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Investing in women

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Jose Ramon Albert Data for a fairer ASEAN economy ... **and more**

ASIAN REVIEW

Robin Jeffrey – Is cultural imposition India's future?

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From the Editors' Desk

Investing in women is a policy choice critical for delivering more inclusive economic growth and sustainable development. It is a challenge that Southeast Asian economies share with advanced market economies, despite the region's impressive achievement of above-average growth rates in a global context.

As in other parts of the world, gender gaps in education are closing and the pool of talented women is growing, yet they face significant barriers to participating in the economy, particularly in carrying the double burden of work and care. What is more, women in Southeast Asia are over-represented in vulnerable, informal and insecure work, restricting them and their communities from the opportunities and benefits of decent work.

This issue of *EAFQ* touches on key economic and social questions that affect gender equality in Southeast Asia and East Asia, delving beneath the aggregates and measurement challenges. Strengthening the evidence base is critical to building the policy toolkit and shaping public investments that ensure that no woman or man is left behind.

With rising expectations for change, the gender moment is here. High-level political commitments, scandals and media interest across the world and the region are spurring action, with governments, business and communities searching for solutions that benefit women and men; but this momentum needs to be harnessed for interventions that work.

The essays collected here suggest that solutions that might work require urgent but patient and comprehensive economic, institutional and social change based on evidence and research that supports it. The effect of success will be profound: on fairness and on sustaining prosperity. As well, there will be consequences for reproduction rates, since without different expectations of both sexes in the workplace, and more equal contributions by both sexes at home, it is likely that fertility in East Asia will not increase.

Asian Review includes a riveting analysis of India's upcoming elections and a thought-provoking essay on the fracture that digital technologies have opened in the governance of global commerce.

Donna-Jean Nicholson and Bruce Chapman

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COVER: Filipino students dancing during a celebration at St Scholastica's College, Manila, of the One Billion Rising global campaign to end violence against women and children. The event was held on Valentine's Day 2019. PICTURE: Eloisa Lopez / Reuters.



Playtime at a Babu Land childcare centre at a Toyota plant in Japan. High-quality daycare has proved to be a boon to working parents.

Sharing burdens a remedy for falling birthrates

MARY C. BRINTON

EAST Asian countries now have the lowest fertility rates in the world. Japan was the first in the region to experience birth rates below population-replacement level, dipping below two children per woman in the late 1970s.

While Japan's current fertility rate is higher than those of other societies in East Asia, such as Singapore and Hong Kong, its decades of low fertility mean that it is the most rapidly ageing

population in the region and is facing severe labour shortages. The Japanese government reported that fewer babies were born in 2018 than in any year since 1899, the first year that records were kept. Other East Asian societies look to be on track to follow in Japan's footsteps.

There are two solutions to population decline: increase immigrant flows into a country or raise the birth rate. East Asian societies show mixed records on the former. This is particularly the case for Japan,

which has wrestled with debates over immigration for decades and only recently started to adapt its policies to incorporate more foreigners into the labour force. Whether new migrants will come to Japan for relatively short periods of time or stay in the country to marry and raise their families is an open question. Either way, welcoming more foreign labour will certainly help alleviate current labour shortages. But whether it will have a more enduring effect on the size of the population or the birth rate remains to be seen.

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If immigration is not necessarily the panacea, what is? Making it possible for women to participate in the labour market and simultaneously have two or more children if they wish to. Higher rates of female labour force participation throughout East Asia are helping to alleviate the developing labour shortages. But how compatible is women's work with child-rearing? It is here that pervasive gender inequality—both at home and in the workplace—exerts a strong dampening effect on governments' efforts to raise the birth rate.

Japan and South Korea are notable cases in point. Their demographic crises have brought into sharp relief the difficulties that married women face in trying to manage responsibilities in the workplace and at home. Gender inequality is extremely high in both of these spheres in the two countries.

International surveys consistently show that Japanese and Korean men contribute the least to housework compared with men in all other OECD countries. The average Japanese or Korean married woman does 80–90 per cent of housework and childcare. Similarly, gender inequality in the workplace is stark, partly as a result of long work hours and the demand for 'face time' in the office. Talented women who endeavour to compete on an equal footing with men generally feel pressure to adopt the working style expected of their male counterparts. This involves extended work hours and a willingness to respond unquestionably to last-minute managerial demands, unexpected

Views expressed are those of individual authors and do not represent the views of the Crawford School, ANU, EABER, EAF, Investing in Women or the institutions to which the authors are attached.

Young single men and women complain of not having time to date or to find the right partner.

transfers to other parts of the country or companies' implicit requests to forgo time with family in lieu of projects at work.

These demands create a collision course for dual-earner couples unless they have the benefit of co-residing with a mother or mother-in-law who will pick children up from daycare or school and bear a large share of child-rearing. Women lacking such support and working in full-time jobs are more likely to have one rather than two children. Childcare leave helps women return to work after giving birth and high-quality public daycare is a boon to working parents. But neither of these alleviates the time squeeze between home and workplace caused by long working hours. As a result, many mothers opt to either reduce their working hours by shifting to the short-hour 'mummy track' or a part-time job or to leave the labour force altogether while their children are young. In Japan, couples are further incentivized to limit wives' yearly earnings to the equivalent of around US\$14,000 so that the husband can claim a spousal tax deduction (often accompanied by a dependent supplement, if the husband works for a large company). In sum, long work hours and a tax system that favours gender inequality have deleterious effects on the future

labour supply by making it difficult for full-time working women to have two children as well as deleterious effects on the current labour supply by disincentivizing mothers to work full-time.

Studies of full-time dual-earner couples in many parts of Europe generally demonstrate that the propensity to have a second child is also related to the share of household work done by the male partner. Recent research shows that this is the case in Japan as well, and demonstrates empirically that Japanese men's share of housework is lower if they work in large companies where they are generally surrounded by men whose behaviour is similar. Similarly, if these men shift to companies where their male peers are doing more housework, they themselves increase their housework share.

This suggests that peer effects among men in the same workplace can have an effect on either maintaining or

reducing gender inequality at home. Greater sharing of household time demands within couples can in turn make it more likely that full-time dual-earner couples will proceed to have a second child.

But reducing women's household time demands is not necessarily the whole story. In Hong Kong, Singapore and Taiwan it is much more common for couples to rely on paid household help and caregivers than in countries such as Japan and South Korea. Yet even though some of the time burdens on women are reduced, fertility is still low. Why?

This brings us back to the heavy demands of the workplace, but it also raises the question of whether the severely competitive educational systems and labour markets in East Asian societies might also be contributing to low fertility. Young single men and women complain of not having time to date or to find the right partner. This results in

ever-later marriages and some of the highest non-marriage rates in the post-industrial world—both of which are major factors in bringing down the birth rate. Highly competitive educational systems also factor into parents' calculation about whether they should invest all of their resources in one child or spread them out among two or three children.

The evidence is clear that gender inequality and fertility are closely linked in many East Asian societies, particularly in Japan and South Korea. The relationship between the two may not explain low fertility in every country equally well. But without more reasonable expectations of both sexes in the workplace and more equal contributions of both sexes at home, it is likely that fertility in East Asia will not increase. [EAFQ](#)

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Business colleagues raise an after-work glass at a beer garden in Tokyo. Women who endeavour to compete on an equal footing with men generally feel pressure to adopt the working style expected of their male counterparts.

PICTURE: ISSEI KATO / REUTERS

Can 'womenomics' achieve better work-life balance?

NOBUKO NAGASE

THE Japanese government's policies to increase women's employment are finally bearing fruit, especially by allowing female university graduates to continue their work during child-rearing years. In 2017, the percentage of first-time mothers in long-term employment (called *seishain*) rose to nearly 50 per cent, from below 30 per cent in the early 2000s. This trend accelerated after Prime Minister Shinzo Abe started his policy of 'womenomics' in 2013.

Rather than labour participation, the important ratio is that of women in long-term employment. There is a large wage gap between long-term employees and non-regular employees. It is not easy for someone to re-enter long-term employment positions in middle age after they have been out of the workforce. A rise in long-term employment implies an increase in the pool of female workers enjoying promotion possibilities.

The Japanese government's aim is to increase female employment without affecting the country's already low birth rate. To this end, 'womenomics' policies have focused on changing Japanese corporate culture and improving access to day-care centres to help workers of both sexes achieve a better work-life balance. The option of shorter working days (six hours a day) for employees with children under the age of three was first mandated at firms with more than 100

employees, and then to all employees. This policy has been partly successful, with marriage and fertility statistically increasing for women at mandated firms by 20 per cent after 2009.

The Diet passed three laws concerning childcare in 2012. The parliament's aim was to re-coordinate childcare facilities and kindergartens (which were previously under the administration of the Ministry of Education, Culture, Sports, Science and Technology as educational facilities) with day-care centres (which were under the administration of the Ministry of Health, Labour and Welfare as welfare facilities). Under the new laws, more kindergartens are encouraged to offer full-time day care. Subsidies for day care also have been extended to small day-care centres and kindergartens. While shortages are still evident, the number of childcare facilities in urban centres is increasing at a much more rapid pace under the Abe administration than at any time in the past.

Despite these reforms, breaking down or transforming entrenched gender norms at home and in the

The wage gap problem is compounded by Japan's social security and income tax systems

workplace still has a long way to go. University-graduate males working at large firms—the group with the best income prospects—continue to have the lowest share of childcare responsibilities. This is significant because the timing of second births in double-income families tends to be delayed unless husbands assume a higher share of child-rearing.

In 2016 the government passed another law mandating firms with more than 300 employees to gather gender-related statistics on data such as hiring, managers, work hours and tenure years. Firms must disclose some of these statistics to the public, as well as their action plans to improve the status of women workers. But the information disclosed is insufficient and misleading because firms are at their liberty to choose what information they make public.

Previously, the government had a goal to increase the proportion of women in managerial positions in government and the private sector to around 30 per cent by 2020. That goal was later modified, with more modest targets adopted in some areas. The target for the number of women in senior managerial positions in the private sector was reduced to around 10 per cent by 2015. But even this was not reached. A White Paper by the Gender Equality Bureau in 2018 showed that the proportion of women in senior managerial positions was still only 6.3 per cent. While there does seem to have been a statistically significant increase



A new Japan Airlines employee checks her uniform at the company initiation ceremony in Tokyo. The number of women in non-regular employment is one reason for Japan's gender wage gap.

of women managers after 2013 when 'womenomics' policies were introduced, the gap remains large.

One of the reasons for Japan's significant gender wage gap is the large share of female workers in non-regular employment, where incomes are lower than in regular full-time work. A law mandating the principle of 'same work, same pay'—where workers are paid equally for the same work regardless of their employment status—will be implemented from April 2020 for larger firms and from April 2021 for smaller firms. While the uptake of this principle will be an important step forward, its impact is yet to be determined. If an employee is not in the category of work where employers can order employees to relocate or work overtime, as in most long-term employment, the work may not be considered the 'same' in the Japanese labour market, where

commitment to work is enshrined as a defining characteristic of 'long-term employment'.

The wage gap problem is compounded by Japan's social security and income tax systems, which encourage housewives to earn below certain income thresholds to avoid income tax and social security tax.

In October 2016 the social security law was amended to include more part-time workers at large firms in the Employees' Pension Insurance (EPI) system. Due to labour shortages, more married women than expected were newly included in the EPI system. In the following year, it was found that inclusion in the pension system encouraged a larger number of married women to work longer hours and gain higher incomes. This is an important sign of change, albeit from a low base.

The percentage of non-regular

employees who are young women is noticeably high. Of never-married women aged 25–39, 40 per cent of high school graduates, 28 per cent of junior college graduates and 21 per cent of university graduates had non-*seishain* jobs in 2017. In comparison, the percentage of high-school graduate, non-married males in non-regular employment was 24 per cent, though this number, too, is much higher than those in the 1990s.

The percentage of high-school graduates who go on to university is increasing (56.3 per cent of males and 50.1 per cent of females in 2018), reflecting ambitions for better futures among Japanese youth. Among them, about 40 per cent have student loans from the semi-governmental Japan Student Service Organisation. Repaying loans is not easy, especially for those with only non-regular employment. Since many women still quit work after marriage or childbirth, repayment burdens are now becoming an obstacle for family formation. One possible solution is income-contingent student loans.

The Japanese labour market is adjusting itself, albeit slowly, to a rise in double-income families. A larger percentage of new mothers are no longer choosing to quit work to raise children, but rather continue as long-term employees. Growth in childcare services, mandated short-hour work options and policies to encourage changes in company work norms are facilitating this transformation. But elements of a system that supports a breadwinner model of family life remain firmly in place, and there is a long road ahead for Japan to fully overcome these. **EAFQ**

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Investing in care key to boosting economic growth

ELIZABETH HILL,
MARIAN BAIRD AND
MICHELE FORD

THE need to increase women's labour market participation and economic security is on the 'to do' list of most governments and major global institutions. Global consulting firm McKinsey calculates that global GDP would increase by 26 per cent—US\$28 trillion—by 2025 if women participated in paid work to the same extent as men.

But if this goal is achieved, who will look after the children, the elderly, the disabled and ill? Although both women and men can care for others, global estimates show that women assume responsibility for around three-quarters of all unpaid domestic and community labour. Tensions between women's participation in paid work and unpaid care work are especially acute in Asia and the Pacific, where the distribution of unpaid work between men and women is particularly skewed. In this region, women perform more than four times as much unpaid labour as men. Managing this unpaid workload makes it difficult for women to increase participation in paid employment at a level commensurate with their increasing levels of education and training.

Home to just over half the world's population, the Asia Pacific is highly diverse and changing rapidly, with economic growth delivering new opportunities for women. Hundreds



PICTURE: KINARA INDONESIA

An understanding that care roles can and should be shared between men and women can act as the first step towards more gender-equal work and care.

of millions of young rural women have been drawn into factory work, English-speaking women are employed in call centres and back-office processing centres, and highly educated women are engaged by local and global firms in the full range of professional services. This changing employment landscape, alongside other social and economic changes, has significant implications for households and for the care work traditionally performed by women.

Data from Indonesia, the Philippines, Vietnam and Myanmar reveal some of the key pressure points that must be addressed if women's participation in paid work is to increase. In all four countries

women's labour-force participation remains below men's, even though it has increased steadily since 2000. High rates of informal employment, common to the region, mean that most women in paid work remain beyond the purview of labour laws and have little or no access to such critical social protections as paid maternity leave.

Even when women are formally employed and covered by workplace laws, problems with implementation are pervasive and leave black letter law impotent in the daily lives of many women workers. The gender pay gap, limited access to career progression and associated underrepresentation in senior management roles weaken

many women's attachment to the labour market.

At the same time that workplace laws remain inadequate or poorly implemented, the demand for care is intensifying. Despite falling fertility rates, care for children remains a pressing issue, with more than one quarter of the population in Indonesia, the Philippines, Vietnam and Myanmar aged under 15 years. Likewise, rapidly ageing populations create a new and rising demand for care services. Between 6 per cent and 10 per cent of the population in all four countries is projected to be over 65 years of age by 2026.

Governments play a vital role in delivering social protection and social care to help households reconcile their work and care responsibilities. In countries with significant informal economies, state provision of care services is the only alternative. Currently most governments across Southeast Asia report low public expenditure on such essential care infrastructure as public childcare, aged care services, age or disability support pensions and maternity leave.

Governments are beginning to pay attention to these issues, and while the trend is positive in Indonesia, the Philippines and Vietnam, these three countries still spend a smaller percentage of their GDP on these services than the regional average. Recent International Labour Organization (ILO) calculations show that even low-income countries can afford the cost of social protection for the most vulnerable citizens.

The inadequate provision of workplace and public essential-care infrastructure leaves millions of households across Southeast Asia reliant on low-paid, unregulated and mostly female domestic labour. While often convenient for households,

the unregulated nature of this work leaves many care workers vulnerable to exploitation and abuse. The long hours associated with many of these jobs makes it difficult for these women workers to manage their own care responsibilities. Decent jobs for informal domestic workers and formally employed care workers in government and private services will be essential in making sure that all women—no matter where they are located in the labour market—are able to reconcile their own work and care duties.

Investment in care infrastructure must be part of the workforce participation agenda. Official efforts to improve economic empowerment and security for women requires unpaid care work to be recognised, reduced and redistributed. This will require considerable expenditure on essential care infrastructure. Failure to build gender equitable workplace and public care infrastructure will leave global calls for an increase in women's labour market participation floundering.

Care infrastructure includes three main aspects. First, legislated workplace policies that allow for family and community care, such as paid parental leave and flexible working

Decent jobs for informal domestic workers and formally employed care workers in government and private services will be essential . . .

hours. Second, publicly funded formal care services for children, the elderly, the disabled and those who are ill. And third, decent work and wages for the care workforce—the majority of whom are female—to provide high-quality care both inside and outside the home.

Investment in adequate care infrastructure will be costly and many small- and low-income countries in Southeast Asia struggle to prioritise these concerns. Care work is essential to the gender equality equation but is rarely included in standard prescriptions for increasing women's economic participation. This is partly because women's unpaid household labour is not included in GDP, leaving care work invisible to policymakers. But the significant gains to national prosperity and wellbeing attached to women's increased economic participation make this an urgent issue.

Workplace and public policy design that promotes recognition and redistribution of care between men and women is essential for gender equality at work and in the home. If women are to take up their rightful place in the region's workplaces, men will have to step up and take on additional care work. Generating a global understanding that care roles can and should be shared between men and women can act as the first step towards more gender-equal work and care. **EAFO**

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More than regulation needed to close the gap

SANDRA SENO-ALDAY

DESPITE strong evidence in favour of gender diversity in organisations, the number of women in the boardroom globally remains low. Patterns of women's participation in Southeast Asian corporate governance offer critical insights on what needs to be done to harness the benefits of gender diversity in leadership.

Gender-diverse workplaces enjoy higher levels of employee retention and satisfaction, greater productivity and increased creativity. Analysis of corporate boards in Southeast Asia points to a positive correlation between gender diversity in corporate governance and business performance. Data collected in Indonesia, the Philippines and Vietnam indicate that women directors are just as influential as men in corporate governance networks. Studies elsewhere show that gender-diverse top management teams lead organisations that are better able to weather business and economic crises.

Dynamic change and increased uncertainty in the operating environment, coupled with increased competition for talent, are good reasons for organisations to move towards gender-diverse workplaces and leadership teams, yet annual report data from the largest publicly listed companies in Indonesia, the Philippines and Vietnam show persistently low women's participation rates, particularly at middle and top management levels.



PICTURE: IBCWE

Indonesian pilot Tyas Marisca and army officer Rita are recognised by the Indonesia Business Coalition for Women Empowerment (IBCWE) for talking about how their fathers encouraged them to pursue non-traditional careers. They spoke at IBCWE's National Father's Day event.

Data on some of the largest publicly listed companies in the Asia Pacific show that Japanese and South Korean women directors comprise only 5 per cent of boards. In most Southeast Asian countries, women occupy between 10 and 19 per cent of board seats. Australia and New Zealand are leaders in the region, with women's corporate governance participation rates of around 22 per cent and 20 per cent, respectively. But these remain far below the 50 per cent threshold representing equal participation.

Policy and regulatory initiatives across the world have led to significant advances in female education

participation and completion rates. The latest United Nations gender statistics show that more women than men attend tertiary education institutions in most major economies in Southeast Asia. Thailand has the highest ratio, at 1.44 women-to-men (on par with Australia's ratio of 1.43). The average proportion of women graduates in science, technology, engineering and mathematics (STEM) degrees in Southeast Asia is around 37 per cent. This is higher than the comparable 32 per cent rate in Australia.

Despite success in boosting education rates, women's labour

force participation rates (averaging at around 51 per cent in the Asia Pacific) remain consistently lower than men's labour force participation rates (averaging at around 72 per cent). There are some notable exceptions in Southeast Asia—women's labour force participation rates in Vietnam and Cambodia are 71 per cent and 77 per cent respectively, significantly higher than Australia's 60 per cent rate.

Countries in the region have put in place regulatory frameworks that grant women the right to equal work opportunities, equal pay, freedom from discrimination in the workplace and maternity leave. Despite this, anecdotal evidence points to decreasing rates of gender diversity at higher levels of corporate leadership. What explains this gender leadership gap?

Analysis suggests that the gap can in part be attributed to informal factors: deep-seated, culturally rooted, gender-based roles and expectations. These underpin conceptions of identity and establish the rules that govern social interaction.

Countries that have legislated gender quotas on management boards tend to have higher women's participation rates in corporate governance. Norway is a world leader in quota legislation and women occupy 47 per cent of board seats in that country. But recent studies show that the impact of quota legislation is mixed at best.

Studies in the Scandinavian context show that some companies find ways to avoid complying with board quota requirements by changing their legal structure. Deeper investigations have also shown that while women occupy a significant proportion of board seats, in reality a minority of women—so-called 'Golden Skirts'—occupy multiple directorships in several

companies. This has the effect of artificially inflating the rate of women's participation in corporate governance.

While legislating gender quotas for boards does have positive effects, the absence of regulation is insufficient to explain the gender leadership gap. Malaysia is the only country in Southeast Asia that has legislated board gender quotas. While the country has a higher rate of women's participation in corporate governance (14 per cent) compared with other major economies in Southeast Asia, it is Vietnam that has the highest women's participation rate in the region, at 19 per cent. Vietnam has achieved this without imposing board gender quotas.


Research drawing on data from Indonesia, Singapore, the Philippines and Vietnam suggests that the persistence of the gender leadership gap is explained by cultural norms and practices that unconsciously influence gender roles and expectations. Analysis shows that cultures where gender roles are less defined or less

While legislating gender quotas for boards does have positive effects, the absence of regulation is insufficient to explain the gender leadership gap

rigid tend to have more women on boards. Cultures where competence and performance are valued over status and where inclusiveness is fostered also have the most gender-diverse corporate boards.

The lesson from these Southeast Asian countries is that informal institutions embodied in culture exert a powerful legitimising influence on the roles that women are able and expected to play in society. These deeply internalised expectations affect not only the decisions that women make with respect to their own career aspirations but also underpin the organisational policies and regulatory frameworks that govern the socioeconomic activities of men and women.

The first step to increasing gender diversity in leadership, therefore, is to bring to light these culturally rooted gender biases, allowing gender stereotypes to be challenged both in the home and in the workplace. This serves as a starting point for governments and organisations to establish the infrastructure and enabling mechanisms to better support the creation of gender-diverse organisations and leadership teams.

Putting in place a strong regulatory infrastructure to encourage greater women's economic participation is good, but it is not enough. There is a need to move beyond regulation and focus on changing the deep-seated fundamental assumptions about women and men that exert a powerful but unconscious influence on women's pathways to leadership. 

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JOSE RAMON ALBERT

THE Philippines and other ASEAN economies are experiencing stellar economic growth. Frontier technologies of the Fourth Industrial Revolution, such as automation and robotics, the internet of things, 3D printing, blockchain and nanotechnologies are rapidly transforming economies. To respond effectively to these changes and understand how they will impact different groups, governments need to collect and analyse a broader range of data—including more and better-quality disaggregated statistics.

Disaggregated data about economies give clues about where growth is happening and help policymakers shape appropriate

policy responses. But when countries produce growth reports, data is usually only disaggregated by economic sector. A full picture of the contribution of men and women in an economy cannot be obtained. At best, policymakers can disaggregate the incomes of men and women using household and establishment surveys, but these provide little insight into what is happening in the informal sector.

Policymakers need to value unpaid housework and care work. Time-use surveys report that the economic contribution of women through unpaid care is large. If properly valued into national accounts, it is likely that the portrait of GDP would look very different.

The importance of economic

growth to poverty reduction is well known. Poverty rates across ASEAN were cut from 19.6 to 5.5 per cent between 2005 and 2015. This reduction is largely due to sharp declines in extreme poverty in Cambodia, Vietnam and Indonesia, where headcounts in this category have more than halved since the 1990s.

A picture of poverty conditions by sex (which is available from countries through their official poverty statistics) gives some clue about disparities in economic opportunities between men and women. But the seemingly small differences in poverty between men and women do not provide a clear picture of gender disparities in economic opportunities. Monetary poverty is measured for the entire household. Thus every member of a

poor household is considered poor, and there is no measure of intra-household welfare.

Gender disparities in accessing economic opportunities can sometimes be revealed by measuring vulnerability. Studies that measure vulnerability provide insight into the risks to future welfare faced by specific groups, such as farmers, women, children and the elderly. In the Philippines, the vulnerability of these groups is much higher than simply reflected in their share in poverty. While about a fifth of Philippine women are poor according to data from 2015, more than half are at risk of being poor in the future. The corresponding estimates of poverty and vulnerability for men are similar to those for women, again masking the varying risks faced by women and men.

Several factors influence the vulnerability of women in the Philippines, including how they participate in the economy. In all ASEAN economies, fewer women than men join the labour force. In the Philippines, about four in five working-age men are part of the labour force whereas only half of working-age women are. Even in a relatively gender-equal country like the Philippines, women carry the burden of unpaid family work and care.

ALTHOUGH unemployment rates are nearly the same between men and women, the share of employed women across sectors varies with that of men. Women are dominant in services, with 7 out of 10 working women employed in the services sector. A fifth of working women are in agriculture and the rest (a tenth) are in industry. A third of working men are engaged in agriculture, more than two-fifths in services and the

remaining fifth in industry.

While the wage gap, on average, seems to favour women in the Philippine formal economy, huge gaps between genders can be seen in specific sectors and occupations. High-level positions generally have wages favouring women, who also have the lion's share of the occupation. But men working as technicians and associate professionals, clerks, service workers, and shop and market sales workers are better compensated despite women having the bigger share in employment.

Further, the traditional labour market has been designed for men, leading to a bigger share of employed women (than men) to engage in jobs that lack decent working conditions. These women either work with unregistered companies in the informal economy or as unpaid family workers, and have limited opportunities for social mobility and social protection.

Also contributing to the vulnerability of women in the Philippines is the extent to which new technologies, particularly automation, are putting jobs at risk. A study by the International Labour Organization suggests that over the next decade or two more than half of employment in Cambodia, Indonesia, the Philippines, Thailand and Vietnam is at high risk of automation. The same report suggests that Philippine women, as well as workers who finish only primary school, or not even that, are more likely to be employed in jobs that are at high risk of automation. For instance, nearly 9 out of 10 workers in business process outsourcing firms in the Philippines, for which three-fifths of the workforce are women, face a high risk of having their jobs automated.

Data serve as inputs into social and economic policymaking and public

interventions. For too long these data have focused only on market activities and GDP, which can produce distorted policies that reinforce the status quo and do not promote inclusive economic participation. In particular, policymakers have yet to address adequately the disproportionately large housework and care work burden that society places on women.

Approaches to poverty are largely curative but it is also important to consider preventive approaches. In the wake of the Fourth Industrial Revolution, ASEAN governments and private sectors must work together to manage the disruptive consequences of automation on the job market by improving the technical and soft skills of the labour force. To manage this change effectively, policymakers will have to pay close attention to how different groups are affected, with a focus on how factors such as a gender, occupation and age interact.

EMLOYERS also need to focus attention on working conditions between men and women in all occupations and examine practices that may contribute to gender biases in the workplaces, including issues related to compensation and sexual harassment. Policymakers should work to ensure that everyone gets a fair opportunity to participate in the economy and enjoy a better future.

EARQ

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Indian Prime Minister Narendra Modi at an election rally in Allahabad.

Is cultural imposition India's future? Voters will decide

ROBIN JEFFREY

INDIAN elections are big. Big in numbers and big in significance. The 17th national elections due in May 2019 will have close to 900 million eligible voters. More than 60 per cent are likely to vote. Once counting starts, the results will be known in a few hours. The quick counting stems not from a pre-determined, dictator-style outcome, but from the impressive evolution over 70 years of a remarkably fair and efficient electoral system.

Indian elections are also big for

what they signify. The coming election can be seen as a crucial round in a struggle over the soul of the Indian nation. According to this view, an outright victory in the 545-seat parliament for the current Bharatiya Janata Party (BJP) government will propel India towards an intolerant, religion-based state. Acceptable conduct will require acceptance of the supremacy of a homogenised Hinduism that owes much to Victorian and early-20th century ideas and practices. Those who do not fall in line will have to speak softly and beware of the big stick.

In 2014 the BJP under Narendra Modi, the current prime minister, ran a blitzkrieg election campaign and achieved a landmark victory. The party won an outright majority of more than 280 seats and, with its National Democratic Alliance partners, holds more than 300 seats in the Lok Sabha (lower house of parliament). The Congress Party, which led minority or coalition governments from 2004 to 2014, was reduced to fewer than 50 MPs.

Modi dominated the 2014 campaign. He dwelt on his 12 years as chief minister of the state of Gujarat,

where he crafted a story of efficient government, expanding business, better roads and reliable electricity. He and the BJP promised *vikas* (development) and *acche din* (good days) ahead.

Modi and the party engaged red-hot technical and administrative advisers. One masterstroke was deploying scores of hologram vans capable of screening 3D images of Modi as he spoke from a studio in Gujarat. One estimate suggests that the vans visited 1400 towns and villages in north India, 15 million voters saw him in his holographic form and millions more heard about the dynamism of the aspiring prime minister.

Have the past five years brought *acche din*? The record in this time has been patchy. Gross domestic product (GDP) growth has averaged about 7 per cent a year, a figure most countries would relish. But this has not translated into the millions of jobs that are needed to embrace India's 'demographic dividend'—the 65 per cent of the population (850 million people) under the age of 35. A report released in January suggests there has been an 'in increase in the level of open unemployment since 2011' and points to a decline in participation of women in the workforce.

The government counts among its achievements the rationalisation of the taxation system through a national goods and services tax (GST). While the tax is riddled with more qualifications and exemptions than a lawyer's love-letter, over time it should improve collection, facilitate movement of goods and increase revenue from better-off citizens who hitherto have been able to escape most taxation. But the GST is said to have been a nightmare for small businesses, many of whose owners are thought to be long-time BJP sympathisers.

Modi's most grandiose measure was the sudden demonetisation in November 2016 of 500 and 1000 rupee bank notes, announced by the Prime Minister while his cabinet was, according to one journalist, 'kept in solitary confinement'. The stated aim, based on the assumption that thousands of millions of rupees were escaping taxation by circulating as cash, was to Hoover up this 'black money'. Two years later the consensus is that the measure harmed business and agriculture, cost jobs and set back GDP growth.

But Modi brought it off with characteristic self-confidence that satisfied many of the people most affected. Rickshaw drivers and shop owners frequently said that the demonetisation hurt them, but they were certain it was hurting the wealthy and corrupt even more, and this was pleasing. Modi's supporters adapted the rationale for the demonetisation to argue that an important intent was to draw millions of people into digital transactions, which are now widely available and drag transactions into the official GST net.

The methods Modi deploys include skilful public relations, reliable administrators and top-down pressure to achieve targets, tactics he honed in Gujarat. They are evident in one of

Muslims, who make up close to 15 per cent of the population (190 million people), are increasingly pushed into enclaves

the government's most commendable programs: the Clean India campaign to make India open-defecation free and revolutionise public sanitation by October 2019.

The campaign has built tens of millions of toilets, instituted cleanliness rankings for India's towns and cities and offered funding to state and local governments to improve their management of waste and public sanitation. There are substantial improvements, but sceptics ask how many of the new toilets will be in use in two or three years.

Solutions promoted by the national government have a tendency to dilute by the time they reach the local levels of government that are expected to implement them. For sustained success the Clean India campaign requires follow-up and demonstration, but the government often confuses public relations with relentless human energy at the grassroots. Never has an Indian prime minister been photographed so often with a broom in his hands as Modi has.

The Clean India campaign has had perhaps the most noticeable effects of all the government's trumpeted programs. A national health insurance scheme for the poorest people, announced a year ago, seems alarmingly under-funded and hints of an initiative that is more show than substance.

The Modi government has appointed a stream of sympathetic ideologues, often with skimpy qualifications, to head universities and national institutions. At the same time the Rashtriya Swayamsevak Sangh (RSS), the mass-membership Hindu-chauvinist organisation that Modi joined in his youth and often provides the ground-level horsepower of the BJP, is growing in influence and respectability.



People queue at a bank in Kolkata to change notes after the Indian Government withdrew high-denomination banknotes in 2016.

Muslims, who make up close to 15 per cent of the population (190 million people), are increasingly pushed into enclaves. There have been attacks on people—usually Muslims, but sometimes Dalits (formerly Untouchables)—who have been portrayed as killers of cows or insufficiently enthusiastic about RSS-style ‘patriotism’. US intelligence recently repeated assertions, widely discussed in India, that Hindu-chauvinist organisations may ratchet up tensions before the elections to try to consolidate a ‘Hindu vote’.

If the BJP wins the May 2019 elections, it can contemplate changing the constitution to remove the words ‘socialist’ and ‘secular’ from the preamble and make the toothless ‘directive principle’ about protecting cows into a full-scale ban on cow-slaughter and beef consumption. The insertion into educational curriculums of mandatory practices glorifying the

BJP’s version of ancient Hindu India will intensify.

India’s federal constitution leaves the 29 states with significant freedom of action, though superior powers lie with the central government. Amending the constitution requires legislation to be passed in both the Lok Sabha and the upper house (the Rajya Sabha) and, in most cases, to then be approved by more than half of state legislatures. And the Rajya Sabha is elected by the vote of state legislatures. Members have six-year terms and one-third are elected every two years. At the moment 12 states are controlled by state-based regional parties.

Because of its dominance in populous states the BJP expects eventually to achieve a majority in the upper house—but the next election round is not until 2020. At the moment it is short of the numbers in the Rajya Sabha and controls the government in only 12 states.

The importance of region-based parties is growing. India’s states have acquired greater financial muscle in the past 10 years as a result of changed tax-sharing arrangements and the new GST. Many states are also home to distinct languages, whose celebration sometimes provides a powerful appeal to voters. The support of a regional party (or two) is likely to be necessary for whoever forms the national government after the coming election.

The prospects of the opposition Congress Party improved considerably in November 2018 when it won state elections in the states of Rajasthan, Madhya Pradesh and Chhattisgarh. But nationally it faces a long road back from the 50 seats it won in 2014.

Modi and the BJP find the Congress an easy target. Rahul Gandhi appears as a languid leader who occupies the position through lineage not ability. His great-grandfather was Jawaharlal Nehru, his grandmother was Indira

Gandhi, his father was Rajiv Gandhi and his mother is Rajiv's Italian-born widow, Sonia Gandhi. That's three prime ministers and, in his mother's case (as long-time president of the Congress Party), a prime-minister-maker.

It's not hard to characterise the Congress as a dynasty without a philosophy or a program. The BJP has both: Hindu supremacy and a friendly attitude to business large and small (though these friends may sometimes be at odds—some in the RSS advocate patriotic protectionism).

Champions of an older, more cosmopolitan version of an Indian nation are taking heart from Rahul Gandhi's livelier performance in the recent state elections. A revived Congress seems essential to counter the BJP. In late January 2019, Rahul's sister Priyanka, 47, mother of two teenagers and wife of businessman Robert Vadra, came off the reserves bench to take an executive role in the Congress Party.

Priyanka is sometimes portrayed as a better campaigner, readier for the fray, than her brother. Party sycophants say she has the qualities of her grandmother Indira Gandhi. That may have little appeal for those who remember Indira Gandhi's authoritarian 'emergency' of 1975–77. They will also recall the disastrous handling of the unrest in Punjab in the 1980s that led to Indira Gandhi's assassination in 1984 and the bloody anti-Sikh riots that followed.

But those memories are not shared by the two-thirds of Indians who were not born when Indira Gandhi died. The memory Congress would like to conjure up is one of a bold, decisive leader, the victor of the 1971 war with Pakistan, who said that she would 'banish poverty'.

Modi too has a communal-riot

legacy. He was a do-nothing—some would say 'inflammatory'—chief minister of Gujarat in 2002. Hundreds of Muslims across the state were killed in days-long 'retaliation' after more than 50 Hindus died in an attack on railway carriages carrying devotees on their way home from a religious site.

Priyanka offers an additional possibility. Not only are two-thirds of Indian women under 35, but more than two-thirds are literate and tens of millions have completed schooling to Year 10, Year 12 or beyond. The BJP/RSS combine does little to hide its patriarchal beliefs and practices. In the past few months, the party eagerly opposed a Supreme Court ruling that women of menstrual age (10–50), whose presence might 'pollute' a temple deity, must be allowed to participate in a pilgrimage to a shrine in the southern state of Kerala.

The BJP appears to have calculated that there are more electoral gains than losses in opposing the Supreme Court ruling and seeking to line up orthodox Hindu voters (and perhaps patriarchs from other religions).

PICTURE: PAWAN KUMAR / REUTERS



Priyanka Gandhi Vadra: a potentially powerful attraction for women voters.

Modi and the BJP believe they have a following among devout Hindu women who like the idea of a strong Hindu leader as embodied in Modi. The government has also instituted a program, popular among women in north India, of providing subsidised gas cookers to poor families. The cookers save women hours of labour collecting fuel for open fires and spare them the inhalation of harmful smoke.

Still, a strong young woman like Priyanka, articulating women's needs, might prove a powerful attraction in many electorates. And though many families may be withdrawing educated women from the work force for reasons of status, these women can vote as they please. The electoral system facilitates such independence. Voting is secret and secure.

Voting will be held over seven phases from 11 April to 19 May as the Election Commission moves around the country, with counting on 23 May. It is a simple first-past-the-post system with voting done on stand-alone electronic voting machines—at least one command unit in each of the million-plus polling stations around the country. In spite of occasional accusations that the machines can be rigged, no one who has closely observed the election process over the past 20 years is likely to accept such claims.

There will be plenty of jiggery-pokery surrounding the elections—bribes, bullying, drunkenness, media manipulation—but the queues at the polling booths will be well conducted. Constituency boundaries have been demarcated fairly. The Election Commission sets out to enrol voters, ensure they know how to vote and protect them when they do. A current campaign is searching for ways to enable migrant workers to cast an absentee ballot easily.

The campaign will also see the next generation of social media put to use. WhatsApp is immensely popular in India, with well over 200 million users. In past elections parties that cottoned on to the potential of new media formats have done well. For the coming contest, the BJP and RSS workers are reported to have data that will allow them to connect with every WhatsApp user down to the level of individual polling booths. A polling booth usually has only about a thousand voters.

Opinion polling in TV-hungry India is a national sport, driven by 800 channels eager to trail tickers with 'breaking news' across screens. A poll in January 2019 conducted by Times Now, the TV channel of *The Times of India*, and VotersMood Research had about 16,000 respondents in 700 locations.

Its findings supported the conventional wisdom. It predicted that the BJP would be the largest single party but would not have a majority on its own, nor even with its National Democratic Alliance partners. It will need between 20 and 30 seats from various state-based parties that are reckoned to win about 145 seats. The Congress and its allies would also win about 145 seats.

These calculations went out the window in mid-February, however, when a suicide bomber killed 40 paramilitary police in the disputed state of Jammu and Kashmir. India plausibly accused Pakistani intelligence agencies and their clients of having organized the attack. The Indian air force retaliated with a bombing raid into Pakistan territory. Pakistan replied by bringing down an Indian fighter jet.

Not surprisingly, Indian patriotism became supercharged. The BJP will aim to use these emotions in the

coming campaign. The party, and organisations close to it, have long promoted an aggressive one-size-fits-all version of Hinduism and of India—'Bharat', they'd prefer to call it. Divergence from their line is 'anti-national'.

Nevertheless, the BJP is unlikely to repeat its 2014 capture of 71 out of 80 seats in Uttar Pradesh, the heartland of Hindi-speaking India. If the Congress regained a little of its lost substance in Uttar Pradesh and made modest gains elsewhere, a much closer result would set up the possibility of an anti-BJP coalition government. Such a government would be difficult to hold together, and its collapse would likely lead to a new election and a frustrated electorate turning again to the BJP, as India turned back to Indira Gandhi in 1980.

If the BJP finds itself leading a minority government, Modi will need to reveal new abilities. The three prime ministers who have led minority or multi-party governments for full terms—PV Narasimha Rao, AB Vajpayee and Manmohan Singh—were noted for their ability to be, when required, quiet, patient and charming.

Since his days 30 years ago as

Since his days as a roadie and advance man for propaganda processions of BJP leaders around the country, Modi has mostly had things his own way

a roadie and advance man for propaganda processions of BJP leaders around the country, Modi has mostly had things his own way. He governed Gujarat for 12 years with large majorities, a supine party and a hard-working bureaucracy who answered to him. His national style is similar, as the sudden demonetisation in 2016 underlined.

His hatchet man, Amit Shah, the BJP president and a sidekick from Gujarat days, is feared, despised and often (but not always) delivers the goods. How well the pair will handle a situation in which partners have to be nurtured, flattered and rewarded may depend on how many seats the BJP and its allies need to add to their own total.

A resounding BJP victory in May will intensify the attempt at cultural transformation and imposition. That may not be the wisest path for a country with a diversity surpassing the European Union. India has two-and-a-half times more people than the EU. It has 29 states and 23 official languages written in 11 different scripts. It has been home to members of all the world's great religions for more than a thousand years. Though more than 80 per cent of its population is nominally Hindu, it is also on track to be the world's most populous Muslim country by mid-century. Its federal structure has so far allowed it to bend with local winds and accommodate immense diversity. The significance of the coming elections promises to be as big as the electorate itself. **EARQ**

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Will Asia's digital integration be derailed?

HOSUK LEE-MAKIYAMA

WHETHER it is over cybersecurity or the taxation of multinational online services, governments are growing increasingly distrustful of each other when it comes to the digital economy. Rather than cooperating to create global rules, governments openly disagree on whose rules to apply. The traditional forums for international cooperation like the UN or the WTO seem unable to keep up. The digital economy is not the globalist nirvana many thought it would easily be. Instead, the digital frontier could be where globalisation ends.

On 1 December last year, an unassuming Chinese woman was led away by police at Vancouver

International Airport. Meng Wanzhou, the chief financial officer of Chinese telecom equipment giant Huawei, was detained in Canada at the request of US prosecutors who accuse her of bank fraud related to a company allegedly having violated US sanctions against Iran.

For some, Huawei's global success—especially in comparison with ZTE, its much less successful and government-owned competitor—epitomises the superiority of free enterprise over state capitalism. However, Huawei's rapid ascent to the number one spot as the builder of digital silk roads has raised a pertinent question: could a firm like Huawei resist coercion from the Chinese authorities if it was asked to share with them the valuable information that is flowing in the

networks it has built abroad?

The United States de facto embargoes Chinese suppliers like Huawei from all of its telecom networks on cybersecurity grounds. For similar reasons, other countries such as Australia, New Zealand, Canada and South Korea have also made informal and formal decisions to limit or ban Huawei's participation in the construction of new 5G mobile networks.

Meanwhile, countries like Australia and France have proposed imposing national corporate income taxes on services like Google, Facebook and Amazon. The public perception is that these companies are avoiding tax because they do not pay taxes in all the countries where their customers are. However, this is often the established

practice for the services industry. Consultants, banks, architects and foreign postal services, for example, often don't pay taxes in all the countries where their customers reside. Instead, they pay their taxes where their headquarters are located or where their developers work.

In a similar vein, Japanese tax authorities in January of this year ruled that Google shifted 3.5 billion yen (US\$32.3 million) in ad revenues to its branch in Singapore to take advantage of the country's low tax rates. However, the company had only responded to legal tax incentives that Singapore and many other Asian countries offer to attract companies like Google to establish their regional headquarters (that may employ hundreds of developers and local specialists) in their country. In this case, Singapore will lose US\$32.3 million of tax revenues that it deems as rightfully its own.

In resolving such issues, tech evangelists may think the internet is so disruptive that history no longer matters. But for global policy wonks, the reality is quite different. Neither taxing multinational corporations nor government espionage are problems that are specific to digitalisation, but arise from globalisation. The digital economy is trade history repeating itself—on steroids.

Governments are not just struggling to understand these new problems. They are even struggling to understand the consequences of their own and their predecessors' past decisions. For instance, the policymakers who agreed on the current tax rules could hardly have predicted that one day an entire department store would fit into a phone and be exported across the world as a service. In 1996, trade negotiators agreed to slash import



Huawei chief financial officer Meng Wanzhou: in the sights of US authorities.

tariffs on electrical machines and appliances in a path-breaking WTO deal, not knowing that there would be personal telephony equipment that would store more or less all existing corporate and government documents.

In many instances, it is indeed the global nature of the digital economy that irks policymakers. The internet has not only removed import tariffs, but also many natural shields against foreign competition, like long geographic distances or language barriers. Some of the most ardent market liberals might be having second thoughts about borderless commerce. Or were they perhaps able to advocate free trade in the past because their own sensitive economic sectors were not yet tradable?

As governments of all political

colours regulate the internet and digital economy, there is a myriad of overlapping jurisdictions and conflicting obligations to deal with. So far, every piece of new technology that circumvents territorial jurisdictions— from bulletin boards to blockchain— have either been subjugated to national laws or banned. Many of these unilateral efforts are spearheaded by China, which has always been concerned with the open and transnational nature of the internet.

China has an industrial policy that promotes the internet and digital economy as a means to reinvigorate the country's slowing economy. For example, China has plans to substitute foreign suppliers with domestic suppliers in everything from semiconductors to enterprise

software. Such plans do not preclude new restrictions affecting trade. E-commerce marketplaces must also apply for a government licence, which so far has been granted to only one foreign investor—a Japanese department store with brick-and-mortar locations across China.

China was also the first country to introduce a comprehensive ‘internet management system’ that blocks more than 10,000 websites and nearly all non-Chinese popular commercial platforms: the so-called ‘Great Firewall of China’. All messaging apps are either monitored or blocked at the border. What a citizen writes in private messages could affect their ‘social credit score’—a government pilot program to score the trustworthiness of individuals and which could, for example, affect their loan applications or permission to travel.

As an emerging global power facing genuine geopolitical threats, China sees security concerns in having an open internet. To mitigate such risks, Chinese authorities have made the country’s entire digital environment ‘secure and controllable’. A new national intelligence law could also force Chinese technology companies to cooperate with intelligence agencies—and recent moves outside of China to block Huawei are in part very much a response to this law.

Ironically, other Asian countries are responding to China’s digital unilateralism by following the same path. To date, India, Cambodia, Indonesia, Brunei, Myanmar, Thailand and Vietnam have restricted public access to the internet and social media in some form. Vietnam practices an even more restrictive form of data protectionism through a new cybersecurity law where online services must be incorporated within the country to remain accessible

to its citizens. Moreover, personal information is not allowed to leave the country at all. And since personal data is ingrained in all data transmissions, the law provides the legal basis to block any flow of data. Obviously, digitalisation is not all about politics. Even the online cloud has a silver lining. Gone are any misgivings about a ‘digital divide’, once endlessly repeated at UN conferences. The notion that only rich countries could afford internet technologies and that this would perpetuate their industrial advantage has been proven wrong. Their digital dividends were higher than the digital divide.

The value of all e-commerce transactions exceeded US\$2.3 trillion in 2017, with a growth rate over that year of nearly 25 per cent—not to mention that East Asia is at the centre of these developments. According to official statistics, China alone has more than 800 million people online and over 780 million mobile users. The amount of data generated in Asia has grown exponentially in the past decade and the region may overtake North America as the most ‘data rich’ region

The notion that only rich countries could afford internet technologies and that this would perpetuate their industrial advantage has been proven wrong

in just a couple of years.

The digital divide was bridged by the invention of cheap and affordable smartphones, bringing the internet revolution to lower-income countries. Asia’s tech boom has minted new tech billionaires like East Asia’s Jack Ma of Alibaba, Pony Ma of Tencent and Southeast Asia’s Nadiem Makarim, the founder of the Indonesian ride-sharing service Go-Jek.

Many small businesses in the least-developed countries have evolved into ‘micro-multinationals’. These predominantly women-owned small businesses which previously found it too costly to engage in exporting are now using online platforms and payments to export their artisanal products globally.

The internet has opened up opportunities for more democratised and inclusive trade, as micro-multinationals are able to avoid expensive investments overseas and bypass Western distributors that previously ate into their profits.

Thanks to the fact that internet networks are much cheaper to deploy than ever before, even the remotest areas may have access to high-speed mobile broadband even though they lack access to basic sanitation. Indeed, more than 93 per cent of the population in Asia will live with high speed internet coverage by 2020. The global competition—not least due to the entry of Chinese vendors such as Huawei—and data-driven ad-supported apps have dumped the prices on everything from 4G base stations to spreadsheet software.

But Asia is already at the doorstep of the next big disruption. The rollout for 5G networks will commence this year with 200 times faster speeds and 1000 times better energy efficiency than 4G. Some industry analysts believe that China will complete full

national coverage in less than four years.

With 5G comes industrial applications that will lead to entirely digitalised manufacturing across the Asian supply-chain networks—so-called ‘Industry 4.0’. Other concepts like Japan’s Society 5.0 extend the idea of digitalisation and automation to public services, such as improving the cost-effectiveness of public healthcare through the predictive analysis of diseases, online pharmacies and telemedicine.

Artificial intelligence will further boost productivity and trade. For example, automatic translation and chatbots will allow a single entrepreneur in Myanmar to serve thousands of customers from a hundred countries in their native languages, while platforms will

automatically optimise ads and shipments to markets she does not know, all using low-cost or ad-supported apps. New technologies like blockchain are already tested for customs facilitation, although their use depends on governments allowing for self-certification and is therefore limited to those occasions.

This new world of trade, however, comes with new regulatory challenges in Asia. The commercial value of data uploaded to the cloud will increase with the amount of data uploaded. Corporate networks will contain not just documents, as in the past, but provide overall operational control. Figuratively speaking, an entire business could be ‘copy-pasted’, including know-how, equipment settings and production details. These risks call for far-reaching supply-chain

screening of software and components made in adversarial countries. These precautions may shatter pan-Asian supply-chains.

A second (and related) challenge is the protection of privacy, which appears to be a novelty in many Asian jurisdictions. Approximately 10 billion data records have been breached in various attacks since the early 2000s. In response, countries like Japan, China, South Korea and Singapore have followed a European legal model that restricts access to personal information from abroad. Businesses must protect customer data, hire data protection professionals and alert the authorities of breaches. Meanwhile, other governments such as Thailand, Cambodia and Laos are yet to implement regulations that recognise the idea of personal information.



A Tencent welcome desk at the Global Mobile Internet Conference in Beijing in April 2017. The availability of cheap and affordable smartphones has brought the internet revolution to lower-income Asian countries, and created new tech billionaires along the way.

PICTURE: JASON LEE / REUTERS

Thirdly, the digital economy is often said to be prone to market concentration due to strong network effects—users are generally attracted to services that can connect them to other users. Network owners can also easily block new market entrants unless there are provisions that—for instance—curb dominant telecom operators from blocking competing services like Skype or WhatsApp. To date, Singapore is the only country in Asia with such laws.

In Indonesia, the major local e-commerce platforms have been partially or fully acquired by Chinese giants like Alibaba, JD or Tencent. There are growing concerns that local sellers on these platforms will eventually be squeezed out by Chinese imports. However, competition rules are still a strange bird (or a lame duck) for many Asian legal systems. Thus political action is often closer to hand than patiently developing antitrust rules through decades of case law.

The history of Asian industrial policy shows that traditional protectionism tends to be phased out as competitive local producers emerge and move towards exporting. Globalised firms and sophisticated consumers necessitate access to open overseas markets. This has mostly been achieved through the multilateral accords, bilateral trade agreements and unilateral reforms (if there are no other means) that constitute the global trading system.

The rationale for digital protectionism goes beyond the simple mercantilism of the past. Liberalising digital trade and e-commerce will require difficult financial reforms and a major rethinking of fundamental rights and public order—debates that have been postponed for decades in some cases. Digitalisation takes globalisation to the bone, to the extent

A liberalised digital economy . . . is necessary to spur domestic consumption, improve industrial productivity and revitalise international competitiveness

that trade liberalisation is intruding into the work of security agencies, national regulators and tax collectors.

It is doubtful that these growing frictions can be managed, and that Asia will reap the benefits of the global trading system without an increasing number of caveats. Recent trade agreements include exorbitant digital trade exceptions. Similarly, the EU–Japan economic partnership and other EU agreements in the region are void of any actual commitments on data flows.

At a recent meeting of trade representatives at this year's World Economic Forum in Davos, more than 70 countries announced their intention to open negotiations for an agreement on e-commerce under the auspices of the WTO, including a prolonged moratorium on digital taxes. However, the recent trend for imposing discriminatory digital taxes makes the successful conclusion of an agreement like this a rather remote prospect.

Even the ambitious rules under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership allow for national

security exceptions—and Vietnam is invoking these for its cybersecurity laws. These exceptions are also still in place in the new US–Mexico–Canada Agreement. Nevertheless, if all 16 prospective members of the Regional Comprehensive Economic Partnership opened up their digital trade to the level of its most open members, then they could raise their GDP by 1 per cent.

Attempts to liberalise e-commerce by removing tax or privacy barriers have proven to be a relatively arduous affair, as the differences that emerge are often irreconcilable. Moreover, proposals on embargoes, fines or double-taxation of internet companies generally receive wide public support—sentiments that the political class across the world is eager to exploit. Therefore, even the most like-minded allies have chosen to tackle issues like cybersecurity, privacy and taxation unilaterally rather than through multilateral trade agreements or judicial cooperation.

And that's where the dilemma lies. Resisting a liberalised digital economy may delay some difficult domestic reforms, but digitalisation is necessary to spur domestic consumption, improve industrial productivity and revitalise international competitiveness. This is a dilemma where we are 'unable to bear our ills, nor their cures', to borrow the words of the ancient Roman historian Livy.

The global trading system is also closely interlinked, and depends on an open digital economy. Unless governments can cooperate to create new global rules and prosecute the necessary domestic reforms, they are likely to fail together. **EAFQ**

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Employers can mobilise a gender-diverse workforce

DYNAH A. BASUIL

TO SURVIVE in today's knowledge economy and global war for talent, employers in Asia need to mobilise a diverse pool of abilities to create an innovation culture. With a gender-diverse workforce linked to superior outcomes in innovation and financial performance, employers have plenty of incentive to use every strategic tool at their disposal to attract and retain women in their workforce.

While employers often use compensation strategically to attract and retain talented employees, this may not necessarily apply to their female staff. In the Philippines, for example, a study of almost 7000 skilled respondents indicates that there is a substantial pay gap of 11 per cent for female employees on average, when compared with male employees.

This pay gap takes into account such human capital factors that influence pay as educational attainment, job level, company tenure, total work experience, training, pay rises and promotions. This is comparable to the 21 per cent gender pay gap, as measured by wage equality for similar work albeit independent of human capital factors, reported for the Philippines in the World Economic Forum's The Global Gender Gap Report 2018.

A closer look at how individual human-capital factors contribute to the gender pay gap in the Philippines reveals an increasing gap for Philippine women with higher levels of human

capital. For instance, female employees with high school and vocational degrees earn similar to their male counterparts, but female employees with undergraduate and post-graduate degrees earn 89 per cent and 78 per cent of the salary paid to their male counterparts, respectively.

How decision-makers understand the relationship between the gender pay gap and women's experiences in the workplace has important outcomes for retaining female employees. In the Philippines, a positive relation has been found between pay and employee commitment to the employing organisation. Even though female employees are likely to be paid less, the positive relationship between pay and commitment persists—but with some differences.

For female employees, the positive relationship between pay and commitment is more pronounced when their employer is perceived to have 'women-friendly' human-resource practices. But for male employees, a higher salary is associated with greater commitment regardless of whether their employer

is perceived to have gender-friendly practices.

Women-friendly human-resource practices can involve a gamut of activities. They include talent management strategies that attract, identify and support female candidates for hiring, training and promotion; performance management systems that emphasise output rather than face-time or seniority; accessible training and development modules; and practices like paid maternity leave with guaranteed reemployment that prevent non-work roles such as care work from becoming career barriers.

Deeply engrained gender roles outside of work, along with traditional work styles founded on long hours and standardised work schedules, make women's participation (being hired) and advancement (being recommended for training, pay rises and promotions) in the workplace challenging.

Still, employers can adopt more women-friendly initiatives that have the potential to improve their female employees' organisational commitment. Female employees are more committed to their employer's business goals when their employer demonstrates that female job candidates and employees, given their often expanded expectations and responsibilities from gender roles outside of work, can have at least the same chances as their male counterparts of getting hired, promoted and recommended for training and pay rises.

Women-friendly human resource

Increasing gender representation in the workplace can be the beginning of . . . greater workforce diversity



Filipinos being interviewed at a jobs fair for outsourced work in Manila. Women-friendly initiatives can improve female employees' commitment to the firm.

practices should lead to greater gender diversity at various departments and multiple levels of the organisation. These practices demonstrate the value an organisation places on the contribution of its female employees as they are potentially rewarded with more opportunities to increase their pay and human capital. In turn, female employees should reciprocate with greater commitment to their employer.

National governments can also implement policies to encourage women-friendly human-resource practices that improve gender diversity within the public sector. For example, the Civil Service Commission's work with the Philippine Commission on Women has led to Philippine women comprising 55 per cent of those in government service.

A policy that expands women-friendly human-resource management

practices to both the public and private sectors, like Japan's 2016 Act on Promotion of Women's Participation and Advancement in the Workplace, is a necessary step in the right direction. This Act mandates organisations with at least 300 employees to collect and analyse data on gender issues in the workplace and formulate evidence-based, publicly available, government-certified action plans to improve gender diversity.

Despite having no penalty for noncompliance, the successful implementation of the Act in over 99 per cent of targeted companies and a modicum of improvement in female representation among executives is paving the way to cover Japanese organisations with at least 100 employees.

Organisations that effectively manage a diverse workforce can

develop a unique capacity to serve an expanding customer base with a greater diversity of needs and priorities. Most importantly, increasing gender representation in the workplace can be the beginning of promoting greater workforce diversity and inclusion across a spectrum of skills and capabilities. Everyone of working age, despite differences in skills and capabilities (physically, mentally or psychologically) can have the opportunity to contribute meaningfully and find fulfilment in the fruits of their labour. [EAFQ](#)

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Women-owned businesses face unique barriers

MARIBEL A. DAÑO-LUNA AND
ROSE ANN CAMILLE CALISO

ENTREPRENEURIAL activity generates employment and helps to create more resilient economies. Although all businesses face issues such as access to finance, technology and market information, women business owners face distinct challenges in their entrepreneurial endeavours—particularly in the small- and medium-sized enterprise (SME) sector. As long as these challenges prevail, the potential contribution of women’s entrepreneurial activity to economic growth will remain curtailed.

A 2017 OECD study estimates that ASEAN self-employed men are 2.24 times more likely to be employers than are self-employed women. This is one indication that women are much less likely to be involved in entrepreneurial activity, creating employment for others, than men are.

More women tend to engage in early-stage entrepreneurial activity, but they are less likely to have established businesses compared with their male counterparts. A 2015–2016 report from the Global Entrepreneurship Monitor reveals that Indonesia, Malaysia, Thailand and the Philippines had higher established-business rates for men than women business owners. Male entrepreneurs tend to be opportunity-driven, the report noted, while more female entrepreneurs are necessity-driven (only turning to entrepreneurial

activity because few alternative employment options are available).

Women SME owners encounter four distinct types of constraint: human and social capital limitations, financial disadvantage, societal and cultural expectations, and institutional barriers.

Human and social capital constraints include a lack of access to formal education, entrepreneurial skills training and business networks. In Southeast Asia, women entrepreneurs have 7 per cent less access than men to business networks—a crucial source of know-how and contacts for entrepreneurs looking to develop their business. Discrimination in day-to-day business activity is also a problem. For instance, in Malaysia male suppliers and customers prefer to deal with male business owners, thus pushing women owners to let male family members take over.

Women tend to be at a disadvantage in accessing financial resources

In some countries women have limited or no access to property rights, hindering access to capital markets

for their business, notably in accessing the full range of debt and equity alternatives. They may be disproportionately confronted with corruption. Research shows that women business owners and managers are more likely to receive requests to pay bribes when obtaining an operating license in economies that have a greater number of laws discriminating against women.

Societal and cultural expectations that women will manage work and family responsibilities also limit their ability to expand their business.

Additionally, women entrepreneurs face institutional and regulatory challenges that limit their capacity to scale up. In various countries, cumbersome business licensing requirements are likely to be associated with a lower proportion of firms run by female entrepreneurs. SMEs owned by women tend to be disproportionately affected by these regulations, given their smaller size and lower access to resources. In some countries women have limited or no access to property rights, hindering access to capital markets because of a lack of collateral against which to obtain credit. These challenges hinder their capacity to grow.

What is scaling-up and what does it mean for SMEs? Scale-ups are high-growth enterprises, defined by having an average annualised growth rate greater than 20 per cent per annum over a three-year period, according to the OECD. If less than five years old, these firms are known as ‘gazelles’.



Participants work over strategies at the Investing in Women 2019 Regional Business Summit on Gender Equality, held at Ho Chi Minh City for business leaders and human resource specialists from around Southeast Asia. Having an entrepreneurial mindset is critical to women's business success.

Scaling-up of SMEs may take place after the start-up phase, but can also occur at other points in a firm's life. A company might scale up in response to a major increase in demand, to bolster its competitive position, or to seize new market opportunities.

In the Philippines, though more than half of new businesses in 2017 were registered by women, fewer women tend to renew their businesses.

A new study finds that only 134 out of 480 Philippine SMEs surveyed had scaled up in the past two years (when scaling-up is defined as an increase in firm size using employee numbers and an increase in sales by at least 10 per cent over two years). While there are no significant differences in firm performance by gender, SMEs owned by men earned twice as much from exports sales compared with those owned by women.

Technology-intensive SMEs owned by women are significantly more likely to scale up, but tend to make limited use of more sophisticated technology—for example,

e-commerce, websites, digital payment or cloud-based storage. Policies encouraging these entrepreneurs to make better use of their technology could boost their capacity to develop.

Having an entrepreneurial mindset plays a critical role when women SME owners decide not to apply for a loan, not export or not expand their business. The number one reason given for not exporting, for example, was that the owner was content with the current state of business. For not applying for a loan, it was an aversion to taking on any debt.

Although barriers facing women-owned SMEs are not dissimilar to those that male entrepreneurs face, there are significant gender differences in the reasons that women give for not scaling up—such as loans, innovation, expansion or exporting. These differences have policy implications for government and business stakeholders in understanding the enabling factors and barriers that women entrepreneurs face.

Apart from strengthening overall

social protection schemes, offering policy incentives to create women's business associations and increase the number of women business network leaders would help to elevate the social capital of women entrepreneurs. Likewise, raising awareness in business networks about gender discrimination would help to encourage more equitable behaviour towards women entrepreneurs. Strengthening institutions must be at the core of policy reform to support the scaling-up of women-owned SMEs.

Given the crucial role SMEs play in lifting a nation's economy, it is in every country's interest to coordinate policy for providing a level playing field for women-owned businesses to scale up.

EAFO

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Countering sexual harassment in Indonesian schools

PICTURE: BEAWIHARTA / REUTERS

IWU DWISETYANI UTOMO

A RECENT Gender and Reproductive Health Study in Indonesia found a surprisingly high degree of comprehension of sexual harassment among Indonesian students and teachers. But at the provincial level there were some worrying differences, with teachers in South Sulawesi significantly less likely to deem behaviour to be sexual harassment.

There were differences, too, between male and female teachers, with men less likely to consider improper behaviour to be sexual harassment. There were also marked differences in the response styles of students, with Year 6 students more likely to report concerns to parents, police and other teachers, while Year 12 students were more likely to resist harassment directly and report it to friends. The findings suggest the need for more research into sexual harassment in Indonesia, more education and awareness-raising—especially in some provinces—and institution-building for reporting and policing sexual harassment.

The United Nations defines sexual harassment as unwelcome behaviour of a sexual nature. It can take the form of an unwelcome sexual advance, a request for sexual favour, verbal or physical conduct or a gesture of a sexual nature, or any other behaviour of a sexual nature that might reasonably be expected or be perceived to cause offence or humiliation to another.



Students in class at a school in Cikawao village, Majalaya, in Indonesia's West Java province. Indonesian courts tend to hand down heavy sentences for sexual misconduct by teachers.

School students need to understand this concept so that they can protect themselves from sexual harassment. Sexual harassment of children can have significant negative effects on their physical and mental health, their safety, on school enrolment and educational achievement, as well as dignity, self-esteem and social relationships. In more severe cases of sexual violence to girls, unwanted pregnancies can be another consequence. Child sexual harassment is also associated with such psychiatric disorders as post-traumatic stress disorder, depression, substance abuse and suicide.

Children are especially vulnerable because they cannot defend themselves and they do not

understand what has happened to them. A lack of understanding leads to underreporting of sexual harassment incidents. Without strategic intervention in the form of education, prevention or treatment programs, the problem is able to fester, with perpetrators going undetected and victims suffering in silence.

Given the serious consequences, many developed countries have policies and programs to prevent or punish child sexual harassment. Establishing child protection commissions with reliable hotlines for emergency cases is a common strategy. Another involves ensuring adequate understanding of sexual harassment through education programs. Some nations, such as the

United States, Canada and Australia, have sex-offender registries that allow administrators to track offenders. Many nations also ask visa applicants whether they have ever been charged with paedophilia or named in a sex offender register. This helps them track foreigners who may be likely to commit illegal acts.

Indonesia seems to have relatively little concern for these issues, and little is known there about child sexual harassment. Official data records a decline in reported incidents, although there is probably widespread underreporting of the problem. Aside from establishing a children's commission, few policies and programs have been implemented to minimise child sexual harassment. The government renewed Child Protection Regulation in 2014 but the associated law does nothing to improve sexual education for children. Such education is critical for minimising the abuse and harassment of minors.

Indonesian courts tend to hand down heavy sentences for severe misconduct on the part of teachers, such as oral sex, sexual intercourse and anal sex with students. However, other forms of sexual harassment by teachers, such as touching, staring, using inappropriate sexual words, and requesting sexual favours in exchange for a student passing exams rarely make it to court. Sexual violence may go unreported unless it is manifested in extreme or serious behaviour, because the prevailing culture imbues teachers with authority and encourages students and parents to be deferential.

The Gender and Reproductive Health Study of students and schools in Jakarta, West Java, West Nusa Tenggara and South Sulawesi encompasses both rural and urban areas, covering Year 6 and Year 12

students, and teachers from both general schools and Islamic religious schools. It provides insights into how sexual harassment policy could be improved. Female teachers appear more likely than their male counterparts to classify behaviour as sexual harassment. There are some provincial differences: compared with teachers in other provinces, teachers in South Sulawesi were the least likely to classify any behaviour as constituting sexual harassment. Compared to teachers in non-religious schools, those in religious schools were significantly more likely to classify such behaviour such as touching, touching in the genital area, being forced to touch another's genitals, being forced to be naked, rape, and being treated as a sexual object as sexual harassment. If students were harassed, teachers would calm students, talk with fellow teachers and report the incident to the parents of the child.

AMONG students, girls were more likely than boys to report harassment and take action. Year 6 students were more likely to report harassment to parents, police or teachers and school principals, while Year 12 students will handle the matter themselves by resisting the perpetrator or talking with friends. These results show that males, whether teachers or students, are more likely to have problems in understanding or reporting sexual harassment. This is a major issue because most perpetrators are men.

Comprehensive gender and reproductive health education is not formally included in the Indonesian school curriculum, but reproductive health education is integrated into school textbooks in physical education, religion, social sciences

and biology. Information about sexual harassment has been formally included in the curriculum from Year 5, but the information is limited, with descriptions of what sexual harassment is, how to avoid it and whom to report it to if it should occur. The information also has a gender bias, as it states that girls should not wear tight dresses or heavy make-up and should not walk alone on dark streets at night; fault for being harassed is thus attributed to girls.

Government programs can improve the understanding of sexual harassment by including comprehensive sex and reproductive health education covering all genders in the curricula from primary school up. It needs to be treated as a subject in itself and not integrated to other subjects. Other helpful initiatives could be to train both men and women teachers thoroughly on gender and reproductive health, as many do not have the skill to understand and teach this subject, and thus are not confident in talking about it to their students. Parents also need to be introduced to knowledge about sexual harassment, and more generally about gender and reproductive health so that they can talk about these issues with their children.

The government can also enforce strong penalties for sexual perpetrators, especially in the education environment. Campaigns, communication and education about gender and reproductive health issues, especially those relating to sexual harassment, of course, need to be designed for and disseminated to children at the appropriate age and education level. **EAFAQ**

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Networking change from the grassroots up

RACHAEL DIPROSE

INDONESIAN President Joko Widodo's track record of considering gender representation in ministerial appointments is lauded in global circles. With nine women appointed to his cabinet, there are more female cabinet ministers in Indonesia than in countries such as Australia, the United Kingdom and the United States. Strong female ministers lead influential portfolios in finance, state-owned enterprises, maritime and fisheries, forestry and environment, foreign affairs and health.

Women's empowerment activists praise these appointments, seeing them as a means of signalling to the wider populace that barriers to women taking up leadership positions are slowly being reduced. But they also note that such efforts need to be more widely applied and more pervasive to reduce gender inequality in Indonesia.

Indonesia ranked 104 out of 160 countries on the United Nations Development Programme's 2017 gender inequality index, which measures gender disparities in education, reproductive health and economic and political participation. That ranking has changed little in recent years and is below that of most of its Asian neighbours.

While gender gaps in childhood are closing, gender gaps in adulthood are persisting. Tackling maternal mortality continues to be a major challenge, particularly given the difficulty of providing accessible birthing facilities

with appropriately skilled medical staff in the many small islands throughout the archipelago.

All too often national policies and international development programs concerned with women's empowerment mainly focus on improving the number of beneficiaries: the number of girls who go to school, the number of women who can give birth safely or who can access credit for livelihood initiatives.

These are certainly indicators of progress, but long-term reductions in gender inequality involve breaking down or transforming the economic, political and social power structures that prevent women from achieving their full potential and a higher quality of life. This will be no mean feat, given Indonesia's large population and geographic size, the number of districts with significant policymaking autonomy and the presence of diverse social norms that in some places limit the role of women in public life and decision-making.

Indonesian civil society organisations (CSOs) play a key role in chipping away at social norms and structural barriers to gender equality. They provide the crucial link between 'high-level' policy and concrete changes on the ground by supporting large networks of subnational women's organisations and groups. These bottom-up initiatives seek to improve participatory development so that women—particularly those locked out of public life or unaccustomed to participating in village-level decision-

making forums—slowly grow in skill and number to collectively influence how priorities are set and how money is spent. This is increasingly important now that around 10 per cent of Indonesia's national budget is transferred directly into village coffers, following the ratification of the 2014 Villages Law.

One organisation with a network throughout Indonesia, the Female-Headed Household Empowerment Program (PEKKA), focuses its support on households where the head is a woman. It helps to form small women's groups that share their experiences and know-how and undertake collective economic and social activities.

PEKKA supports these groups to influence village decision-making. In one village in South Kalimantan, PEKKA women's groups collectively pressed for village funds to be used to support the formation of a village-owned enterprise (BUMDes). While the national government also advocates for forming BUMDes, it is women's collectives through the PEKKA network that, in several instances, have ensured that such enterprises meet women's needs and are run by women.

Another example is the Institut KAPAL Perempuan network, which seeks to improve women's skills and confidence in participating in village development. Participants of its Schools for Outstanding Women program take part in village



Harvesting rice in Indonesia's Aceh province: civil society organisations are changing expectations.

decision-making forums, review and evaluation working groups, and district-level planning forums. In one district in East Java their schools have been so successful that the district government is now investing in the program so that it can reach more villages.

'Aisyiyah—the women's organisation affiliated with the powerful Islamic organisation Muhammadiyah—facilitates the setting-up of small women's groups, the Balai Sakinah 'Aisyiyah. Their efforts have seen village funds used for free pap smears, mammograms and other vital health

services that are otherwise inaccessible to villagers for geographic, economic or cultural reasons. In other cases women's groups—supported by CSOs focused on social protection, reducing violence against women, and support for migrant workers—have successfully called for village funds to be used for safe houses for victims of domestic violence, protection for migrant workers and care for the elderly.

Indonesia's women's organisations and their networks are also bolstered by international support. The Australia–Indonesia Partnership

for Gender Equality and Women's Empowerment provides funding assistance to core CSOs, including those mentioned above. Through this collaboration the grassroots work of CSOs has been able to continue apace, reaching some 900 villages across 27 provinces as of mid-2018, in which some 1300 women's groups with 32,000 members have directly or indirectly benefited.

Even so, reducing the structural barriers to gender equality is a long-term project involving slow, hard-fought gains that are not easy to count in development indicators that are often bound by program timeframes. The impact of such support may only be apparent well into the future.

There is a long road ahead to reduce barriers to women's political and economic participation in Indonesia. While there are many examples of change, these remain few and far between, given the scale of investment in village development. Elected village officials must interpret ministerial directives, district policies and regulations and administrative frameworks that are at times overwhelming. What lies inside or outside the rules and what village funds can be used for is not always clearly understood. Villagers worry that they may break the rules if they prioritise specific types of projects, even though the Village Law is intended to create space for villagers to decide their own priorities. Clearly articulating gender-inclusive targets for village priorities at the national level may go some way towards reducing the barriers to women's empowerment. **EAFO**

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Driving gender reform in Vietnam's labour code

JANE AEGERHARD-HODGES

GLOBALLY, removing sex discrimination from regulatory texts continues to ride a positive wave. This might be a response to a new generation of free trade agreements, which call for regulatory frameworks to be socially and environmentally compliant with international standards. It might also be because domestic laws need to be internally cohesive, meaning that gender equality provisions adopted in one context require corresponding upgrades to other legislation. This has been the case in Vietnam.

The Vietnamese government is discussing ratifying the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, under which it will have to conform to the agreement's international labour standards. Similarly, signing the EU–Vietnam Free Trade Agreement (EVFTA) will require Vietnam to comply with references to sustainable development. Article 13.4(2) of the EVFTA specifically lists the parties' commitment to the International Labour Organization (ILO) 1998 Declaration on Fundamental Principles and Rights at Work, which requires respect, promotion and effective implementation of non-discrimination and gender equality.

Gender equality is a weak spot in Vietnam's regulatory framework. Despite its strong 2013 Constitution and dedicated Gender Equality Law

of 2006, studies in Vietnam and recommendations from international treaty bodies point to a number of issues in the country's 2012 Labour Code that undermine women's rights and gender equality.

In 2015 the Committee on the Elimination of Discrimination Against Women raised concerns over the lower retirement age for women, the extensive list of prohibited occupations, discriminatory practices by employers based on maternity and pregnancy, the persistent gender wage gap, and the concentration of women in low-paid and unprotected jobs in the informal sector. The ILO raised similar concerns in the context of ratified conventions on non-discrimination.

ACCORDING to the World Economic Forum's 2017 gender gap index, Vietnam rates 69 out of 144 countries. The situation is less encouraging on the ratio of economic participation and opportunity, with women in Vietnam having 26 per cent less opportunity to earn than their male counterparts.

In early 2017 Vietnam's Ministry of Labour, Invalids and Social Affairs (MOLISA) invited the Australian Government through its Investing in Women (IW) initiative to provide technical assistance for gender-sensitive reform of the Labour Code. Five issues became the target of consultation and technical debate. These were harmonising retirement ages for women and men

(currently 55 versus 60), removing occupational segregation provisions that imply women are physically weaker than men (prohibiting them from certain jobs, 77 in total), strengthening provisions for parental leave and childcare so that men and women can balance work and family responsibilities, improving sexual harassment provisions, and completing the definitions of 'equal pay for work of equal value' and 'remuneration'.

There is low public awareness and understanding in Vietnam of the importance of women's and men's equality in employment and the role that gender equality plays in economic growth. In particular, while expressing a wish for decent work for women alongside men, there remain pervasive stereotypes about what women (the 'weaker' sex) can do or what they want to do (look after their children and older family members). So discussions about new statutory requirements to help achieve work–family balance for all workers needed to draw out the economic and social arguments in favour of change.

Likewise, care was taken during consultations with businesses to frame the removal of barriers to women's participation in the economy as being part of a government strategy to make workplaces more productive and Vietnam more competitive in Southeast Asian growth. According to the McKinsey Global Institute's *The Power of Parity* 2018 report, including women in economic growth could

Digital solutions can raise women's workforce roles

increase the Asia Pacific's GDP by 12 per cent by 2025, with the Vietnam estimate being 10 per cent, or US\$40 billion above business-as-usual. The economic argument for removing regulatory barriers to women's greater contribution was not lost on business or government.

A policy impact analysis, which examined the economic, legal, administrative, social and gender implications of proposed changes to the Labour Code, made pro-gender recommendations that were endorsed in the multi-stakeholder consultation that brought together more than 200 policymakers, influential individuals, and worker and employer representatives.

THE policy options target eight Labour Code provisions (articles 8, 153, 154, 155, 157, 159, 160 and 187), related circulars and a proposed new gender-transformative chapter no longer aimed at 'protecting women' but 'ensuring and promoting gender equality at work'.

The new text of the Code is not yet tabled. Among the last IW inputs will be an assessment of gender mainstreaming in the final Labour Bill and a high-level information session for National Assembly members early this year, as MOLISA completes its submission to the National Assembly's May 2019 session. Hopefully this careful analysis of workplace gender discrimination and the process that is put in place for tackling it will bear fruit. **EAFQ**

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TIMOTHY WATSON,
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THE digital economy is expanding rapidly in Asia, boosting growth and economic opportunities at a time of otherwise disappointing global productivity growth. How then does the digital economy affect opportunities for women to participate in the workforce?

Between 2000 and 2016 the average level of internet use in Asian countries increased from around 6 per cent to almost 54 per cent of the population. This was driven largely by mobile phone penetration, which increased from around 13 subscriptions per 100 people on average in 2000 to around 129 subscriptions per 100 people in 2016. At the same time women's workforce participation increased across the region, with the average participation rate rising from around 45 per cent in 2000 to 46.9 per cent in 2016.

So it is perhaps unsurprising that our research suggests a robust and statistically significant correlation between internet use and women's workforce participation. This includes controlling for country and time-fixed effects and numerous other factors, including GDP per capita, the urban population as an instrument for fertility rates, government spending as a proportion of GDP, and agriculture's

share of production. The most conservative estimate suggests that growth in internet use can account for an amount equivalent to all of the increase in women's workforce participation in Asia during this period. Economic development and growing urban populations also contributed to increasing women's workforce participation in the region between 2000 and 2016, while the decline in agriculture's share of production acted as a strong countervailing force.

But a significant association between internet use and increasing women's workforce participation does not necessarily imply that internet use is the cause of increased participation. Some increase in internet use in the region is potentially driven by greater levels of women's workforce participation (demand-directed technical change). To formally assess the association between internet use and women's workforce participation, we need variables that are strongly related to increases in internet use and unlikely to directly affect women's participation.

States typically regulate the internet and traditional media sources in an attempt to control communication that is deemed political or otherwise anti-social, rather than to restrict the participation of women in the workforce. Hence variables representing the absence of state

control over internet access, and conversely the presence of state control over traditional media sources, are likely to be positively related to internet use and not directly related to women's workforce participation.

Using the Cato Human Freedom Index and its subindexes representing 'state control over internet access' and 'access to foreign information' in the form of foreign newspapers and television channels as instruments for internet use, our analysis reveals a stronger relationship between internet use and women's workforce participation than under standard estimation in the period since 2008 where data is available.

The results confirm a significant positive association between women's workforce participation and internet use, at least since 2008. They also provide indirect evidence that freedom of the internet from state interference and the free flow of information online are associated with higher levels of women's workforce participation in Asia.

How then have rising internet use and the rapid growth of the digital economy helped increase the number of women in the region's workforce? Since the turn of the century the internet has increased the pace of knowledge and technology transfer across borders, helping to

If women are to participate equally in the digital economy, policymakers need to ensure that it is a safe space for women and that human rights apply online as they do offline

raise productivity. The World Bank estimates that a 10 percentage point increase in internet use is associated with a 0.77 percentage point increase in GDP growth in high-income countries and a 1.12 percentage point increase in low- and middle-income countries.

Between 2000 and 2016 average internet use in Asia increased by a staggering 47.7 percentage points. Increased output and productivity related to the internet and digitisation, combined with changing social attitudes towards women in the workforce, should translate into increased demand for women workers and higher women's workforce participation.

In low- and middle-income countries, digital platforms are helping micro-businesses to enter new, in some cases global, markets, and to supplement traditional sources of income. The rapid increase in the availability and use of mobile phones in the region reduces costs of obtaining information and other transactions, lowers the costs of

money transfer and financial services, improves access to credit, and helps women coordinate their work and family lives.

In both developed and developing economies, automation and skill-based technological change have increased the demand for 'brains' relative to 'brawn', and helped women to close participation and pay gaps. In developed economies, the internet also increases women's workforce participation by supporting teleworking and flexible work arrangements, and reducing the time spent on unpaid household labour.

Data on the positive relationship between internet use and women's workforce participation provide a number of important insights for policymakers in the region. Ambitious outcomes for the Regional Comprehensive Economic Partnership e-commerce chapter and World Trade Organization negotiations on trade-related aspects of e-commerce will be important to improve women's economic empowerment, building on the successful negotiation of the e-commerce chapter in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. Indeed, current e-commerce negotiations could provide the most important trade policy contribution to gender equality, relative to other negotiations underway.

Equally important will be maintaining risk-based approaches to cybersecurity, taking a multi-stakeholder approach to internet governance, adopting and using international standards for the digital economy, and maintaining a free and open internet. If women are to participate equally in the digital economy, policymakers need to ensure that it is a safe space for women and

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**China
realities**



Users in Jakarta listen as an instructor shows them how to use their new smartphones. The average level of internet use in Asian countries between 2000 and 2016 increased from around 6 per cent to almost 54 per cent of the population, a change driven largely by mobile phone penetration.

that human rights apply online as they do offline.

Policymakers should seek to place a gender perspective at the centre of national digital strategies and to implement policies that improve women's access to digital connectivity and skills. Women need to be able to contribute to the design and implementation of these policies through user- or citizen-centred processes to ensure that their needs, capabilities and preferences are taken into account. Improving the availability of gender-disaggregated ICT data can help policymakers to apply a gender lens to evidence-based digital policy design and evaluation,

and thereby improve digital inclusion.

Finally, country-specific factors such as cultural, religious and other value systems that influence women's participation in the workforce must be addressed. The challenge of bridging the digital divide in the region is not simply a matter of providing equal access to digital technology and skills, it is also about changing community attitudes and norms about the appropriate roles for women in society and the digital economy. **EAFO**

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