn, linked to the fact that women handicraft producers in the rural areas are at a disadvantaged position when it comes to negotiating prices for their handicrafts products with traders. Their subordinated social position also makes them more vulnerable to arbitrary treatment by tax authorities and other government officials of e.g. paying licenses/fees and taxes in advance.

There are international organisations, which are providing support to the development of small and micro enterprises (SMEs) such as CIDA, EU, GTZ, ILO, JICA, UNDP and several NGOs. However, women's businesses in especially rural areas have very little or no support. Another issue is the low representation of businesswomen in the National Chamber of Commerce and Industry where the Lao National Handicraft Group is being represented. In its poverty eradication strategy (NGPES), the Government of the Lao PDR, supports measures to ensure that both women, particularly women of ethnic minorities participate fully in private sector development including in SMEs development. In this regard the Government has taken the following measures:

- Working jointly with the national authorities to simplify the registration, licensing, and taxation of micro and small businesses;
- Taking into account the impact of trade rules and duties (and proposed changes in these rules) on micro and small businesses;
- Providing market and storage facilities for small-scale traders at border crossings and in duty-free zones;
- Improving market information systems for handicraft producers, agro processors and other small businesses, using radio, Internet, and other technologies;
- Coordinating with the Bank of Lao PDR, the Agriculture Promotion Bank, LWU, external agencies, and NGOs to improve the financial services available to micro and small businesses, including savings programmes that are accessible to poor and ethnic minority women; and
- Ensuring that women and ethnic minorities are represented in any provincial chambers of commerce, and that these associations respond to the needs of micro and small businesses.

***Women's Informal Cross Border Trade***

Discussions with various government officials and traders during the baseline survey confirmed the existence of widespread unofficial/

unrecorded trade in both agricultural and industrial products across the border. Many traders engage in informal trade because the official procedures are rigid, long and bureaucratic thus increasing the costs of storage, food, accommodation and unofficial rents. Traders therefore avoid the costly official channels in favor of the unofficial means. Cross-border trade was similar in two surveyed sites. However, there were some variations in trading

practices and type of commodities traded.

Traders involved in cross-border trade sell Lao products in Thai, Chinese and Vietnamese border markets, and import products from those countries for resale in the Lao PDR. Often the imports are simple consumer goods. Women cross-border traders interviewed in Vientiane and Savannakhet exported and sold Lao skirts, other Lao clothing, NTFPs and bamboo

#### **Case Study 1: Ms. Thongdy**

"I am 39 years old and started my business at the age of 35. I completed primary education. I am a single mother with 4 children. In the past, I was a street vendor with a push cart selling fruit in Vientiane Capital. As street vending made only a small profit, I quit the job and found new work as an illegal border trader. I started my business in 2001 by copying Thai traders who do illegal cross-border trade at the Thai-Lao border checkpoint (at Ban Dankham). I buy Chinese goods (keys, batteries, machinery, materials used for repairs and so on) at Nongdouang market and sell them in Thailand. While doing informal cross-border business, I developed a business network with Thai traders. I employ more than 10 workers who live along the bank of the Mekong River (Ban Dankham and Ban Kaoliow) to carry and deliver my goods to Thailand. The fact that the trade is illegal is my main problem. Everyday I have to plan to avoid police control both at the Lao and Thai sides. I make a good income because the prices of Chinese goods in the Lao PDR are very cheap and I sell them at much higher prices in Thailand. I have used my income to build a new house, pay the school fees of my children and for food. I start work at 7 am and finish at 5 pm each day. As the Lao government allows Chinese traders to do business in the Lao PDR, now I have many challenges because of more competition from Chinese traders. Now, I don't think this business is a permanent job. It faces higher risks. So I would like to change my job. I would like to get a loan to begin raising livestock in the future". (Source: GRID, 2006)

baskets (GRID, 2006). They imported and sold fish sauce, soap, toothpaste, detergent, cooking oil and instant noodles. Cross-border traders in the north imported and sold VCD and DVD players, mobile phones and other electronic goods. These traders generate employment for others in retail sales. They also hire others, including children, to carry some of the goods both ways in order to evade ceilings on the amount and value of exports and imports not subject to duties (GRID, 2006).

Women make up a large share (70 per cent) of those participating in informal cross-border trade. Several factors, some of which were cultural, played a role in the type of activities women undertook in cross-border trading. Transactions in some commodities were gender segregated with women playing a prominent role in the trading of agricultural produce such as vegetables. At Ban Dankham, women hired men to avoid the customs check points and may thus have been under-counted.

The informal hawkers who sell their goods in Thailand often do so without the necessary

license. They cited the lack of capital as the main reason why they could not apply for licenses that are often expensive. The majority of cross-border traders are unable to obtain finance from formal financial institutions. Rather, they fund their activities from their personal savings, through informal money lenders, friends and relatives. Only a small fraction is able to raise money from banks or from savings and credit societies. The shortage of ready finance hinders expansion of informal cross border trade activities. The risk relates to police harassment and payment of unofficial charges in the form of “rents” paid to public officials.

Female traders have also complained of excessive harassment at the borders. For this reason, women traders said that they would feel more comfortable if female authorities conducted searches at borders.

In the rural areas, women are mainly responsible for marketing the agricultural produce in the international and local markets. Female farmers revealed that they earned higher incomes by

selling their crops in the Thai market. Livestock production is one of the most important sources of cash income for farmers in remote areas. According to a recent study in Savannakhet, the trade in live pigs and cattle were from Viet Nam and transported to several points on the Mekong River and then shipments were destined for Thailand. It is estimated that 200,000 pigs transported in this way each year. The imported animals were slaughtered mostly by women to sell at the local markets. Women have more benefits from selling live animals and meat at the local markets.

The expansion of cross-border trade is also opening up new markets for hand-woven textiles and other handicrafts that are produced mainly by women. Lao women are increasingly involved in commercial weaving and embroidery activities, and have established relationships with trade agencies in overseas markets (Shigeru M, 2005, Kyoko, 2000). The study carried out in 2000 by Kyoko Kusakabe of the Asian Institute of Technology into the growth in weaving activity in villages on the Lao-Thai border showed

how a traditional handcraft for home consumption was quickly adapted to a small industry for commercial consumption once cross border trade was made possible by the Lao Government liberalising the economy and a road infrastructure connecting the two sides of the border. A study in Xayabury (2000) noted that the growth in weaving activity in villages on the Lao-Thai border provided relatively high incomes for female weavers. This contributed to women's sense of self-esteem.

Those living along the Lao-Thai border area in the Sayaboury province used to rely on subsistence agriculture and natural timber and forest products (NTFP) collection from the forests (mainly for home consumption) but after being exposed to Thai market demand, they started to produce new goods. As one old Lao Theung man explained, "We can now collect more things from the forest than before. Now we collect things that we have never collected before." Demand for new cash crops such as kee-naf and NTFP like palm seed, as well as for hand-woven materials, increased. Although high transportation



costs served as a bottleneck, Laotians increasingly brought their goods to border markets. Middle traders began visiting villages to collect goods to be sold in the border market. At the same time, merchants started to visit Lao villages with Thai commercial goods. Some roads were improved by Thai businessmen, who invested in road construction in exchange for access to natural resources such as lignite and timber. Expanded trade in NTFPs can increase incomes for the families that harvest and sell them, but the rapid depletion of NTFPs in rural areas also can deprive poor households of alternative food sources and natural medicines.

According to a study in Oudomsai province, villagers used to collect NTFPs for household consumption only, but with the increase in trade with Chinese traders, they have recently started collecting and processing NTFPs to generate income. Female collectors sell NTFP to Chinese traders at higher prices than local traders. With the increased cash incomes, villagers can now afford a wider variety of products and services that they could not before. Now that their basic

needs are met, i.e. improved food security, nutritional status, basic education, and access to medicine and medical services, both men and women enjoy spending more on non-essential items such as condiments, cosmetics (women), and tobacco (men). An increase in incomes, however, does not necessarily mean an increase in profits per labour input. Female villagers reported that labour input (working hours and amount of work) has increased since they started collective NTFP marketing (Miyuki and Boonthavy, 2004). In the timber export sector in Savannakhet province, the majority of the paid employment went to men (GRID, 2004).

According to the cross border study in the Northwest Laos, Muang Long and Muang Sing has become a favored destination for many young backpackers. The rapid rise in tourism as a key staple in the local economy has led many local entrepreneurs to capitalize on the daily arrival of new visitors. This ranges from transport, food and accommodation services through to guide provision and handicraft production. Since

then Tai Dam women soon began to sell silk and cotton fabrics and traders regularly come from Vientiane and abroad to buy silver artifacts of the various ethnic groups. A local tourism initiative is the recently constructed small market building for local Tai Dam and Hmong women to sell fabrics and clothing. The groups of Akha women who come to sell bracelets and small bags (and in the past opium) are gradually beginning to use this venue.

However, women and men may not benefit equally from increased tourism. A GRID field survey done in Savannakhet indicated that traders paid low prices to the women who make local handicrafts and then sell the crafts at a substantial profit. Hotels, restaurants and tour agencies hired women with lower-paying jobs. More men than women are hired in many tour agencies. Women were ignored during the village planning activities. As a result, women can not benefit from income generation activities in the community-based tourism.

The influx of tourists to remote areas and the migration of young people from rural areas

to cities and towns to work in tourism-related businesses will increase the transmission risk of STDs and HIV/AIDS. The STD and HIV/AIDS risk is especially high for young women working in hotels, guesthouses, restaurants, and nightclubs who may be drawn into part-time or full-time sex work. According to a recent study (ILO 2004), female workers in nightclubs reported that this work meant that they worked at serving (37.4 per cent), entertaining (26.9 per cent) and having sex with the customer (35.7 per cent). A recent study done by UNDP found that the “service women” working in several northern provinces were predominantly from ethnic minority backgrounds and had higher than average education levels but had very little awareness of HIV/AIDS and virtually no leverage to require customers to use condoms.

### *Customs Regulations*

There has been real progress in reform and improvement of customs in recent years. There is now a “single administrative document” instead of the 16 that were used in the past. There is now a simplified and much shorter declaration form

for petty traders. The customs service has now adopted the ASEAN 8 digit classification system, and has produced a book for border use with duties, with turn-over and excise taxes specified. But implementation lags, and even the book is not kept up-to-date with changes in policy.

Some serious problems, however, remain. There is still misclassification and under-invoicing of imports. Customs officers are paid by the Provincial Governors and are more responsive to them, than to the national headquarters office. The customs inspectors receive modest salaries that cause some of them to collect informal payments from traders. As a result export licenses for goods subject to quotas, for instance, may not be checked or duties may not be collected, or if collected may remain unreported to the Ministry of Finance in the province.

### ***Conclusion and Recommendations***

#### *Conclusion*

The intensification of trade in the border areas has opened up income opportunities for

many rural women who ferry products across for sale on both sides of the border. Women's informal cross border trade may be supported through a number of measures. First is the introduction of adequate physical, administrative and institutional infrastructure necessary to support these trading activities, in particular to minimise if not totally remove rent seeking behaviour of customs and border authorities. Second the initiation of producer contract payments could be made to women farmers and family members and not just to male farmers. Third, addressing the existing restrictions on women in getting the necessary loans, production inputs and access to marketing channels compared to men in order to reduce their ability to move to bigger scale of production and trading. And finally, improving the negotiation power of women traders in order that they can get increased returns from trade expansion.

Trade related employment as any kind of employment is potentially empowering and may contribute to enhancing women's capacity to negotiate their role and status within the

household and society. In the past two decades, the relocation of labour-intensive industries from advanced market economies to middle and low income-developing economies has increased employment of women in the latter. Lao women have benefited from this employment-creation dimension of trade expansion. Many women produce for the international market both directly and indirectly. Rural women are involved in producing agricultural or horticultural products for foreign markets, or work for wages in traditional cash crop plantations. In industry, women work in factories, in export processing zones, clothing, food-processing, electronics industries, and, generally, in industries with a high propensity to export. Due to intensified cross border trading, many women in rural and indigenous communities have shifted from unpaid work in agriculture and food production to paid work.

Nevertheless, women are still disadvantaged in the new labour markets, in terms of wages, training and occupational segregation. They are also

disproportionately involved in unstable and precarious forms of employment increasingly used to maximize profits: temporary, part-time, casual, and home-based work. And despite women's key role in the global economy, unemployment rates of women are very high. The feminisation of unemployment therefore is as much a characteristic of the global economy as is the feminisation of labour. Moreover the problem of gender biases in the allocation of labour and control of income are highly pertinent to trade expansion in agriculture, due to three reasons: The first is the control of export crop revenues by men even where women's labour is a major input into production. The second is the enforcement of female labour into export activity, without adequate return. The third is that presupposes supremacy of the price system and emphasises the principle of comparative advantage. This threatens food security, which is the main responsibility for women in their homes.

### *Recommendations*

A comprehensive gender analysis of existing trade policies, programmes and

regulations needs to be carried out in order to understand the multi-dimensional impact of trade liberalisation on women's economic security and rights. For instance, ascertain the existence of gender elements in the overall national development plan and in the sectoral policy of the Ministry of Trade, as well as, ascertain provisions for gender equality in the personnel policy of the Ministry of Trade and its related agencies;

In relation to supporting the empowerment and development of women cross border traders and business owners, the following measures are being proposed: (1) establish a gender focal point or gender division within the new national SME promotion office, and by establishing an SME promotion fund for which women entrepreneurs would be a priority target group; (2) ensure that women are reached in the public sharing of information to micro and small entrepreneurs; on legal and regulatory requirements, business and market information, and sources of business training and credit; (3) extend business development services to women in rural areas through

village-based training; (4) develop and support women's business groups or associations; and (5) update regularly the statistics on micro and small enterprises and especially about women entrepreneurs.

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## Part Three

Women are “invisible” not because they are not deemed important in the nation’s socio-economic and political life, but because their contributions and potentials are not recognised or accounted for. They are systematically made invisible by lack of or inadequate data, which do not help in exposing gender-based inequities in development processes and outcomes and addressing such to make development inclusive and gender-fair.

The challenge is as basic as collecting gender information regularly and making it available to inform policy and decision-making. Awareness of gender inequality may itself be limited as a direct consequence of government’s inability to support information collection and analysis of the gender dimensions of development.

As has been shown in Part 1, regional integration and

globalisation, among other processes that affect the outcomes of development, are not gender-neutral. They impact on women and men differently and unequally. Government’s commitment to ‘engendering development’ and advancing women may be weakened without the concomitant support to data generation along development indicators affecting women and men.

ASEAN would make a significant step forward should it make women visible in development statistics. With timely and appropriate gender information, gender-blind development directions may finally be a significant departure from the past.

### **1 Proposed Gender Indicators for Economic Integration**

The following indicators are being advanced to comprise a

selected gender monitoring statistical assessment matrix, complementing the results of the ASEAN Baseline Report (Lamberte et al 2006):

- Industry wage differentials by sex – What is the value of female and male labour? To what extent do industry wage differentials indicate gender-based inequality?
- Unemployment rate by sex – Who is likely out of work and therefore constrained to benefit from income opportunities? To what extent do unemployment disparities reveal discrimination on account of sex? What are the barriers to entry to paid employment for women and men?
- Underemployment rate by sex – Who likely suffer from inadequate number of hours of paid work? Who are being denied to benefit from full employment based on their capacities and potentials? What are the implications of underemployment to women's well-being?
- Number of hours per week given to housework by employed women and men – Who works longer hours with combining housework with paid employment? How is housework managed at home? How is time use allocated between production and social reproduction (i.e., caring) functions? What are the implications of gender-based division of labour to general well-being?
- Informal sector work by sex – Who are being pushed to do informal sector work? Why are some more likely to do informal work than others? What are the implications of informal work to women and men?
- Proportion of technical and vocational education by cluster programmes by sex – Who likely benefit from technical and vocational education? In what cluster do women and men likely participate in technical and vocational education? What are the implications of gender-based patterns in technical-vocational education to securing employment?
- Science and technology education by sex – Who are likely educated in science and technology? How do gender-based patterns in science and technology education show gender-stereotyping in education and professional opportunities?



These indicators are by no means exhaustive, but they serve as proxy indicators for measuring women's advancement / gender equality (or lack thereof) in an environment of regional integration and globalisation. While locating women's status in ASEAN integration encompasses all spheres of life, this report advances key indicators in the "economic leg" to complement the ASEAN Baseline Report. There are two key reasons for this:

- One is that economic indicators are regularly collected and therefore are easily accessible. This presupposes the opportunity to analyse gender dimensions of economic processes and outcomes.
- Another is for technical reasons. Economic indicators are generally accepted as rigorous and robust in terms of scope, frequency and quality of data, although much is to be desired to make economic information gender-framed. This does not however mean that socio-cultural and security indicators are less important. Rather the desire to focus on economic

indicators builds upon the infrastructure of information already available in the economic sphere and exposes areas that require enrichment, particularly on gender dimensions.

The specific indicators are being advanced for various reasons. Indicators in science and technology and technical-vocational education may be considered instrumentalist, but these provide clues as to how education investments are being prioritised for women and men, in an attempt to widen opportunities for employment.

On the other hand, employment indicators, including hours spent for unpaid housework, provide information on the structure of women's and men's participation in the economy, including the explicit and implicit barriers to entry or maintaining full, decent employment and the relegation of unpaid household work to women as an extension of cultural socialisation. The extent of informal work for women and men also spell out the degree of exclusion from formal employment and the lack of social protection from the vagaries of the economy,

the onset of natural or human-made calamities and exploitative work conditions.

## **2 Gender-based wage differentials: valuing women's labour**

The pace and scope of ASEAN regional integration and globalisation create opportunities and tensions, particularly in employment, one of the impacts of which is gender-based wage disparity in industry and other sectors of the economy. Income inequality is a structural issue facing women and is assumed to intensify in an environment of economic liberalisation and integration. Narrowing the income gap is a function of exposing systemic and structural barriers to valuing women's labour and addressing the same.

The state of data on industrial wage differences in the six ASEAN Member Countries highlighted in Table 1 is at best mixed, indicating some opportunities to strengthen information generation on gender-based indicators. Except for the Philippines and Thailand, all other countries have intermittent data on wage

differentials, and where these are available, information is not usually disaggregated by sex.

## **3 Unemployment: who are excluded from paid work?**

Women's employment is usually lower than that of men. But given that female participation in all levels of education has widened in the ASEAN region, it is logical to assume that female employment is likely to increase.

However, the extent to which regional integration and globalisation create windfall of opportunities for female employment or entrench employment differentials between women and men remains an issue. The more fundamental challenge is in monitoring whether economic liberalisation intensifies exclusion of women from employment.

The state of data for unemployment by sex is robust in the selected countries in Table 2. For Cambodia and Lao PDR, however, the challenge is in making data collection regular to track over time changes in employment.

**Table 1. Industrial wage differentials by sex**

<b>Selected ASEAN</b>	<b>Source of Data</b>	<b>Length of the series</b>	<b>Frequency</b>	<b>Data Disaggregation</b>	<b>Mode of dissemination</b>
Indonesia	Labour Force Statistics. survey	Since 1976	Yearly	By sex, by age, by education, by area	Printed report, website
Philippines	Labour Force Survey		Quarterly	By sex	CDRom, printed report, website
Thailand	Labour Force Survey	Since 1963; monthly survey since 2001	Monthly	By sex	Website and printed report
Viet Nam	GSO 2004 Viet Nam Household Living Standards Survey	2001, 2002, 2003, 2004	Every two years	Not disaggregated by sex	Printed report
Cambodia	Labour Force Survey	Industrial wages tabulated in 2000 and 2001 LFS, but not by sex; LFS and Socio-Economic Surveys started only in early '90s	Intermittent; latest data is 2001	Industrial wages are not disaggregated by sex; proxy indicator is monthly earning of employer/own-account workers in 2001	Available in the Informal Economy Profile and Policy Development in Cambodia
Lao People's Dem. Rep.	(1) Survey of Small Manufacturing Establishments (2) Women, Family and International Trade (3) Survey on Enterprise	The first was done in 1999 by the Ministry of Industry and Handicraft and the other in 2006 by the Gender Resource Information and Development Center. Survey on Enterprise was first done in 2004.	Intermittent; annual for the Survey on Enterprise	By sex for the first two reports; but results of regular Survey on Enterprise are not disaggregated by sex	Printed report

#### **4 Underemployment: who are likely to have inadequate work?**

Underemployment provides a clue as to how many are working at sub-optimal levels

and are therefore inclined to look for more work. This usually occurs in labour surplus economies or in situations where efficiency gains or greater productivity warrant shifts to technology-

based production. As regional integration and globalisation put premium on the synergy of technology and the productivity of high-end technical workers, this creates pressure to low-value, unskilled workers and intensifies employment vulnerability. The differential impacts of underemployment to women and men under such scenario and the range of social protection measures available to mitigate adverse effects need to be examined.

Cambodia's latest information on underemployment is as of 2001, while Lao PDR has no

information on underemployment.

## 5 Housework: who works more hours at home in addition to time spent on paid work?

Time use in production (market activities) and social reproduction (non-market, household activities) reflects a gender-based division of labour socialising women to bear a disproportionate share of housework. Household allocation of time puts women at a disadvantage as they are culturally ascribed to put in

**Table 2. Unemployment rate by sex**

Selected ASEAN	Source of Data	Length of the series	Frequency	Data Disaggregation	Mode of dissemination
Indonesia	Labour Force statistics survey	Since 1976	Yearly	By sex, by age, by education, by area	Website and printed report
Philippines	Labour Force Survey	Since 1998	Quarterly	By sex	CDRom, printed report, website
Thailand	Labour Force Survey	Since 1963; monthly survey since 2001	Monthly	By sex	Website and printed report
Viet Nam	Labour Force Survey	2000-2004	n.a.	By sex	Printed report
Cambodia	Labour Force Survey	n.a	Intermittent; latest data is 2001	By sex	Printed report
Lao People's Dem. Rep.	Results from the population and housing census 2005	2005	Intermittent;	By sex	Printed report

**Table 3. Underemployment rate by sex**

Selected ASEAN	Source of Data	Length of the series	Frequency	Data Disaggregation	Mode of dissemination
Indonesia	Labour Force statistics survey	Since 1976	Yearly	By sex, by age, by education, by area	Website and printed report
Philippines	Labour Force Survey	Since 1998	Quarterly	By sex	CDRom, printed report, website
Thailand	Labour Force Survey	Since 1963; monthly survey since 2001	Monthly	By sex	Website and printed report
Viet Nam	Labour Force Survey	2000-2004	n.a.	By sex	Printed report
Cambodia	Labour Force Survey	n.a.	Intermittent; latest data is 2001	By sex	Printed report
Lao People's Dem. Rep.	n.a.	n.a.	n.a.	n.a.	n.a.

longer hours on account of their caring roles, without much consideration of general productivity outside the home.

Indonesia and the Philippines have had no recent time use surveys, unlike the other ASEAN Member Countries provided in Table 4.

## **6 Informal work: who are pushed to the margins of formal work?**

The net effect of high female unemployment and underemployment, despite increased female participation in education, is confining them to unpaid household work and/

or pushing them to do informal work. Being excluded from formal work is usually a symptom of limited education and/or skills, which presupposes increased vulnerability to exploitative informal work conditions.

Informal work intensifies under a period of crisis-induced macroeconomic adjustment or bold policy shifts. Women tend to be more vulnerable to do informal work in view of systemic barriers to getting employed and keeping their job.

The informal sector, by its very nature, is difficult to measure

**Table 4. Number of hours per week given to housework by employed women and men**

Selected ASEAN	Source of Data	Length of the series	Frequency	Data Disaggregation	Mode of dissemination
Indonesia	2005 Human Development Report citing a 1992 study of time use among urban Indonesian women in 1992	2005	Yearly	By sex	Printed report
Philippines	2005 Human Development Report citing a 1992 study of time use among urban Indonesian women in 1975-77 survey in rural Philippines	n.a	n.a.	By sex	Printed report
Thailand	Time Use Survey 2001 and 2004	Time Use Survey was only conducted twice in Thailand.	n.a.	By sex	Website and printed report
Viet Nam	2002 Household Living Standards Survey	Survey was done in 2002 and 2004	n.a.	By sex	Website and printed report
Cambodia	Cambodia Socio-Economic Survey 2004	Time use questionnaire was only administered in 2004 as part of the CSES.		By sex	Website and printed report
Lao PDR	Social and economic indicators, Load Expenditure and Consumption Survey, 2002-2003	n.a.	Every 5 years	By sex	Website and printed report

or monitor, given its size and complexity, including some methodological and definitional issues that confound the

acceptability of what comprises informal work. Only Thailand has initiated a survey for the informal sector. It is important

for governments to collect information regularly on informal work, as women and children are most notably vulnerable and/or at risk in this sector.

## 7 Technical-vocational education: who are being prepared for paid work?

Quality technical-vocational education is a prerequisite to skilling a significant portion of the labour force to meet the demands of development. The extent to which women and men participate in technical

and vocational training and education and tracking the programme they pursue give an indication of the quality of the labour stock to respond to the requirements of the domestic and global economy.

Information on female and male participation in technical and vocational education is not available in most countries. This poses difficulty in tracking the extent to which women and men are being prepared to meet the requirements of the economy.

**Table 5. Informal work by sex**

Selected ASEAN	Source of Data	Length of the series	Frequency	Data Disaggregation	Mode of dissemination
Indonesia	Labour Force statistics survey	Since 1976	Yearly	By sex, by age, by education, by area	Printed report, website
Philippines	n.a.	n.a.	n.a.	n.a.	n.a
Thailand	Informal Sector Survey 2005	This is the first survey for Thailand	n.a.	By sex	Website and printed report
Viet Nam	n.a.	n.a.	n.a.	n.a.	n.a
Cambodia	Own-account worker and unpaid family workers were used as proxy indicator for informal work by sex	n.a	n.a.	By sex	Printed report
Lao PDR	n.a.	n.a	n.a	n.a.	n.a

**Table 6. Proportion of technical and vocational education by cluster by sex**

Selected ASEAN	Source of Data	Length of the series	Frequency	Data Disaggregation	Mode of dissemination
Indonesia	National Socio-Economic survey	Since 2000	Yearly	By sex, by education, by area	Printed report, website
Philippines	Technical and Skills Development Authority	n.a.	Yearly	By cluster, by sex	Website and printed report
Thailand	Not available, but alternative source is the Labour Force Survey 2005	n.a.	n.a.	n.a.	n.a
Viet Nam	(1) MOET (2) GSO 2004 Household Living Standards Survey	n.a.	n.a.	n.a.	n.a
Cambodia	Cambodia Socio-Economic Survey 1999 and 2004	n.a	n.a.	By sex but no disaggregation by cluster	Printed report
Lao PDR	Statistical Yearbook	n.a	n.a	By sex but no disaggregation by cluster	Printed report

## **8 Science and technology education: who are geared to propel economic integration and benefit from it?**

The onset of the knowledge economy and the requirements of ASEAN economic integration necessitate a new breed of workers that are adept

at managing change and using science and technology to improve productivity. Investments in science and technology education are necessary to propel creativity and innovation. As will be gleaned from table 7, gaps in statistics related to this indicator may exist in some countries.



**Table 7. Science and technology education by sex**

<b>Selected ASEAN</b>	<b>Source of Data</b>	<b>Length of the series</b>	<b>Frequency</b>	<b>Data Disaggregation</b>	<b>Mode of dissemination</b>
Indonesia	National Socio-Economic survey	Since 2000	Yearly	By sex, by education, by area	Printed report, website
Philippines	Commission on Higher Education	n.a.	Yearly	By cluster, by sex	Website and printed report
Thailand	Office of Higher Education	n.a.	n.a.	n.a.	Printed statistical yearbook
Viet Nam	(1) MOET (2) GSO 2004 Household Living Standards Survey	n.a.	n.a.	n.a.	n.a.
Cambodia	Department of Higher Education Graduation Statistics	n.a.	n.a.	By sex, by cluster.	Printed report with limited dissemination
Lao PDR	Statistical Yearbook	n.a.	n.a.	By sex but no disaggregation by cluster.	Printed report

## **Annex 1**

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