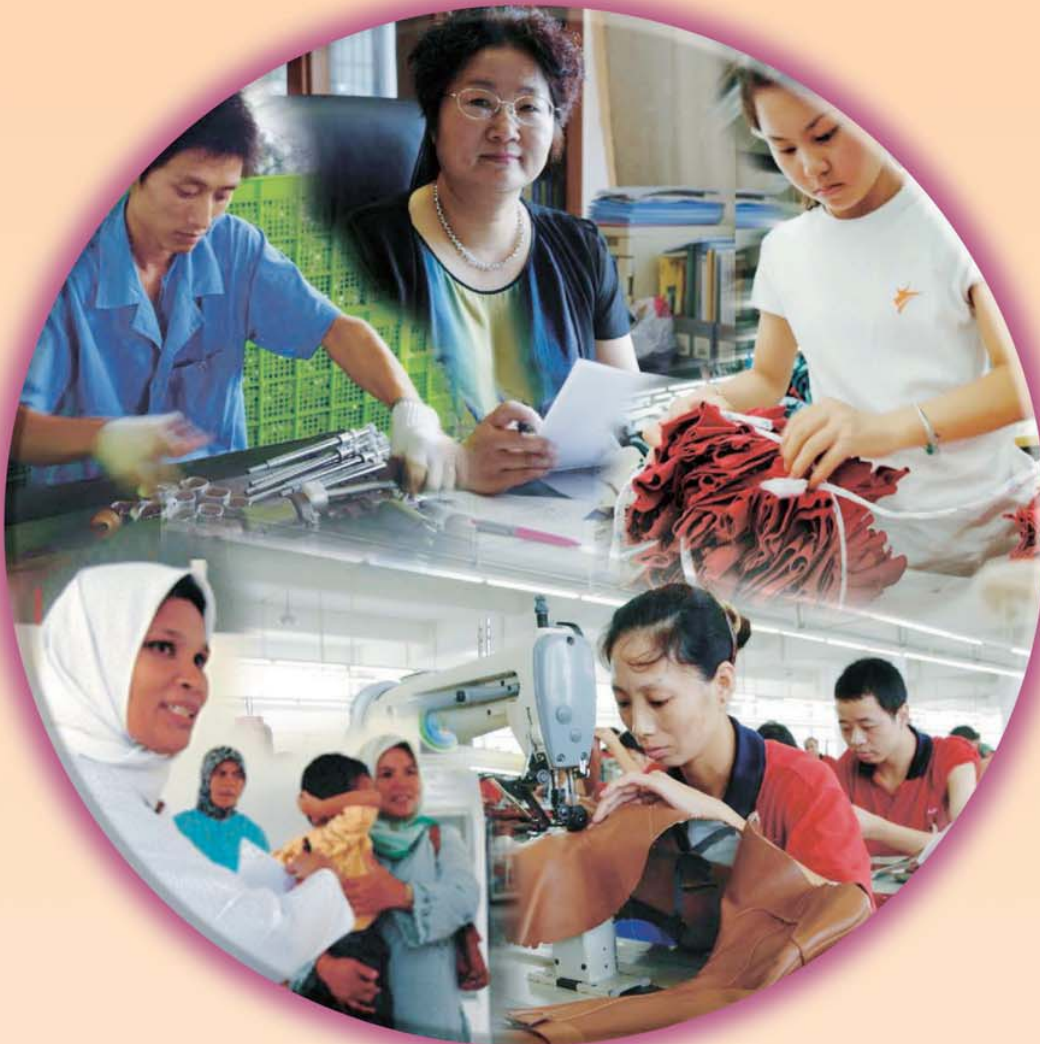


# Work, Income and Gender Equality in East Asia



International  
Labour  
Organization



Nelien Haspels and Eva Majurin  
Subregional Office for East Asia

# **Work, Income and Gender Equality in East Asia: Action Guide**

Nelien Haspels and Eva Majurin  
Subregional Office for East Asia  
International Labour Organization (ILO)  
Bangkok 2008

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## PREFACE

This guide aims to inspire action to solve the contradiction that exists between people's ideals on work, income and equality between women and men and the realities on the ground. Broad agreement has existed for over half a century that men and women are entitled to equal pay for work of equal value. Still inequality in pay and earnings among the sexes is one of the most pervasive forms of discrimination existing to varying degrees in all countries in the world. Why is this so? Why do women make up the majority of the world's poor? Why are they so numerous in the growing forms of low paying informal employment, unprotected and atypical work?

Increasingly, women from low-income families find themselves under pressure to earn income in addition to their unpaid responsibilities at home. If they are poor, have little education and have migrated for work, there are usually only a few female-dominated occupations to choose from and these pay relatively little. Even if women are well-educated and qualified, their chances to equal pay are often at risk because gender stereotypes and discrimination hinder their access to decision-making positions. This runs counter to the fundamental values of freedom, human dignity, social justice, security and non-discrimination that are essential for decent work and sustainable development in a globalizing world.

This guide advocates that gender equality, pay equity, maternity protection and a better work-family balance are not only good for national development and social harmony, but vital for effective and efficient use of human resources in national labour markets. Families, work places and societies are more prosperous when they reap the full potential and talents of all. It makes good business sense to reward workers on their merit and actual contribution, rather than their sex, race or other non job-related characteristics.

The manifestations of gender-based income inequality and the underlying causes may vary within and between countries, and change over time, even if many commonalities exist across cultures. In Asia, relatively little is known about income distribution in general and the gender pay gap in particular. Taking the situation in eight countries in East Asia as an entry point, this guide analyses employment and income outcomes for men and women, reviews labour market instruments and shares knowledge and tools for the promotion of gender equality and pay equity.

The creation of decent work for all and – as we underline here – a fair distribution of the income that men and women generate should be centre stage in all economic and social policies. It is hoped that this guide will assist ILO partners to promote income equality and help to eliminate poverty among women and men.



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The guide is dedicated to Toni Zaitun Mohamed Kasim who passed away so courageously. In memory of your lovely personality and untiring efforts to defend the human rights of those in need.



## 1. SUMMARY

The guide's focus is on realizing more equal and fair rewards for work between men and women during and beyond their working life. It is based on a desk review of international sources and English-language sources on eight countries in East Asia, including China and Hong Kong Special Administrative Region, Japan, the Republic of Korea, Malaysia, the Philippines, Singapore, Thailand and Viet Nam.

The guide provides updated information on the labour market and income position of women and men. It explains key concepts and reviews existing legal and policy measures and their effects in practice. It illustrates promising initiatives and provides a range of suggestions to explicitly address gender pay inequities and discrimination of women in the labour market and in social protection. It is hoped this will contribute to further in-country dialogue and action to promote decent work and fair incomes for women and men in line with countries' needs, priorities and aspirations.

Economies in the region have been growing fast over the past decade, and much of this growth is propelled by women workers. Female labour force participation rates are high and rising. As the current achievements in gender parity in education show, goals of gender equality are within reach and the prospect of decent jobs for all can become reality if driven by political commitment. So far, higher education of women does not automatically translate into more equal labour market outcomes between women and men and gender income gaps are pronounced in East Asia. This means that labour and gender actors in the region need to join hands and take more targeted and concerted action on the following fronts:

- *Gender and income equality at the centre of employment, economic and social policy.* Non-discrimination and fair income distribution goals are not an add-on luxury but should become an integral feature of all decent work promotion to achieve poverty reduction, economic effectiveness and social harmony.
- *Pay equity between the sexes.* Work needs to be valued on its merits not on the sex of the worker who performs it. There is a need for widespread recognition throughout the economy that different work can be of equal value and needs to be rewarded as such.
- *Better maternity protection and work-family balance.* The cost of bearing and rearing children falls mainly on women workers and this leads to considerable discrimination of women in employment. Maternity protection should be treated as a shared responsibility in society.

### 1.1 What do the data tell us

#### *...on the state of statistics*

Sound and specific information on the gender pay gap, the actual cost of women workers and the coverage of maternity protection at country level is sorely lacking. This dearth of information makes it difficult to design effective means to address pay inequities and provide equal opportunities and treatment to men and women at work. Instead, many labour market decisions are taken based on perceptions that women are less productive and more 'costly' employees than men, because of their child bearing and rearing responsibilities. This leads to considerable discrimination of working women and has many negative effects on their chances to earn a fair income. While it was difficult to find gender-specific information, it was even more problematic to find up-to-date reliable information in English on wage structures or reviews of the effects of pay determination systems among the labour force.

### ... on the labour market and equal pay

The eight countries vary widely in terms of stages of development, political systems and socio-cultural contexts. Overall their economic outlook is positive and substantial progress has been made in increasing educational opportunities for girls and women. The incidence of poverty has decreased significantly but income inequalities are on the rise.

Gender facts and figures in the labour markets in the eight countries are:

- *Labour Force Participation Rates (LFPR)* – Viet Nam, China and Thailand have among the highest female labour force participation rates in the world while these rates stand at around 50% in the other countries.
- *Horizontal and vertical occupational segregation* – Men and women are concentrated in different economic sectors and occupations, and at different levels in the job hierarchy. There is a clear tendency of women predominating in the “five C” jobs: caring, cashiering, catering, cleaning and clerical, often in informal employment. There are few women in higher positions in the public sector and even fewer in the private sector as evidenced by the small to very small number of female employers.
- *Gender pay gap* – The overall earned incomes of women compared to men’s show a pronounced gender pay gap in East Asia: less than or just half of men’s in Japan, Malaysia, the Republic of Korea and Singapore; around 60% of men’s in Hong Kong SAR, the Philippines and Thailand; and about two-thirds of men’s in China and Viet Nam. This is related to the high numbers of women among unpaid family workers and/or in agriculture in the region. The pay gap is marginally smaller in non-agricultural employment, for example, women’s wages as a percentage of men’s in manufacturing amount to below 60% in Japan and the Republic of Korea; below 65% in Hong Kong SAR, Malaysia and Singapore; and range between 70 and 80% in Thailand and the Philippines.
- *Evolution of the gender pay gap* – The trends are mixed. Generally, it has been slowly narrowing in recent decades in several countries in the region but it seems to be on the rise in China, including Hong Kong SAR and in Japan.
- *Variables influencing the gender pay gap* – Factors which were found to have a bearing on the gender pay gap in the region include:
  - age: the younger the women, the lower the pay gap as compared to men in the same age groups with younger women sometimes earning marginally more than men of the same age. The older the women, the wider the gap – from women’s late 20s and early 30s onwards, the age generally associated with child bearing and rearing
  - education: inconsistent relationship with data showing a positive effect on narrowing the gap in Hong Kong SAR and Japan but a negative effect in Singapore and Viet Nam
  - industrial sectors and occupations: significant pay variations between sectors and occupations in the countries, confirming that these are social or gender constructs
  - urban/rural: a wider gap in urban areas in Viet Nam and Thailand but the reverse is true in China
  - private/public sector and enterprise size: wider gaps in the private sector and in larger enterprises
  - informal/formal employment and migrant status: wider gaps in informal employment and among migrant workers.
  - discrimination: all research points to the effects of discrimination on the gender pay gap, as differences in quantifiable worker and workplace characteristics fail to fully explain gender pay differences.

### **... on the causes and effects of discrimination**

Econometric studies that aim to identify the causes of pay differences between men and women show that discrimination in employment negatively affects mostly women's income, even if estimations vary widely – attributing between 20 to 80% of the gender pay gap to discrimination. While the assumptions underlying the research methodologies of many of these studies are not without challenges, they serve to underline that employment discrimination will not disappear automatically if women and men have the same productive characteristics such as level of education and years of work experience.

Many smaller-scale studies confirmed that discriminatory labour market practices are shaped by ideas and perceptions on men's and women's position, status, capacities and responsibilities in the family, the workplace and society. Widespread discrimination of women at work exists due to their (potential) child bearing and rearing responsibilities. Gender stereotypes also abound among all labour market actors in terms of the types of jobs considered suitable for men and women workers and direct preferences for either (young) women or men in specific occupations.

Most men and women act accordingly and find a job in either male- or female-dominated occupations. Contrary to the widespread belief in the free choice of workers in selecting suitable work, this is known as the feedback effect of discrimination with workers adapting to discriminatory attitudes when looking for work and in workplaces. The result of these dynamics is that many women end up in the lower levels of the job hierarchy in occupations and economic sectors not protected by labour legislation.

### **... on the legal and policy environment for realizing equality at work**

At the international level, all eight countries have ratified the ILO Convention on equal remuneration and recent progress has been made with China ratifying the ILO Convention on non-discrimination in employment and occupation. However, four of the eight countries in the review, Japan, Malaysia, Singapore and Thailand, belong to the 14 ILO member States that have not yet ratified this international labour Convention, which sets standards on a fundamental principle and right at work. Only Japan and the Republic of Korea have ratified the Convention on workers with family responsibilities and none of the countries have ratified the ILO Conventions on maternity protection.

### ***Indirect discrimination not effectively covered in laws***

The constitutions of the eight countries include the principle of non-discrimination and equality for their citizens and labour laws in all countries except Malaysia and Singapore broadly prohibit discrimination between men and women in employment. This is reinforced in gender equality laws in several countries.

However, while direct discrimination on the ground of sex is mostly, if not entirely, prohibited by law, indirect discrimination is usually not covered – with the exception of the Sex Discrimination Ordinance (SDO) in Hong Kong SAR, which prohibits it explicitly. As a result, the many forms of indirect discrimination which exist in the region are considered to be unavoidable natural facts of life for working women that they just need to cope with and these are not recognized as social constructs which can change if people want to.

### ***Different work can be of equal value – ambiguous laws***

It was also found that key concepts such as equal remuneration, equal pay for work of equal value, and causes of the gender pay gap and discrimination are generally not well understood among labour institutions, managers and workers and in society at large. For example, equal remuneration for work of equal value is in many cases only applied to the same, or identical work, rather than work which is different but of equal value.

National legal provisions on equal remuneration between women and men are also generally limited to provisions for equal pay for the same or similar work. While general prohibitions of discrimination in the terms of employment in laws such as the Hong Kong Sex Discrimination Ordinance can be interpreted to include the principle of equal pay for work of equal value, explicit reference to the principle is made only in the labour laws of the Republic of Korea and the Philippines. However, even in these cases the legal meaning is more restricted than what is provided for in the ILO instrument.

### ***Protective measures tend to have negative effects on women's incomes***

Several countries have legal measures in place to protect women workers from jobs or work processes considered unsuitable or hazardous to them. Often, such protective law perpetuates a bias against women as the “weaker sex”, and denies them much-needed employment opportunities. Other legal measures oblige women to retire five years earlier than men. Especially, the regulations stipulating earlier retirement ages for women are outright discriminatory and have negative effects on women's access to higher level jobs and their incomes during and beyond their working lives.

### ***Inadequate maternity protection makes women workers more expensive***

Some form of maternity protection for women in formal employment is provided in all countries, but legislators make employers individually liable for providing most if not all of the maternity benefits for their female employees in many instances. Or, the participation in maternity insurance schemes is voluntary. This leads to widespread non-compliance, also by women workers themselves as they are afraid of dismissal.

### ***But, practical measures to promote equal pay are emerging***

In several countries, practical measures to promote equal pay between women and men are underway. Examples include: pilot initiatives to make job evaluation methods free from gender bias in the Republic of Korea and the Philippines; development of web based wage indicator tools in China and the Republic of Korea; tripartite action in the form of adopting guidelines and codes on fair employment practices including equal pay in Singapore; the development of guidelines on reducing gender pay disparities and on realizing work-life balance in Japan; and trade union advocacy on pay equity in the Philippines and the Asian region as a whole.

## **1.2 What action needs to be taken?**

### ***Ensure that investments in education pay off in the labour market***

Given the impressive advancements made in reaching gender parity in education up to the tertiary levels in the eight countries, it seems to be not only economically feasible, but an economic necessity from a cost-efficiency perspective to use these investments in countries' human capital wisely by expanding efforts to eliminate gender discrimination in employment and social protection. Gender equality is vital for effective labour markets and both women and men need to be fairly compensated for their economic contributions.

### ***Take comprehensive action on four fronts***

Effective gender equality promotion requires comprehensive action on pay equity, equality of opportunity and treatment in employment, a better work-family balance and maternity protection. Immediate priorities are measures to alleviate the costs of discrimination to workers, employers and societies.

### ***Address indirect discrimination and equal pay in the law***

It seems highly desirable to explicitly prohibit the many forms of hidden, indirect discrimination that are part and parcel of the employment experiences of so many women. The principle of



equal pay for work of equal value between men and women also needs to be better enshrined in national law. Discriminatory provisions such as unequal retirement ages for men and women need to be eliminated right away.

### ***Include pay equity and fair wages on every employment policy agenda***

There is a recent interest in wage distribution and the effects of wage fixing policies and mechanisms at the international level and in the region. This positive development is a promising opportunity for making equal pay between men and women a priority goal upfront. Pay equity should feature as an explicit item in data collection exercises and in developing pay determinations systems. In addition, there is a need to promote wage increases in female dominated jobs and occupations, as well as to provide minimum living wages for all workers and a basic income for all in need. Government should set the example by becoming a best practice pay equity employer, Social dialogue on pay equity should lead to the dual results of including practical measures for equality promotion in collective bargaining and sensitizing the ILO social partners on key gender equality concerns.

### ***Make maternity protection the joint responsibility of society as a whole***

The eight countries surveyed could make tangible, realistic progress on providing more effective maternity protection to all working women. Where schemes exist they need to be complied with. The provision of maternity benefits from contributory schemes where possible and from public funds where other means are not available would go a long way in better protecting women's child bearing contribution to societies. This social security benefit will amount to only a fraction of total social security costs to societies even when extended to all working women. Together with more effective means of prohibiting dismissal due to pregnancy, this will help to secure better employment and income options for women during their life time.

### ***Enable better work-family balance***

As long as there is no better balance between paid work and family responsibilities, women of reproductive age will have difficulties in finding and keeping good jobs. Women of all ages will continue to suffer from a double workload, be discriminated at work and lose out on income because of their family responsibilities. Fathers too have both the right and the responsibility to contribute their share of unpaid work. Both working fathers and mothers need to be provided with viable options to balance work and family responsibilities, otherwise more and more people will decide not to have children.

### ***Ensure effective support and enforcement mechanisms***

There is a need to step up the compliance with equality legislation. With the notable exception of Hong Kong's Equal Employment Opportunities Commission, few specialized institutional mechanisms are in place to promote, support, monitor and enforce the implementation of equality legislation in the employment and social protection fields. Innovative measures are called for to realize effective cooperation on gender equality and decent work promotion between labour ministries, employers' and workers' organizations, and women's machineries. Better collective bargaining mechanisms also need to be put in place; gender equality needs to feature on collective bargaining agenda's and women need to be part of the collective bargaining process.

### ***Take action now to achieve decent jobs and incomes for all***

The findings from the in-country studies show that the extent of gender equality and pay equity are not tied to the level of economic development because income and wage differentials between the sexes appear to the greatest in the more developed countries in the region. This confirms that there is no need to wait for a certain minimum level of economic development before action towards greater gender equality is taken.

Indications are that pay inequities tend to be on the increase and pay gaps will continue to exist as long as a focus on economic development is not matched with explicit gender equality goals. As the East Asia region is very dynamic and has enjoyed steady economic growth over the past decade, it is timely to take action against discrimination at work. A decent job and income for all is not an elusive goal, but a goal that can be realized in the foreseeable future, if all actors in the region commit to this purpose.

## 2. INTRODUCTION

### 2.1 Rationale

The international consensus is that productive employment and decent work for all form the foundation of sustainable development for all countries.<sup>1</sup> In a similar vein, international commitments to promoting equality between men and women continue to be made by governments<sup>2</sup> based on the realization that “gender equality promotion is not only the right but also the smart thing to do”.<sup>3</sup>

As part of the global and national campaigns to achieve the Millennium Development Goals related to gender equality promotion and women’s empowerment, the International Labour Organization (ILO) assists its member States to move towards the achievement of the four key gender equality objectives in the world of work, embodied in the international labour instruments on equal remuneration, non-discrimination in employment, maternity protection and workers with family responsibilities. The guide forms part of the follow-up to the 1998 Declaration on Fundamental Principles and Rights at Work and its Follow-up, in particular action to eliminate discrimination at work, and the 2008 Declaration on Social Justice for Fair Globalization.

Key international labour instruments for achieving gender equality at work are:

<b>Equal Remuneration Convention, 1951 (No. 100) &amp; Recommendation, 1951 (No. 90)</b>	
<b>Aims</b>	<b>Scope</b>
To ensure and promote equal remuneration for men and women for work of equal value	<ul style="list-style-type: none"> <li>All wages, emoluments and benefits arising out of a worker’s employment, whether paid in cash or in kind, paid directly or indirectly</li> </ul>
<b>Discrimination (Employment and Occupation) Convention, 1958 (No. 111) &amp; Recommendation, 1958 (No. 111)</b>	
<b>Aims</b>	<b>Scope</b>
To promote equality of opportunity and treatment in the workplace and eliminate discrimination in the world of work	<ul style="list-style-type: none"> <li>Access to vocational training and jobs, employment and working conditions, such as job security, equal pay and social security</li> <li>All employment stages: preparation, entry, work and exit</li> <li>All employed and self-employed workers, including own-account workers, enterprise owners and contributing family workers</li> </ul>
<b>Maternity Protection Convention, 2000 (No. 183) &amp; Recommendation, 2000 (No. 191)</b>	
<b>Aims</b>	<b>Scope</b>
To provide maternity protection for women at work	<ul style="list-style-type: none"> <li>All employed women, including those in atypical forms of dependent work</li> </ul>
<b>Workers with Family Responsibilities Convention, 1981 (No. 156) &amp; Recommendation, 1981 (No. 165)</b>	
<b>Aims</b>	<b>Scope</b>
To promote equality of rights between women and men in the workplace and eliminate discrimination in the world of work	<ul style="list-style-type: none"> <li>All sectors of economic activity and all categories of workers</li> <li>All men and women workers with family responsibilities</li> </ul>

<sup>1</sup> UN-ECOSOC (2006), *Ministerial declaration of the high-level segment submitted by the President of the Council on the basis of informal consultations*, Geneva, E/2006/L.8.

<sup>2</sup> Beijing Declaration at the 1995 Fourth World Conference of Women and Millennium Development Goal 3: Promote gender equality and empower women at the 2000 UN Millennium Summit.

<sup>3</sup> Speech of Juan Somavia, Director General of the ILO, Geneva, 8 March 1999.

At the 2004 International Labour Conference the ILO member States adopted a Resolution on Gender Equality, Pay Equity and Maternity Protection, calling for the elimination of all forms of gender discrimination<sup>4</sup> in the labour market and to promote gender equality between women and men by (among others):

- preventing discrimination in recruitment and at all levels of employment to overcome barriers to promotion
- eliminating pay differences based on gender
- promoting measures to better reconcile work and family life
- developing gender-sensitive social security schemes
- providing all employed women with access to maternity protection.<sup>5</sup>

Increasing numbers of women are entering the labour force almost everywhere, but women lack access to quality jobs and the gender pay gap continues to be a universal and persistent feature of labour markets. It is vital to address these pay inequities and ensure that women workers in the labour market are not penalized for their reproductive capacity and unduly burdened with the bulk of unpaid family responsibilities. This is particularly valid for families in the lower income brackets which can not resort to paid domestic work, and even more so in situations where families need at least two income earners to look after their members' basic needs and make ends meet.

Improvements in women's labour market position are not only indispensable to achieve real gender equality in the world of work, they are also essential to successful poverty alleviation strategies. It has become widely recognized that investment in women and their economic empowerment, especially among poor households, is significant for poverty reduction.<sup>6</sup> Increases in women's status and decreases in the number of people in poverty can not be expected as long as the labour market continues to value and compensate women's work less than the work of men.

Discrimination in employment between men and women is prohibited by law in most countries and equal pay between men and women is a goal shared by all of them, as shown by the wide ratification of Equal Remuneration Convention No. 100.<sup>7</sup> While many East Asian economies are characterized by relatively high levels of female labour force participation rates, women often occupy vulnerable jobs at the lowest level of the job hierarchy, and indications are that pay inequities between men and women are not or hardly decreasing in many countries and may be increasing in some of them.

While governmental and non-governmental institutions for the advancement of women actively pursue the elimination of gender discrimination in employment in most countries in East Asia, few commitments are made by the ILO constituents to apply gender mainstreaming strategies in the employment, labour and social protection fields with only a few notable exceptions. The reasons for this are manifold. There is a lack of knowledge, for example on the meaning

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<sup>4</sup> In recent years the term 'gender' is starting to replace the term 'sex' in day-to-day language. It is useful to distinguish between sex – biological functions which do not change – and gender – social roles and relations which can and do change all the time – and these distinctions apply in this guide. When referring to discrimination between men and women, most laws and legal texts use the term *sex discrimination*. However, some laws now also use the term *gender discrimination*. In this guide these terms are used interchangeably.

<sup>5</sup> ILO (2004), "Resolution concerning the promotion of gender equality, pay equity and maternity protection" in *Record of proceedings, Volume II*, International Labour Conference, 92<sup>nd</sup> Session, Geneva, GB.291/3.

<sup>6</sup> E.g. CEPAL (2003), *Social Outlook of Latin America, 2002-2003*, Santiago de Chile, p. 163; UNDP (2003), *Human Development Report 2003*, New York; WB (2001), *Engendering development – Through gender equality in rights, resources and voice*, and (2005), *Evaluating a decade of World Bank gender policy: 1990-1999*, Washington.

<sup>7</sup> Here and in the remainder of the text, specific ILO conventions or recommendations are referred to by their abbreviated title and their number or only their number for ease of reading and branding purposes.

of key concepts such as discrimination and work of equal value, and a dearth of sound labour market and wage information let alone disaggregated by sex. Gender stereotypes are entrenched in these societies, in their labour market institutions and employment practices. In addition, social dialogue and industrial relations systems in the region are not very robust, and both labour market institutions and mechanisms are heavily male-dominated at the senior levels. This leads to lack of women's voice in policy decision making and steering the direction of labour market institutions.

This guide, therefore, is a first step to share sound information and good practices on equality of opportunity and treatment and pay equity between men and women in the region so that labour market actors and gender advocates can more effectively promote decent work among all women and men in their societies.

## **2.2 Aims and outputs**

The guide aims to contribute to the elimination of gender discrimination in employment and social protection in East Asia. It is hoped that this will inspire ILO constituents, gender and research networks in participating countries in deciding what specific further analysis and action are needed in their country to develop policies, practical measures and mechanisms for the promotion of better work, income and equality for both sexes in line with national priorities, needs and development goals.

It is only through practical action and increased cooperation between labour and gender experts and networks that more effective policies and programmes can be designed and implemented for achieving better gender equality outcomes in the labour market. For this reason, it is hoped that joint efforts on setting in-country gender and decent work priorities will lead to the strengthening of tripartite labour and gender mechanisms for equality and decent work in East Asian countries.

The guide's immediate objectives are to increase capacities among ILO constituents and gender networks in East Asia to work towards the elimination of sex discrimination in employment and occupation, and progressively move towards the achievement of key gender equality objectives. The focus is on realizing more equal rewards for paid work, a minimum living wage to all employed and in need of protection, and the extension of adequate maternity protection to all working women.

## **2.3 Methodology and content**

The guide is based on a desk review of English sources on eight countries in East Asia and international sources. Consultations took place with the tripartite constituents and gender networks in Thailand and in China, including representatives from Hong Kong SAR, to validate the guides' findings and develop in-country action plans in line with national priorities and equality goals.

The guide is part of the long-term ILO commitment in the Asia and Pacific region to promote gender equality and non-discrimination by assisting member States in placing employment, decent work and social protection at the centre of economic and social policies. The ILO will continue to provide technical and financial assistance upon requests from its member States to build in-country capacities and facilitate regional and international sharing of experiences in this field.

Next Chapter 3 of the guide explains key concepts related to equal pay, discrimination and gender equality in employment as these concepts often have different meanings for people from different walks of life. The scope of international labour instruments such as the equal remuneration and the non-discrimination conventions is provided. It then looks further into the causes for the gender pay gap and employment discrimination with a view to develop common ground for the review of research findings.

Global and country-specific information in East Asia follows in Chapter 4 with an overview of the labour market situation of women and men, a review of studies on the gender pay gap and findings related to the cost of women workers in eight countries in East Asia: China and Hong Kong SAR, Japan, the Republic of Korea, Malaysia, the Philippines, Singapore, Thailand and Viet Nam. The regional perspective is based on a desk review of English-language sources.

Chapter 5 continues with setting out the legal and policy framework for equality promotion at work in the eight countries in terms of international commitments, national laws and institutional measures. A number of practical initiatives at the international and country levels are highlighted with a view to sharing good practices, tools and efforts by governments, employers' and workers' organizations, gender and trade union activists and research institutions.

Finally, Chapter 6 provides the main findings, conclusions and recommendations for further research and action.

Four briefing notes are included at the end of the guide. They comprise summaries of selected econometric studies on the gender pay gap that have been carried out in the region (Briefing Note 1), of job evaluation methods without gender bias (Briefing Note 2) and of the Wage Indicator tool (Briefing Note 3), as well as a glossary of key terms and concepts (Briefing Note 4).

Separate country chapters have been prepared for each of the countries covered in the desk review. These country chapters are made available together with the Guide in selected countries in national languages. The English versions can be made available upon request.

### 3. UNDERSTANDING EQUAL PAY AND GENDER INEQUALITIES<sup>8</sup>

*Equal remuneration between men and women for work of equal value* – in brief, *equal pay* or *pay equity*<sup>9</sup> – has been considered as an integral part of social justice by the ILO constituents since the start of the Organization.<sup>10</sup> In 1951, the ILO constituents adopted the first international labour instruments on the issue in the form of Convention No. 100 and Recommendation No. 90. In 1998, they included equal pay among the fundamental rights set out in the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, namely the elimination of discrimination in employment and occupation, freedom of association and the recognition of the right to collective bargaining, and the elimination of forced, compulsory and child labour.

These fundamental principles and rights at work were adopted by ILO member States for worldwide application in all countries irrespective of their level of development because they form the social ground rules to enable men and women to claim their fair share of the wealth that they help generate. These principles and rights lay the foundation for equitable social and economic development enabling countries to cope with the competitive pressures of global economic integration by creating a level-playing field and preventing a “race to the bottom”. Most recently, in the 2008 International Labour Conference, ILO member States adopted a Declaration on Social Justice for a Fair Globalization<sup>11</sup> which underlines the need to achieve the objectives of decent work, including a minimum living wage for all workers and a basic income to all in need of social protection.

However, while people, organizations and societies intuitively grasp the social justice of equal pay for work of equal value everywhere, the effective application of Convention No. 100 has proven to be challenging over the past decades and the pay gap between men and women is one of the most persistent forms of gender inequality. So what does Convention No. 100 say?

#### 3.1 Equal pay: Key concepts and scope

##### **ILO Equal Remuneration Convention No. 100**

The term “equal remuneration for men and women workers for work of equal value” refers to rates of remuneration established without discrimination based on sex.<sup>12</sup> In other words, sex discrimination with respect to remuneration occurs when the criteria for setting rates of remuneration are not based on the nature of the work and the actual contents of the job, but on the sex of the person doing the work and related gender stereotypes on what women and men can and cannot do. The Convention states:

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<sup>8</sup> Main sources are unless otherwise noted: ILO (2007), *Equal pay for work of equal value: An introductory guide*, Draft, Geneva; ILO (2007), *Equality at work: Tackling the challenges*, Geneva; ILO (2007), *ABC of women workers rights and gender equality*, 2<sup>nd</sup> Edition, Geneva; ILO (2003), *Time for equality at work*, Geneva; Constance Thomas (2001), *Equal remuneration for work of equal value: Celebrating the 50<sup>th</sup> anniversary of ILO Convention No. 100*, ILO, Geneva.

<sup>9</sup> In this Guide equal remuneration for work of equal value, pay equity and equal pay mean the same and are used interchangeably. For those interested in the finer distinctions, the term pay equity underlines that something extra needs to be done to redress the gap and enable women to earn the same as men for work of equal value, while equal pay has a stronger connotation with the fundamental and inalienable right of women to earn the same as men for work of equal value.

<sup>10</sup> Article 427 of the Treaty of Versailles.

<sup>11</sup> ILO (2008). A. Proposed ILO declaration on social justice for a fair globalization; B. Resolution on strengthening the ILO's capacity to assist its Members' efforts to reach its objectives in the context of globalization. International Labour Conference 97<sup>th</sup> Session, Geneva, 2008 Provisional Record PR No.13 A/B.

<sup>12</sup> Art. 1(b).



- the principle of equal remuneration applies not only to the basic wage or salary of the worker, but also to any additional benefits (for example, travel and food allowances, family allowances, clothing, bonuses and fringe benefits), whether paid in cash or in kind
- the Convention covers all workers and applies to all sectors (agriculture, manufacturing and services) of the economy, whether public or private, formal or informal
- men and women workers should receive equal remuneration not only for equal or similar work, but also for work of equal value. This, in effect, requires States to systematically compare the value of female-dominated jobs with that of male-dominated jobs.

A State which has ratified the Convention, commits itself to:

- *ensure* the implementation of the principle of equal remuneration for men and women for work of equal value in the public sector and in areas whether it is directly or indirectly involved in wage setting
- *promote* the principles of the Convention in the private sector and in areas where it does not directly or indirectly intervenes.

### Equal remuneration for all workers

Firstly, what does *remuneration* mean? According to Convention No. 100 remuneration includes the ordinary, basic or minimum wage or salary and any additional emoluments whatsoever payable directly or indirectly, whether in cash or in kind by the employer to the worker and arising out of the worker's employment.<sup>13</sup>

This broad definition is important because equality between men and women in terms of receiving the same basic or minimum wage is not enough given that this often amounts to a relatively small part of the total payment and benefit package that workers receive. Differences in contract types or in access to additional payments, such as bonuses, allowances or seniority implications in wage structures, often negatively affect women's real earnings.

The definition, therefore, includes *all payments and benefits* that arise out of the workers' employment such as overtime and bonus payments, wage differentials or increments based on seniority or marital status, cost-of-living allowances, shares in profits, housing or residential allowances, and family allowances paid by the employer, and benefits in kind such as the provision of a car or other means of transportation, the provision and laundering of work clothes or other fringe benefits.<sup>14</sup>

Secondly, the scope of Convention No. 100 extends to "*all workers*"<sup>15</sup> and is not limited to wage and salary earners in formal employment. National labour and wage legislation in countries tends to exclude workers in agriculture, in family enterprises and in domestic service from protection, even if these sectors include large numbers of female and male workers. In addition, in many countries the majority of workers is engaged in the informal economy in one or more flexible forms of wage and piece-rate (self-) employment in situations where an employer-employee relationship exists in practice but is not acknowledged legally. Many

<sup>13</sup> Art. 1(a).

<sup>14</sup> With regard to social security benefits, those financed partially or fully through contributory schemes by employers and employees are considered to be covered by the Convention, while those that are 100% financed from public funds are not.

<sup>15</sup> Art. 2(1).

women are found alongside men in such vulnerable forms of employment and in poverty, and therefore it is all the more important to extend the principle of equal remuneration to groups of workers in the informal economy.

### Gender pay gap<sup>16</sup>

The gender earnings or wage gap, or the gender pay gap, measures the difference between male and female average earnings and is usually expressed as a percentage or percentage point difference as follows:

- The *female-to-male earnings or wage ratio* is calculated by dividing women's earnings or wages by men's earnings or wages, multiplied by 100. For example, if women's average monthly wage is 3 units and men's is 5 units, then the female-to-male wage ratio is 3 divided by 5, amounting to 0.6 or 60% when expressed as a percentage. In this example, women earn 60% of what men earn
- The *gender pay gap* comprises the difference between the pay of men and women. For instance, in the above example, when women's average monthly average wage is 60% of men's average monthly wage, then the gender wage gap is 100 minus 60, and amounts to 40 percentage points.

The gender pay gap is measured in terms of differences in men's and women's earnings over a given time period – by hour, week, month or year. Usually, it refers to the ratio of the average<sup>17</sup> monthly or hourly earnings or wage rates of female and male paid employees across occupations in a given year:

- Generally, a focus on *monthly earnings* is useful for analysing labour market and poverty outcomes for larger groups of men and women, for example, when the monthly take-home pay can be compared with monthly expenditure statistics on the working poor.
- A focus on *hourly earnings* is more useful when comparing earnings of smaller groups of workers in similar types and levels of occupations or establishments, because it is more precise. Usually, the hourly gender pay gap is smaller than the gaps measured over longer time periods. This is because women as a group tend to work fewer hours for income than men in many countries, because they predominate in part-time and temporary employment.

As mentioned above, the Equal Remuneration Convention in principle applies to all workers. In today's labour markets it is therefore not sufficient to only look at the position of workers in formal wage employment. It is necessary to extend the analysis to the much larger groups of workers who earn income through informal employment, often not at an hourly rate but by piece rate, and who may have multiple low-productivity jobs for survival purposes. For this reason, gender gaps in earnings are increasingly measured by comparing average male and female incomes<sup>18</sup> in and across countries in terms of:

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<sup>16</sup> In this guide, the terms pay and earnings are used interchangeably, covering the income accrued to workers from their labour, including not only wage and salaried workers but also groups such as own-account and self-employed workers, employers and enterprise owners and contributing family workers. The term wage is reserved for income derived from paid employment to wage and salaried workers.

<sup>17</sup> Sometimes median wages are used instead of or in addition to average or mean wages. This is because the median – the middle of the distribution (i.e. half of the scores are above and half are below the median) – is less sensitive to outliers (extreme values) than the mean. Generally, if the mean and median are in a close range of each other, and there is a normal distribution, it can be assumed that the estimate of the pay gap is fairly accurate. If the mean and median are far apart, this may be explained by the effect of a few outliers, e.g. a small number of highly paid men or women (International Trade Union Confederation (ITUC) (2008), *The Global Pay Gap*).

<sup>18</sup> Income refers to the financial resources accruing to a person over time. Income can be both more and less than earnings or wages which derive from employment, e.g. more: financial resources from inheritances, or less: financial resources left over after taxation.

- wages from salaried work, i.e. remuneration in cash and kind paid to employees for work done together with remuneration for time not worked, such as annual vacation, other paid leave or holidays
- earnings from self-employment
- total earnings from both wage and self-employment.<sup>19</sup>

### Equal pay for work of equal value

Equal remuneration for work of equal value, or *pay equity*, refers to equal pay for:

- the same, identical or similar work
- work that is not the same but of equal value.

*Equal pay for equal work* means that similarly qualified women and men are paid the same when they perform the same or virtually the same work, in the same area of activity and in equivalent conditions. Sometimes, the scope is even more restrictive limiting equal pay for equal work to comparison of the same jobs within the same enterprise.

Agreement on providing men and women with the same pay for the same or similar work is by now almost universal, although discrimination in this regard still exists in law and in practice in some countries in Asia and worldwide. This is a clear sign of progress as compared to 50 years ago.

However, the principle of *equal pay for work of equal value* does not apply only to cases where men and women undertake the same work, but also to the more usual situation where they carry out different work. When men and women perform work that is different in content but of equal value, they should receive equal remuneration.

The concept of '*equal value*' is a cornerstone in eliminating pay inequalities because:

- men and women often perform different jobs under different conditions, and often in different workplaces, with many of them engaged in "men's and women's" jobs<sup>20</sup> respectively
- jobs held predominantly or exclusively by women tend to be undervalued and are characterized by less pay, status, authority and employment security. This means that the value attributed to these jobs is lower not because the jobs require less knowledge, less responsibility or less effort, but because the jobs are traditionally filled by women.

The extent to which different jobs consist of work of *equal value* is usually measured by analyzing and comparing the following job characteristics, such as:

- skills and qualifications gained through education, training or work experience
- physical, mental and psycho-social efforts
- duties and responsibilities in terms of using technology and equipment, and dealing with people and financial resources
- working conditions (physical, psychological and social).

<sup>19</sup> ILO (2007), *Equal pay for work of equal value: An introductory guide*, Draft, Geneva.

<sup>20</sup> Defined as occupations in which either men or women respectively comprise at least 80% of workers, in ILO (1998), *Gender and jobs: Sex segregation of occupations in the world*, Geneva.

### 3.2 Causes of the gender pay gap and discrimination

Pay inequalities between the sexes are influenced by actual differences between men and women workers, for example, in terms of years of schooling and age or work experience as well as less tangible ideas and perceptions on the status of men and women in the family, the labour market and society. These ideas and perceptions are based both on the biological differences between men and women, in particular women's reproductive capacity, and the different social or gender roles which are attributed to men and women in each society, and shape labour market outcomes for both sexes.

Generally the extent of the gender pay gap is determined by a combination of the following variables<sup>21</sup>:

- differences in *individual workers' characteristics* in terms of education, skills, age, work experience and job seniority – these are also known as productivity, personal or human capital characteristics. Many studies include a range of other variables such as race or ethnic origin, urban or rural residence, migrant or marital status, or number of workers' children as variables
- differences in *job characteristics*, covering issues such as number of hours of paid work, contract type, wage and pay structures such as piece and time rates, and job status and promotion
- differences in *firm or establishment characteristics* such as the type and size of establishments, economic sector, recruitment behaviour and work organization
- differences in the types and levels of jobs held by men and women – known as *occupational segregation by sex*
- effects of *direct and indirect types of discrimination* in the labour market, related to societal norms, values and stereotypes on what men and women can and can not do, and should and should not do
- differences in effects of *laws, policies and regulatory frameworks* and the *institutional environment*, which are shaped by these gender norms, values and stereotypes in each society; for example, the extent to which gender equality is enshrined in labour, social protection and industrial relations laws and practices, and in wage policies, tax and benefit systems, maternity protection and child care provisions, or representation of women in leadership positions.

The relative importance of these variables varies by country, economic sectors and occupations and over time, as further explained below.

#### Education, age and work experience

Pay equity research usually starts with analysing whether there are 'objective' differences in labour productivity between male and female workers. The most common proxy indicators<sup>22</sup> generally used for measuring labour productivity in such research are levels of education and age, the latter often itself a proxy for years of work experience and/or job seniority. When women have had less access to relevant education and training, and have had fewer years of work experience and shorter careers than men, this certainly explains gender pay differences.

<sup>21</sup> Adapted from: ILO (2007), *Equality at work, Tackling the challenges*, Geneva, p. 73; and Commission of the European Communities (2007), *Tackling the pay gap between women and men*, Brussels, p. 16.

<sup>22</sup> A proxy indicator is a substitute measurement which is used in cases where information on a certain indicator is not available.

In recent years, however, the situation has changed drastically in the field of education, especially in the fast developing economies in East Asia. Differences in access to education used to be prominent in the past, when many girls suffered discrimination because parents, institutions and societies provided them with fewer opportunities to education and training. It is clear that lack of qualifications diminishes the chance to get a well-paying job. However, discrimination in education is becoming less common in most countries in East Asia although a preference to invest in boys' education still exists when educational opportunities are scarce. In countries where there has not been enough investment in the provision of education for all at the primary, secondary and tertiary levels, girls' enrolment rates still lag behind boys', for example, in rural or more isolated regions, and among vulnerable groups such as indigenous people, migrants or other population groups in poverty.

Besides education, the variables years of work experience and job tenure need to be taken into account in any pay equity study as their effects vary. In some countries and occupational categories, years of work experience and seniority count and lead to automatic pay increases, for example, in public sector organizations and larger private sector enterprises. In other types of work, usually at the lower levels of the job hierarchy, for example on the assembly line, years of work may not be associated with productivity increases and thereby higher pay for workers. In such cases, pay may be determined on output such as piece rates, and the years of work experience may be irrelevant.

#### **“Men’s and women’s” jobs: Occupational segregation by sex**

As mentioned above, in most countries men and women workers are concentrated in jobs that are perceived as either “men’s” or “women’s” jobs. This type of occupational segregation exists in labour markets around the world to varying levels although the extent and the types of job which are characterized as female- or male-dominated vary from one country and region to another. For example, trading is done almost exclusively by men in some countries while in other countries it is the domain of women. This shows that what are considered suitable jobs and occupations for women and men respectively are a social construct.

Nevertheless, striking commonalities between countries are: Female jobs are found in the lower levels of the job hierarchy, and female-dominated occupational categories commonly reflect traditional female roles and gender stereotypes in the domestic and sexual spheres. Women are typically found in the care economy and are concentrated in the five C occupations: caring, cashiering, catering, cleaning and clerical.<sup>23</sup>

Universal characteristics of the male-female job divide are:

- The number of occupations available to women is much smaller than those available to men – known as *horizontal job segregation by sex*. There are around seven times as many ‘male’ as ‘female’ occupations. Women also tend to occupy lower ranks than men in the job hierarchy – known as *vertical job segregation by sex*.
- The types and levels of jobs mainly held by men as compared to those mainly held by women usually have more status and substantially higher pay rates. Women predominate in jobs and economic sectors with lower pay than men and at lower levels of the job hierarchy, irrespective of their individual abilities.<sup>24</sup>

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<sup>23</sup> ILO (2007), *Global Employment Trends for Women Brief*, p. 12.

<sup>24</sup> Richard Anker (1998), *Gender and jobs: Sex segregation of occupations in the world*, ILO Geneva, and Linda Wirth, (2001 and 2004 update), *Breaking through the glass ceiling: Women in management*, ILO Geneva.

Due to the more limited number of occupations available to women there tends to be an oversupply of female job seekers or 'overcrowding' of women in certain occupations. This compromises women's bargaining power and suppresses their wages as employers can choose from amongst an abundance of candidates.

### Hours of work

Women in the countries under review tend to shoulder primary responsibility for household duties and family responsibilities, and, worldwide, women spend more hours than men on these tasks according to time-use studies.<sup>25</sup> Women increasingly combine these unpaid "care" duties with earning income. Whenever they are the sole or main income earner in their family this often leads to very long working hours. In other cases, if affordable and available, women may resort to jobs with "reasonable working hours". They take part-time jobs, are not available for overtime work or may have to interrupt work for shorter or longer periods to take care of family emergencies. As a result, women make up the majority of part-time workers and they may also predominate in temporary employment in many countries. Part-time and temporary jobs are usually characterized by lower earnings and other job benefits during working life and lower income security during old age.

It is often assumed that women with family responsibilities work part-time voluntarily, because they form the majority of workers in this category in many countries. While part-time work may be a viable, voluntary option for high income male and female workers with family responsibilities, this is not the case for many workers. Where part-time work has been rising among women, it appears to be increasingly involuntarily.<sup>26</sup> Asian fathers also report to start experiencing the "conflicting pulls of career and home that have long bedeviled working women."<sup>27</sup>

### Discrimination

Another reason for persisting pay inequities between men and women in the labour market is the discrimination that many girls and women face throughout their life cycle. Many different types of discrimination can be distinguished in the legal and labour economics fields. The concept of discrimination is often controversial as those who discriminate feel it does not exist or is justifiable while those who suffer from it have the opposite view. For this reason, different types of discrimination and their manifestations in pay inequalities are briefly explained below.

Discrimination is defined in the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), as "any distinction, exclusion or preference based on race, colour, sex, religion, political opinion, national extraction or social origin<sup>28</sup> which nullifies or impairs equality of opportunity or treatment in employment or occupation."<sup>29</sup> In other words, discrimination at work is a difference in work-related opportunity or treatment for which there is no objective or legitimate justification. Pay discrimination occurs when two persons of the same merit but of a different race, colour, sex, descent or origin are paid different salaries for the same job or a job of equal value.

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<sup>25</sup> UNDP (2007), Human Development Report 2007/2008; UNDP (2006), Human Development Report 2006.

<sup>26</sup> ILO (2003), *Time for equality at work*, Geneva.

<sup>27</sup> Liam Fitzpatrick (2007), "Dads' dilemma". Time. 16 April.

<sup>28</sup> National extraction covers distinctions made on the basis of the place of birth, ancestry or foreign origin of citizens in a country. Discrimination on the basis of social origin arises when an individual's membership in a class, socio-occupational category – such as farmers – or a caste determines his or her occupational future. ILO (1988), *Equality in Employment and Occupation*, General Survey by the Committee of Experts on the Application of Conventions and Recommendations, International Labour Conference, 75<sup>th</sup> Session, Geneva, pp. 32 and 53.

<sup>29</sup> Art. 1(a).



**What is not discrimination.** Evidence of productivity or prior qualifications related to the inherent requirements of a job may be a legitimate reason to pay one person more than another one. Generally, employment or hiring practices are not considered to be discriminatory when:

- they are based on the actual or real requirements of a job
- they are meant to protect women's and men's reproductive function and maternal health
- they are meant to promote equality by affirmative or positive action. These are temporary measures to redress the effects of past or continuing discrimination and to create a level-playing field.

Discrimination can exist in laws or regulations – also known as *de jure* – and/or exist in reality and in practice – known as *de facto*. A labour code stipulating that women shall receive less pay than men because of their sex is *de jure* discrimination, whereas the actual practice of paying women less is *de facto* discrimination. It is also useful to distinguish between direct and indirect discrimination.

**Direct discrimination** exists when unequal treatment between workers of different race, colour, sex or any other ground stems directly from laws, rules or practices making an explicit difference between workers on these grounds. For example, a labour law stipulating that internal rural migrants shall receive less pay in cities than the residents of these cities or legislation which allows men but not women to sign contracts or own property.

When women started to enter the labour force, they were, in general, paid less than men. At one time, in many countries this was an explicit policy. This was not based on evidence that they were less productive than men but on the assumption that they did not need to earn a “living wage” as their husbands were the main “breadwinners”, and women were only “secondary earners”. This idea is still common in many countries, especially among the elites and the middle classes, even if women have entered the labour force in increasing numbers and low income women, even those with a working spouse, have never had the luxury to decide not to work.

As mentioned earlier, explicit laws or policies which stipulate different pay rates for workers on the grounds of their sex for the same or similar jobs have been discontinued almost everywhere, although they still exist. For example, in some collective bargaining agreements in agriculture in a few countries, sex continues to be a major criterion for determining wage rates. In some Asian countries, direct pay discrimination is still laid down in the law with regard to the payment of additional benefits and allowances, such as family allowances, fringe benefits, travel allowances, clothing, etc. For example, in Indonesia legislation still provides that family allowances should be paid to the breadwinner, with the law defining the breadwinner as the male head of household, thereby excluding women from receiving such allowances.<sup>30</sup> Similarly in Lao PDR<sup>31</sup> family allowances are paid to married male public servants but not to married female public servants.

In *actual employment practice, direct discrimination is still quite common*. Explicit or direct ‘taste’ discrimination often occurs where employers select women for jobs only in fields where they consider that (young) women have a competitive advantage, for example because of their service mentality or customer preferences for women. Common gender stereotypes to justify women's lower pay are:

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<sup>30</sup> ILO Committee of Experts on the Application of Conventions and Recommendations (ILO CEACR) (2007), *Individual Direct Request concerning Equal Remuneration Convention, 1951 (No. 100), Indonesia (ratification: 1958)*, CEACR 2007/78<sup>th</sup> Session.

<sup>31</sup> Ministry of Labour and Social Welfare, EDC and ILO Bangkok (2008), *Report of National Seminar on Equal Pay and Non-Discrimination at Work in Lao PDR*.



- Physical characteristics:
  - Men have more physical strength and women are weak
  - (Young) women have 'sharp eyes', nimble fingers and are better in carrying out monotonous and repetitive tasks
- Mental orientation:
  - Men are rational, women are emotional and jobs require rational rather than emotional skills
  - Women have a natural aptitude to provide services and care
  - Men are natural leaders and women are not good in decision-making
  - Female workers are not as reliable, consistent or committed as male workers, because women's mind is at home and not at work while work is the first priority for men.

In relation to the latter gender stereotype, the cost of child bearing and women's absence from work during maternity leave, often lead to actual direct discrimination in employment, including lower pay rates. Many employers are reported to be reluctant to employ women with family responsibilities because of the perceived higher costs of women due to their unpaid household and family responsibilities, because these are considered to lead to:

- higher absenteeism of women
- less ability to work overtime
- lower commitment to and interest in work.

These perceptions are not backed up by hard evidence and have proven to be invalid in many situations but still shape the labour market experiences of many women.

**Indirect discrimination** refers to rules and practices which appear neutral but in practice lead to disadvantages primarily suffered by persons of one sex, race, colour or other characteristics. Indirect sex discrimination happens when rules and practices which appear gender neutral lead in practice to disadvantages for one sex. The classical example is the setting of requirements for managerial or secretarial jobs which are irrelevant to job performance such as height or weight levels that typically only people of one sex, race or colour can meet. Indirect discrimination is often not evident at first glance, but only after analysis of the effects of legal provisions, policies or practices on various groups of workers. Statistics play a vital role in establishing or disproving indirect discrimination<sup>32</sup> as hard data can provide the evidence that an employment practice has an adverse impact on one group and not another.

Indirect discrimination in law and/or in practice is still quite common when men and women do different jobs of equal value through setting a different wage per hour, or using a different salary or payment system depending on whether the work is done by women or men. For example, at a shrimp factory in a South Asian country, men lifted and shuffled the shrimps on the working table, and women compared shrimps and arranged them according to weight. It was explained that the men were paid more because of the physical nature of their job, even if the women's tasks required more skill and responsibility. In the public sector in a South East Asian country, nursing attendants caring for sick people were reported to be paid less than motor pool supervisors in charge of the dispatch of drivers and vehicles.<sup>33</sup>

Indirect wage discrimination is also very common because existing job classifications and job grading systems and the corresponding pay scales often contain gender bias due to the

<sup>32</sup> Constance Thomas and Rachel Taylor (1994), *Enforcement of equality provisions for women workers*, ILO, Geneva.

<sup>33</sup> *Pay equity now*, A joint campaign of the Public Service International (PSI) Philippine Affiliates, Flyer.

undervaluation of typically 'female' jobs. For example, women's productivity may be considered less because caring skills and multi-tasking in typically female jobs such as nursing and domestic work are not visible and go unrecognized.

Other examples of indirect sex discrimination are:

- when men and women do the same work but under different job titles with the jobs with female titles earning less than the jobs with male titles. For example, in the UK,<sup>34</sup> salesman, assistant manager, technician and information manager are common job titles for men while their female lower-pay equivalents are: shop assistant, manager's assistant (personal assistant in East Asia), operator and librarian
- when certain categories of work in which women predominate such as domestic work or agriculture are excluded from labour and/or social protection provisions
- when women as a group predominate in part-time work and lower pay rates have been established for part-time as compared to full-time work
- when women as a group have less access in practice to overtime pay or bonuses in the form of merit payments or seniority pay
- when women as a group have less bargaining power than men as women predominate in unorganized sectors.

Finally, it needs to be pointed out that discrimination usually does not come as a stand-alone event and tends to have strong feedback effects. Gender stereotypes on employment choices and suitable jobs for women and men do not exist only on the sides of employers and customers. Parents, training and career guidance institutions such as employment services stream young women in occupations considered suitable to them and many young women tend to go with the flow. This is interpreted by some as a sign of non-discrimination as if women make individual free choices in accepting second class type of work. Others consider that free choice has little to do with such decisions but that women per force have to adapt to gender biases in the labour market. In other words, information about and/or experience with labour market discrimination are internalized and shape the training and job choices of women and men.<sup>35</sup>

### **Equality of opportunity and treatment**

Convention No. 111 calls on member States to declare and pursue a national policy to promote equality of opportunity and treatment in employment and occupation. The meaning of these concepts is as follows:

- Equal opportunity means having an equal chance to apply for a job, to attend education or training, to be eligible to attain certain qualifications and to be considered as a worker or for a promotion in all occupations or positions, including those dominated by one sex or the other.
- Equal treatment refers to equal entitlements in pay, working conditions, security of employment, reconciliation between work and family life, and social protection.
- The reference to both employment and occupation means that protection from discrimination is provided not only to employees but also to other parts of the labour force, such as own-account or self-employed workers, owners of enterprises and unpaid family workers.

The promotion of equality in employment goes beyond the prohibition of discrimination and Convention No. 111 calls for a more pro-active approach. It requires continuous efforts,

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<sup>34</sup> Equal Opportunities Commission: "Are you providing equal pay? Information for employers" in ILO (2007), *Equal pay for work of equal value, An introductory guide* (draft), Geneva.

<sup>35</sup> Damian Grimshaw and Jill Rubery (March 2002), *The adjusted gender pay gap: A critical appraisal of standard decomposition techniques*, Manchester, UK, pp. 27-28.

including the implementation of concrete, adequately resourced measures and regular monitoring and evaluation.<sup>36</sup>

### 3.3 Poverty, pay equity and minimum wage

Another subject relevant to the pay equity debate is the effect of minimum wage policies on the number of men and women who live around the poverty line. Women's access to a minimum wage may mean the difference between living in poverty and making a decent living, because women are often represented disproportionately among the poor. Data from 2004 indicate that around 60% of the world's working poor were women – 330 million of the total number of 550 million estimated working poor in the world.<sup>37</sup> It has therefore been argued that the adoption of minimum wage policies is very relevant to women workers in poverty,<sup>38</sup> because minimum wage policies set a floor for the wage structure. This protects low wage earners and improves the earnings of those disproportionately represented at the bottom of the occupational hierarchy where many women are found.

The challenges and opportunities of adopting a minimum wage and its effectiveness as a measure to increase wages of low income earners above critical poverty levels and to narrow the pay gap between men and women among low income groups need to be further explored. Minimum wage policies are sometimes considered irrelevant to the self-employed, many of whom are women in the informal economy. However, some evidence exists that a minimum wage has the merit of setting a reference target for informal economy workers. Empirical data also show that in industrialized countries, minimum wage standards help to reduce wage spread and compress the pay structure, and that women benefit the most from these policies. In developing countries the evidence is less clear.<sup>39</sup>

Before we turn to an analysis of labour laws, policies and institutions, the next chapter provides an overview of facts and figures on the position of men and women in the labour market, pay equity and maternity protection in East Asia.

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<sup>36</sup> ILO Geneva (2007), *ABC of women workers' rights and gender equality*, Second edition.

<sup>37</sup> ILO Geneva (2004), *Global Employment Trends for Women*, p. 15.

<sup>38</sup> Jill Rubery (2002), *Pay equity, minimum wage and equality at work*, Manchester Background Paper for Time for Equality at Work, ILO Geneva, 2003.

<sup>39</sup> ILO (2003), *Time for Equality at Work*, p. 56.

## 4. EMPLOYMENT AND EQUAL PAY IN EAST ASIA

This regional overview summarizes trends in key gender equality variables in the labour market with a focus on pay equity in eight countries in East Asia, including China and Hong Kong SAR, Japan, the Republic of Korea, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam.

These countries represent a diverse range of political systems and socio-cultural contexts, and differing degrees of economic development. Despite these differences, common features are that their economies have been growing fast and substantive progress has been made in poverty reduction in many of them over the past decades. However, income inequalities within these countries tend to be on the rise.

The situation of East Asian women has progressed in terms of economic opportunities, as reflected in the rise in the labour force participation of women in all of the countries covered. Progress has also been made in terms of legal protection of women's rights and the guaranteeing of equal opportunities for men and women.

Still, gender inequality remains firmly entrenched in all of the surveyed countries. In the labour market, the undervaluation of women and their skills, and the lack of equal opportunities and of supporting institutions remain a problem. The majority of women works in a much narrower range of occupations than men in low-skilled and low-paid jobs which are often not protected by labour legislation. It is also reflected in continuing pay inequity, due both to differences in women's and men's employment situations and to pay discrimination resulting in unequal pay for equal work and for work of equal value.

While up-to-date, reliable and representative data on many of the variables which can reveal the extent and forms of such gender inequities are scarce, the data that were available from sources in English for the countries covered are documented for the following areas:

- the different labour market situations of men and women in terms of labour force participation rates, employment status, sectoral trends and occupational segregation by sex, and part-time, irregular and informal work
- the gender pay gap, covering the extent, size and type of pay differentials and their evolution in general and for specific variables such as age, educational level, occupation, geographical location, type of enterprise and migrant status
- the determinants of the pay gap, summarising the results of econometric studies which attempt to determine the relative weight of different variables in shaping the gender pay gap.

### 4.1 Socio-economic context

#### Economic growth

The East Asian region is diverse in terms of economic performance, comprising both countries which are among the wealthiest in the world with GDP per capita measures which place them on par or above the OECD average as well as countries whose GDP per capita ranks lower than the developing country average (see Table 1).

Although growth rates vary, as shown in Figure 1, in all of the countries in this study with the exception of Japan and the Philippines, the annual growth rate of GDP per capita between 1990 and 2005 was higher than the OECD average of 1.8% per year despite adversities such as the Asian financial crisis of 1997/8, with particularly high rates for China (8.8%), Viet Nam (5.9%), and the Republic of Korea (4.5%).

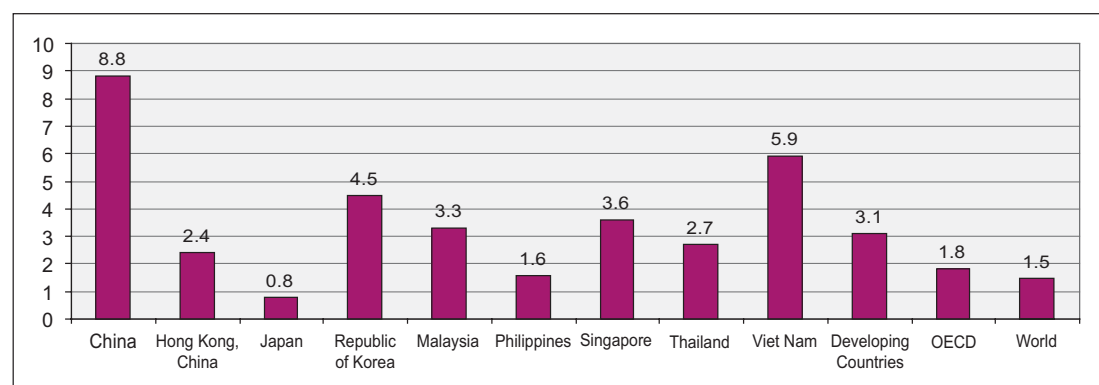
**Table 1: GDP and GDP per Capita, 2005**

Country	GDP (US\$ billions), 2005	GDP per Capita (PPP* US\$ billions), 2005
China	2,234.3	6,757
Hong Kong, China	177.7	34,833
Japan	4,534.0	31,267
Republic of Korea	787.6	22,029
Malaysia	130.3	10,882
Philippines	99.0	5,137
Singapore	116.8	29,663
Thailand	176.6	8,677
Viet Nam	52.4	3,071
Developing Countries	9,812.5T**	5,282
OECD	34,851.2T**	29,197
World	44,155.7T**	9,543

\*PPP: Purchasing power parity. \*\*T: Total.

Source: UNDP (2007), *Human Development Report 2007/2008*, human development indicator tables.

**Figure 1: Annual Growth Rate (%), GDP per Capita, 1990-2005**



Source: UNDP (2007), *Human Development Report 2007/2008*, human development indicator tables.

### Poverty and income inequality

In line with economic growth, although the extent of the change varies, the incidence of poverty has also dropped in all of the countries in the study over recent decades. For example, as defined by the 1 US\$/day benchmark, poverty fell from 12.5% in 1990 to 5.2% in 2000 in Thailand, from 19.1% in 1990 to 11.5% in 2002 in the Philippines, and from 32.9% in 1990 to 17.8% in 2000 in China.<sup>40</sup> In Viet Nam, similarly, the poverty rate fell from 58.1% in 1993 to 24.1% in 2004 as measured by an international poverty line based on essential food expenditure and non-food expenditure.<sup>41</sup>

This pattern is not always linear, however. In the Philippines, for example, poverty (as measured by the national poverty line) decreased between 1980 and 1997, dropping from 44.2% to

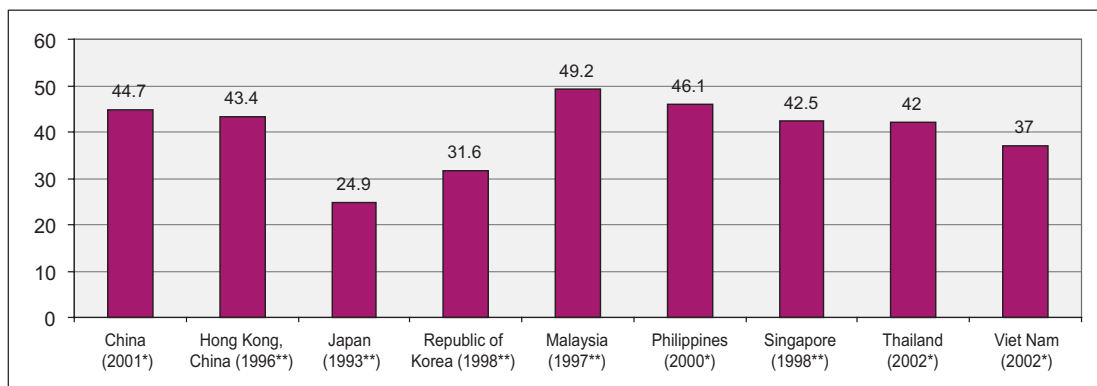
<sup>40</sup> Thailand: United Nations Country Team (Thailand) and Office of the National Economic and Social Development Board (NESDB) (2004), *Thailand Millennium Development Goals Report 2004*; Philippines: Asian Development Bank (2005), *Poverty in the Philippines: Income, Assets, and Access*, China: China Development Research Foundation and UNDP (2005), *China Human Development Report – Development with Equity*.

<sup>41</sup> Socialist Republic of Viet Nam (2005), *Viet Nam – Achieving the Millennium Development Goals*.

31.8%, but started to increase again in the aftermath of the Asian financial crisis (rising to 33.7% in 2000).<sup>42</sup>

While poverty is on the decrease in most countries in the region, the overall inequality in income and wealth distribution is on the rise. The most up-to-date comparable figures for the Gini coefficient<sup>43</sup> in the countries covered are given in Figure 2:

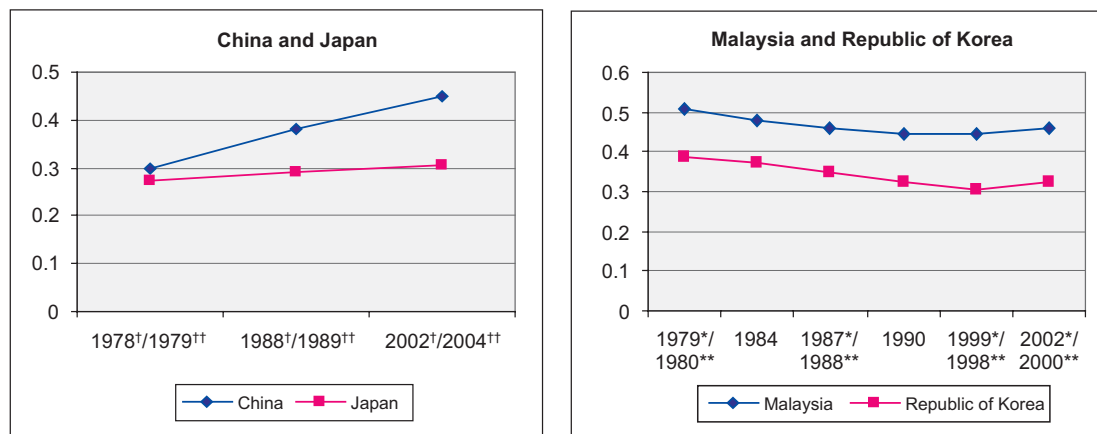
**Figure 2: Gini Coefficient, Various Years**



Note: \* Denotes expenditure-based data, \*\* Denotes income-based data.

Source: World Bank (2006), *World Development Indicators 2006*.

**Figure 3: Trends in the Gini Coefficient, China and Japan, Republic of Korea and Malaysia**



Sources: Japan: *The Economist*, June 17<sup>th</sup> 2006; China: UNDP (2005), *China Human Development Report – Development with Equity*; Republic of Korea: Based on figures from Kang and Yun, 2003; Malaysia: UN and Economic Planning Unit, 2005, op. cit. Note: † years for China; †† years for Japan; \* years for Malaysia; \*\* years for Republic of Korea.

In several of the countries in the study, inequality has fallen, but the level is still high: in 2000-2001, both Malaysia and the Philippines had a Gini coefficient of 0.461.<sup>44</sup> In others, inequality has risen, and continues to do so. As shown in Figure 3, in Japan, where inequality was traditionally low, it has increased steadily during the past two decades, and the same is true

<sup>42</sup> Asian Development Bank (2005), *Poverty in the Philippines: Income, Assets, and Access*.

<sup>43</sup> The Gini coefficient is a measure of inequality in income and wealth distribution. It ranges between 0, which represents perfect equality, and 1, which represents perfect inequality.

<sup>44</sup> Malaysia: United Nations and Economic Planning Unit, Prime Minister’s Department (Malaysia) (2005), *Malaysia: Achieving the MDGs – Successes and Challenges*; Philippines: UNDP (2005), *Human Development Report*.

for China. Figure 3 also shows that while inequality continued to decrease over many decades in Malaysia and the Republic of Korea, in recent years there has been a reversal in the trend, characterized by a rise in the Gini coefficient.

An analysis of changes in global pay gaps among 12 million workers in 61 countries from 2006 to 2007 found that China, Thailand and Viet Nam top the global rankings for pay differences between managers and clerical workers.<sup>45</sup>

### Population, human development and gender equality

In some countries, population figures reflect continuing discrimination against women and girls. Female foeticide is reported to be decreasing, but its occurrence is still high in some countries, leading to skewed sex-ratios at birth: in China, 120 boys were born for every 100 girls in 2005; in Viet Nam and the Republic of Korea, the corresponding figures in 2007 were 110 and 107.4.<sup>46</sup>

**Table 2: Population, 2007**

	Total ('000s)	Female ('000s)	Female share
China	1,328,630	642,477	48.4
Hong Kong, China	7,206	3,752	52.1
Japan	127,967	65,495	51.2
Republic of Korea	48,224	24,127	50.0
Malaysia	26,572	13,075	49.2
Philippines	87,960	43,668	49.6
Singapore	4,436	2,204	49.7
Thailand	63,884	32,779	51.3
Viet Nam	87,375	43,688	50.0

Source: UN, World Population Prospects 2006 Revision Database.

Human development measures based on combined averages of selected human development variables such as the Human Development Index (HDI)<sup>47</sup>, the Gender-related Development index (GDI)<sup>48</sup> and the Gender Empowerment Measure (GEM)<sup>49</sup> show the variation in the region both in terms of general human development, and in terms of gender equality in human development and empowerment.

<sup>45</sup> Hay Group (2008), Emerging Asian economies lead Global Pay Gap Rankings, Singapore, 7 May.

<sup>46</sup> Choe Sang-Hun (2007), "Girls find favour in South Korea", *Bangkok Post*, December 24.

<sup>47</sup> The Human Development Index (HDI) is a summary measure of human development which measures the average achievements of a country in three basic dimensions of human development: life expectancy at birth; the adult literacy rate and combined primary, secondary and tertiary gross enrolment ratios; and GDP per capita in purchasing power parity terms.

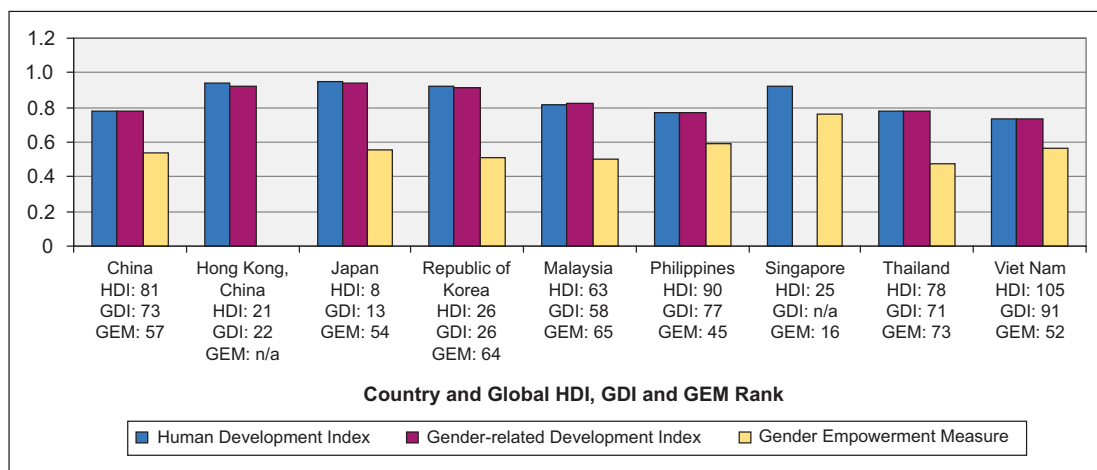
<sup>48</sup> The Gender-related Development Index (GDI) adjusts the average achievement of countries to reflect the inequalities between women and men in the same three areas (life expectancy, knowledge as reflected by literacy and education, and income).

<sup>49</sup> The Gender Empowerment Measure (GEM) goes beyond these basic indicators and sets a higher benchmark for gender equality by measuring the opportunities that women and men have access to in three areas: political participation and decision-making power as measured by women's and men's percentage shares of parliamentary seats; economic participation and decision-making as measured by women's and men's share of (i) positions as legislators, senior officials and managers and (ii) professional and technical positions; and power over economic resources, as measured by women's and men's estimated earned income.



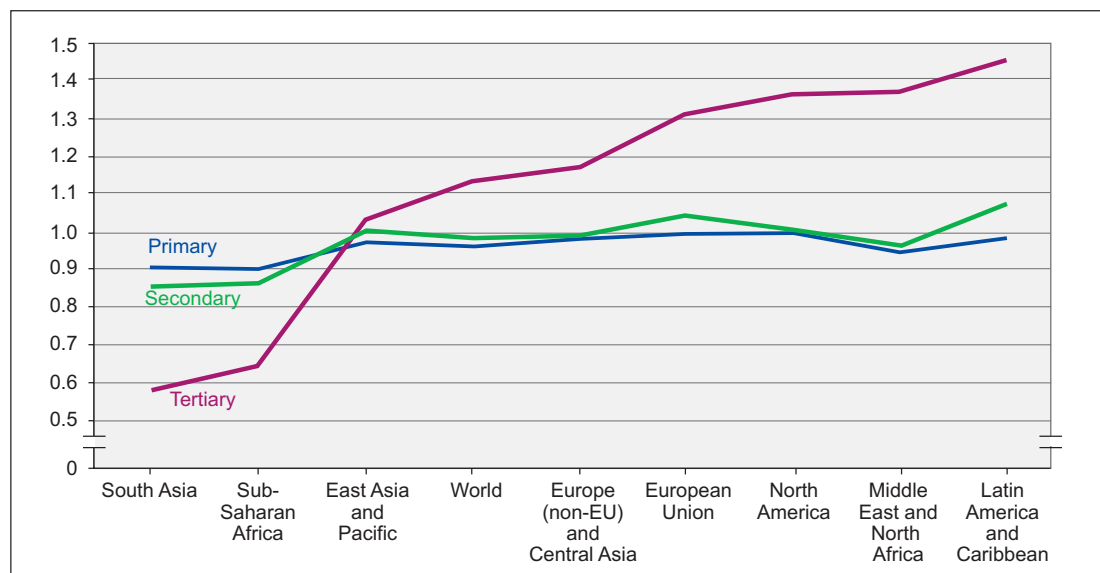
As shown in Figure 4, in the countries covered in this study the Human Development Index and the Gender-related Index values are almost identical. However, the values for the Gender Empowerment Measure are lower than both the Human Development Index and the Gender-related Development Index for all of the countries in the study, confirming that gains in human development do not automatically benefit all sections of the population to the same extent.

**Figure 4: Human Development Index, Gender-related Development Index and Gender Empowerment Measure, 2005**



Source: UNDP (2007), *Human Development Report 2007/2008*, human development indicator tables.

**Figure 5: Female-to-Male Gross Enrolment Ratios<sup>50</sup> in Primary, Secondary and Tertiary Education by Region, 2002-2003**



Source: ILO (2007), *Equality at Work: Tackling the Challenges*, Geneva, based on UNESCO (2006), *Education for All: Global Monitoring Report 2007*.

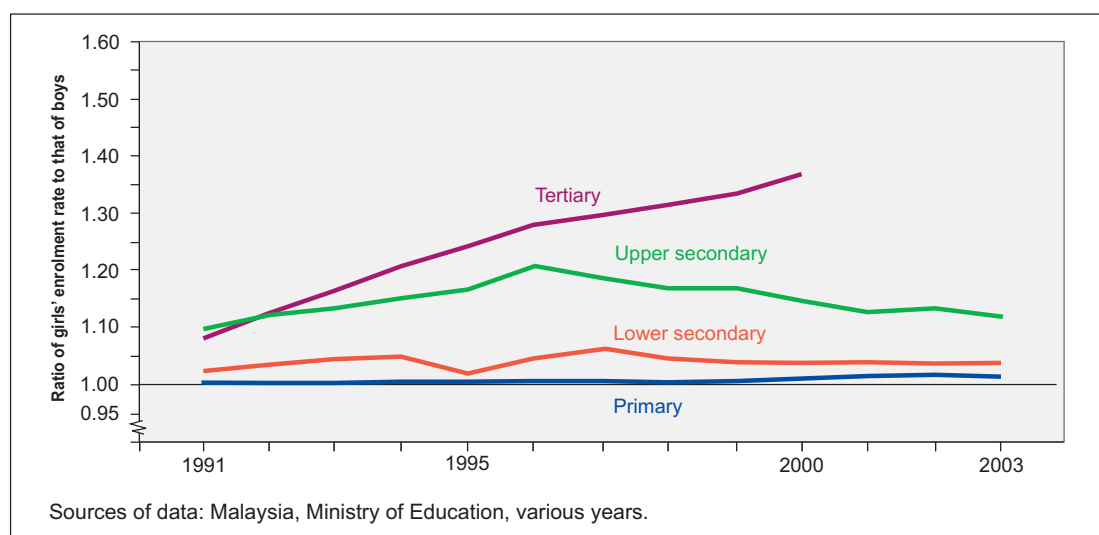
<sup>50</sup> The Gross Enrolment Ratio refers to the number of pupils enrolled in a given level of education, regardless of age, expressed as a percentage of the population in the theoretical age group for the same level of education (UNESCO Institute for Statistics).

## Education

Worldwide figures on education show significant increases in the educational attainment of women, as reflected in the closing of the gender gap in primary and secondary education in most regions, and by the growing proportions of women in tertiary education, who in most regions outnumber men in higher education.

In East Asia, country-level data show increasing gender parity in primary and secondary education in recent decades. Although to a lesser extent than in some other regions in the world, the numbers of women enrolled in tertiary education also increasingly surpass those of men in a number of East Asian countries. For example, in Malaysia, the female-to-male enrolment ratio was over 1.35 in 2000, in Thailand it was 1.15 in 2001, and in the Philippines the ratio was 1.2 in 2000.<sup>51</sup> (see Figure 5 above)

**Figure 6: Ratio of Girls to Boys Enrolled by Educational Level, Malaysia, 1991–2003**



Source: United Nations and Economic Planning Unit, Prime Minister's Department (Malaysia) (2005), *Malaysia: Achieving the MDGs – Successes and Challenges*.

Not only do enrolment rates tend to be higher among women than men, but graduation rates are also higher. For example, in Thailand, the female-to-male enrolment ratio in 2000-2001 was 1.1 in public universities and 1.5 in private universities. The graduation ratios in public and private universities were 1.3 and 1.7 respectively.<sup>52</sup>

Despite these advances, there are still significant differences in the fields of study that men and women choose. In Thailand, the female-to-male ratio was 0.8 in mathematics and computer science (up from 0.6 in 1991), 0.2 in engineering (up from 0.1 in 1991), and 0.4 in both law (up from 0.2 in 1991) and in architecture. In contrast, the ratio was 2.4 in the medical and health services field.<sup>53</sup>

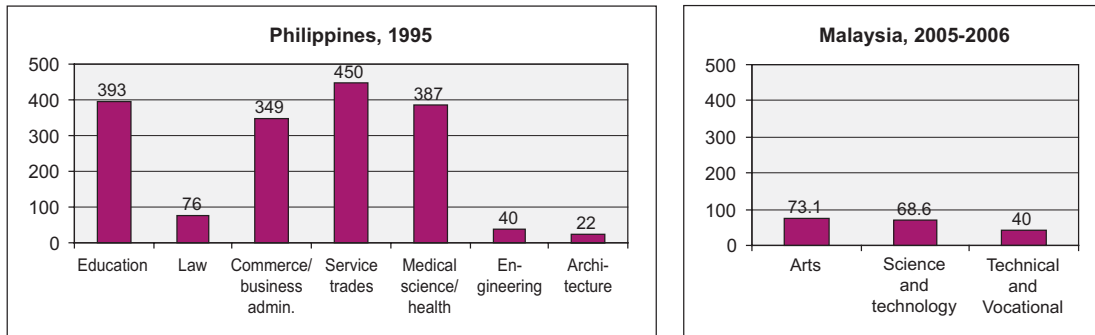
<sup>51</sup> ADB (2005), *Poverty in the Philippines: Income, Assets, and Access*; United Nations and Economic Planning Unit, Prime Minister's Department (Malaysia) (2005), *Malaysia: Achieving the MDGs – Successes and Challenges*; United Nations Country Team (Thailand) and Office of the National Economic and Social Development Board (NESDB) (2004), *Thailand Millennium Development Goals Report 2004*.

<sup>52</sup> United Nations Country Team (Thailand) and Office of the National Economic and Social Development Board (NESDB) (2004), *Thailand Millennium Development Goals Report 2004*.

<sup>53</sup> Ibid.

This same segregation can be seen in the Philippines, where the ratio of women to men graduates is between 3.4 and 4.5 in education, commercial and business administration, service trades and medical science and health, but 0.76 in law, 0.4 in engineering, and only 0.22 in architecture. More recent data from Malaysia show that women tend to dominate in the arts, but continue to be under-represented in technical subjects such as engineering which usually lead to better-remunerated jobs.

**Figure 7: Proportion of Female Graduates by Field of Study, Philippines and of Female Students in Public Higher Learning Institutes by Field of Study, Malaysia (No. Female per 100 Male)**



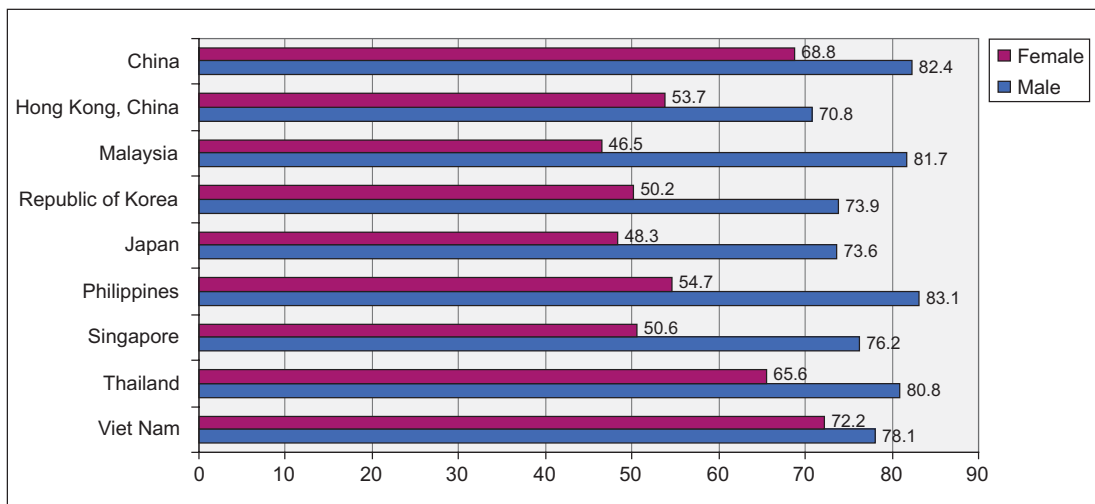
Source: Philippines: Asian Development Bank (2004). *Philippines: Country Gender Assessment*, Table 2.2, p. 13; Malaysia: Ministry of Women, Family and Community Development (2006), *Statistics on Women, Family and Social Welfare 2006*, Kuala Lumpur, Chart 3.3.

## 4.2 Gender overview of the labour market

### Labour force participation

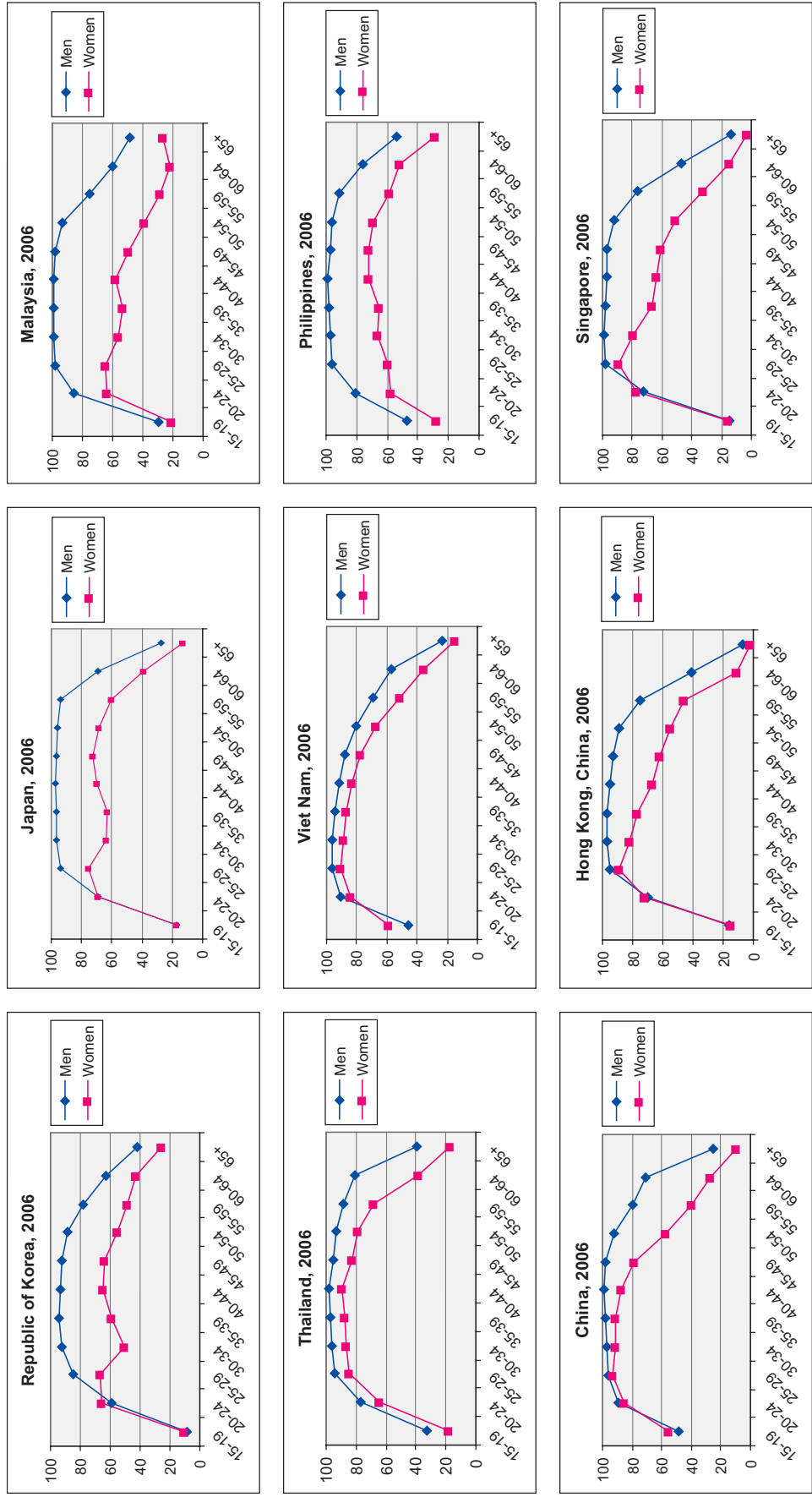
In all of the countries in the study, women's labour force participation is lower than that of men. However, both general (Figure 8) and age-specific labour force participation rates (Figure 9) reveal stark differences between them.

**Figure 8: Labour Force Participation Rates of Men and Women (15+), 2005**



Source: ILO (2006), Economically Active Population Estimates and Projections (EAPEP) Database, 5<sup>th</sup> Edition, Geneva.

**Figure 9: Labour Force Participation Rates of Women and Men (Harmonized 5-Year Age-Band Estimates (ILO EAPEP))**



Source: ILO (2006), Economically Active Population Estimates and Projections (EAPEP) Database, 5<sup>th</sup> Edition, Geneva, and ILO (2005), *Key Indicators of the Labour Market*, 4<sup>th</sup> Edition, ILO, Geneva.

In some countries such as China, Thailand and Viet Nam, women's labour force participation is higher than in the rest of the region, and follows the same pattern as that of men: even though the rates are somewhat lower than men's, women's labour force participation is not altered during reproductive years.

In others, such as Japan, the Republic of Korea or Malaysia, the effect of gender norms, values and attitudes ascribing child rearing roles almost exclusively to women is reflected in the labour force participation rate of women, with the rate dropping during core reproductive years, and then rising again as women re-enter the labour force. In Malaysia, this trend results in a labour force participation gap of over 45 percentage points for women in the 35-39 age group, and in the Republic of Korea, of 40 percentage points for women between 30-35 years old. Nonetheless, this pattern is not as pronounced as before due to a gradual rise and a growing continuity across age groups in women's labour force participation rates.

### Employment status

Status in employment is an important variable in any gender analysis of the labour market as it gives an indication of the relative positions of working men and women. Status in employment is divided into four main categories as follows:

- *Own-account workers*: persons who are self-employed with no employees working for them
- *Employers*: the self-employed with employees
- *Contributing family workers*: own-account workers who work without pay in establishments operated by a related person living in the same household
- *Wage and salaried workers*: employees, i.e. persons in paid employment jobs, who hold an explicit or implicit contract.<sup>54</sup>

As shown in the table below, with the exception of Viet Nam, the overall majority of male and female workers are employees, followed by own-account workers and unpaid family workers. Gender differences are most prominent among the category of employers with men clearly outnumbering women in all of the countries apart from Viet Nam, where employers constitute a marginal share of both the female and the male work force. In Malaysia, more than five times as many men as women are employers, and in Japan, women constitute only 25% of employers.

Disparities between men and women are also significant among unpaid family workers:

- in all of the countries apart from Singapore, where unpaid family workers represent a negligible proportion among both women and men, the bulk of these workers are women
- the proportion of unpaid family workers among women is 15 times higher than among men in the Republic of Korea, five times higher in Malaysia, and over four times higher in Japan
- in both Viet Nam and Thailand, unpaid family workers represent a significant proportion of female labour, accounting for 50% and 31% of women workers respectively, the corresponding figures for men being only half of the above.

Although wage data by status in employment was not available for this study, it can be assumed that the vast over-representation of women among unpaid family workers has an important bearing on the extent of the overall gender pay gap.

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<sup>54</sup> 1993 International Classification of Status in Employment in ILO (2008), *Global employment trends for women*, Geneva.

**Table 3: Status in Employment**

		Employers	Own-Account Workers	Employees	Unpaid Family Workers
Hong Kong, China (2005)	Women	1.8	3.5	93.3	1.4
	Men	6.8	9.8	83.2	0.2
Japan (2005)	Women	1	5	85	9
	Men	4	10	85	2
Republic of Korea (2004)	Women	3	15	67	15
	Men	10	23	66	1
Malaysia (2003)	Women	1	12	77	10
	Men	5	18	76	2
Philippines (2004)	Women	2.5	29.7	50.5	17.4
	Men	6.4	33	52.4	8.2
Singapore (2003)	Women	2	5	92	1
	Men	7	11	82	<1
Thailand (2004)	Women	1.5	24	42.9	31.4
	Men	4.3	36.4	44.5	14.7
Viet Nam (2003)	Women	<1	31	18	50
	Men	<1	51	26	22

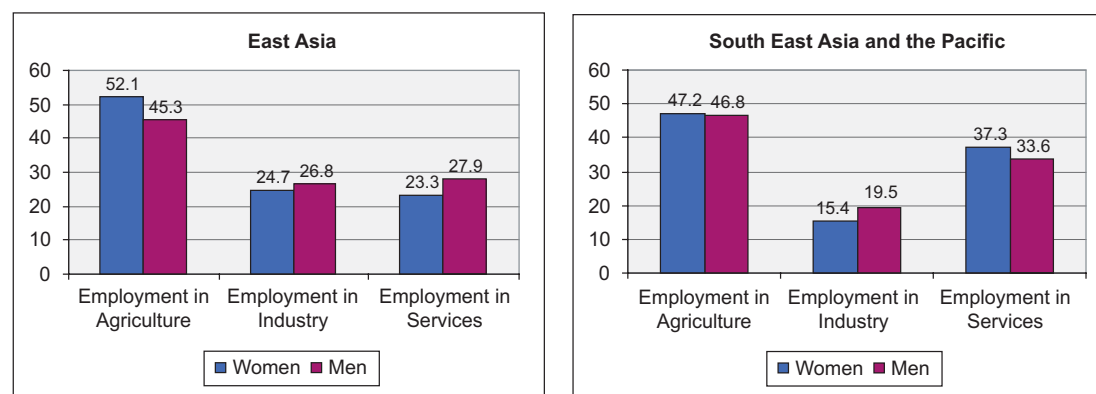
Note: Data are not available for China.

Source: ILO (2005), *Key Indicators of the Labour Market*, ILO, Geneva.

### Sectoral trends and occupational segregation by sex

In East Asia as a whole, over 52% of women work in agriculture, which is significantly higher than the corresponding figure for men. On the other hand, the percentage of men in both industry and services is higher than for women. In South East Asia, the proportion of women and men in agriculture is more balanced, and, in contrast to East Asia, the service sector is a bigger provider of employment for women than men.

**Figure 10: Female and Male Share in Total Employment by Sector, East Asia and South East Asia and the Pacific, 2006**



Source: ILO (2006), *Global Employment Trends Model* in ILO (2007), *Global Employment Trends for Women*, Brief, ILO, Geneva.

Country-specific data on the countries in the study confirm these regional trends in many respects, as shown in Table 4. For example, available data from seven countries show that the service sector was a more important provider of employment for women than for men in 2004 and 2005. However, the extent of the gender difference varies from country to country, from approximately 25 percentage points in the Philippines, to approximately 16-17 percentage points for Hong Kong SAR, Japan, the Republic of Korea and Singapore, to less than seven percentage points for Thailand and Viet Nam<sup>55</sup>.

**Table 4: Women’s and Men’s Employment by Sector, 2005**

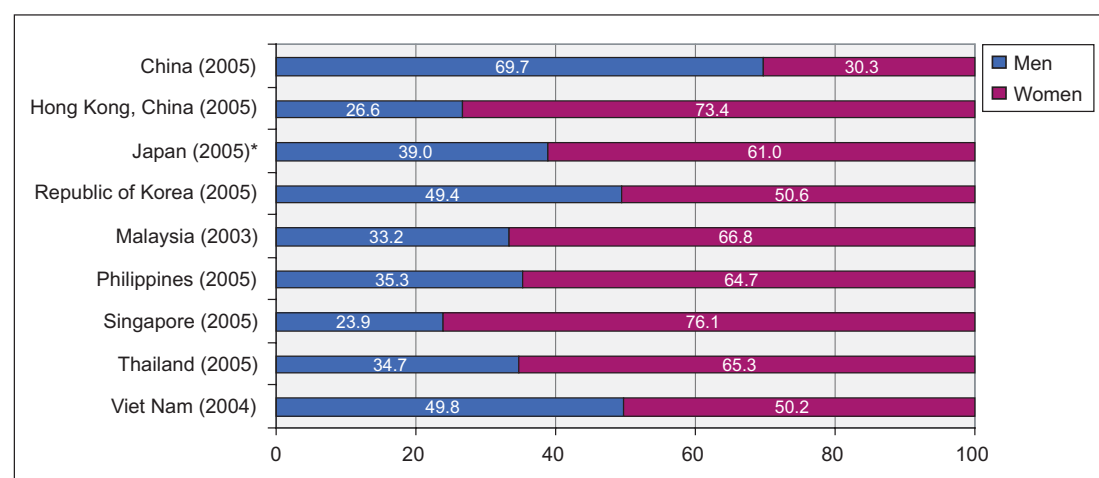
	Agriculture		Industry		Services	
	Male	Female	Male	Female	Male	Female
<b>Hong Kong, China</b>	0.4	0.2	22.3	6.6	77.3	93.2
<b>Japan</b>	4.4	4.5	35.3	17.6	59.1	76.8
<b>Republic of Korea</b>	7.2	8.9	34.1	16.6	58.5	74.4
<b>Philippines</b>	44.7	24.8	16.9	11.7	38.5	63.5
<b>Singapore</b>	–	–	36.0	20.5	62.9	79.1
<b>Thailand</b>	44.2	40.7	21.6	18.7	34.1	40.5
<b>Viet Nam</b>	55.9	60.0	20.8	13.7	23.3	26.3

Note: For Viet Nam, the data are from 2004.

Source: ILO (2005), *Key Indicators of the Labour Market, 4<sup>th</sup> edition*, ILO, Geneva, Table 4a.

In line with worldwide trends, there is also evidence of women’s over-representation in the five C’s – caring, cashiering, catering, cleaning and clerical, although cross-country comparisons cannot be made easily due to the scarcity of data. However, taking clerical workers as an example where such data are available, women’s clear over-representation in this category in all countries except China shows the persistence of horizontal job segregation across the region, as shown below.

**Figure 11: Proportion of Men and Women among Clerical Workers**



\* ISCO-68 category 3 is used as equivalent of ISCO-88 category 4 (all other countries are based on ISCO-88)

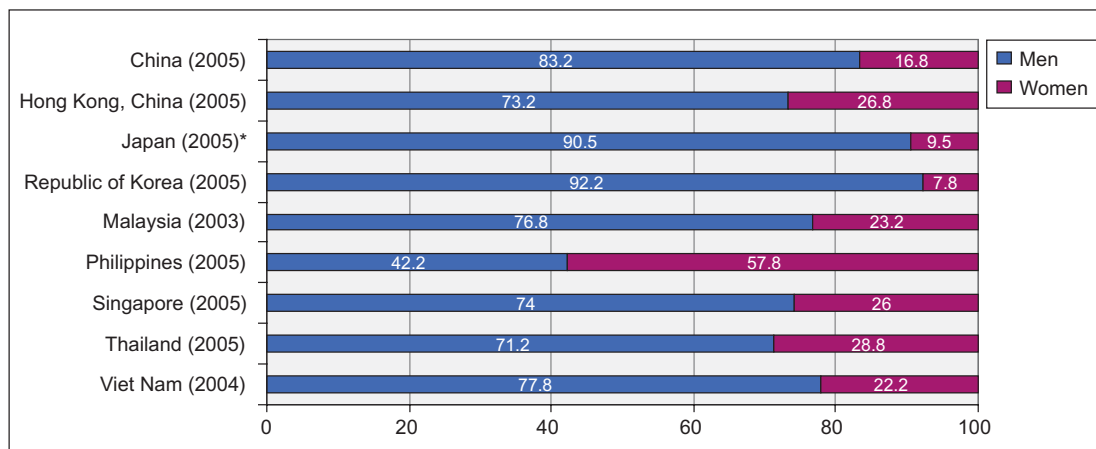
Source: Own calculations from ILO, *Laborsta*, Table 2C, Accessed 15/5/2007.

<sup>55</sup> However, the data also show the extent of differences between the countries as concerns the relative weight of the sectors in providing employment to both men and women, and the difficulty of making comparisons across countries.



Available data also point to continuing vertical segregation in the region. In almost all of the countries in the study, women represent less than 30% of legislators, senior officials and managers, the Philippines being the only significant exception where women make up almost 60% of this occupational category. In Japan and the Republic of Korea, the figure is particularly low (under 10%).

**Figure 12: Proportion of Men and Women among Legislators, Senior Officials and Managers**

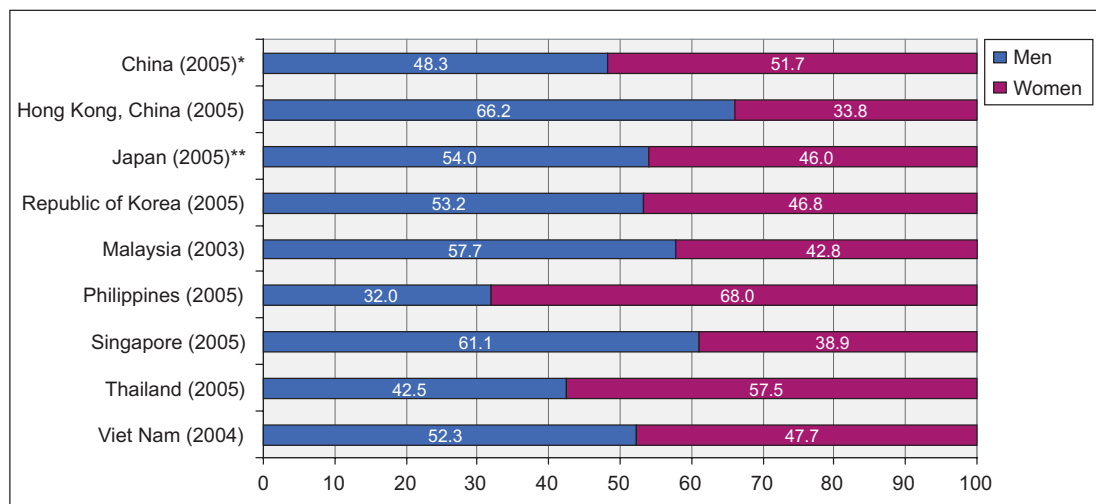


\* Based on ISCO-68 classification. Category 2 is used as equivalent of ISCO-88 Category 1 (all other countries are based on ISCO-88).

Source: Own calculations from ILO, *Laborsta*, Table 2C, Accessed 4/5/2007.

Although the proportion of women among professionals is higher, women are also under-represented in this category in most countries, except for the Philippines and Thailand, as illustrated below.

**Figure 13: Proportion of Men and Women among Professionals**



\* ISCO-88 Categories 2 and 3 are merged; the data therefore refer to the representation of women and men among professionals as well as technicians and associate professionals, and cannot be compared to the data from the other countries.

\*\* Based on ISCO-68 classification. Category 1 is used as equivalent of ISCO-88 Category 2 (all other countries are based on ISCO-88).

Source: Own calculations from ILO, *Laborsta*, Table 2C, Accessed 4/5/2007.

### Part-time, atypical<sup>56</sup> and informal work

Women represent the majority of workers on short-term contracts and in part-time work, and a large share of the female work force is engaged in irregular forms of employment. For example, women made up the majority of part-time workers in both the Republic of Korea (59%) and in Japan (69%) in 2007.<sup>57</sup> Part-time work also made up a far more significant proportion of women's total employment than men's total employment in both of these countries: 13% of men compared to 41% of women were engaged in part-time work in 2006; in the Republic of Korea, the corresponding figures were 6% for men and 12% for women.<sup>58</sup>

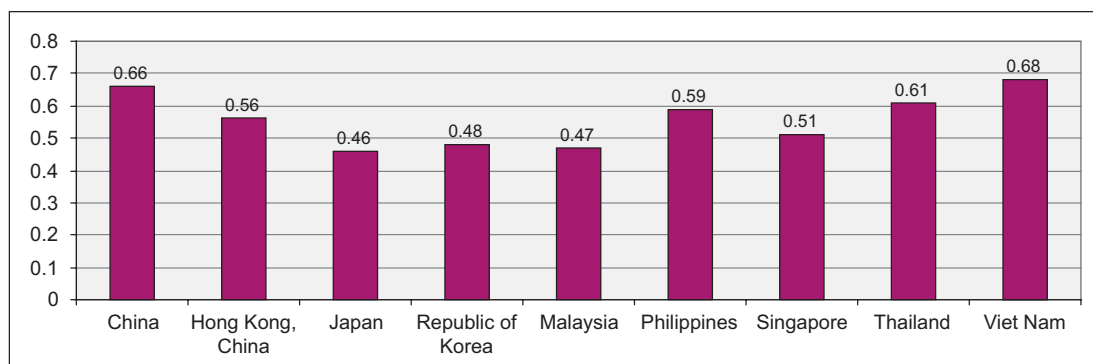
Informal employment is another important dimension in many of the countries in the review. However, although a large proportion of employed women are found in the informal sector, reliable and comprehensive data on the numbers of men and women engaged in informal employment or their working conditions are not available.

### 4.3 The gender pay gap<sup>59</sup>

#### Extent of the gap

For most of the countries in the study, data on women's and men's wages and the extent of the gender wage gap are rather limited. Due to these data limitations, as well as due to differences in measuring techniques, comprehensive comparisons between countries cannot be made.

**Figure 14: Ratio of Estimated Female-to-Male Earned Income**



Source: UNDP (2005), *Human Development Report 2005*.

<sup>56</sup> Atypical forms of work, also known as irregular work, include work and employment characterized by flexibility and reduced security. Examples are part-time work, casual and seasonal work. See Briefing Note 4 for more information.

<sup>57</sup> In Japan, this figure has risen slightly over the past decade, since in 1994 women accounted for 68% of part-time workers. In the Republic of Korea women's share among part-time workers has decreased somewhat, from 62% in 1994 (OECD (2007), *OECD Employment Outlook 2007*). It should be noted that for the Republic of Korea, the figures on part-time workers vary, and some are higher than these international estimates. Using data from the National Statistical Office, a 2004 study reports that the proportion of part-time workers was 40% among men and 68% among women in 2001 (Sirin Sung (2004), "The Experience of Korean Women in Paid Employment: In Policy and in Practice").

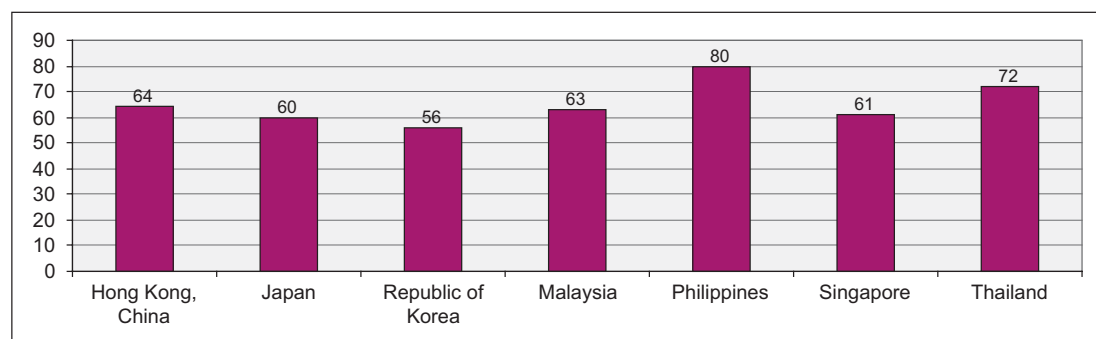
<sup>58</sup> OECD (2007), *OECD Employment Outlook 2007*.

<sup>59</sup> Data in this section are based on measurements of the average earnings of male and female workers. This type of measure is known as the raw or unadjusted earnings ratio.

UNDP estimates of the ratio of female-to-male earned income give a rough indication<sup>60</sup> of pay inequities in the region. Women’s income amounts to less than or just half of men’s income in Japan, Malaysia, the Republic of Korea and Singapore; to around 60% of men’s income in Hong Kong SAR, the Philippines and Thailand; and to around two-thirds of men’s income in China and Viet Nam. These low figures reflect the large number of women working in agriculture and as unpaid family workers in the region.

Data on wages in manufacturing are available for most of the countries covered and these show a marginally smaller gender pay gap. In this sector, women’s wages as a percentage of men’s amount to over 70% in the Philippines and Thailand; below 65% in Hong Kong SAR, Malaysia and Singapore; and 60% or lower in Japan and the Republic of Korea.

**Figure 15: Female-to-Male Ratio of Wages in Manufacturing, 1993/2003\***



\*As in source (specification of year not given)

Note: Data on China and Viet Nam are not available

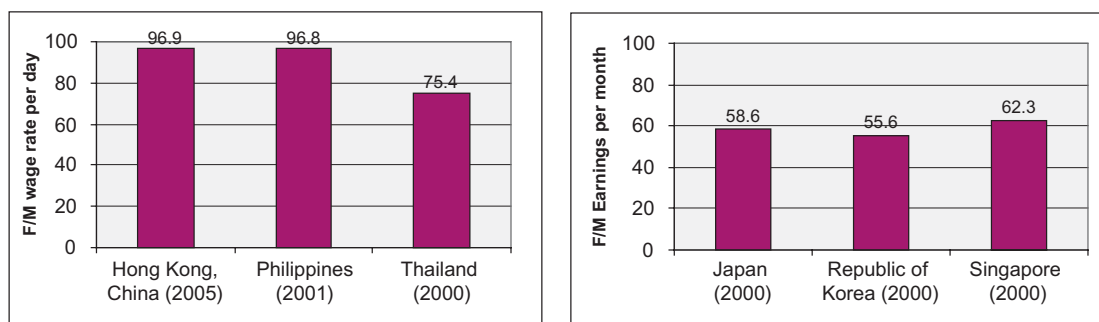
Source: United Nations (2005), *The World's Women 2005*.

Both of the measures above show that pay inequities are entrenched across the region, and are not tied to the level of economic development as the income and wage differentials appear to be the greatest in the more developed East Asian countries such as the Republic of Korea, Japan, Singapore and Malaysia, and the lowest in the Philippines, Thailand and Viet Nam.

Further analysis of data on wages in manufacturing in the region shows that the extent of the gender pay gap differs considerably depending on whether daily wage rates or monthly earnings are used for estimating the gap. As mentioned in Chapter 3, hourly or daily pay gaps tend to be smaller than pay gaps measured over longer periods of time because the former captures the fact that women as a group tend to work fewer hours than men due to their over-representation in part-time and temporary employment.

<sup>60</sup> This measure is based on an estimate using the following: ratio of the female non-agricultural to the male non-agricultural wage; male and female shares of the economically active population; total male and female population; GDP per capita in PPP US\$. Where data on the wage ratio are not available, a ratio of 0.75 is used (UNDP (2005), *Human Development Report* (p. 346)). This estimate is not directly comparable with the wage and income data used in the remainder of this guide. It is included because it shows comparative cross-country figures on overall income differences between men and women in the countries under review, including unpaid family workers.

**Figure 16: Ratio of Female-to-Male Wage Rate per Day and Earnings per Month in Manufacturing**



Source: Own calculations based on data from ILO (2005), *Key Indicators of the Labour Market*.

### Evolution of the wage gap

In terms of the evolution of the wage gap over time, the overall trends are mixed. In some of the countries covered the trend is towards a narrowing of the gap. For example:

- In Singapore, women's average monthly earnings as a percentage of men's rose from 68% in 1986 to 72% in 2001, at which it remained until 2004.<sup>61</sup>
- Similarly, over the decade 1990-2000, women's income as a proportion of men's increased in Thailand from 64.4% to 80.8%.<sup>62</sup>
- In the Republic of Korea, while women earned less than half of what men earned in 1985 (47%), in 2002 their average earnings as a proportion of men's average monthly wages had grown to 63% (average monthly wages of full-time workers).<sup>63</sup> A recent Ministry of Labor report shows further shrinkage of the gender wage gap between 2002 and 2006<sup>64</sup>. However, some smaller-scale, studies from the same time period point to an increase in the gender pay gap. For example, data on the 10 largest business groups in the Republic of Korea show that men's average annual salary rose 24% between 2002 and 2006, but women's only 19%, leading to a wider pay gap, as reflected in a decrease in the female-male wage ratio from 64% in 2002 to 61.3% in 2006.<sup>65</sup>

In other countries, like China, the gender wage gap is on the increase. A World Bank study shows, for instance, that in 1990, women's wages were 83% of men's, but by 1999, the ratio had fallen to 70%.<sup>66</sup>

In Hong Kong SAR and Japan where the gap narrowed in earlier decades, it has started to widen again in recent times:

<sup>61</sup> CEDAW Committee on the Elimination of Discrimination against Women (2000), Consideration of reports submitted by States parties under Article 18 of the Convention on the Elimination of All Forms of Discrimination against Women, Singapore, CEDAW/C/SGP/1, 18 January; Ministry of Community Development, Youth and Sports (Singapore) Website.

<sup>62</sup> United Nations Country Team (Thailand) and Office of the National Economic and Social Development Board (NESDB) (2004), *Thailand Millennium Development Goals Report 2004*.

<sup>63</sup> Sirin Sung (2004), "The Experience of Korean Women in Paid Employment: In Policy and in Practice". Work, Employment and Society Conference (September).

<sup>64</sup> The Survey report on Wage Structure shows that in the sample (covering 490,000 workers from 6,495 workplaces with 5 or more regular employees) there was a rise in the gender wage ratio (monthly wages) from 64.8% in 2002 to 66.5% in 2006 (Ministry of Labor (2007), *Newsletter – Result of the Survey Report on Wage Structure in Korea*, 01/10/2007). NSO data (information on the sample was not available for this study) point to a similar trend, although the figures are somewhat lower, with a female-to-male wage ratio of 63.4% in 2006 (*Korea Times*, 4 July 2007).

<sup>65</sup> Financial Supervisory Service (FSS) data cited in "Female Hiring Up Nearly 50%", *Korea Times*, 11 April 2007.

<sup>66</sup> World Bank (2002), *China Country Gender Review*.

- In Hong Kong SAR, women's average earnings as a percentage of men's earnings increased from 60% in 1976, to 65% in 1981, to 69% in 1986 and 70% in 1991.<sup>67</sup> However, in the 10 year time span between 1996 and 2006, men's median monthly earnings increased more than women's, and the female-to-male earnings ratio fell from 85% to 78.9%.<sup>68</sup>
- In Japan the gap narrowed over the past few decades, but has started to rise again in recent years: Women's scheduled cash earnings rose from 59% of men's in 1980 to 66% in 2000.<sup>69</sup> However, a recent report by the Ministry of Health, Labour and Welfare on working women reveals that in 2005, women's wages decreased by 1.4% from the previous year, whereas men's wages increased by 1.2%, bringing women's wages to 65.9% of men's, 1.7 percentage points less than the year before.<sup>70</sup>

For some of the countries in the study (China, Malaysia, the Philippines, Thailand and Viet Nam), data on the evolution of the gender wage gap are limited and in some instances contradictory.

It should also be noted that overall economy-wide trends do not reflect differences between groups of workers. For instance, data from the Republic of Korea on different occupations show that while the gender pay gap decreased marginally but continuously between 1985 and 2000 for clerks and manual workers, there was a sharp deterioration in the situation of women senior officials and managers, whose wages as a proportion of men's dropped from 98 to 78%.<sup>71</sup>

### Variables influencing the gap

The sections below summarise trends that emerge from the country-specific data with regard to a number of selected variables. These are: age and education; industrial sector and occupation; location, type and size of establishment; and informal and migrant status in employment. While data are scarce and their comparability is limited, based on the information that was available for this guide, the trends seem to be:

- a growing gender wage gap by *age*, with a far larger gap among older than younger workers
- an ambivalent relationship between the gender wage gap and the level of *education*, with some data pointing to a narrowing of the gender wage gap with the level of education (Hong Kong SAR and Japan), while other data show the opposite, especially for older workers (Singapore) and/or in urban locations (Viet Nam)
- no clear cross-country trends for the gender pay gap by *industrial sector or occupation*: for example, in Thailand, among professional nurses earned more than men whereas in the Republic of Korea, the female-to-male wage ratio for professional nurses was only 44%. Similarly, the "professionals" occupational category had one of the lowest female-to-male wage ratios in the Republic of Korea and Malaysia, but in Hong Kong SAR and Singapore it was among the occupational categories where the earnings of women and men showed the least disparity
- a higher gender wage gap in *urban areas* than rural areas in Viet Nam and Thailand (although this trend does not appear to hold in China)
- a wider gender wage gap among *private sector* workers than workers in the public sector, and in *larger enterprises* as compared to smaller ones

<sup>67</sup> Yue-Ping Chung (1996), "Gender Earnings Differentials in Hong Kong: The Effect of the State, Education, and Employment", *Economics of Education Review*, 15(3), 231-43.

<sup>68</sup> Women's Commission (Hong Kong SAR) (2007), *Hong Kong Women in Figures 2007*.

<sup>69</sup> Akemi Nakamura (2005), "Four women await outcome of 10-year quest for equal pay". *The Japan Times*. 27 March.

<sup>70</sup> "Wage Gap between Men and Women Increasing". *Akahata*, 15 May, 2006, on <http://www.japan-press.co.jp/2479/laboe3.html>

<sup>71</sup> Sirin Sung (2004), "The Experience of Korean Women in Paid Employment: In Policy and In Practice", Work, Employment and Society Conference (September).

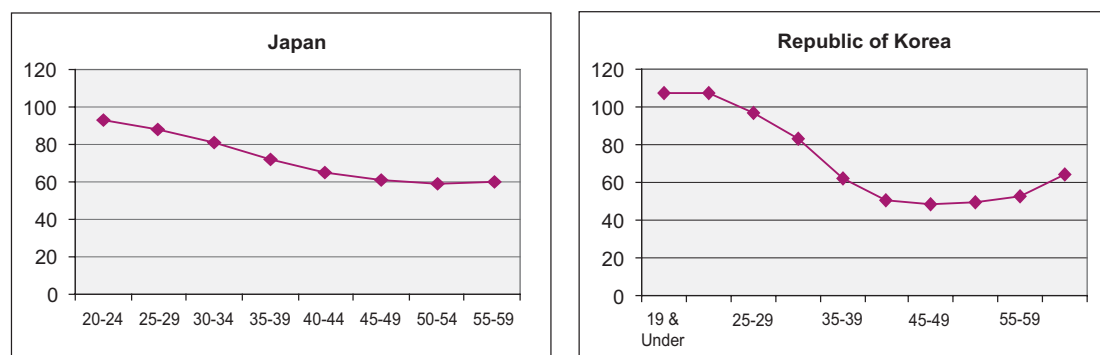
- a wider gender wage gap in *informal and irregular employment* than formal and regular employment, and among *part-timers* and internal *migrant workers* as compared to full-timers and non-migrant workers
- very few data were available on the effects of *trade union membership* on the gender wage gap.

The section below summarizes trends by these variables. It should be noted, however, that while single-variable data provides a useful indication of the general effect that a variable may have on the gender pay gap, it does not show what the joint impact of these variables is, and how much of the gender pay gap can – or can not – be explained by that joint impact. Because of this, single-variable analysis has the notable disadvantage that it fails to capture the income effects of *discrimination* against women workers, as further explained in section 4.4.

### Age and education

For all countries for which data are available on *age*, there is a trend of the gender wage gap widening with age. The gender wage gap tends to be the narrowest for the young age groups, where women sometimes earn slightly more than men<sup>72</sup>, and it is significantly wider for the older age groups, as data from Japan and the Republic of Korea show. This may be due to a number of reasons: older women may experience the effects of past discrimination, for example they may have had less access to education as compared to their male counterparts. Or they may have had less years of work experience, an issue not captured by the variable age, even if it is often used as a proxy indicator for work experience.

**Figure 17: Ratio of Female-to-Male Average Monthly Wages by Age, Republic of Korea, 2004 and Ratio of Female-to-Male Scheduled Cash Earnings by Age, Japan, 2004**



Source: Own calculations based on KWDI Webpage, “Statistics”, accessed 19/4/06, based on Ministry of Labor, Report on Occupational Wage Survey (1986, 1991) and Ministry of Labor, Survey Report on Wage Structure (1996, 2001-2005).

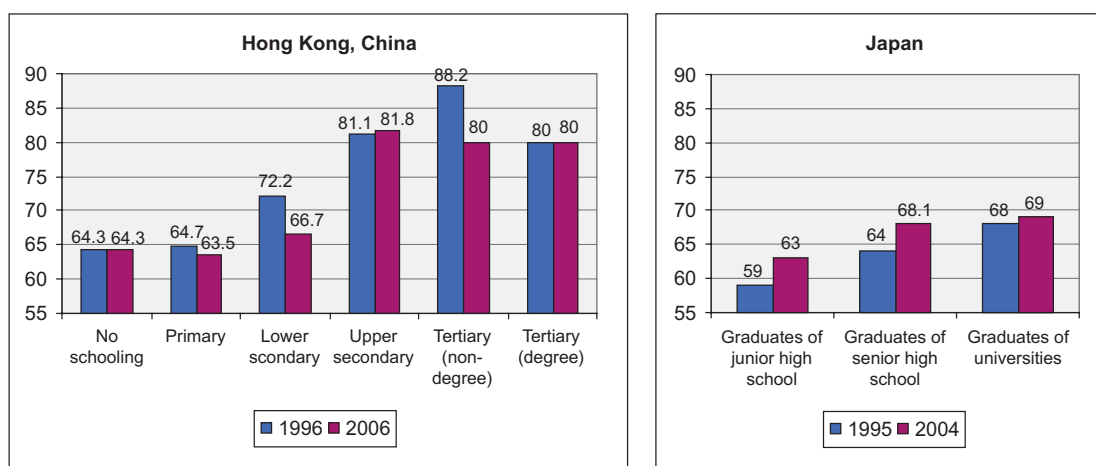
From the available data, it is clear that *education* has a major impact on the gender wage gap. In general, the higher the level of education, the narrower the gender wage gap. For example, in Hong Kong SAR, for workers with no education or a primary education the female-to-male ratio of median monthly earnings was under 65%, compared to 80% for workers with a tertiary level education. Similarly, for university graduates in Japan, women’s earnings were 69% of men’s earnings in 2004, while for those with junior high school education, the

<sup>72</sup> In Singapore, for instance, women in the 25-29 age group earned more than their male counterparts in a few (mainly white collar) occupations in 2006: The gender wage difference favouring women was 30.8% for sales and service workers, 10.8% for managers and 6.7% for professionals (Ministry of Manpower, Republic of Singapore, *Report on Wages in Singapore*, 2006).

figure was only 63%. A recent ILO Bangkok study<sup>73</sup> on the gender wage gap in Bangladesh found that women with less than primary education earned over 20% less than men with the same educational level while the gap between men and women with secondary education was only 4%.

However, the effects of higher education are not always positive, as pay gaps tend to increase among higher level jobs as illustrated in the same study from Bangladesh, where the pay gap between men and women with tertiary education amounted to 8%. Data from Europe and Chile also show that the wage gap often grows with the level of education. For example, in the European Union the gender pay gap is 30% for those with third-level education and 13% among those with lower level secondary education.<sup>74</sup>

**Figure 18: Gender Pay Disparities by Level of Education, Hong Kong (China) and Japan**



Note: For Hong Kong, China, the figures refer to median monthly earnings. For Japan, scheduled cash earnings are used.

Source: Hong Kong China: Women's Commission (Hong Kong SAR) (2007), *Hong Kong Women in Figures 2007*. Japan: The Centre for the Advancement of Working Women (CAWW) webpage, accessed 30.3.2006

Studies which investigate both level of education and age are useful to show trends over time and identify whether the gender pay gap is decreasing among the younger, better-educated generations. For example, data from a 1995 Singapore study indicate that among the younger age groups, the income gap narrows with the level of education among the younger age groups: women between 25 and 34 years with a university education earn 76% of the wages of their male counterparts, as compared to only 48% for those with no qualifications. However, for women in older age categories, this trend does not hold, and for the 45-54 age group, the gender income gap is actually the largest among those with a university education.

In Viet Nam, the trend is the same. However, one study<sup>75</sup> (based on Vietnam Living Standards Survey 1997-1998 data) finds there is a difference between rural and urban areas, where the returns to women's education are lower than in rural areas: in both rural and urban areas,

<sup>73</sup> Steven Kapsos (2008), *The gender wage gap in Bangladesh*, ILO Bangkok.

<sup>74</sup> Commission of the European Communities (2007), *Communication from the Commission: Tackling the Pay Gap between Women and Men* in International Trade Union Confederation (ITUC) (2008), *The Global Pay Gap*. See also ILO Draft Factsheets on Equal Remuneration in Portugal and Chile for country level data on these two countries which point to the same trend.

<sup>75</sup> Asian Development Bank (2002), *Women in Viet Nam*, Country Briefing Paper.



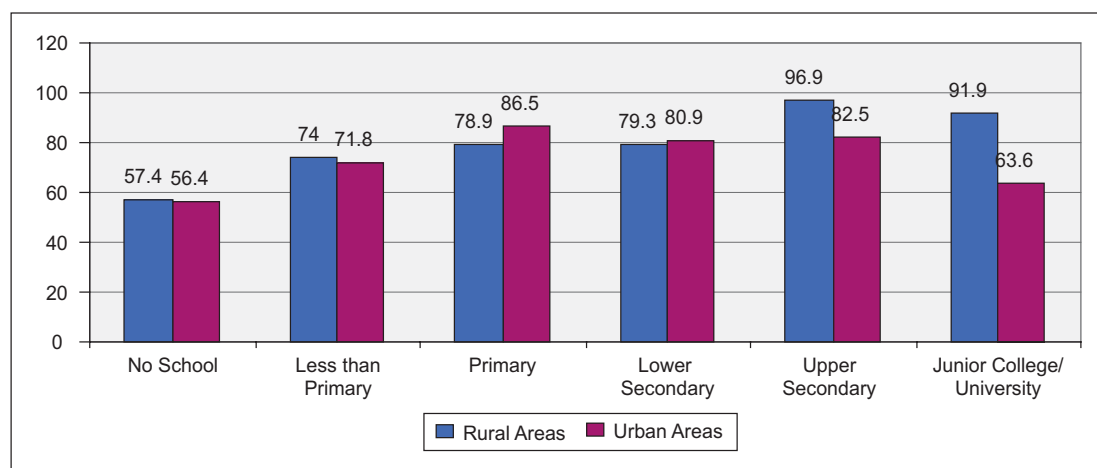
**Table 5: Gender Income Gap by Educational Attainment and Age Group in Singapore, 1995**

Educational Attainment	25-34 Years	35-44 Years	45-54 Years
No Qualification	48	62	67
Primary	62	63	67
Secondary	71	69	71
Upper Secondary	71	64	68
University	76	67	59

Source: Adapted from Yim Seow Hua and Ang Seow Long, *Income Trends: The Gender Income Gap*, Social Statistics and Analysis Section, Department of Statistics, Singapore.

the gender ratio of annual earnings was lowest for those with no schooling (57% for rural areas and 56% for urban areas). For rural areas, the ratio was the highest for those with an upper secondary education (97%), followed by those with a junior college/university education. However, in urban areas, the ratio was the highest for those with a primary education, and women with a junior college education were in the worst position after those with no education, earning only 64% of what men earned.

**Figure 19: Ratio of Female-to-Male Average Annual Wage Earnings by Level of Education, Viet Nam, 1998**



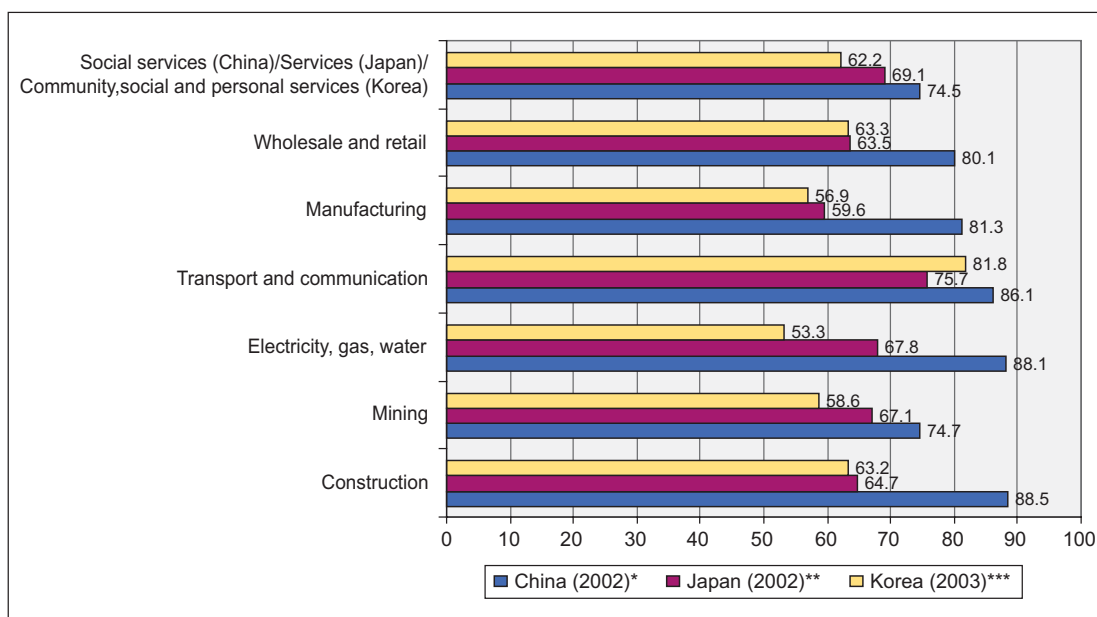
Source: Based on data from Asian Development Bank (2002), *Women in Viet Nam*, Country Briefing Paper (based on Desai, 2000) and own calculations for wage differential.

This variance of findings points to the necessity of analyzing the impact of education together with other relevant variables such as age, work experience, location, or sector rather than on its own.

### **Industrial sector and occupation**

Data on gender wage gaps by *industrial sector* were not available for most of the countries in this study. For the countries for which such data were available (China, Japan and the Republic of Korea), the data do not point to any definitive trends which apply in all three countries (see Figure 20). However, the available data do reveal significant differences between sectors in all of three countries (e.g. a gender wage ratio of under 75% in social services and of over 88% in construction in China), meaning that data on this variable should be sought for a larger selection of countries.

**Figure 20: Female-to-Male Wage Ratios by Sector**



Note: \*male-to-female average annual wages; \*\*female-to-male scheduled cash earnings; \*\*\*female-to-male average monthly wages.

Sources: China: National Bureau of Statistics (China), Department of Population, Social, Science and Technology (2004), *Women and Men in China, Facts and Figures 2004*. China Statistics Press, based on statistical data of Ministry of Labour and Social Security. Japan: Own calculations based on data from Ministry of Health, Labour and Welfare. *Basic Survey on Wage Structure*. Korea: KWDI Webpage, "Statistics", accessed 19/4/06, based on Ministry of Labor, Report on Occupational Wage Survey (1986,1991), Ministry of Labor, Survey Report on Wage Structure (1996,1998,1999, 2001-2004) and Ministry of Labor, Report on Labor Survey (2000).

*Occupation* also influences the relative earnings of men and women, although comparative data are not available for the countries in the study. The limited data from different national sources do not show any definitive trends. For example, for the professional worker category the findings from different countries vary:

- In the Republic of Korea, professional workers was the occupational category in which the gender wage ratio was the lowest (0.61) in 2004.<sup>76</sup> In Malaysia, similarly, women professionals were in the worst situation compared to women in other occupations included in the study, earning less than 60% of what men earned in 1991.<sup>77</sup>
- In Hong Kong SAR, however, in a 5-occupation comparison, the female-to-male ratio of median monthly earnings was the highest for professionals (96%) in 2006, while women sales workers earned 65% of what their male counterparts earned, and plant and machine operators only 58%.<sup>78</sup> A similar trend can be seen in Singapore, where women professionals earned 89% of what men professionals earned, compared to just 63% for plant and machine operators in 2006.<sup>79</sup>

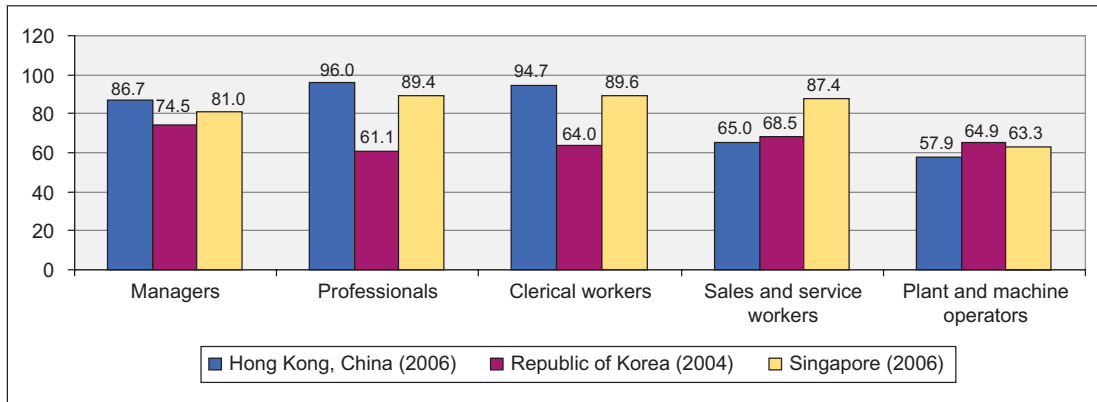
<sup>76</sup> Korean Women's Development Institute (KWDI) website, accessed 19/4/06.

<sup>77</sup> World Bank (1995), *Malaysia Meeting Labor Needs: More Workers and Better Skills*, Report No. 13163-MY. Washington, D.C.: Country Operations Division, Country Department I, East Asia and the Pacific Region.

<sup>78</sup> Women's Commission (Hong Kong SAR) (2007), *Hong Kong Women in Figures 2007*.

<sup>79</sup> Own calculations based on data from Occupational Wages Survey in Ministry of Manpower, Republic of Singapore, *Report on Wages in Singapore*, 2006.

**Figure 21: Gender Wage Ratio (average monthly wages\*) in Selected Occupations, Hong Kong (China), Republic of Korea and Singapore**

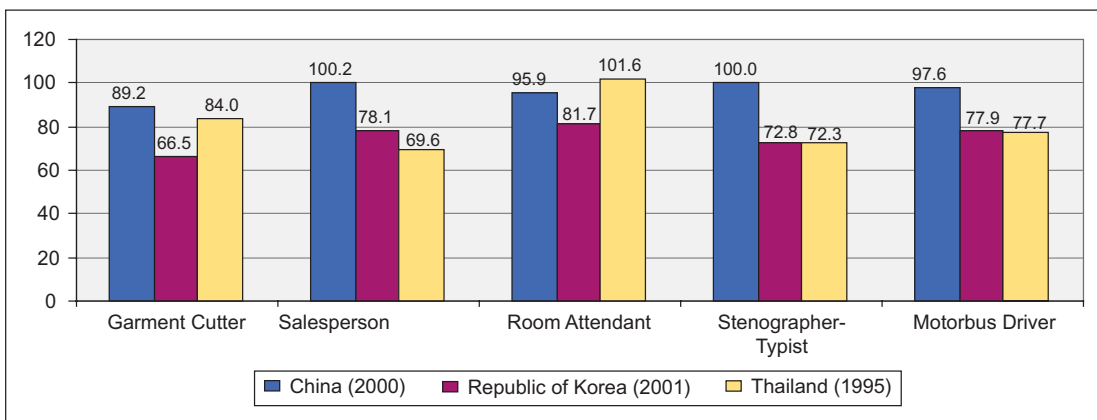


Note: \*For Singapore, median monthly earnings are used.

Source: Hong Kong SAR: Women's Commission (Hong Kong SAR) (2007), *Hong Kong Women in Figures 2007*; Republic of Korea: Korean Women's Development Institute (KWDI), (Accessed 19/4/06); Singapore: CEDAW Committee on the Elimination of Discrimination against Women (2004), Consideration of reports submitted by States parties under Article 18 of the Convention on the Elimination of All Forms of Discrimination against Women, Singapore, CEDAW/C/SGP/3, 22 November.

Similarly, data from the ILO's KILM database on wages by occupation show variations between occupations, although there are not sufficient data to draw definitive conclusions between occupations. For example, for professional nurses, women's wages surpass those of men in Thailand, whereas in the Republic of Korea, the female-to-male wage ratio is extremely low, amounting to only 44%.<sup>80</sup>

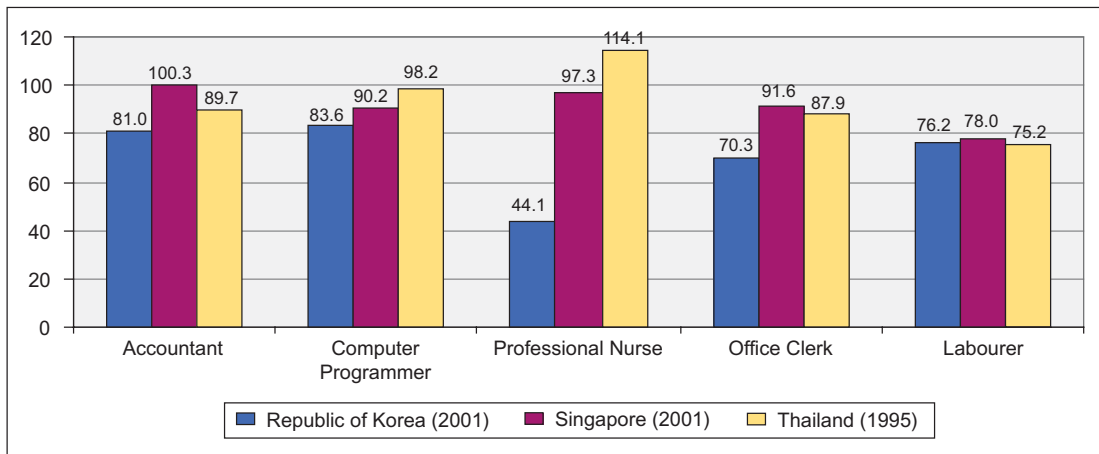
**Figure 22: Female-to-Male Monthly Wage Ratio in Selected Occupations in China, Republic of Korea, Thailand**



Source: Own calculations from ILO (2005), *Key Indicators of the Labour Market, 4<sup>th</sup> edition*, Geneva, (Table 16a).

<sup>80</sup> The wage data by occupation also reveal significant variations between countries, with the wage ratio being much lower in some countries than others, regardless of occupation.

**Figure 23: Female-to-Male Monthly Wage Ratio in Selected Occupations in the Republic of Korea, Singapore, Thailand**

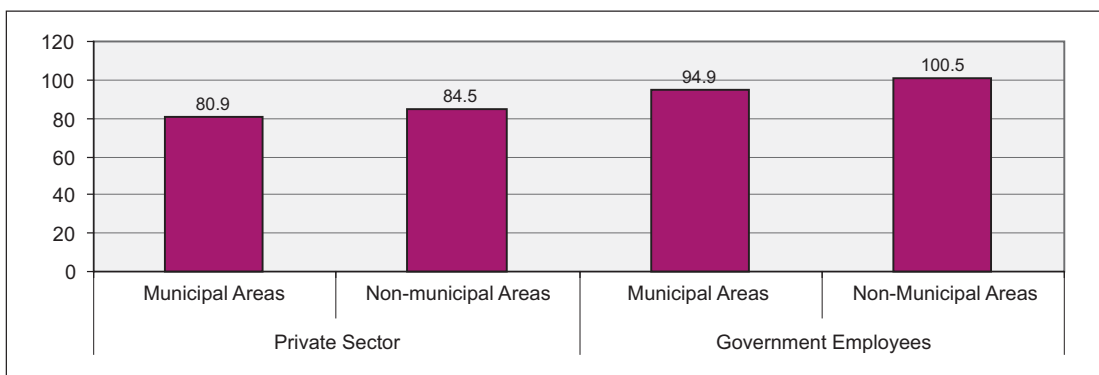


Source: Own calculations from ILO (2005), *Key Indicators of the Labour Market, 4<sup>th</sup> edition*, ILO, Geneva (Table 16a).

### **Location, type and size of establishment**

*Urban/rural location* is another variable which influences the income and wage gap between men and women. In China, the average gender income ratio in urban areas is approximately 70%, compared to only 60% in rural areas.<sup>81</sup> However, in Viet Nam, the wage gap was found to be higher in urban areas, where women’s wages were 83% of men’s wages in 2004, than in rural areas, where the figure was 85%.<sup>82</sup> Data from Thailand also indicate that the wage gap is narrower in rural areas, among both government and private sector employees.

**Figure 24: Women’s Average Monthly Wages as a Percentage of Men’s for Private Sector and Government Employees, Thailand, 2000**



Source: Based on data from Tonguthai, Pawadee (2002), *Gender Equality and Decent Work in Thailand*, ILO and ADB.

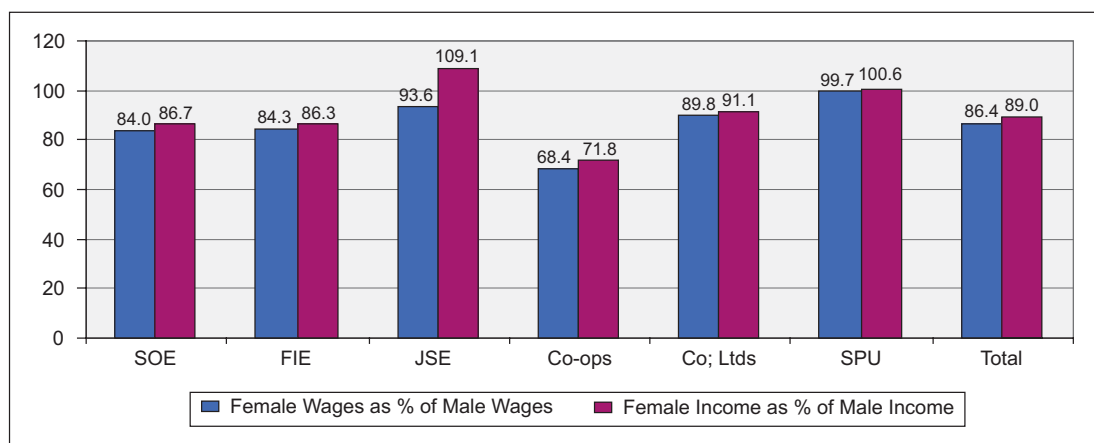
<sup>81</sup> ICFTU (2006), *Internationally Recognised Core Labour Standards in the People’s Republic of China*. Report for the WTO, Geneva, 4 and 6 April.

<sup>82</sup> World Bank, Asian Development Bank (ADB), UK Department for International Development (DFID), Canadian International Development Agency (CIDA) (2006), *Viet Nam Country Gender Assessment*.

Another finding that arises from the data in Thailand is that the wage gap is far higher among *private sector* workers (80.9% in municipal areas and 84.5% in non-municipal areas) than *government employees* (94.9% in municipal areas and 100.5% in non-municipal areas). Similarly, according to Vietnam Household Living Standard Survey (VHLSS) 2004 data, in rural areas, female government employees earned more than their male counterparts<sup>83</sup> (with a female-to-male wage ratio of 116%), while in all other employment sectors, women's earnings were lower than men's in both rural and urban areas.<sup>84</sup> Data from Hong Kong SAR and Singapore corroborate the finding that the gender wage gap tends to be narrower in the public than the private sector.

Data from China and Viet Nam indicate that the type of *ownership of establishments* affects the size of the gender wage gap. In China, the difference in wages between men and women in urban areas was smaller in State-Owned Enterprises (15%) than in privately owned establishments (30%) in 1999.<sup>85</sup> The findings from a study in Viet Nam covering a wider range of ownership types shows that the gender wage gap was the largest in cooperatives, with women earning only 68% of what men earn. It was smallest in small production units, with women's earnings being almost equal (over 99%) to those of men, followed by joint stock enterprises (94%) and Limited Liability Companies (90%). While extra payments (overtime and other payments), earned in addition to the basic monthly wage, raised women's overall income to above that of men in certain types of enterprises (joint stock enterprises and small production units), the average income gap for all types of enterprises was still 11%.

**Figure 25: Gender Wage and Income Differentials by Type of Enterprise, Viet Nam, 2000**



Key: SOE: State-Owned Enterprise, JSE: Joint Stock Enterprise, FIE: Foreign Invested Enterprise, Co-Op: Cooperative, SPU: Small Production Unit, Co. Ltd: Limited Liability Company

Source: RCFL of MOLISA and Howell, Fiona (2003), *Equality, Labour and Social Protection for Women and Men in the Formal and Informal Economy in Viet Nam*, ILO, Hanoi.

The *size of the establishment* has also been shown to have an impact on the size of the wage gap in both Japan and the Republic of Korea. In Japan, the gender wage gap is wider in large corporations than smaller ones: in companies with over 1,000 employees, women's

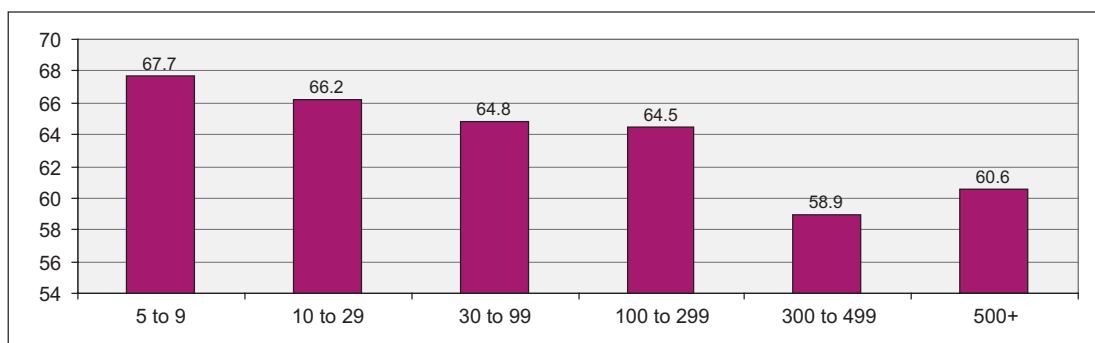
<sup>83</sup> One likely explanation for this exception are the high wages paid in the education sector in rural areas, where women are prominent (ibid).

<sup>84</sup> Sunhwa Lee (2006), *A Gender Analysis of the 2004 Vietnam Household Living Standard Survey*, April 20, revised version.

<sup>85</sup> China Information News, February 2, 2000 in World Bank (2002), China Country Gender Review.

wages are only 62.6% of men's, compared to an overall gender wage ratio of 65.9%.<sup>86</sup> In the Republic of Korea, the gender wage gap also appears to be lower in smaller establishments than larger ones, with women earning 68% of what men earn in establishments with 5-9 workers, but only 61% in establishments with over 500 employees.<sup>87</sup> No comprehensive studies on the reasons for this were found.

**Figure 26: Ratio of Female-to-Male Average Monthly Wages by Number of Workers in the Establishment, Republic of Korea, 2004**



Source: KWDI Webpage, "Statistics", accessed 19/4/06, based on Ministry of Labor, Report on Occupational Wage Survey (1986, 1991) and Ministry of Labor, Survey Report on Wage Structure (2004, 2005).

### ***Informal and irregular employment, working hours and migrant worker status***

In China, the gender wage gap (based on the average annual wage) between men and women in *informal employment* was found to be wider than in formal employment: in formal employment, women's income is 85% of men's, whereas in informal employment, the share of which is on the rise, it is less than 70%.<sup>88</sup>

Smaller-scale studies on specific segments of the informal economy reveal worrying trends. For instance, a study on home-based workers in Malaysia showed that in shoe-making, the piece-rates that women workers accepted in 2003-2004 were significantly lower than in the early 1990s (approx. MYR 1.40 compared to approx. MYR 2.20).<sup>89</sup>

Regarding non-regular employment, in the Republic of Korea, it was found that in August 2005, men in regular jobs<sup>90</sup> received the highest average hourly wage (KRW 10,850), followed by

<sup>86</sup> "Wage Gap between Men and Women Increasing", *Akahata*, 15 May 2006, on <http://www.japan-press.co.jp/2479/laboe3.html>

<sup>87</sup> Global figures are not available; however, data from European countries point to the same trend. In 2002, in Portugal, the earnings ratio was 87.3 in enterprises of 10-50 employees, but only 73.1 in enterprises of 50-500 employees and 76.3 in enterprises with over 500 employees. In Poland, the wage ratio (hourly wages) was 116 in enterprises with 10-50 employees, 91 in enterprises with 50-500 employees and only 79 in enterprises with over 500 employees (*Eurostat Database* in ILO (n.d.), *Draft Factsheet on Equal Remuneration for Men and Women in Portugal and Draft Factsheet on Equal Remuneration for Men and Women in Poland*).

<sup>88</sup> Institute for Labour Studies and Ministry of Labour and Social Security, PRC (2005), *2005: A Report on Employment in China – Integration of Urban and Rural Employment*.

<sup>89</sup> Kalis Gopal and Charles Santiago (2005), *Informalization and Individualization of Formal Work – the Case of Home Based Workers in Malaysia*, Unpublished working paper prepared for the International Labour Organization, Subregional Office for East Asia, Kuala Lumpur.

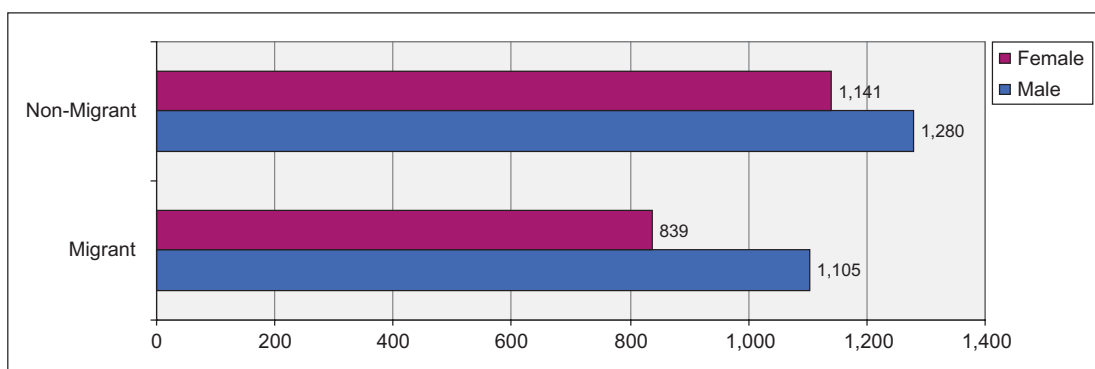
<sup>90</sup> While definitions vary, in the Republic of Korea standard (or regular) workers are commonly defined as full-time, permanent and directly employed workers. The irregular worker category usually comprises: contingent-workers (including fixed-term workers), part-time workers, dispatched workers, temporary help agency workers, independent contracts, on-call/daily workers, and teleworkers/home-based workers. For full definitions, see Byung-Hee Lee and Sangheon Lee (2007), *Minding the gaps: non-regular employment and labour market segmentation in the Republic of Korea*, ILO, Geneva.

men in non-regular jobs and women in regular jobs, with women in non-regular jobs receiving the lowest average hourly wage – only 52.2% of that of men in regular jobs.<sup>91</sup>

As mentioned earlier, part-time work also influences the gender pay gap, although data were in general not available for the countries in the study. Most data from other regions show a higher gender pay gap among part-time workers than full-time workers, although evidence to the contrary also exists,<sup>92</sup> pointing to the need for more data in East Asian countries.

In Viet Nam, the results of a GSO-UNFPA Survey<sup>93</sup> show that the gender wage gap is also wider among internal *migrant workers* than non-migrant workers. Among the latter, women’s mean monthly earnings were 87% of those of their male counterparts in 2004, whereas for the former, the figure was only 76%.<sup>94</sup> This is explained at least in part by the differences between male and female migrants in terms of the types of jobs in which they are engaged. Young women tend to migrate from rural to urban areas to work in manufacturing or as domestics in the informal sector, whereas men are more likely to migrate within rural areas as seasonal labour or workers on industrial farms, or to cities to work in factories or in construction.<sup>95</sup>

**Figure 27: Gender Gap in Wages among Migrant and Non-Migrant Workers, Viet Nam, 2004 (average monthly earnings, thousands Dong)**



Source: GSO and UNFPA, 2005.

### **Trade union membership**

As mentioned earlier, other factors for which sufficient data from the Asian region were not available and which were therefore not included in the analysis, may have a significant influence on the gender pay gap. One of these is trade union membership. Data from WageIndicator (see Chapter 5 and Briefing Note 3) surveys in most of the 12 countries for

<sup>91</sup> Korea International Labour Foundation (KOILAF) (2005) “Wage Gap between Regular and Non-Regular Jobs Widens with Non-Regular Workers’ Pay Equivalent to 70.5% of that of Regular Workers”. *Labor Today*. Issue No. 310, Dec. 14.

<sup>92</sup> However, contrary to the general assumption that part-time work leads to a higher gender pay gap, in some of the countries where WageIndicator surveys have been carried out, such as Argentina, Germany, the Netherlands, Poland, Spain and the UK, the gender pay gap was lower for part-time workers than for full-time employees, and Brazil even showing a reverse gap for part-time workers (which may reflect the low rates of male participation in lower-paid part-time jobs) (International Trade Union Confederation (ITUC) (2008), *The Global Pay Gap*).

<sup>93</sup> For the survey, 10,000 interviews were conducted (5,000 among migrants and 5,000 among non-migrants) in five different areas with high levels of in-migration (General Statistics Office (Viet Nam) and United Nations Population Fund (UNFPA) (2005), *The 2004 Viet Nam Migration Survey: the Quality of Life of Migrants in Viet Nam* and World Bank et al. (2006), op. cit)

<sup>94</sup> World Bank et al. (2006), op. cit.

<sup>95</sup> Ibid.



which data could be analyzed showed a narrower gender pay gap among unionized workers than non-unionized workers.<sup>96</sup> This appears consistent with findings that collective bargaining tends to reduce pay inequality overall.<sup>97</sup> For example, the gender pay gap was 9.5 percentage points lower among unionized workers than non-unionized workers in Germany, and 8.8 percentage points lower in the Netherlands. In Poland, the difference in the gender pay gap for unionized and non-unionized workers was 48 percentage points. Overall, more data on both the rate of unionization among male and female workers, and on the gender pay gap for non-unionized and unionized workers would be needed to validate these findings for Asia.<sup>98</sup>

#### 4.4. Review of determinants of the gender pay gap

The data given in the previous section are based on measurements of the average earnings of male and female groups of workers. This type of measure, known as the raw or unadjusted earnings ratio, is useful as it:

- provides summary statistics of pay inequalities
- highlights how these inequalities differ among specific groups
- sets out a picture of trends in time if there are no dramatic changes in the labour force in a country.

However, this measure does not allow much insight on the causes or determinants of the gender pay gap and the relative weight they have. For this reason a common procedure for estimating the extent of discrimination and its determinants is to use a decomposition of the earnings gap based on regression analysis.<sup>99</sup> This type of research which measures the adjusted earnings ratio has been carried out in several of the surveyed countries. The studies are mainly based on the methods developed by Oaxaca and Blinder to determine to what extent differences between men and women's earnings are caused by productivity or human capital related characteristics on the one hand and discrimination in the labour market on the other hand. The proxy indicators for productivity or human capital endowments usually are: education, training, age, work experience and, sometimes, job tenure. Often a whole range of other control variables is used such as race, location or marital status.

In the research reviewed for this guide, discrimination is found to account for a large share of the gender wage gap, although the findings vary widely from one study to another as shown by the following examples:

- In China, the lowest value for discrimination found in the studies was approximately 20%, while the highest varied from 60 to almost 80%.
- Studies in the Republic of Korea, Malaysia and Thailand found that 33%, 46-50% and 68% respectively of the gender pay gap were due to non-productivity related, 'unexplained' factors, in other words attributable to discrimination in the labour market.

Some other interesting research findings are:

- In Hong Kong SAR, years of education and work experience translated less favourably into higher level earnings for women as compared to men.
- In Malaysia it was found that the overall earnings of men and women were lower in female-dominated occupations than in male-dominated ones. This confirms worldwide

<sup>96</sup> International Trade Union Confederation (ITUC) (2008), *The Global Pay Gap*.

<sup>97</sup> Toke Aidt and Zafiris Tzannatos (2003), *Unions and Collective Bargaining – Economic Effects in a Global Environment*, World Bank, Washington.

<sup>98</sup> Unadjusted data for the countries in this review were not available. Examples of regression and decomposition studies which include trade-union membership as a variable are the 2001 and 2004 studies on the Republic of Korea by Monk-Turner and Turner (see Briefing Note 1), which found trade union membership to be relatively insignificant, although being in a union carried a larger wage benefit for women than men.

<sup>99</sup> Morley Gunderson (1994), *Comparable worth and gender discrimination – an international perspective*, ILO, Geneva.

- trends that high numbers of women in an occupation bring the wages down for all workers in this occupation.
- The same study in Malaysia found that gender pay gaps were the smallest in female-dominated jobs and the largest in male-dominated ones.
  - Further information on these studies is given in Briefing Note 1.

However, the large range in findings from the various individual studies shows that there are some problems with these methods. Firstly, reliable employment and wage data are hard to come by so the data sources may not always be valid. Secondly, if reliable data are available for analysis, a series of conceptual problems and practical difficulties often exist with these measurement techniques:

- The proxies used can distort the findings. As explained in section 3.2, labour productivity is commonly measured using the proxy indicators levels of education and age, the latter itself often a proxy for years of work experience because data on actual years of work experience are not available in many countries. Usually the age proxy for experience is age minus the number of years assumed to be needed for the completion of education. However, people may not enter the labour market immediately after completing education and work experience may not be continuous.
- The distinction between productivity-related individual characteristics of male and female workers and the 'unexplained' factors or discrimination in the labour market does not take into account that discrimination and gender inequalities in family responsibilities may lead to different productivity characteristics between men and women before and during working life.
- In addition, these methods do not measure the feedback effects between labour market discrimination, such as discriminatory hiring practices in enterprises, and the way men and women respond to gender biases in the labour market.
- Overall, the explanatory value of many of these studies does not translate easily into valid and straightforward policy recommendations for use in specific countries, because they do not analyze the effects of policies, measures and the institutional environment.

In sum, assumptions in some adjusted pay gap studies have determined outcomes, that may be invalid. This indicates the need for more reliable studies. The emerging consensus seems to be that there is a need to go beyond individual productivity-related differences between workers and analyze the male/female job divide in terms of occupations, industries, firm size and wage systems. Recent regression analyses have started to use variables such as wage structures, horizontal and vertical occupational segregation, including the social under-valuation of women's work, and the effects of wage-setting processes, including the collective and individual bargaining of wages which influence labour market outcomes in countries.<sup>100</sup>

For this reason, leading international researchers conclude that it impossible to provide policy makers with sound policy recommendations on the basis of cross-national or in-country assessments of statistical data on the gender pay gap only. They advise the undertaking of in-depth in-country studies which also assess the effects of labour legislation, policies, programmes and practical measures on labour market and pay outcomes for men and women workers with a view to develop policy insights and recommendations on closing the gender pay gap that are based on a sound understanding of the specific realities on the shaping of the gender pay gap in each country.<sup>101</sup>

<sup>100</sup> For example, see: Maria Karamessini and Elias Ioakimoglou (2007), "Wage determination and the gender pay gap: A feminist political economy analysis and decomposition", *Feminist Economics* 13(1), January, pp. 31-66.

<sup>101</sup> Damian Grimshaw and Jill Rubery (2002), *The adjusted gender pay gap: A critical appraisal of standard decomposition techniques*, EWERC, Manchester School of Management, UK (work of the coordinating team of the group of experts on Gender and Employment, commissioned by the Equal Opportunities Unit in the European Commission).

Before discussing the legal and policy frameworks in the East Asian countries in the next chapter, we need to have a closer look at information on the cost of women workers.

#### 4.5 Discrimination, women workers and their costs

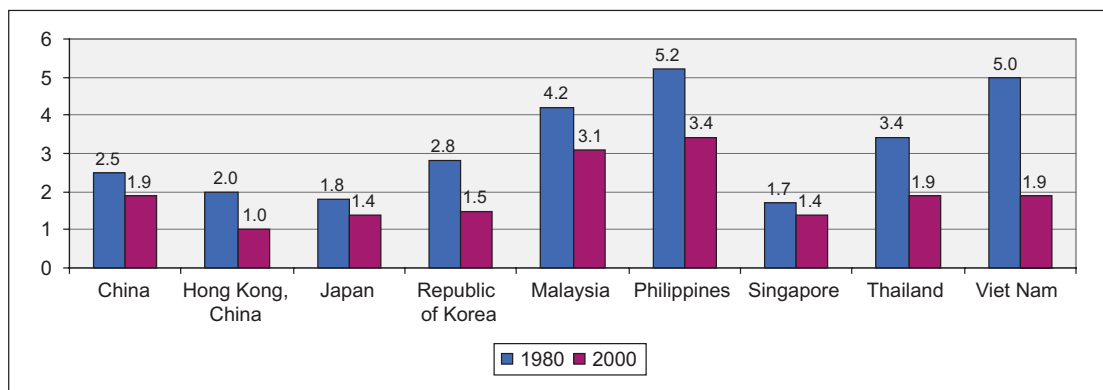
As mentioned in the previous sections, a large part of the gender pay gap remains unexplained and is attributed to discrimination. The latter is difficult to measure because it comprises not only direct discrimination but also many forms of hidden or indirect discrimination against women workers. In relation hereto, one of the main causes for employment discrimination against women and concomitant pay differences relates to the perceived higher costs of employing women as compared to men, because of women’s reproductive role and family responsibilities. Such views are based on a range of assumptions and expectations on the behaviour and productivity of women workers at work. It is therefore useful to further analyze available evidence and myths related to the cost of male and female workers.

It is commonly believed that women earn less than men because women spend a more limited number of years in the labour market during their working life as compared to men. In other words, the intermittent employment patterns of women, due to maternity, childrearing and other unpaid family responsibilities are considered to be an important determinant of income inequalities in the labour market between the sexes and among women. What have been the statistical trends in this regard?

#### Fertility rates

Women are having fewer children now than 25 years ago. There are disparities between the countries, but fertility rates have fallen in all of them over recent decades. In some of the surveyed countries, such as Malaysia (3.1) and the Philippines (3.4), the total fertility rate is above replacement level (2.1), and also above the Asian average of 2.4. In others, such as China, Thailand and Viet Nam, the rates are just below the replacement rate (1.9 for all three), while in Hong Kong SAR (1), Japan (1.4), the Republic of Korea (1.5), and Singapore (1.4) the rates are among the lowest in the world.<sup>102</sup> These demographic figures show that there is less reason to believe that women’s productivity at work is affected because the numerous children she will produce throughout her working life. Rather it would be worthwhile to further investigate whether employment discrimination due to family responsibilities and overall lack

**Figure 28: Fertility Rates, 1980 and 2000**



Source: World Bank, GenderStats, accessed 08/08/2006.

<sup>102</sup> UNFPA (2005), *State of the World's Population 2005*.

of support to male and female workers to balance work and family responsibilities leads to families deciding to have fewer children, as pointed out in Japan, the Republic of Korea, and Singapore.<sup>103</sup>

### **Child bearing and rearing**

In the past, especially in Europe, North America and Oceania, women entered the labour force in their early twenties, left in their late twenties and early thirties to bear and raise children and re-entered the labour force in their forties.<sup>104</sup> This trend is changing in East Asia. As shown in Figure 9 on the 2006 labour force participation rates of men and women by age in the countries covered in this guide, this “M-shape” employment pattern is only valid in Japan, the Republic of Korea and Malaysia with significantly less women in the labour force between 20 and 40 years and a steady decline thereafter. In the Philippines women’s labour force participation rate is significantly lower than men’s throughout while in Hong Kong SAR and Singapore women start leaving the labour force from 30 years onwards. However, in China, Thailand and Viet Nam women’s labour force participation rates are almost as high as those of men with slightly higher numbers of women leaving the labour force from their 40 to 45 years onwards.

As these figures show, women in East Asia on average have fewer children, and increasingly they enter and remain in the labour force throughout their child bearing and rearing years well beyond their reproductive age. Still, the idea that women (will) spend less time at work, be less productive and therefore, cost more due to their family responsibilities lingers on and has negative effects on their wages and earnings.

### **Effects of discrimination on women’s income**

None of the studies reviewed provided information on the income effects of discrimination against women workers because of their family responsibilities, as this is difficult to quantify. The findings from many smaller scale surveys, however, show that women’s (potential) child bearing and rearing roles lead to considerable labour market discrimination in access to employment and income.

In many countries in East Asia, women often just do not get a job if they have family responsibilities. Or they have to promise during recruitment that they will not get married or pregnant or face immediate dismissal as, for example, documented in Viet Nam,<sup>105</sup> where this practice was found to be relatively common even if it has been prohibited by labour legislation. Similar work place practices are reported from China and Thailand and the practice seems to be widespread in other countries as well, even if hard data are hard to come by. Overall, it is common for women to face dismissal upon pregnancy or marriage, and in fear of losing their job they will forego benefits, even if they are entitled to them.<sup>106</sup>

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<sup>103</sup> Tony Chang (2007), “Employers’ support for female workers key to higher birthrate.” *Yonhap News*. 10 May; Nur Dianah Suhaimi (2008), “Expecting a baby? Expect to be fired”, *The Straits Times*, 5 August; and “Birthrate higher when moms work full-time, dads do less overtime, gov’t paper says”, *Mainichi Shimbun*, 30 July 2005.

<sup>104</sup> ILO in United Nations (2000), *The World’s Women 2000*, page 112.

<sup>105</sup> RCFL of MOLISA and Fiona Howell (2003), *Equality, Labour and Social Protection for Women and Men in the Formal and Informal Economy in Viet Nam*, ILO Hanoi (English and Vietnamese).

<sup>106</sup> In China, a recent study by the ACWF shows that discrimination due to pregnancy and family status is common: according to the study, 21% of rural women in cities were fired after becoming pregnant or having a child (“China Improves Women Employment”, *Xinhua*, 7 May 2007). In the Republic of Korea, a poll by the job portal Incruit reveals that one-third of pregnant female workers decided not to take maternity leave for fear of discrimination, and 7% were told to resign after using maternity benefits (Tony Chang (2007), “Employers’ support for female workers key to higher birthrate”, *Yonhap News*, 10 May). Similar trends of voluntary or involuntary non-use of benefits and cases of termination of employment due to pregnancy are also reported from Singapore, where the Ministry of Manpower received 72 maternity and termination-related cases in 2007, occurring mostly in the small and medium enterprise (SME) sector (Nur Dianah Suhaimi (2008), “Expecting a baby? Expect to be fired”, *The Straits Times*, 5 August)

A few of the gender pay gap regression studies in the region included variables such as marital status and number of children. The research outcomes were not conclusive, possibly because these indicators are too blunt. There is a need for further research in this area to provide more evidence on the relation between family responsibilities, workers' productivity and workplace characteristics and their relative weight in explaining gender pay gaps.

### Maternity benefits and protection

Maternity protection comprises actual costs to enterprises because of the replacement cost of the women workers on maternity leave. With regard to maternity benefits, an important determinant of discrimination seems to be who pays for the direct cost of maternity protection benefits. If these costs are charged to individual employers for individual female employees who become pregnant as is the case in many countries in East Asia, pregnancy leads to direct and indirect discrimination in the labour market.

In contrast, ILO research in four Latin American countries<sup>107</sup> found that when the cost of maternity-related benefits and wages during maternity leave are not borne by employers but come out of taxes or social security funds, the additional costs of employing a woman amount to less than 2% of the monthly gross earnings of women. This shows that the perceived costs seem more important than the actual costs.<sup>108</sup> Recent ILO-supported research for the development of appropriate social security mechanisms in Pacific Island countries seems to confirm these findings.<sup>109</sup>

### Absence from work

There is a general perception that women have a higher incidence of absenteeism from work than men due to childbearing and rearing. However, hard data on actual absenteeism figures contradict the validity of this perception. For example, a study in Viet Nam shows that the amount of time that women take off from work is no greater than that of men. In fact, the numbers of men and women taking sick leave indicate that only in the category of hired workers (employees) women had a higher number of sick leave days than men. In all other categories of workers women had fewer days of sick leave than men, and for all categories of workers taken together, women's average number of days of sick leave (4.38) was lower than men's (5.39).

**Table 6: Days of Sick Leave taken by Women and Men, Various Employment Categories, Viet Nam**

	Female	Male
Self-employed	5.58	8.35
Business Owners	2.10	2.56
Hired Workers (employees)	5.47	5.26
Average for all categories	4.38	5.39

Source: ILO/RCFLG Survey Data in RCFL of MOLISA and Howell, Fiona (2003), *Equality, Labour and Social Protection for Women and Men in the Formal and Informal Economy in Viet Nam*, ILO, Hanoi.

<sup>107</sup> Lais Abramo and Rosalba Todaro (2002), *Examining a myth: Labour costs for men and women in Latin America*, ILO Lima, in ILO (2003), *Time for equality at work*, ILO, Geneva, page 50.

<sup>108</sup> The actual costs amounted to less than 2% of the monthly gross earnings of women employees when measuring the costs of maternity protection and child care; and to less than 1%t when considering all non-wage costs of male and female workers (Lais Abramo and Rosalba Todaro (2002), op. cit).

<sup>109</sup> Findings under ILO Project: Subregional initiative on social security for the Pacific Island countries.

However, the prevalent expectation in many countries is that women are the ones who should stay home and look after dependents. In several countries labour laws or regulations oblige employers to give only women employees time off to look after sick family members or to establish child care facilities when the number of women employees reaches a certain percentage. This reinforces gender stereotypes that such responsibilities are women's alone. Moreover, it comes at a considerable cost to women workers if the result is that they are not hired or dismissed because they are expected to be the only sex responsible for family responsibilities.

Such policies are well-intended but ill-advised because they increase the cost of women workers. They are counter productive because they do give rise to discrimination in hiring, promoting and retaining women, all of which erode their earnings relative to men. In the next chapter we will therefore have a closer look at the legal and policy framework and its effects on equality and pay equity between men and women workers.



## 5. LEGAL AND POLICY FRAMEWORK AND PRACTICAL MEASURES

### 5.1 International Instruments

#### Equal remuneration and non-discrimination

All the countries in the study<sup>110</sup> have ratified the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and the same is true for ILO Convention No. 100 on equal remuneration. This is one of the most widely ratified ILO Conventions – ratified by over 9 out of every 10 ILO member States worldwide and 8 out of every 10 member States in Asia and the Pacific.<sup>111</sup>

The ratification of ILO Convention No. 111 on non-discrimination is less wide-spread with ratifications in China, the Republic of Korea, the Philippines and Viet Nam, as shown in Table 7. In comparison to progress in the ratification of Convention No. 111 worldwide, the Asian region is particularly weak. Among the 12 countries which have not yet ratified Convention No. 111, four (Japan, Malaysia, Singapore and Thailand) are in East Asia, and as with Convention 100, it has not been declared applicable in Hong Kong SAR.<sup>112</sup>

#### Wages

Relatively few international labour standards on wages have been ratified in the eight surveyed countries. With regard to wages, ILO Convention No. 95 on the protection of wages has only been ratified by Malaysia and the Philippines. Japan and the Republic of Korea have ratified ILO Convention No. 131, the most recent instrument on minimum wage fixing. These two countries along with China are also the only ones which have ratified ILO Convention No. 26 on minimum wage fixing machinery. Only the Philippines has ratified ILO Convention No. 99 on minimum wage fixing in agriculture.

#### Collective bargaining

The ratification of instruments relating to collective bargaining is also low in the region. ILO Convention No. 98 on the right to organize and collective bargaining has been ratified by Japan, Malaysia, the Philippines and Singapore, and declared applicable in Hong Kong SAR, while the number of ratifications of ILO Convention No. 87 on freedom of association and the protection of the right to organize is even lower, with only two ratifications (Japan and the Philippines) among the countries reviewed in this guide and a declaration of applicability in Hong Kong SAR. None of the countries covered in this guide have ratified ILO Convention No. 154 on collective bargaining.

#### Maternity and family responsibilities

None of the countries in the study have ratified any of the maternity protection conventions (No's. 3, 103 and 183),<sup>113</sup> although Convention No. 3 has been declared applicable in Hong Kong SAR. Only two (Japan and the Republic of Korea) have ratified Convention No. 156 on workers with family responsibilities.<sup>114</sup>

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<sup>110</sup> With the exception of Hong Kong SAR which does not have the legal capacity to ratify international instruments. The latter can, however, be declared applicable by the Government of China. China has not undertaken any commitments on behalf of Hong Kong SAR with respect to Convention No. 100 on equal remuneration.

<sup>111</sup> 166 Ratifications among 182 member States worldwide and 26 ratifications among 32 member States and 34 economies in Asia and the Pacific. Note that Hong Kong SAR and Macao SAR are two separate economies, but Special Administrative Regions of China. Conventions No. 100 and No. 111 are declared applicable to Macao SAR.

<sup>112</sup> ILO (2007), *Equality at Work: Tackling the Challenges*, ILO, Geneva.

<sup>113</sup> Conventions No's 3 and 103 have been ratified in a number of countries where they remain applicable. However, these Conventions are not open for ratification anymore, following the entry into force of Convention No. 183.

<sup>114</sup> ILO Applis database.



Table 7: Ratification of International Instruments

	ILO Gender Conventions					UN Gender Instruments		ILO (Minimum) Wage & Collective Bargaining Conventions							
	C100	C111	C156	C3	C103	C183	CEDAW	Optional Protocol	C95	C87	C98	C154	C26	C99	C131
	<i>Equal remuneration, non-discrimination and workers with family responsibilities</i>					<i>Maternity protection</i>		<i>Elimination of all forms of discrimination against women</i>		<i>Protection of wages</i>		<i>Collective bargaining, freedom of association and right to organize</i>		<i>Minimum Wage Fixing</i>	
China	1990	2006					1980						1930		
Hong Kong, China*				1997			1997			1997	1997				
Japan	1967		1995				1985			1965	1953		1971		1971
Republic of Korea	1997	1966	2001				1984						2001		2001
Malaysia	1997						1995		1961		1961				
Philippines	1953	1960					1981	2003	1953	1953	1953			1953	
Thailand	1999						1985	2000							
Singapore	2002						1995				1965				
Viet Nam	1997	1997					1982								

\*Note: As a special administrative region of China, Hong Kong cannot ratify international instruments; they can, however, be declared applicable. ILO Conventions No. 3, No. 87, No. 98 and the CEDAW Convention were declared applicable to Hong Kong in 1997.

Source: ILO Appis database, accessed August 2007 and April 2008; United Nations Division for the Advancement of Women website, accessed August 2007.

ILO Conventions:

- C100 – Equal Remuneration Convention, 1951 (No. 100)
- C111 – Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
- C156 – Workers with Family Responsibilities Convention, 1981 (No. 156)
- C3 – Maternity Protection Convention, 1919 (No. 3)
- C103 – Maternity Protection Convention (Revised), 1952 (No. 103)
- C183 – Maternity Protection Convention, 2000 (No. 183)
- C95 – Protection of Wages Convention, 1949 (No. 95)
- C87 – Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87)
- C98 – Right to Organize and Collective Bargaining Convention, 1949 (No. 98)
- C154 – Collective Bargaining Convention, 1981 (No. 154)
- C26 – Minimum Wage-Fixing Machinery Convention, 1928 (No. 26)
- C99 – Minimum Wage Fixing Machinery (Agriculture) Convention, 1951 (No. 99)
- C131 – Minimum Wage Fixing Convention, 1970 (No. 131)

UN Conventions:

- CEDAW – Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) (1979)

The provision of adequate maternity protection<sup>115</sup> is a key factor in enabling women to successfully combine their reproductive and productive roles in the family, the economy and the society, and prevent unequal treatment in employment due to their reproductive role. The importance of this was given formal recognition by ILO member States with the adoption of the first Maternity Protection Convention (No. 3) in 1919. This Convention provides basic protection by entitling women to 12 weeks maternity leave with cash benefits to ensure continuity of income, daily breaks for nursing, and protection against dismissal during leave.

While Convention No. 3 was limited to women employed in public or private industrial or commercial undertakings, Convention No. 103 which was adopted in 1952 expanded the scope to include women employed in industrial undertakings and in non-industrial and agricultural occupations, including women wage earners working at home. It also extended leave entitlement to cover illness resulting from pregnancy or confinement, and expanded on the types of medical benefits provided.

The most recent Maternity Protection Convention No. 183 which was adopted in 2000 has taken the revision further by extending the provision of maternity protection to *all employed women*, regardless of occupation or type of undertaking. Women workers in atypical forms of dependent work are therefore also covered (Article 2).

The main contents of the provisions relate to health protection, maternity leave, cash and medical benefits, breastfeeding entitlements and employment protection and non-discrimination (prohibition of dismissal due to pregnancy). With regard to leave entitlements and the funding of benefits, Convention No. 183 provides among other things that workers who are covered are entitled to:

- a period of maternity leave of not less than 14 weeks (Article 4)
- cash benefits at a level which ensures that the woman can maintain herself and her child in proper conditions of health and with a suitable standard of living (no less than two-thirds of the woman's previous earnings) (Article 6)
- In order to protect the situation of women in the labour market, the Convention states that the benefits are to be provided through compulsory social insurance or public funds, and that an employer shall not be individually liable for the direct cost of the monetary benefits (Article 6).<sup>116</sup>

Concerning workers with family responsibilities,<sup>117</sup> ILO Convention No. 156 aims to establish equality of opportunity and treatment between men and women workers with family responsibilities as well as between workers with family responsibilities and workers who do not have such responsibilities. The Convention applies to all sectors of economic activity and all categories of workers. This means that all women and men workers with family responsibilities for dependent children or any other immediate family members who clearly need care and support are covered.

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<sup>115</sup> For more on maternity protection, see ILO (2004), *Maternity protection*, Information Sheet WF-4, ILO, Conditions of Work and Employment Programme, Geneva; ILO (2007), *Safe Maternity and the World of Work*, ILO, Social Protection Sector, Geneva.

<sup>116</sup> In several cases, the ILO Committee of Experts on the Application of Conventions and Recommendations (CEACR) has had to recall the importance of the principle that the employer shall in no case, in accordance with Conventions Nos. 3 and 103, be individually liable for the cost of benefits due to women whom they employ. This principle is maintained in the new instrument, although greater flexibility has been introduced, as it allows employers to be individually liable for maternity benefits in cases where they have given their specific agreement, where this was provided for at the national level before the adoption of Convention No. 183 or where it is agreed at the national level by the government and the social partners (ILO CEACR) (2004), *General Report of the Committee of Experts on the Application of Conventions and Recommendations*. Para. 40.

<sup>117</sup> ILO Conditions of Work and Employment programme (Travail) Information Sheets WF1-WF8 on Work and Family, see the bibliography for full titles and weblink.

In terms of application at the national level, policies and measures to promote the conciliation between work and family may include:

- Family services (child care, elder care, services to reduce domestic tasks)
- Leave (maternity leave, paternity leave, parental leave, emergency family leave, retraining and reintegration)
- Working time (duration, part-time, flexible working time)
- Raising awareness about balancing work and family responsibilities.

## 5.2 National laws and regulations

### Non-discrimination and equal opportunities and treatment in employment

Apart from the general guarantees of equality of all citizens that are contained in the constitutions of most East Asian countries, specific mention of equality in employment is made in the constitutions of the Republic of Korea, Malaysia and Viet Nam.

The labour laws of China, Japan, the Republic of Korea, the Philippines, Thailand and Viet Nam all contain general prohibitions on discrimination between men and women in employment.<sup>118</sup> Such a prohibition is not contained in the Employment Act (1955) of Malaysia nor in the Employment Act (1970) of Singapore. Additionally, laws on gender equality or on the protection of women provide for equality and non-discrimination between men and women with respect to employment opportunities and conditions of employment in aspects such as recruitment, promotion, or training in a number of countries.<sup>119</sup>

However, indirect discrimination is usually not explicitly covered in these laws. The exceptions are the 1997 Sex Discrimination Ordinance (SDO) in Hong Kong SAR and the 2007 revised Equal Employment Opportunity Law of Japan which explicitly prohibit both direct and indirect discrimination against women in the terms of employment. The 2007 Gender Equality Law in Viet Nam makes efforts to outlaw discrimination on the grounds of gender role stereotypes, but only intentional discrimination appears to be covered so far. Labour practices restricting female workers from getting married or becoming pregnant have been prohibited by law in Viet Nam. China's Employment Promotion Law, 2007 also provides that employment contracts must not contain "any content, which restricts female workers from getting married or bearing child".<sup>120</sup> As there is definitely a need to better address the many hidden forms of indirect discrimination that women face in the labour market, these legal developments are encouraging.

### Equal remuneration

- *Equal pay for equal work* is provided for in the Constitution, the Labour Law (1994), the Labour Contracts Law (2007), and the Law on the Protection of Rights and Interests of Women in China.<sup>121</sup> It is also guaranteed in the Constitution of Viet Nam.
- Provisions on *non-discrimination with respect to wages* are contained in the labour laws of Japan, Thailand, and Viet Nam. In the Republic of Korea, it is provided for in the Constitution, and in Viet Nam, it is also included in the Gender Equality Law. In

<sup>118</sup> Labour Act (1994), China; Labour Standards Law (1974), Japan; Labour Standards Act (1953), Republic of Korea; Labor Code (1974), Philippines; Labour Protection Act, Thailand; Labor Code (1994, amended 2002), Viet Nam.

<sup>119</sup> Examples include the Equal Employment Opportunity Law of Japan (1972), the Equal Employment Act of Korea (1987), the Law of the People's Republic of China on the Protection of Rights and Interests of Women (1992), the Hong Kong Sex Discrimination Ordinance (1997) and the Gender Equality Law of Viet Nam (2007).

<sup>120</sup> Section 27.

<sup>121</sup> It is not, however, contained in the newly adopted Employment Promotion Law, which makes no reference to equality in remuneration between men and women. With respect to women workers, this Law states that women shall enjoy equal labour rights as men, that sex should not be used as a criterion to justify women's exclusion from certain types of employment, and that labour contracts shall not restrict female workers from getting married or bearing children (Article 27).

most cases, there is no indication of whether the prohibition refers to equal work or to work of equal value, with the exception of the Labour Protection Act of Thailand, which stipulates the same wage for work of the “same nature and quality and equal quantity”. In China, the Labour Contracts Law (2007) provides that if there is no written employment contract, or if the contract does not specify a remuneration, then the principle of equal pay for equal work applies. Section 63 of the same Law provides that dispatched workers enjoy equal pay for equal work with regular workers, or, if there are no regular workers doing the same work, with workers doing the same or similar work in the same locality.

- *Equal pay for equal value* is generally not contained in national legislation, with the exception of:
  - The Republic of Korea’s Equal Employment Act (EEA) – although the concept is more restricted than in Convention No. 100, applying only to work within the same establishment.<sup>122</sup> In addition to the basic stipulation requiring employers to pay equal wages for work of equal value (Article 8), the EEA also requires the Minister of Labor to establish a Basic Plan for Equal Employment, which will include, inter alia, matters “on settlement of practices of paying equal wages for work of equal value” (Article 6).<sup>123</sup>
  - The Labor Code of the Philippines – although the definition given to work of equal value restricts the concept to “identical or substantially identical” work.<sup>124</sup>
  - The Sex Discrimination Code of Practice of Hong Kong SAR, which was introduced to guide the implementation of the Sex Discrimination Ordinance, also provides for equal pay for work of equal value. There is some ambiguity as to the extent to which the principle binds employers, however: While the Code states that equal pay for equal work should be maintained, with regard to equal pay for work of equal value, it only states that “employers are encouraged to progressively implement” the principle.<sup>125</sup>

The procedure to be applied in cases of alleged violations are usually outlined in the laws. However, in most of them, no specific penalties are defined for breaches.<sup>126</sup>

### **Discrimination compromising women’s income during and beyond working life**

However, while *direct discrimination in pay is prohibited by law* in most countries in East Asia, *discriminatory labour and social security law provisions still exist* which negatively affect

<sup>122</sup> ILO experience shows that the measurements of the extent to which jobs performed by men and women are of equal value should not be limited to the same enterprise or the same sector but extend to comparing the value of jobs across enterprises and sectors. See for example, ILO Committee of Experts on the Application of Conventions and Recommendations (ILO CEACR) (2006), *General Observation concerning Convention No. 100*, CEACR 2006/77<sup>th</sup> Session.

<sup>123</sup> Republic of Korea, Equal Employment Act, Act No. 3989, Dec 4, 1987, as amended by Act No. 6508, Aug 14, 2001, and ILO (2007), *Equal pay for work of equal value, An introductory guide (draft)*, ILO, Geneva.

<sup>124</sup> An amendment has been proposed to section 135(a) of the Code to provide for equal pay for work of equal value, regardless of whether the work is identical or not (ICFTU (2005), *Internationally Recognised Core Labour Standards in the Philippines*, ICFTU, Geneva). This amendment has still not been adopted, however, and the ILO Committee of Experts on the Application of Conventions and Recommendations (CEACR) has in its latest observation in 2007 (published in March 2008) urged the Government to change its legislation (ILO CEACR) (2007), *Individual Observation concerning Equal Remuneration Convention, 1951 (No. 100), Philippines (ratification: 1953)*, CEACR 2007/78<sup>th</sup> Session.

<sup>125</sup> Paragraph 12.8 cited in Carole Petersen (2000), *Implementing Equal Pay for Work of Equal Value in Hong Kong: A Feminist Analysis*.

<sup>126</sup> However, in the Republic of Korea, a fine of up to 5 million won can be imposed for failure to comply with the equal wage provisions of the Labour Standards Act or imprisonment of up to three years and a fine of 20 million won for failure to comply with the equal pay provisions of the Equal Employment Act; in Japan, a fine of 300,000 Yen or imprisonment up to six months can be imposed for a violation of the equal wage provision of the Labour Standards Act, in the Philippines, a violation of the Labour Code will result in imprisonment of 3 months to 3 years and/or a fine of 1,000-10,000 Pesos; in Thailand, a violation of the equal pay provision of the Labour Protection Act can result in a fine of up to 20,000 Baht.

women's income. Firstly, in countries, such as China, Malaysia, Thailand and Viet Nam, legal restrictions or prohibitions bar women from overtime work, work at night or in a range of occupations, deemed unsuitable to them. This type of provisions has come under increased scrutiny in international law as the protection of women "for their own good" impedes the principle of equality of opportunity and treatment, and may prevent women from entering gainful jobs.

The debate on whether women need to be protected from hazardous or night work, for example, is not over yet and different views continue to exist. However, in an increasing number of countries it is agreed that work needs to be made safe both for women and men rather than excluding women from certain occupations. For example, rather than barring women from night work or male-dominated jobs, such as in the transport sector, work places need to be made safe and free from health and other risks, such as sexual harassment.

Another form of direct discrimination in laws, regulations and rules existing in countries, such as China and Viet Nam, relates to obliging women to retire five years earlier than men. This measure was also designed in the past to protect women and to acknowledge their contribution to unpaid household and family care. However, this measure is outdated. In current labour markets it leads to unintended negative effects on women's income during and after their working life as follows:

- Pay inequities at the end of women's career, as they need to stop paid work and retire five years earlier than men, and cannot progress into senior, higher-paying jobs
- Fewer social security benefits, as the level of benefits is usually calculated on the basis of the total number of years in employment or on the income earned during the last 3 or 5 years in employment when workers are eligible to enter more senior positions.

Women tend to live longer than men, and are in need of a pension guarantee. Working women tend to have less access to pension benefits in general because they may have dropped out of the workforce for a few years or engaged in part-time, temporary or other forms of flexible work without benefits. The five-year lower retirement age for women penalizes them further. A World Bank analysis found that Latin American and Caribbean women could probably get a 30% higher pay-out if their retirement age would equal men's.<sup>127</sup>

## Wages

This guide does not contain a detailed gender analysis of wage data and the effects of trends in wage legislation in the concerned countries as reliable data on this subject were not available. For example, analysis of the wage spread is relevant as the gender pay gap tends to be greater where the wage spread is higher, because the penalty attached to low-paying jobs, where women are over-represented, is much greater than in compressed wage structures.<sup>128</sup>

Realizing that wages are a key component of decent work, ILO research on the level and distribution of wages as well as the role of relevant wage-fixing laws and institutions has been stepped up upon request of its constituents since 2007 and will be undertaken systematically.<sup>129</sup> The 2008 Declaration on Social Justice for a Fair Globalization<sup>130</sup> also tasks the ILO member

<sup>127</sup> Inter-American Development Bank (2006). *Leveling the retirement age for men and women*. Web Story November 20, 2006.

<sup>128</sup> Francine Blau and Lawrence Khan, 1996, cited in Damian Grimshaw and Jill Rubery (March 2002), *The adjusted gender pay gap: A critical appraisal of standard decomposition techniques*, Manchester.

<sup>129</sup> ILO (2007), *Wages around the world: Developments and challenges*, ILO Governing Body, Committee on Employment and Social Policy, GB.298/ESP/2, Geneva.

<sup>130</sup> ILO (2008). A. *Proposed ILO declaration on social justice for a fair globalization*; B. *Resolution on strengthening the ILO's capacity to assist its Members' efforts to reach its objectives in the context of globalization*. International Labour Conference 97<sup>th</sup> Session, Geneva, 2008 Provisional Record PR No.13 A/B.



States with developing labour protection and social security policies to ensure a minimum living to all employed and those in need of protection. Thus, it is expected that sex-disaggregated wage data and gender analyses of wage laws, policies and mechanisms will gradually become available in the years to come.

Given that many women workers are found in sectors and occupations around the minimum wage level, and that *minimum wage legislation* can protect workers in poverty an inventory was made of minimum wage provisions in the countries covered in this guide, even if no gender data were available on this subject.

In general, minimum wage legislation exists but remains fairly undeveloped in the region with the exception of Japan and the Republic of Korea. In China, Japan, the Republic of Korea, the Philippines, Thailand and Viet Nam, minimum wage rates are set by region or province within each country. In Malaysia minimum wage rates are set for a few economic sectors, industries and occupations. Singapore does not have any minimum wage legislation and in Hong Kong SAR a minimum wage provision exists only for foreign domestic workers.

Sectoral minimum wage-fixing may jeopardize gender equality as minimum wages set for sectors that are predominated by women may tend to be lower than those set for male-dominated sectors or female-dominated sectors may be overlooked altogether when deciding which sectors to cover.

### **Maternity protection**

With regard to national legal provisions, an ILO study<sup>131</sup> on the conformity of national provisions with ILO Convention No. 183 regarding the length of leave, the benefits paid and the source of funding found that the highest proportion of countries that was in line with Convention No. 183 on these three aspects was situated in Europe and Central Asia. Conformity was found to be particularly low in Asia, the Pacific and the Arab States.

Systems of maternity protection in East Asia vary greatly in terms of their scope and coverage. As mentioned earlier, one of the most important factors in terms of its possible impact on discrimination of women workers is who bears the cost of maternity protection. In some countries, the costs of the leave are borne entirely by employers (for example in China and Malaysia); in others, costs are covered entirely through social security (for example in the Philippines and Viet Nam). These differences are illustrated in Table 8 below:

It should be noted that the scope of these schemes can be limited, however, and they may exclude a large number of women workers by regulation or in practice. For instance, in the Republic of Korea, the Employment Insurance Act does not apply to workers whose fixed working hours per month is less than 60 hours, meaning that a large number of irregular workers do not benefit from it.

The sources consulted for this guide did not contain sufficient data on maternity protection to give a comprehensive picture of coverage in terms of the numbers of persons availing themselves of the provisions. Availability of such data would be an important step of progress in assessing the actual coverage, effectiveness and costs of the different maternity protection schemes across the region.

For the time being, it can be concluded that large groups of women workers in the surveyed countries are not covered by any maternity protection provisions. Regarding women who are covered under some form of maternity protection schemes, smaller-scale studies and data from labour inspectorates in countries such as China, the Republic of Korea and Thailand

<sup>131</sup> ILO (2005), *Maternity at Work: A Review of National Legislation*, ILO, Geneva.

**Table 8: Paid Maternity Leave Provisions**

	Length of Maternity Leave	Percentage of wages paid	Provider of Coverage
China	90 days	100	Voluntary employer-funded insurance
Hong Kong, China	10 weeks	4/5	Employer
Japan	14 weeks	60	Health Insurance or Social Security
Republic of Korea	90 days	100	Employer 60 days, employment insurance fund 30 days
Malaysia	60 days	100	Employer
Philippines	60 days	100	Social Security
Singapore	12 weeks	100	The employer for the first 8 weeks of the leave for the first two children. Government reimburses employers for the additional 4-week leave period and pays for the entire 12-week leave period for the third and fourth births if the qualifying conditions are met.
Thailand	90 days	100 for first 45 days then 50 for 45 days	Employer for first 45 days then Social Security
Viet Nam	4 months**	100	Social Security

\*\*4 months for workers in normal jobs, 5 to 6 months for workers in hazardous or specially listed jobs

Sources: For all countries except Hong Kong SAR: ILO, Database of Conditions of Work and Employment Laws, Maternity Protection database, accessed 8/3/2008; For Hong Kong SAR: IUF, *Maternity Protection in International Law and Practice in North-East Asia*.

indicate that there are considerable implementation problems. Women often do not receive the maternity benefits that they are entitled to, they do not take the stipulated maternity leave days for fear of dismissal, they can not return to their job or they are laid-off.

### 5.3 Institutional Mechanisms

#### Industrial relations

All countries covered in the desk review have industrial relations systems in place where the ILO constituents – the governmental agency in charge of labour and employment, employers' and workers' organizations, consult and advise on relevant employment and labour matters. However, in most East Asian countries these tripartite social dialogue mechanisms are mostly confined to the formal sector and dominated by government. Employers' and workers' organizations need to become stronger and more independent. In addition, industrial relations legislation is often outdated and many restrictions are in place, for example the right to strike is limited in many countries. Protection against anti-union discrimination is weak. In sum, industrial relations systems in the region need further strengthening in terms of mandate, scope and authority, process and representation of employers' and workers' organizations.

Moreover, senior decision-makers in industrial relations and social dialogue mechanisms are mainly men, and women are seriously under-represented. For example, a recent ILO study among 48 national social dialogue institutions in all regions shows that women account for only 14.7% of the representatives of the three parties – governments, employers and workers



– in social dialogue institutions. This is far below the 30% quota that a number of countries have established in recent years for women’s participation in parliaments and management positions in public administration.<sup>132</sup>

### **Wage-fixing processes**

Wage-fixing mechanisms are also generally weak. Various countries have tripartite bodies to advise on the setting of minimum wages at the national or the provincial levels and/or for certain economic sectors or occupations. However, the minimum wage-fixing system in many countries is fraught with difficulties. For example, trade unions and researchers in Malaysia, the Philippines and Thailand consider that the minimum wage-fixing system does not reach the persons who it is supposed to reach, that it negatively affects negotiations for adequate living wages as minimum wages are very low, and that minimum wages often function as a ceiling rather than a bottom-line. ILO experience shows that a focus on tripartite discussions on minimum wages only occurs in countries where social dialogue and collective bargaining systems are weakly developed. Positive developments, however, are taking shape, among others, a new interest in wage-fixing in general at the international level and in East Asia.<sup>133</sup>

### **Promotion and enforcement mechanisms**

Very few specialized support mechanisms have been instituted in East Asia to support, promote and enforce the implementation of equality legislation in the labour, employment and social protection fields, or the application of legislation and policies of a general nature which impact on gender equality in employment and society. However, positive steps are being taken in several countries.

The only mechanism in the region which is dedicated to implementing equality legislation is the *Equal Opportunities Commission* (EOC) in Hong Kong SAR. It was set up in 1996 to implement the Sex Discrimination Ordinance (as well as the Disability Discrimination Ordinance and the Family Status Discrimination Ordinance). In the case of discrimination, in addition to lodging a complaint with the management at the workplace, or taking the case to court directly, an employee can lodge a complaint with the EOC, which will investigate the complaint, and, where it deems it appropriate, proceed to conciliation. The EOC can also provide assistance for taking a discrimination case to court. Over the years, the EOC has made important strides in combating employment discrimination on the grounds of sex, disability and family status.

In the Republic of Korea, “honorary equal employment inspectors”, recommended by workers and management at the workplace concerned, can be commissioned by the Minister of Labour to promote equality at the workplace. The Equal Employment Act also provides for the setting up of tripartite Equal Employment Commissions at the local labour administrations to mediate disputes.<sup>134</sup> However, no information was available from English sources to ascertain the effectiveness of these institutional measures.

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<sup>132</sup> Tracy Breneman-Pennas and Marleen Rueda Catry, (2008), *Women’s Participation in social dialogue institutions at the national level*, ILO, Geneva.

<sup>133</sup> Sources: Discussions at ILO-MTUC (Malaysian Trade Union Confederation) Seminar on Decent Work with focus on Minimum Wages and Social Security, Kuala Lumpur, October 2007; ILO Wage Experts’ Meeting in Asia, Hanoi, November 2007; and ILO-MOL (Ministry of Labour) National Seminar on Work, Income and Gender Equality in Thailand, November 2007. See also Francois Eyraud and Catherine Saget (2005), *The fundamentals of minimum wage fixing*, ILO, Geneva; ILO (2006), *Minimum wages policy*, Information Sheet W-1, ILO, Conditions of Work and Employment programme, Geneva; and ILO (2007), *Wages around the world: Developments and challenges*, ILO, Governing Body, Committee on Employment and Social Policy, GB.298/ESP/2, Geneva.

<sup>134</sup> Republic of Korea. Equal Employment Act, Act No. 3989, Dec 4, 1987, as amended by Act No. 6508, Aug 14, 2001.

Another interesting development has taken place in Singapore, where a Tripartite Centre for Fair Employment was launched in 2007 to promote and support the implementation of voluntary Guidelines on Fair Employment Practices, adopted by a tripartite alliance to eliminate discrimination in hiring and employment.<sup>135</sup> See the next section for more information.

In many countries, equality and equal pay cases are dealt with either in general industrial relations dispute settlement mechanisms or in national criminal or civil court systems. For example, in Japan equal pay cases are usually settled in the courts. In China, complaints under the equality provisions of the 2007 Employment Promotion Law are to be brought to the civil courts, but this law does not make an explicit reference to equality in remuneration between men and women. The 2007 Labour Contract Law only refers to equal pay for equal work, and it is not yet clear whether this and other equality provisions under this Law will be dealt with under the new mediation and arbitration procedures for the resolution of labour disputes.

In Japan, while it is not linked to gender equality legislation per se, provision is made for the establishment of a specialized mechanism to support the realization of a work-life balanced society as recently set out in the “Charter of Work-Life Balance” and “Action Guidelines for the Promotion of a Work-Life Balanced Society”.

### **Gender-specific mechanisms**

Institutional mechanisms for the promotion of gender equality have been established in most countries following the 1995 Fourth World Conference of Women in Beijing where governments worldwide committed to mainstreaming gender in all social, economic and political fields. Women’s machineries which until then mainly had a welfare focus and operated on a small scale in most countries were strengthened and their mandates were expanded. Efforts have been made in several countries (such as Cambodia, China, Malaysia, Thailand and Viet Nam) to create explicit gender mainstreaming capacity in other key line ministries, labour, employment and social welfare usually among them.

In East Asia, the process of engendering labour institutions has only just started and progress to date has been rather modest. However, new measures continue to be taken. For example, in Viet Nam, after 10 years of slow and uneven progress, the Government adopted a Gender Equality Law in 2006. This Law stipulates that all governmental agencies should undertake a gender analysis of their laws, policies and programmes, and take remedial action to address gender inequalities with clear indicators and targets.

Finally, it is noted that pay equity, so far, does not seem to feature highly on the agenda of labour and gender equality mechanisms in any of the countries under review. For example, in Hong Kong SAR, while the Government is bound by the Sex Discrimination Ordinance, it has in many cases failed to apply the provisions laid down in this law in the public sector, and thereby does not encourage the public sector to follow suit.<sup>136</sup> However, new measures to combat discrimination in employment have been emerging in recent years with the potential to address the issue of equal pay between men and women for work of equal value.

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<sup>135</sup> Further information on these initiatives is provided in the next section.

<sup>136</sup> Carole J. Petersen (2002). “The Right to Equality in the Public Sector: An Assessment of Post-Colonial Hong Kong”, *Hong Kong Law Journal*, Vol. 32 Part 1, pp. 104-134.

## 5.4 Practical Measures

Over the past recent years several initiatives and tools have been developed to identify and address the gender pay gap and advocate for pay equity. Some of the promising practical measures that have been carried out at the global level consist of the development of Job Evaluation Methods (JEM) free from gender bias, the Wage Indicator concept which uses internet based salary checkers to construct an information base on wages allowing workers to assess their salaries against those of others in the same occupation, and the global Pay equity campaign spearheaded by Public Services International (PSI).

Guidelines on equal opportunities for men and women including equal pay were developed in the Czech Republic, an initiative which has potential for replication. In East Asia, besides the legal provisions outlined above, practical measures have been undertaken by governments and workers' and employers' organizations in a number of countries. These global and national initiatives in East Asia are briefly explained below.

### Job evaluation methods

In recent years, the development of *Job Evaluation Methods (JEMs)* free from gender bias has come to be regarded as a key step in promoting pay equity and ensuring that jobs of equal value receive equal remuneration. Job evaluation processes generally consist of analysing and comparing the contents of different jobs within an organization or industry by breaking down the duties and skills of jobs into different factors of value with a view to determine appropriate wage rates. JEMs which are free from gender bias are designed to assess jobs objectively through criteria which are equally applicable to both female- and male-dominated jobs to ensure that the skills required for jobs typically performed by women, such as manual dexterity or human relations skills, are not undervalued.

At the national level, efforts to develop and improve job appraisal and evaluation mechanisms have been undertaken in the Philippines and the Republic of Korea:

- The Department of Labor and Employment (DOLE) of the Philippines is intending to develop appropriate methods to promote an objective appraisal of jobs on the basis of the work to be performed.<sup>137</sup>
- As part of its efforts to promote objective job appraisal, the Korean Women's Development Institute (KWDI) conducted a project on a standard mechanism for job appraisal.<sup>138</sup>

See Briefing Note 2 for more on job evaluation methods and references to JEMs tools developed by ILO and PSI among others.

### WageIndicator websites<sup>139</sup>

The *WageIndicator* tool is based on freely accessible web-based salary checks which gather and disseminate wage data from and to the public. The national WageIndicator websites contain a wage and employment questionnaire which is filled in by web visitors in exchange

<sup>137</sup> ILO CEACR (2004), *Individual Direct Request concerning Equal Remuneration Convention, 1951 (No. 100), Philippines (ratification: 1953)*, CEACR 2004/75<sup>th</sup> Session. The most recent Individual Observation of the ILO CEACR for the Philippines states, however, that no information on concrete results in this area has been provided thus far (ILO CEACR) (2007), *Individual Observation concerning Equal Remuneration Convention, 1951 (No. 100), Philippines (ratification: 1953)*, CEACR 2007/78<sup>th</sup> Session).

<sup>138</sup> ILO CEACR (2003), *Individual Direct Request concerning Equal Remuneration Convention, 1951 (No. 100), Republic of Korea (ratification: 1997)*, CEACR 2003/74<sup>th</sup> Session. Despite such initiatives, the 2007 ILO CEACR Individual Observation for the Republic of Korea points to the need for greater efforts in ensuring the integration of the equal pay principle into management and pay systems in enterprises (ILO CEACR) (2007), *Individual Observation concerning Equal Remuneration Convention, 1951 (No. 100), Republic of Korea (ratification: 1997)*, CEACR 2007/78<sup>th</sup> Session).

<sup>139</sup> WageIndicator global website, accessed 13/07/2008.

for access to a Salary Check, which is constructed with the data from the questionnaires and which allows individuals to check their salary against that of others in the same occupation. Apart from giving individual workers access to information on wages and working conditions, it also provides wage-related information to other stakeholders such as trade unions or employers. The data are also stored in the WageIndicator database, and once a sufficient number of observations is available, regressions can be made to facilitate the analysis of the determinants of earnings.

The data gathered by the WageIndicator sites show the wages and benefits that are actually paid and also how earnings vary with education, work experience, working hours, company size, region, age and sex – both in the formal and the informal economy. Because of this detailed data for men and women alike, comparative analysis of the dataset leads to the identification of gender bias in remuneration, the occurrence of sector and/or occupation specific gender pay gaps and how big they are.

The WageIndicator concept was originally launched in the Netherlands by the Dutch trade union confederation FNV in 2000 and is now operational in 35 countries. In Asia, websites have been developed in China and the Republic of Korea.<sup>140</sup> Other Asian countries in which the concept will be launched include: Japan, Malaysia, the Philippines, and Singapore. See Briefing Note 3 for details on the WageIndicator concept.

### **Promoting pay equity in the public sector – Union action**

*International PSI pay equity campaign.* The Public Services International (PSI) Pay Equity Campaign was launched in 2002 for a five-year period with the aims of promoting pay equity among its affiliates, especially by raising awareness and building the capacity of unions in developing countries. Activities undertaken as part of the campaign have included training, the provision of expert services, and facilitating local campaigns, as well as the development of a range of resources and tools for addressing gender discrimination and promoting the concept of equal pay for work of equal value, such as an electronic pay equity newsletter with global distribution, a pay equity resource pack and a guide on job evaluation methods free from gender bias.<sup>141</sup>

*Promoting pay equity in the public sector in the Philippines.* Public service unions in the Philippines have been actively involved in the PSI global pay equity campaign. Actions have included participation in a number of capacity building workshops on gender pay equity, with themes such as job evaluation free from gender bias, and the organization of a tripartite consultation with employers and the government as an outcome of the pay equity campaign.

Awareness raising activities have also been undertaken on gender pay equity in the health service, particularly among unpaid health care volunteers who provide routine health care on a 24 hour basis in local communities. As part of this work, dialogue between unions and the government on equitable payment for these volunteers who provide front-line health care services, has been initiated.<sup>142</sup>

Negotiations have also led to the adoption of a Memorandum of Understanding (MOU) on Quality Public Services and Performance, covering 1.5 million government employees. The MOU contains a number of pay equity provisions, including the development of a job evaluation

<sup>140</sup> In the Republic of Korea, the salary checker is being developed in collaboration with Job Korea and UNI-Apro. In China, the implementing partners are Renmin University and the Labour and Worklife Program of Harvard Law School.

<sup>141</sup> Public Services International (PSI) (2005), *Closing the gender pay gap – A practical guide to revalue traditional women's work*.

<sup>142</sup> PSI Website, accessed 24/05/2006.

process free from gender bias (to be achieved by reviewing position descriptions and compensation systems). It also contains provisions to ensure that teachers and employees contracted under the Special Education Fund receive equal remuneration, a programme to address the needs of women government employees, as well as plans for a programme to upgrade nurses' salaries.<sup>143</sup>

### **Capacity building of labour inspectors – Czech Republic**

The monitoring of compliance with the laws on pay equity and discrimination is in general the responsibility of the labour inspectorate. However, the capacity of labour inspectors to check compliance with the equal pay principle is in many cases limited, partly due to a lack of understanding of what ensuring equal pay for equal work and work of equal value entails.

However, examples from other regions show that the labour inspectorate can play an important role in doing so if adequate capacity building measures are taken. In the Czech Republic for instance, the Ministry of Labour has developed "*Methodological instructions for the inspection of compliance with equal opportunities for men and women*".<sup>144</sup> The instructions, which entered into force in January 2003, contain the relevant legal provisions with regard to equal remuneration and equal treatment in the workplace (including matters relating to recruitment, training and promotion, working conditions, sexual harassment, and maternity and parental leave). They also give guidance on how gender equality inspections should be carried out, and provide a list of questions to be asked during the inspections. On equal remuneration, the instructions explain the concept of work of equal value and how to assess "value".<sup>145</sup>

### **Tripartite Alliance for Fair Employment Practices – Singapore**

A *Tripartite Declaration on Equal Remuneration for Men and Women Performing Work of Equal Value* was issued in November 2002 by the Ministry of Manpower, the National Trades Union Congress and the Singapore National Employers Federation, affirming their commitment to the principle. Additionally, to ensure application in practice, employers and trade unions are to include an 'equal remuneration clause' in their collective agreements when the agreements are renewed.<sup>146</sup>

A *Code of responsible employment practices* was also issued by the Singapore Business Federation, the Singapore National Employers Federation and the National Trades Union Congress in December 2002. The code was replaced in May 2007 by the *Guidelines on Fair Employment Practices* adopted by the Tripartite Alliance for Fair Employment Practices (TAFEP), which was formed in May 2006 with a view to root out discrimination in hiring and employment. The alliance is composed of representatives from Government, the private sector and unions.

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<sup>143</sup> Ibid.

<sup>144</sup> Ministry of Labour and Social Affairs (Czech Republic)(2003), "Methodological instructions for the inspection of compliance with equal opportunities for men and women". See also ILO (2007), *Equality at Work: Tackling the Challenges*, ILO, Geneva.

<sup>145</sup> "Same work or work of the same value" is defined as "identical work or work of the same or comparable complexity, responsibility and urgency, performed in the same or comparable working conditions, with the same or comparable work abilities and work competence on the part of the employee and with the same or comparable efficiency and results, and in an employment relationship at the same employer". Whether two jobs are of equal value is to be established through a comparison of the jobs based on the criteria of complexity, responsibility and urgency.

<sup>146</sup> CEDAW Committee on the Elimination of Discrimination against Women (2004), Consideration of reports submitted by States parties under article 18 of the Convention on the Elimination of All Forms of Discrimination against Women, Singapore, CEDAW/C/SGP/3, 22 November.



The Guidelines<sup>147</sup> cover areas such as recruitment, equal remuneration for work of equal value, job appraisal, promotion, training, dismissals, and grievance handling. Among other recommendations, the Guidelines state that:

- The selection of employees and the recruitment procedure should be based on merit and be free from discrimination based on age, race, sex, religion, and family status. Whenever the practical requirements of a job mean employees of a particular sex are needed, this must be supported by an acceptable rationale.
- Remuneration should be based on the value of the job and the performance, contribution and experience of the job holder, regardless of their age, race, sex, religion, and family status.
- Employers should adopt formal appraisal systems which are fair and objective, with measurable standards for evaluating job performance to ensure that employees are assessed and promoted on the basis of merit.

In November 2007, the Tripartite Centre for Fair Employment – a one-stop centre where workers and employers can provide feedback and seek advice on fair employment practices – was launched to support TAFEP’s promotional and outreach work.<sup>148</sup>

### **Guidelines for employers to eliminate wage disparity – Japan**

The government established a Study Group on the Issue of Wage Disparity between Men and Women, which produced its first report in November 2002.<sup>149</sup>

In 2003, the Government issued a “*Guideline Concerning the Measures for Improving Wage and Employment Management for Eliminating Wage Disparity between Men and Women*”, a set of voluntary guidelines for employers recommending that enterprises analyse the wages of female and male employees and improve their employment and wage management. In particular, the guidelines<sup>150</sup> encourage employers to:

- enhance the objectivity and transparency in wage decisions and personnel appraisals; review family allowances schemes and career tracking systems as well as their implementation
- promote non-discriminatory job allocation and posting
- allow mobility between tracks where a two-track career system has been introduced
- use positive action measures to overcome limited access of women to certain positions by length of service requirements
- promote family-friendly workplaces.

### **Guidelines and mechanism for the promotion of work-life balance – Japan**

The need to address the current difficulties faced by workers to combine work and life needs was recently recognized through the adoption of a *Charter of Work-Life Balance* in Japan in 2007. The charter is complemented by *Action Guidelines for the Promotion of a Work-Life Balanced Society*, which outline measures to be taken by different bodies, including:

- Efforts by corporations and workers, such as engaging in workplace environment reform, developing flexible work styles through child care and other leaves, teleworking systems, etc., creating systems of hourly productivity improvement, or facilitating the changeover to regular employment for part-time workers.

<sup>147</sup> For further details, see the *Guidelines on Fair Employment Practices* issued by the Tripartite Alliance for Fair Employment Practices (TAFEP)

<sup>148</sup> Speech by Dr Ng Eng Hen, Minister for Manpower and Second Minister for Defense at the Launch of the Tripartite Centre for Fair Employment, 20 Nov 2007.

<sup>149</sup> ILO CEACR (2004), *Individual Observation concerning Equal Remuneration Convention, 1951 (No. 100), Japan (ratification: 1967)*, CEACR 2004/75<sup>th</sup> Session.

<sup>150</sup> Cited in CEACR, 2004, op. cit. The guidelines were not available in English for this study.

- Citizens' efforts, through the recognition, both as workers and consumers of services provided by others, of the need for a work-life balance
- Efforts by the central and local governments, for example awareness-raising among the public, support to workplaces striving to achieve a work-life balance, the development of tax and social security systems which are neutral in regard to work styles, and the improvement of child care systems and supporting the taking of care leaves by male workers.

Progress on achieving an ideal work-life balance by society as a whole will be monitored through the establishment of numerical targets for the coming 10 years and the use of a work-life realization index. The numerical targets include, for instance, increasing the rate of continuously employed female workers over the maternity period of their first child from the current rate of 38% to 55% by 2017; cutting by half the rate of employees who work more than 60 hours per week (currently 10.8%); and increasing the amount of child care and housework for male parents with a child under six years old from an average of 60 minutes per day to 2.5 hours by 2017. A panel consisting of academic experts and workers' and employers' representatives will be established to monitor progress.

Such measures can contribute to the achievement of pay equity by enabling women workers to overcome obstacles to career continuation and progress caused by the difficulty of combining care responsibilities and paid work and by the stereotypes associated with women's role as a main provider of care in the family.

### Corporate social responsibility – Thailand

An effort was made to identify corporate social responsibility initiatives with explicit pay equity promotion measures. However, hardly any information on this subject was available. One example that was found – although information on its implementation is limited – is the *Thai Labour Standard initiative*<sup>151</sup>, which was launched in Thailand in mid 2003 by the Ministry of Labour in association with employers' and workers' organizations and NGOs.

The Thai Labour Standard<sup>152</sup> aims to establish management systems which are in compliance with international labour standards. It contains a set of guidelines outlining practices which are in line with the promotion of corporate social responsibility. These are to be implemented voluntarily by establishments and used as criteria for certification of establishments applying the Standard.<sup>153</sup> Among other rules, it contains stipulations relating to:

- Remuneration (requirement 5.4), which requires employers to pay wages in accordance with the law
- Discrimination (requirement 5.6), which prohibits discrimination in hiring, payment of wages and remuneration, providing welfare and opportunities for training and development, promotion, termination of employment or retirement based on nationality, race, religion, language, age, sex, marital status, sexual orientation, disability, trade union membership, political affiliation or personal opinion
- Employment of female workers (requirement 5.9), which requires employers to provide safe working conditions for pregnant employees and prohibits termination of employment and reduction of benefits on grounds of pregnancy.

<sup>151</sup> ILO CEACR (2007), *Individual Direct Request concerning Equal Remuneration Convention, 1951 (No. 100), Thailand (ratification: 1999)*, CEACR 2007/78<sup>th</sup> Session and ILO CEACR (2005), *Individual Direct Request concerning Equal Remuneration Convention, 1951 (No. 100), Thailand (ratification: 1999)*, CEACR 2005/76<sup>th</sup> Session.

<sup>152</sup> Ministry of Labour (Thailand), Department of Labour Protection and Welfare, *Thai Labour Standard TLS. 8001 – 2003 -Thai Corporate Social Responsibility: Requirements*.

<sup>153</sup> Information on the certification procedure was not available for this study. Since its inception, 657 establishments have been certified. In its 2007 Individual Direct Request, the ILO CEACR asked the Government of Thailand to provide information on how the Thai Labour Standards initiative supports the realization of pay equity.



### **Campaigning for an Asian Floor Wage<sup>154</sup> – Union action**

The *Asia Floor Wage Campaign* is not geared at closing the pay gap between men and women but aims to promote the provision of a 'living wage' to workers in global supply chains in Asia with an initial focus on the garment and footwear industries.

The Asia Floor Wage campaign aims to enhance the bargaining power of garment workers in the global supply chain by defining a common Floor Wage band in Asia, where most garment workers – the majority of whom are women – are concentrated and where the creation of a band could realistically be achieved. The floor wage is calculated based on a Purchasing Power Parity (PPP) system using the US minimum wage as a starting point, which allows for individual target wages to be calculated for each country within a common band.

Led by the Asia Floor Wage alliance which consists of trade unions and civil society organizations, the campaign focuses in first instance on the countries where the majority of Asian garment manufacturing is taking place (China, India, Bangladesh, Thailand and Indonesia). Expansion to further Asian countries is currently underway, and the first outcomes on Asia floor wages in the garment industries are expected in the near future.

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<sup>154</sup> Asia Floor Wage Alliance (n.d.), *Proposal for Asia Floor Wage Campaign and Position Statement of Asia Floor Wage Alliance*.

## 6. FINDINGS AND RECOMMENDATIONS

### 6.1 Main findings

The regional overview shows that the East Asian countries covered in the desk review – China and Hong Kong SAR, Japan, the Republic of Korea, Malaysia, the Philippines, Singapore, Thailand and Viet Nam – vary in terms of political, economic and socio-cultural systems with the majority of them having experienced high to steady economic growth rates over the past decade. Poverty rates have been steadily decreasing in many of these countries although overall income inequalities are on the rise.

#### Education

In the countries under review, substantial progress has been made in eliminating discrimination between boys and girls in access to education by reaching overall parity at the primary, secondary and tertiary levels for the majority of the population. In Malaysia, Thailand and the Philippines women's enrolment rates in tertiary education surpass those of men and in Thailand this is also valid for women's completion rates. However, there continues to be a marked male-female divide in the fields of study selected.

#### Gender overview of the labour market

Women's labour force participation in East Asia is lower than that of men but it is steadily increasing. The region is characterized by some of the highest female labour force participation rates in the world: 66% in Thailand, almost 70% in mainland China, over 70% in Viet Nam and around 50% in the other countries.

In terms of economic sector, more than half of all working women in East Asia are in agriculture, which is significantly higher than the corresponding figure for men. Men's share in employment in industry and services is higher than women's share in these sectors in East Asia. A slightly greater share of women is engaged in agriculture and in services in South East Asia with a larger share of men in industry.

The male/female divide in types and levels of jobs is pronounced in East Asia and both horizontal and vertical occupational segregation by sex exists. Women predominate in the five C's: caring, cashiering, catering, cleaning and clerical jobs, and the higher a job ranks in the job hierarchy, the fewer women are found. The overall majority of women workers are employees, followed by categories of own-account workers and/or contributing family workers. Very few women are listed as employers as compared to men.

With regard to working hours, problems exist both with too little working hours and too many. For example, in Japan there is a high proportion of women in (involuntary) part-time employment, while men are expected to work many hours of overtime.<sup>155</sup> In other countries, both sexes in the lower income groups put in many hours. For example in Thailand, both male and female workers in low-paid manufacturing jobs rely on overtime to earn a living wage for their families. Over 30% of the Thai work force work very long hours, spending more than 50 hours a week at work, and 10% of women and 9% of men work over 70 hours a week, often in multiple jobs to earn enough to look after their families.<sup>156</sup>

<sup>155</sup> Martin Fackler (2008). "Standing Up for Workers' Rights in Japan", *New York Times*, June 11.

<sup>156</sup> Amelita King Dejardin and Filippo Gori, *Pay gaps and gender discrimination: Cases of Thailand and the Philippines*, ILO, Geneva, Policy Integration Department (forthcoming). See also ILO (2007), *Report of National Seminar on Work, Income and Gender Equality in Thailand, 27-28 November 2007*, Ministry of Labour (Thailand) and ILO, Bangkok and Geneva.

### Extent of the gender pay gap

Overall, the gender pay gap is pronounced in the countries in the review. Using aggregate statistics women's income amounts to: less than or just half of men's income in Japan, Malaysia, the Republic of Korea and Singapore; around 60% of men's income in Hong Kong SAR, the Philippines and Thailand; and around two-thirds of men's income in China and Viet Nam. These low figures are influenced by the large numbers of women working in agriculture and as unpaid family workers in the region. When looking at the wages in non-agricultural employment, the gender pay gap is marginally smaller. Using wages in manufacturing as a proxy indicator for the gender pay gap, women's wages as a percentage of men's amount to:

- over 70% in the Philippines and Thailand
- below 65% in Hong Kong SAR, Malaysia and Singapore
- 60% or lower in Japan and the Republic of Korea.

These figures show that the level of pay inequity in the region is not tied to the level of economic development as the most pronounced pay gaps are found in the industrialized countries in the region.

The overall trends in the evolution of the gender pay gap are mixed. It is decreasing in some countries, but increasing in others and there remain to be considerable data limitations:

- In Singapore and the Republic of Korea the gender pay gap seems to have been narrowing since the 80s, and some data from Thailand seem to indicate the same.
- In mainland China pay inequity was marked but relatively low. However, these gains seem to be reversing since the start of the new millennium.
- In Hong Kong SAR and Japan, where the gap has been high ever since women entered paid employment, it was decreasing but it seems to have started to rise again in the past 5-10 years.
- Data on the evolution of the gender pay gap in Malaysia, the Philippines, Thailand and Viet Nam are rather limited.

The desk review for this guide also attempted to review wage data and wage-fixing mechanisms, in particular information on minimum wages given that women are often found in the lower occupational categories. However, reliable, up-to-date information on countries' minimum wage structures and systems was not available for review. This is a priority for future research which will be addressed by the ILO in the future.

### Variables influencing the gap

The country studies show that the gender pay gap widens with *age* with older women earning significantly less than men in the same age groups. The younger women are, the narrower the pay inequities in comparison with their male counterparts. In various countries and occupations younger women earn slightly more than men but these trends are reversed when women are beyond 25-30 years. For instance in the Republic of Korea, the female-to-male wage ratio is 107 for the age group up to 24 years old, and 97 for the age group between 25-29 years, but starts to drop dramatically after the age of 30 to reach a low of just 49 for people aged 45-54. The reasons for this may not be related to age per se; the variable age is often taken as a proxy for years of working experience and presumed effects of family responsibilities. Further research should investigate the interplay among these variables in affecting the gender pay gap in more detail.

Overall, the available limited research findings on unadjusted pay ratios in East Asia indicate that *education* has a positive impact on pay equity, especially for the younger age groups and with regard to higher levels of education. However, as in other regions around the world,

this trend does not always hold – for example, in Viet Nam, in urban areas women with a college education were worst off after those with no education in terms of gender earnings differentials. In addition, although findings on this point vary, several studies on the adjusted earnings ratios in the region find that the number of years of education bring less return to investment to women than to men. Again this calls for further research.

The relative earnings of men and women vary by *occupation* from one country to another but the findings are very diverse and comparable data are often not available. For example, in the Republic of Korea and Malaysia the gender pay gap was the highest for the professional workers category (around 60%), while female professional workers were much better off in Hong Kong SAR and Singapore where they earned 10 to 20% less than male professional workers. For professional nurses, women’s wages surpass those of men in Thailand while in the Republic of Korea the male-to-female wage ratio is extremely low at only 44%.

Other variables which influence the wage gap but on which insufficient data are available include:

- *urban/rural location* with contradictory findings (a wider gender pay gap in rural than urban areas in China, while in Thailand and Viet Nam data show the opposite, pointing to a wider gender wage gap in urban areas)
- *public or private sector employment* with relatively lower wage gaps in the public sector and in state-owned enterprises in China and Viet Nam, and women’s wages sometimes surpassing men’s in the public sector in rural areas in Thailand and Viet Nam
- *size and type or ownership of establishment* with greater pay gaps in larger and in private establishments
- *informal and irregular employment*, with larger gender pay disparities in informal employment. For example, in China women’s income was shown to be less than 70% of men’s in the informal economy, compared to 85% in the formal economy, while a case study from Malaysia noted the significant decrease in the piece rate income of women homeworkers in the shoe industry
- *migrant status* with internal migrants earning less than non-migrants, for example, in Viet Nam
- the role of *discrimination* is raised in most studies, but further research is needed as explained below.

Data from other regions indicate that women’s pay is better protected in unionized economic sectors and in situations where collective bargaining mechanisms are viable and take place at the more centralized levels. However, out of the decomposition studies reviewed in this guide, only two research teams used trade union membership as a variable for analysis.<sup>157</sup>

### **The role of discrimination in the gender wage gap**

Several studies in the region have measured the adjusted earnings or pay ratio among groups of men and women workers. This type of research aims to determine the relative weight of the various determinants of the gender pay gap. Most studies in the region use regression analyses to identify to what extent pay gaps can be explained by individual productivity differences between workers, usually in terms of years of education and work experience on the one hand and “unexplained” factors on the other hand. The latter are then attributed to discrimination in the labour market.

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<sup>157</sup> See summaries of studies by Monk-Turner and Turner (2001 and 2004) and by Lee and Nagaraj (1995) in Briefing Note 1.

Discrimination in employment is found to account for a large share of the gender pay gap in this type of studies in the region, although the findings vary widely:

- In China the lowest value for discrimination amounted to 20% while the highest accounted for 60 to 80% of the gap
- In the Republic of Korea, Malaysia and Thailand one-third, almost half and more than two-thirds of the gap were attributed to discrimination respectively.
- As regards Thailand, one of the main findings of an ILO pay decomposition analysis was that female waged and salaried workers would have earned, on average across the country, 3.8% more than their actual pay in 2005, had there been no “unjustified pay gap”.<sup>158</sup>

The actual and perceived cost of women workers seems to be a key variable in unequal labour market and pay outcomes. In relation hereto, there is an urgent need to provide more facts to dispel fictions on the value and contributions of men and women in the labour market. General perceptions are that women workers are more expensive than men, because women are considered to be less productive at work in view of their child bearing and rearing roles. However, such perceptions may not be true. For example, a study in Viet Nam found that women actually take fewer sick leave days than men.

One cost factor that may make women’s labour more expensive than men’s is related to their reproductive capacity. Employers in East Asia are generally individually liable for the cost of maternity protection in their work places in terms of providing the maternity benefits and the replacements costs. Fertility rates in the countries under review, with the exception of the Philippines and Malaysia are relatively low with women on average having at the most two children during their life time. However, the actual costs of employing women in their child bearing age can be daunting for establishments especially if they are small, or if they employ large numbers of women of child bearing age. The studies reviewed underline that this leads to considerable discrimination of women of reproductive age in the labour market. In several countries women are dismissed if they turn pregnant or even when they marry, and unfair employment practices related to maternity exist in virtually all countries.

### **Review of determinants of the gender pay gap**

Studies of the adjusted pay ratio are useful, especially if they distinguish between various occupations, thereby taking into account occupational segregation by sex. Frequently a number of other relevant control variables needs to be included in the analysis and the latter list can become quite long with widely diverging estimates of the various weights of these control factors.

Some further conceptual difficulties also exist given that the explained factors by themselves can be the result of discrimination before entry into the labour market or during careers. Moreover, discrimination does not operate in a vacuum, and has significant feedback effects. In other words, employers and career counselors such as parents, friends, educators, trainers and staff in employment agencies have their views on the suitability of women in certain types and levels of occupations and men in others and this affects access to jobs, career development and pay outcomes. Women and men workers themselves act on actual or expected discrimination and opportunities in the labour market, and, thus, free market mechanisms do not apply in practice. This makes it all the more important to analyze the effects of non-discrimination provisions and the capacity of labour market institutions in applying them.

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<sup>158</sup> Defined as the pay gap not due to difference in education and work experience based on the Oaxaca-Blinder method. Amelita King Dejardin and Filippo Gori, *Pay gaps and gender discrimination: Cases of Thailand and the Philippines*, ILO, Geneva, Policy Integration and Statistics Department (forthcoming).

## Legal and policy frameworks and practices

At the international level all countries surveyed in this guide have ratified ILO Convention No. 100 as well as the UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW). Progress with the ratification of ILO Convention No. 111 on non-discrimination in employment is being made. However, among the 12 countries worldwide which have not ratified this Convention, four are in East Asia among the countries covered in this guide: Japan, Malaysia, Singapore and Thailand. Only two of these countries (Japan and the Republic of Korea) in the review have ratified the workers with family responsibilities Convention No. 156 and none of these countries have ratified any of the international labour standards on maternity protection (although Convention No. 3 is applicable in Hong Kong SAR).

At the national level, the principle of non-discrimination and/or equality of all citizens is enshrined in the Constitutions of all of the countries in this study. Additionally, the labour laws of China, Japan, the Republic of Korea, the Philippines, Thailand and Viet Nam all contain general prohibitions on discrimination between men and women in employment<sup>159</sup> – the only countries in which such provision is not made are Malaysia and Singapore. In several countries, provisions on equality and non-discrimination between men and women with respect to employment opportunities and conditions of employment are also reinforced in laws on gender equality or on the protection of women (China, Hong Kong SAR, Japan, the Republic of Korea and Viet Nam).

Despite these overall legal prohibitions of direct discrimination, discriminatory provisions continue to exist in several countries. These include: differences in the retirement age with women having to retire five years earlier than men; special measures prohibiting women from certain occupations; and obligations on individual companies to incur costs for the child bearing or rearing responsibilities of their women employees.

With regard to remuneration, *equal pay for equal work* is explicitly provided for in China and Viet Nam.<sup>160</sup> Guarantees of *non-discrimination with respect to wages* are contained in the laws of Japan, the Republic of Korea, Thailand, and Viet Nam.<sup>161</sup> *Equal pay for work of equal value* is generally not contained in national legislation, except in Korea's Equal Employment Act (EEA), and the Labor Code of the Philippines, although the definition given to the concept is more restricted than what is provided for in Convention No. 100.<sup>162</sup> In Hong Kong SAR, the general prohibition of discrimination in the terms of employment in the Sex Discrimination Ordinance can be interpreted to apply to both equal pay for equal work and equal pay for work of equal value, although the latter principle is not explicitly referred to in the legislation.

In most of the surveyed countries, with the notable exception of Hong Kong's Equal Opportunities Commission, there are few mechanisms in place to support the implementation of gender equality provisions in the employment and labour fields. In general, it was found that there is little cooperation between gender equality promotion mechanisms and labour institutions to promote pay equity between the sexes. However, practical measures are being undertaken in various countries as follows:

<sup>159</sup> Labour Act (1994), China; Labour Standards Law (1974), Japan; Labour Standards Act (1953), Republic of Korea; Labor Code (1974), Philippines; Labour Protection Act, Thailand; Labor Code (1994, amended 2002), Viet Nam.

<sup>160</sup> Constitution (1982), China; Labour Act (1994), China; Law of the People's Republic of China on the Protection of Rights and Interests of Women (1992); Constitution (1992), Viet Nam. However, the newly adopted Employment Promotion Law in China which has come into force in 2008 makes no reference to equal pay between women and men.

<sup>161</sup> Labour Standards Law (1974), Japan; the Equal Employment Act (1987), Korea; Labour Protection Act (1998), Thailand; Labor Code (1994, amended 2002), Viet Nam; Gender Equality Law (2007), Viet Nam.

<sup>162</sup> In Korea, the provision only applies to work within the same establishment; in the case of the Philippines, the Labor Code restricts the concept to "identical or substantially identical" work, although an amendment has been proposed.



- Pilot initiatives to make job evaluation methods free from bias are reported from the Republic of Korea and the Philippines. In the latter country, trade unions have been actively engaged in the global pay equity campaign of Public Service International
- Development of web-based national wage indicator tools is underway in China and the Republic of Korea
- In Singapore tripartite action on promoting fair employment practices resulted in the adoption of guidelines with explicit reference to pay equity in Singapore and a Tripartite Centre for Fair Employment was established for employers and workers. In Japan, the Government developed a specific guideline on eliminating wage disparities for employers.

## 6.2 Suggestions for future action

This section starts with some basic conclusions. They serve as the foundation for what follows in terms of strategic approaches and policy directions that seem to be most promising. Suggestions for legal action and practical measures by the relevant stakeholders, governments, employers, workers and their organizations as well as women's machineries follow, rounding off with singling out some key research issues in service of the policy priorities outlined before.

### **Some basic facts**

Women in East Asia participate in the labour market in increasing numbers but do not benefit from their labour to the same extent as men. Pay inequalities seem to be more strongly related to the extent of gender discrimination in societies, rather than their level of social and economic development. Based on indicators such as the estimated female-to-male overall earned income and the female-to-male wage ratios in manufacturing, wage and income differentials appear to be the greatest in the more industrialized East Asian countries such as the Republic of Korea and Japan, Singapore and Malaysia, and the lowest in the Philippines, Thailand, China and Viet Nam.<sup>163</sup>

### ***Pay equity is a must in modern labour markets***

It was found that important strides have been made in providing equal access to education for both sexes and pay equities among the younger age groups are relatively small with young women sometimes earning marginally higher incomes than men of the same age. However, it seems that this does not yet translate in more equal labour market outcomes. Women face employment discrimination due to their (potential) child bearing and rearing roles, a phenomenon that is most prominent for the age groups above 30.

Societal aspirations in all the countries in this study are geared towards economic development with social justice and equity. Given that almost all surveyed countries have experienced high to steady economic growth rates for more than a decade and labour force participation rates of women are increasing, it is concluded that it makes good business sense and it is economically feasible – if not an economic necessity in the longer run – to start treating men and women at work more equally and providing them with equal pay for work of equal value.

### ***Perceptions need to change***

There is a general lack of awareness that gender discrimination exists and negatively affects women's income. Differences in the position of men and women in the labour market are often considered to be 'given by nature' rather than seen as the effects of the socially determined gender relations and power imbalances between men and women. Women's disadvantaged

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<sup>163</sup> A word of caution is in place as the latter four countries were also the ones for which too little valid and reliable gender pay gap data were available.



position in the labour market and their corresponding lower pay levels are regarded as an unavoidable fact of life, an outcome of women workers' free will in the demand and supply chain. Any difficulties that they may face are considered to be their individual problems which they should cope with by themselves.

### ***Gender discrimination jeopardizes human reproduction in societies***

Concerning the discrimination of women at work due to their (potential) family bearing and rearing responsibilities, it is noted that most countries with the exception of the Philippines and Malaysia face low fertility rates, in several instances well below the replacement level. While hard data on the relation between low fertility rates and employment discrimination of women due to their child bearing capacity and family care responsibilities is currently lacking, it makes sense to relate these two factors and this would seem to be valid for all income classes:

- Educated women from well-off families may either withdraw from the labour market or decide not to have children.
- Among low income households, families can not survive on the income of one adult breadwinner and rely on two or more working adults, who face many pressures in making ends meet and reconciling work and family
- In other families, women increasingly end up as the only bread winner combining earning income with caring for their dependents. In such cases women often work for their family survival, and again may decide not to have (more) children.

Thus, the unintended outcome of the neglect in addressing gender discrimination in employment could put societies' survival at risk in the longer run, as has been pointed out in countries like Japan, the Republic of Korea and Singapore.

### ***Strategic approaches and policy directions***

The reasons and determinants of gender discrimination are found in the wider society and in the labour market. Inequalities will not disappear automatically with economic growth. There is a need to tackle these through specific clear, holistic action by actors who can and wish to make a difference: governments, employers and workers and their organizations, women's machineries, gender advocates and research networks. If gender parity can be reached in educational enrollment rates, surely the labour market is the next logical step.

### ***Set priorities with targets and support mechanisms***

Successful action against gender discrimination requires comprehensive economic, social and labour policies, sound labour legislation and a range of practical measures in the key fields covered by the four gender equality labour instruments: equality in opportunity and treatment at work, pay equity, equality for workers with family responsibilities and maternity protection. It would seem advantageous to all to give priority to immediate measures which reduce the costs of gender discrimination to society, the business community and workers.

A focus on pay equity, adequate maternity protection and the elimination of discriminatory regulations affecting women's income such as the difference in retirement age between women and men would allow for achieving tangible and realistic outcomes in a relatively short time frame. This will require research and the adoption of specific policies, programmes and indicators with a clear time table.

Immediate targets in these fields need to be embedded in explicit, broad gender equality promotion goals in the labour and social protection fields in the mid and longer term. These must be based on an understanding of the specific situation, needs and priorities in each country, and backed by the adoption of explicit gender mainstreaming strategies and related capacity building in labour institutions.

Further alliances need to be built between labour institutions, employers' and workers' organizations and women's organizations, and specific implementation mechanisms for the promotion of equality and decent work for women and men should be set up to support the application and enforcement of non-discrimination and equality principles. The realization of pay equity, especially, will require concerted effort as the meaning of "work of equal value" continues to give rise to confusion or is considered to be "a bridge too far" for many policy-makers in the region. However, equality of opportunity and treatment between men and women in employment and occupation can only be achieved if the undervaluation and subsequent lower pay of jobs undertaken mostly by women is addressed.

### ***Measure and reward the merits and skills of all workers***

Countries which let investments in girls' education go to waste and tolerate gender discrimination at work compromise the competitiveness of their economies. Gender equality is vital for effective labour markets. Countries need to utilize all human capital and investments in equal access to education will only pay off if these are combined with explicit measures to address gender discrimination in the labour market. Families, workplaces and societies are more productive and prosperous when they reap the full potential and talents of all.

It makes good business sense to reward workers on the basis of merit as measured by objective criteria such as skills, qualifications, duties and responsibilities, physical, mental and psycho-social efforts and working conditions rather than subjective ideas on what men and women can and can not, and should and should not do on the basis of their sex or race. Matching the investments made in achieving gender parity in access to education with the setting of clear non-discrimination goals will enhance productivity and gains for individual workers and their enterprises.

### ***Make maternity benefits a joint responsibility in society***

The reproduction of society is a collective responsibility. Labour and social protection institutions, gender machineries and networks need to join forces to carry out targeted action to reduce the gender pay gap and eliminate gender discrimination at work due to women's *actual* child bearing and rearing roles, starting with the provision of maternity protection to all working women, including those in informal employment. This means progressive extension of maternity protection to larger groups of women workers hitherto not covered, and ensuring that payments of maternity benefits and their replacement costs are not charged to individual employers for individual employees but are covered under contributory solidarity-based schemes and/or public social assistance measures.

Adequate maternity protection for all working women, including those in informal employment will cost very little in most countries covered in this guide. It concerns:

- social security benefits for a relatively short period
- for reasons that are physically obvious, so targeting of benefits is not problematic
- to women who on average bear less than two children at maximum during their life time in East Asia.

### **Legal action**

#### ***Bring the law in line with ILO conventions and ratify them***

With regard to the achievement of gender equality objectives in employment, social protection and labour relations, ILO member States are expected to:

- refer to Conventions No's. 100, 111, 156 and 183 when they review their law and practice on workplace equality
- adopt legislation in line with these standards when they consider that such legislation furthers their national aspirations on workplace equality
- ratify international labour instruments accordingly.

### ***Reappraise current definitions***

National laws and regulations are more effective instruments for equality promotion if they contain clear legal definitions of direct and indirect discrimination, and equal remuneration for work of equal value:

- Definitions of the latter concept should not be limited to the same enterprise or the same economic sector in order to counter gender bias in measuring the value of women's work in female-dominated enterprises or employment sectors
- The definition of remuneration should cover not only basic wage rates but all other relevant wages and earnings
- Coverage should be progressively extended to categories of workers now excluded from such protection.

### ***Outlaw outdated provisions discriminating women***

A key priority should be the elimination of direct and indirect discriminatory legal provisions and regulations, related to differences in pay and retirement ages and special provisions for women workers in relation to their family responsibilities which increase the cost of women employees for individual employers.

### ***Include wage protection for female-dominated occupations in the law***

Female-dominated occupations such as domestic work, sub-contracted home work or in the entertainment industry are usually excluded from wage and other labour protection measures in labour laws. This matter needs to be addressed as a matter of urgency.

### ***Include prevention as important tool for the application of the law***

Focus should be on the development of pro-active laws geared at the prevention of problems rather than exclusive reliance on complaint-based laws. With regard to remedial action, it is worthwhile to consider whether the burden of proof should be shifted fully or partially to employers.

### ***Practical measures***

#### ***Right from the start: Gender equality in wage-fixing and collective bargaining***

Much more work is needed to develop sound wage-fixing policies and negotiating mechanisms in the region in general. The promotion of equal pay between women and men should feature as an explicit item in such endeavours.

Moreover, there is a need to set fairer wages in female-dominated industries and occupations. Few studies on the gender pay gap in the region did detailed research on the effects of occupational segregation by sex on the gender pay gap and further research is clearly needed. However, the limited findings show firstly that certain jobs are male-dominated in certain countries but female-dominated in others, for example, clerical workers are mostly men in China but women in Hong Kong SAR. This illustrates that such labour market outcomes are based on social constructs which may limit labour market efficiencies.

Secondly, the research pointed out that nurses, a female-dominated occupation in all the countries, tended to experience very large pay gaps in some countries (the Republic of Korea), but not in others (Thailand). The regression analyses from the region were not clear in terms of the effect of occupational segregation on wage differentials, but in most studies that examined the issue, the pay of both women and men was found to be low in female-dominated occupations. As these low pay rates are not an exception contained to the East Asia region but rather the rule across regions, and as these are inextricably linked to the undervaluation of women's work, fairer wages in female-dominated occupations are vital. There is a need for including both female- and male-dominated industries and occupations in wage policies.

Job evaluations without gender bias also need to be carried out across male and female jobs to recognize value on the basis of merit rather than sex.

Minimum wage systems in most East Asian countries are not well-developed and need to be improved in general. Concerning the role of minimum wages in raising the incomes of families in poverty, it is sometimes argued that it would be more useful for low income women and their families to advocate for a 'living wage' and increases in the minimum wage rather than make efforts towards pay equity between men and women. In East Asia it seems most viable to pursue both these tracks: include gender equality concerns in overall minimum wage system revisions, when these are initiated and promote pay equity among the lower income classes.

In sum, measures to ensure a fairer wage to women workers include:

- Gender and income equality on employment, economic and social policy agenda's
- Cover female-dominated industries and occupations in wage policies
- Increase access to minimum living wages for workers.

Active participation of workers' and employers' organizations is key to ensure more viable minimum wage and other wage-fixing mechanisms. Gender advocates and women need to be present at the negotiation table and in advisory commissions to advocate women's interests during the design and monitoring of wage determination systems.

#### ***Increase women's numbers in senior positions***

There is a need to eliminate vertical occupational segregation by sex in labour institutions by setting targets or quotas for women at the more senior levels and enable women and men to compete on the basis of merit rather than gender stereotypes. Given the increasing pool of qualified women in the region, it should not be difficult to stipulate that "given equal merits" preference will be given to women. Again, governments as public sector employers should take the lead in the civil service. Employers' and workers' organizations can take stock of the gender balance in their institutions and take appropriate remedial action.

#### ***Set the example in the public sector***

Government needs to take the lead in pay equity promotion as "best practice" employer in the public sector. Recalling Convention No.100, each ratifying State has the responsibility to realize the right to equal pay by *ensuring* equal remuneration for work of equal value between men and women where it has a direct and indirect influence on the setting and payment of remuneration.

#### ***Build the capacity of labour inspectorates***

The role of the labour inspectorate in raising awareness, providing advice and enforcing non-discrimination and wage laws and regulations is an area that needs strengthening in the region. Practical measures could consist of:

- Specialized training on non-discrimination, equal pay and other relevant gender equality provisions for the labour inspectorate
- Gender equality pilot schemes in inspection services
- Recruitment of female labour inspectors, and involvement of female workers in inspection services.

#### ***Set up specific mechanisms to promote equality and decent work principles***

Ideals set out in law need to be implemented through practical measures. Women workers who face employment discrimination need information and support. Employers require guidance on the application of equality principles in day-to-day workplace management. Systematic public and policy advocacy is needed to highlight and address the many hidden forms of indirect discrimination.

### ***Eradicate gender bias from job evaluation systems***

At the workplace level projects need to be undertaken to promote equal pay in specific companies or economic sectors, by identifying gender biases and eliminating them from existing job evaluation methods, or, where these do not yet exist, developing non-discriminatory job evaluation methods in sectors and occupations where a majority of low income women are found.

There is a need to identify the extent of gender imbalances in salaries and associated benefits in different types of occupations and industries characterized by large numbers of men and women workers in jobs not covered by labour legislation, for example, domestic work and sub-contracted home work. It would seem useful to start carrying out experimental job evaluation case studies.

### ***Reduce working time for a healthy work-life balance***

The design and implementation of effective means to enable both men and women to combine paid work with unpaid family responsibilities will be another challenge in the time to come. It requires first of all, legal, workplace and public advocacy measures to limit overall working hours for men and women to healthy proportions. Secondly, for groups in the lower income brackets this means providing minimum living wages to put a stop to excessive overtime. This will enable parents to better share unpaid family responsibilities between the sexes.

### ***Research priorities***

There is a great need for more comprehensive and reliable data on equality outcomes in the labour market with regard to wages and earnings by sex, age and ethnicity, and the distribution of social protection benefits by sex. Policy-makers need facts for sound policy development and these are currently lacking.

### ***Match labour market information with legal and policy reviews***

Reliable and up-to-date statistical data on the labour market outcomes for men and women should become available and need to be reviewed together with in-depth research on the effects of legal, policy and practical measures by institutional actors.

More studies are needed to address the hidden forms of indirect discrimination. Statistics play a vital role in establishing or disproving indirect discrimination. Hard evidence is needed to show that an employment practice has an adverse impact on one group and not another.

With regard to pay equity, much more research is needed both on pay equity itself as well as gender analyses of the effects of wage policies. There is a need to better monitor the evolution of pay gaps and the effects of wage policies and wage-fixing mechanisms on these gaps among men and women. Critical issues are:

- the proportion of men and women in unpaid family work and in the lower wage and income brackets with specific focus on those living below or around the poverty line and those in low-income female-dominated occupations that are not covered by labour protection
- identification of both the average monthly and hourly gender pay gap
- gender pay gaps by education, age and years of working experience, employment status, economic sectors and occupations, and race, social origin and geographic location or origin.

### ***Build knowledge on the determinants of the gender pay gap***

More research on the determinants of the gender pay gap is a necessity but needs to further unmask the factors now defined as “unexplained” and attributed to discrimination. Studies which analyze the return on investment in education in relation to the pay gap are very useful.

However, there is a need to go beyond the individual characteristics of workers and take into account job and firm characteristics, the effects of occupational segregation and the undervaluation of women's work. Critical variables are the size of employer-induced gender wage discrimination, the effects of discrimination on individual "choices" of occupations and jobs, and the effects of collective and individual wage bargaining.

Whenever possible, actual data need to be used rather than dummy variables. Further analysis of the actual impact of family responsibilities on the gender pay gap would also be welcome. As these newer methods have more scope for leading to research outcomes which can be translated into policy and workplace measures than the more limited analyses in the past, the choice of the relevant variables should be a priority in designing regression and decomposition research.

#### ***Utilize internet-research based methods***

Further research on wages and incomes is direly needed through the analysis of wage statistics from established sources such as labour force and establishment surveys, as well as social security data and other administrative records. With regard to the collection and analysis of wage and income data, the global initiative on the development of in-country wage indicator salary checks seems to be a valuable tool for workers, employers and governments alike in those countries in the region where the internet is widely used by the general population including lower-income earners.

The use of such innovative web based methods is based on large volumes of voluntary, individual contributions of workers. This type of data collection can complement comprehensive wage surveys where these are undertaken and made available in the public domain, or start generating relevant data in countries where such data are not collected. "Objectivity" concerns can be controlled through comparisons with findings obtained through more traditional survey methods.

#### ***Include gender analysis in social security research***

There is also a great need for social budgeting by sex and actuarial estimates of projected costs of envisaged policy measures for eliminating discriminatory social security provisions which negatively affect either one of the sexes and for progressively extending coverage of social security to hitherto uncovered groups. Immediate priorities are:

- ***Maternity protection.*** Research is needed in the following areas: effective coverage of maternity protection laws, the effects of maternity-based discrimination in the labour market, and the costs and benefits of the extension of maternity protection coverage
- ***Retirement ages.*** Actuarial studies to estimate the cost of equalizing the different retirement ages of men and women within reasonable time limits will not only show how to change the various pension schemes but will also allay fears that pension funds will go broke if women can retire at the same year as men.

#### ***Identify perceptions and costs***

The extent of the belief in gender myths is considerable among all actors in the labour market, both male and female employers/managers, and workers as well as relevant public and private sector agencies. Such myths need to be unearthed to be effectively addressed in advocacy campaigns aimed at attitudinal change. In addition, factual information such as a gender analysis of existing statistics on absenteeism, part-time and overtime work helps to debunk myths on women's presumed lower productivity.

Finally, it is hoped that the analysis and ideas put forward in this guide will serve to inspire further action on realizing equality and a decent job and life for all workers.



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**SUMMARY TABLE OF ECONOMETRIC PAY EQUITY STUDIES IN EAST ASIAN COUNTRIES<sup>164</sup>**

<b>China (Démurger et al., 2005)</b>		
Sample	Variables Checked and Method(s)	Key Findings
The study is based on data from two household income surveys from the China Household Income Project (CHIP) from 1988 and 1995, covering a total of 9,009 households and 31,827 individuals from 10 provinces in 1988 and 6,931 households and 21,694 individuals from 11 provinces in 1995. The sample was composed of wage workers from 4 ownership types: State Owned Enterprises, Local Public Owned Enterprises, Urban Collective Enterprises, and Foreign Invested Enterprises.	The variables checked in the regression/decomposition analysis include: education, experience, experience squared, number of dependent members, household size, tertiary sector, and place of residence (coastal or non-coastal area).  Method: Oaxaca-Blinder	<ul style="list-style-type: none"> <li>Differences in human capital endowment accounted for 21-39% of the total male-female wage differential, depending on enterprise ownership, while 61-79% of the gap was attributed to discrimination.</li> <li>These proportions are similar to those found using earlier 1988 data, indicating that the share of discrimination remained fairly constant during that period.</li> </ul>
<b>China (Maurer-Fazio and Hughes, 2002)</b>		
Sample	Variables Checked and Method(s)	Key Findings
The study uses data gathered in 1992, covering 9,397 individuals working in 430 enterprises under different ownership located in 26 cities in 12 provinces.	The independent variables include a series of dummy variables reflecting educational attainment, a vector representing other personal and job-related characteristics including wage grade classification, wage payment type, party membership, industrial classification, and provincial location. Total work experience and tenure with the same employer are also included, as are their squared values.  Method: Oaxaca; Blinder; Neumark	Both the extent of the wage gap and the proportion that is unexplained by differences in productive characteristics were found to be the largest in the most liberalized (joint venture) sector and smallest in the least liberalized (state) sector, with the unexplained component accounting for approximately 47% of the gender wage differential in the former and approximately 20-23% in the latter.
<b>China (Gustafsson and Li, 2000)</b>		
Sample	Variables Checked and Method(s)	Key Findings
The data used come from Urban Household Income Surveys from 1988 and 1995 covering 10 provinces and 9,354 male and 8,533 female respondents in 1988 and 6,503 male and 5,011 female respondents in 1995.	The variables checked in the regression/decomposition analysis include: age, minority status, party membership, education, ownership, occupation, economic sector, type of job and province.  Method: Oaxaca	Variables such as age, minority status, party membership, etc., were found to explain somewhat less than half of the gender wage gap, but much less of its increase, suggesting that the unexplained part (discrimination) plays an increasingly important role.

<sup>164</sup> In all of these studies with the exception of a few in which no definition was provided (Démurger et al.; Latifah; Maurer-Fazio and Hughes and Lee and Nagaraj), age was used as the proxy indicator for “work experience” (also referred to as “potential experience”). As mentioned in Chapter 4 this proxy indicator has a number of limitations, such as the fact that it does not capture possible discontinuities in employment which affect the number of years of work experience.

<b>Hong Kong, China (Chung, 1996)</b>		
<b>Sample</b>	<b>Variables Checked and Method(s)</b>	<b>Key Findings</b>
The study is based on Hong Kong SAR census data for the years 1975, 1981, 1986 and 1991. Note: only the 15-26 age group was included in order to minimize the possible impact of factors such as career-path interruption and part-time work due to marriage and child-bearing.	Experience, experience squared, education level, education field, industry, occupation, marital status, hours worked, children/no children, government employee/not government employee.  Method: Carnoy	<ul style="list-style-type: none"> <li>Using Mincer's human capital model as well as Carnoy's model for decomposing the cause of earnings differentials into "attribute" (characteristics, whether endowed or acquired) and "price" (value of the attribute in the labour market) components, the study shows that the "price" attached to years of work experience and education is lower for women than for men.</li> <li>While changes in women's educational attainment contributed to a reduction in gender wage differentials, this was due to a rise in the quantity (years) of women's education, rather than a positive change in returns to education.</li> <li>While overall gender wage differentials decreased, "price discrimination" (lower "price" for the same level of educational attainment) against women increased during the period under consideration (1976-1991).</li> </ul>
<b>Republic of Korea (Monk-Turner and Turner, 2004)</b>		
<b>Sample</b>	<b>Variables Checked and Method(s)</b>	<b>Key Findings</b>
The study is based on data from Korea's Occupational Wage Survey (OWS) for 1988 and 1998, consisting of 28,756 observations for 1988 and 37,877 for 1998 and covering approximately 4,000 randomly selected establishments employing 10 or more individuals.	The coefficients in the regression were: age, marital status, firm size, union membership, professional occupation, years of education, time in current job, and sex.  Method: Mincer	Significant differences were found to exist between women and men in terms of returns to characteristics, although the study also shows a reduction in the wage premium for men during the period covered: in 1988, it was found to be 27.2% while in 1998 it was 22.6%.
<b>Republic of Korea (Monk-Turner and Turner, 2001)</b>		
<b>Sample</b>	<b>Variables Checked and Method(s)</b>	<b>Key Findings</b>
The study uses data from the "88 Occupational Wage Bargaining Survey on the Actual Condition" covering 3,700 establishments employing 10 or more people and providing information on wages, firm size, levels of education, occupations, industries and other variables such as age, location and marital status.	Variables include: age, experience, experience squared, marital status, union membership, years of service, sex, size of firm, temporary worker or not, education level, duration of occupation, industrial classification, occupation, and region.  Method: Mincer	The study shows that in 1988, discrimination accounted for 33% of the wage gap in the sample, and was particularly strong against married women. Differences in experience and in education each accounted for 12.5% of the wage gap, while union membership and firm size were shown to be insignificant.

<b>Malaysia (Latifah, 2000)</b>		
Sample	Variables Checked and Method(s)	Key Findings
The study uses Malaysian Family Life Survey data collected in 1988. The survey contains fifty-two area sampling units in Peninsular Malaysia.	<p>The earnings equations are estimated by major occupational categories (Professional, Clerical, Service, Sales and Manual) for men and women, using the following variables for the regression: work experience and its square, weekly working hours, a dummy variable for English as a medium-of-instruction at school, dummy variables for different levels of education, and a dummy for a college degree or higher.</p> <p>Method: Oaxaca and Ransom</p>	<ul style="list-style-type: none"> <li>The results show that the earnings of both women and men are lower in jobs held almost exclusively by women (clerical occupations) than in male-dominated jobs (sales), suggesting that the proportion of women in an occupation may have a significant (negative) effect on earnings.</li> <li>On the other hand, the gap between women's and men's earnings was found to be smallest in clerical occupations, which has the highest proportion of women, and largest in occupations with the smallest percentage of women. With the exception of clerical occupations, discrimination was shown to play a larger role than productivity-related variables in explaining gender earnings differentials for all occupational categories, accounting for over 50% of the gap.</li> </ul>
<b>Malaysia (Lee and Nagaraj, 1995)</b>		
Sample	Variables Checked and Method(s)	Key Findings
The study is based on a 1991 survey of employees in the manufacturing sector in Klang Valley, covering 120 establishments and a total of 14,343 employees.	<p>Characteristics controlled for in the analysis were: education, experience, occupation (managerial, clerical, skilled, unskilled, etc.), training, union membership, total hours worked, export-orientation of establishment, ownership of establishment (foreign-owned), size of establishment, marital status, migration (whether the person had moved or not).</p> <p>Method: Oaxaca</p>	In 1991, differences in characteristics accounted for approximately 54% of the differential between men and women's monthly earnings in the manufacturing sector, with the remaining 46% being attributable to discrimination.
<b>Philippines (King Dejardin and Gori, forthcoming)</b>		
Sample	Variables Checked and Method(s)	Key Findings
The study uses the 2005 Philippines Labour Force Survey which includes data from 13,130 female and 20,901 male respondents.	<p>The main independent variables were education and work experience. The effects of public or private sector employment and region were controlled. The type of contract, industry and marital status were not included as variables in the model.</p> <p>Method: Oaxaca-Blinder wage decomposition method with Heckman's selection bias correction applied for each 2-digit occupational group and for all occupations combined.</p>	<ul style="list-style-type: none"> <li>The study analyses the determinants of gender wage differentials and the share of discrimination across eight occupations.</li> <li>Education and work experience (the latter with much less influence) both had positive effects on wages across occupations, with differences between men and women.</li> <li>A significant share of the wage gap could also be attributed to discrimination, with significant cross-occupational variations.</li> </ul>

Sample	Variables Checked and Method(s)	Key Findings
		<ul style="list-style-type: none"> <li>The occupational category for which gender wage discrimination was shown to be the largest was sales and service elementary occupations which absorb over 30% of female workers. The ratio of discrimination on women's average pay indicates that women's average pay in these occupations would be 31.9% more in the absence of discrimination.</li> </ul>
<b>Thailand (Phananiramai and Ingpornprasith, 1993)</b>		
Sample	Variables Checked and Method(s)	Key Findings
The study is based on Labour force survey data from 1980 and 1989.	<p>Age, age squared, years of education, marital status.</p> <p>Method: Oaxaca</p>	Differences in characteristics (age, education, marital status) accounted for less than half of the total wage-differential in 1989. For example, in municipal areas, only 32% of the male-female wage differentials could be explained by these variables, the remaining 68% being unexplained (i.e. discrimination).
<b>Thailand (King Dejardin and Gori, forthcoming)</b>		
Sample	Variables Checked and Method(s)	Key Findings
The study uses data from the 2005 Thailand Labour force survey which covers 24,070 female respondents and 28,112 male respondents.	<p>The findings are based on 26 separate regressions covering the different occupations, with education and work experience as the main variables. Controls for marital status, class of worker, and urban and regional effects were included, but type of contract and industry were intentionally excluded from the model.</p> <p>Method: Oaxaca-Blinder method with Heckman's selection bias correction.</p>	The ILO study examined the magnitude of pay gaps and extent of gender discrimination in 20 occupations (2-digit occupational categories). Both the size of the wage gap and the degree of discrimination (i.e. unexplained and unjustified in terms of differences in human capital endowments) varied across occupations. Compared to men's hourly pay (actual earnings plus overtime pay), women's hourly pay was lowest among stationary plant and related operators, life science and health associate professionals, personal and protective services workers and precision handcraft printing and related trades workers. But the highest level of gender discrimination was found among life science and health professionals – the observed pay gap was 198% higher than the hypothetical gap in the absence of gender discrimination. At the national level, taking all occupations together, the observed pay gap was roughly 13.5% higher than the gap that could be explained by differences in human capital.

Viet Nam (Liu, 2004)		
Sample	Variables Checked and Method(s)	Key Findings
Living standards survey data from 1997-1998). The sample used in the study consisted of 2,380 wage earners (1,380 men and 1,000 women).	<p>Variables examined were hours worked, experience, marital status, migrant status, years of schooling, urban/rural, North/South, occupation (professionals, office/trade workers, labourers).</p> <p>Method: Oaxaca; Neumark; Appleton et al.</p>	<ul style="list-style-type: none"> <li>• The study finds that discrimination is the most significant determinant of the overall gender wage gap</li> <li>• It also finds that discrimination accounts for a larger share of the gender wage gap in the private sector than in State-Owned Enterprises (SOEs).</li> </ul>

## Decomposition Studies Reviewed

### CHINA

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## JOB EVALUATION METHODS WITHOUT GENDER BIAS

Convention No. 100 is based on the notion of “work of equal value”. One way of establishing the “value” of jobs is through objective job evaluation.

Job evaluation is a process which allows different jobs to be compared within an organization to determine appropriate wage rates. It consists of analysing the contents of jobs, and ranking jobs according to their value.

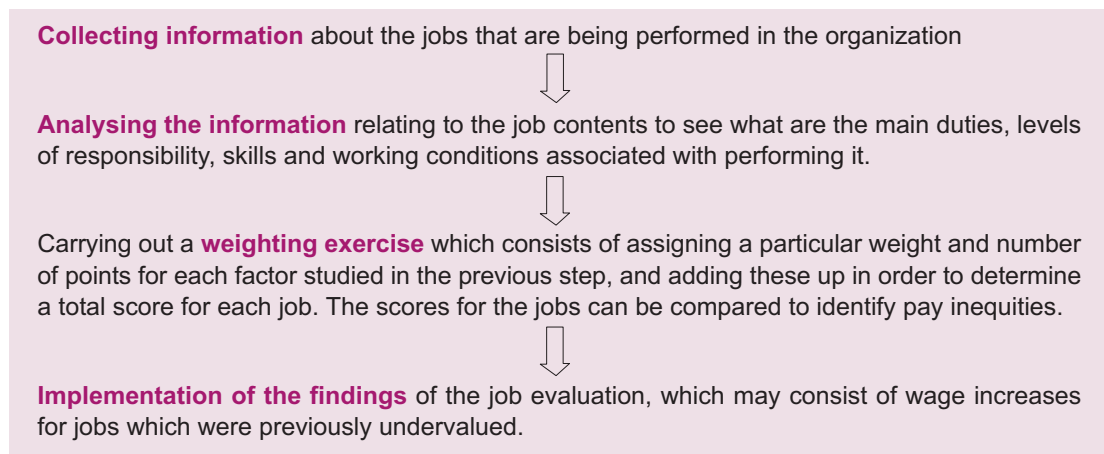
Most job evaluation methods involve breaking down the duties and skills of jobs into different factors of value, with each factor representing a particular component of the value of the job in question.

The following **four factors**<sup>165</sup> are generally used when assessing the value of jobs:

- **Skill:** The experience, education/training, and mental and physical abilities required for performing the job.
- **Effort:** The physical and mental exertion required for performing the job.
- **Responsibility:** The extent to which the employees are accountable for their work as well as its importance to the organization.
- **Working Conditions:** The surroundings, including physical and psychological conditions, in which the employees perform their jobs.

Each factor is given a weight based on its importance for the job in the organization, and the points that are given for each specific factor within each job are then added up to assign a value to the job.

A job evaluation typically consists of the following steps:<sup>166</sup>



When designed and carried out in a way that is free from gender bias, job evaluation can constitute an important tool for furthering pay equity as it can help to raise the profile of “women’s” jobs by exposing ignored or undervalued aspects of these jobs which lead to pay discrepancies between jobs of equal value, which is one of the main causes of the gender pay gap.

<sup>165</sup> Source: PSI (no date), *Pay Equity now! Pay Equity Resource Package*, PSI, Ferney-Voltaire.

<sup>166</sup> Adapted from PSI (no date), *Pay Equity now! Pay Equity Resource Package*, PSI, Ferney-Voltaire.



To guarantee gender neutrality and ensure that jobs typically performed by women are not undervalued, it is important to make sure that:

- the criteria used for assessing the value of the jobs examined are equally applicable to both female- and male-dominated jobs
- there is no undervaluation of the skills, effort, responsibilities or working conditions required for jobs typically 'female jobs' (see box below)
- there is no overvaluation of the factors often associated with typically 'male' jobs (e.g. physical strength).

### Commonly Overlooked Dimensions of Female Jobs

#### Skill

- Interpersonal skills required for working with children or adults whose problems require sensitivity and efficient communication
- Use and maintenance of various types of equipment: photocopiers, computers, diagnostic equipment, etc.
- Manual dexterity needed for giving injections, typing, assembling, using sewing machines, etc.
- Typing letters for others, drafting reports, revising documents
- Formatting reports or graphic presentations.

#### Effort

- Working simultaneously for more than one person or units with different agendas
- Providing psychological or emotional support to sick people or children
- Dealing with aggressive, disturbed or irrational people
- Accomplishing tasks which require the cooperation of other people, without having the necessary power or authority over them
- Multi-tasking (the juggling of several tasks simultaneously requiring mental effort)
- Lifting children or frail people like the sick or the elderly
- Working in uncomfortable positions and using a restricted number of muscles for long periods of time.

#### Responsibility

- Protecting the confidentiality of sensitive documents (e.g. concerning salaries, lay-offs, sick leave, etc.)
- Organizing meeting or conference logistics
- Caring for children, the sick or the elderly
- Accountability for tools, equipment and instruments
- Training new staff.

#### Working conditions

- Emotional demands: for example, dealing with death and dying, or other sensitive and emotionally draining tasks
- Physical and psychological stress from having to deal with hostile, abusive, ill or injured people, or from unpredictable or multiple demands.
- Exposure to noise; exposure to corrosive substances or materials
- Exposure to diseases
- Monotony of tasks
- Irregular or unpredictable working hours.

Source: Adapted from Chicha, Marie-Thérèse (forthcoming), *Promoting Equity: Gender-neutral job evaluation for equal pay: A step-by-step guide*, ILO, Geneva, Table 3.6, p. 44 (adapted from various sources), and PSI (no date), *Pay Equity now! Pay Equity Resource Package*, PSI, Ferney-Voltaire.

The following guides give step-by-step guidance on how to carry out job evaluation in a gender neutral way:

- Chicha, Marie-Thérèse (forthcoming), *Promoting Equity: Gender-neutral job evaluation for equal pay: A step-by-step guide*, ILO, Geneva.
- Harriman, Anita and Carin Holm (2001), *Steps to Pay Equity: An easy and quick method for the evaluation of work demands*. Equal Opportunities Ombudsman (Sweden), available online (English): [http://www.equalpay.nu/docs/en/steps\\_to\\_pay\\_equity.pdf](http://www.equalpay.nu/docs/en/steps_to_pay_equity.pdf)
- Public Services International (PSI), *Closing the gender pay gap – A practical guide to revalue traditional women’s work*, available online: <http://www.world-psi.org/Template.cfm?Section=Home&CONTENTID=16674&TEMPLATE=/ContentManagement/ContentDisplay.cfm>

## WAGEINDICATOR INTERNET TOOL

### Gender pay gap research and WageIndicator

The WageIndicator online Survey assembles detailed wage- and job-related data volunteered by individual web visitors (employees/workers). The data shows the wages and benefits that are actually paid and also how earnings vary with education, work experience, working hours, company size, region, age and sex – both in the formal and the informal economy. Because of this detailed data for men and women alike, comparative analysis of the dataset easily leads to the detection of gender bias in remuneration, the occurrence of sector and/or occupation specific gender pay gaps and how big they are.

The WageIndicator survey probes into all constituting aspects of remuneration. Remuneration not only means the pay, wage or salary. It includes elements such as overtime bonuses, grants, transport payments, business expenses, family benefits, payment in kind and payments to insurance schemes. Only knowledge of all constituting elements making up the sum total of one's earnings, makes remuneration transparent and sheds light on differences and inequalities.

### WageIndicator in brief

A WageIndicator website displays Salary Checks and a Salary Survey, whereby the Salary Checks offered are calculated on the basis of the data from the Salary Survey. This reprocessing of the volunteered data and dissemination of Salary Checks for free is at the core of the WageIndicator system.

In their most developed form (for example, see the Dutch website<sup>167</sup>), the WageIndicator websites offers the following:

1. *Salary Check*

Provides an accurate, current salary indication per occupation, by sex, age, education, region, type of contract, size of company, career breaks, for employees and the self-employed throughout the national economy

2. *Survey*

Visitors are asked to complete the labour market questionnaire in return for the free Salary Check. The data thus obtained is used for scientific research and to calculate and increase the accuracy of the Salary Checks

3. *Minimum Wage Check*

This check gives the legal minimum wage per hour: if a visitor appears to earn less than they are entitled to, they may notify WageIndicator or, in some cases, the relevant ministrie(s), for instance in the Netherlands, the Ministry of Social Affairs Labour Inspectorate

4. *Gross Net Check*

The Gross Net Check calculates the difference between one's salary before taxes and after. Net means the actual take home pay

5. *DecentWorkCheck*

This application allows visitors to compare their own rights at the workplace with the national legal standards and with the international (ILO) Conventions. It also comprises a check on equal pay for work of equal value

6. *Scaling Checks*, both for employees and human resource (HR) staff. The employee version asks: am I scaled properly? The HR-version mirrors this question: do I scale properly?

<sup>167</sup> <http://www.loonwijzer.nl>

Both are meant to foster awareness of the importance scaling has for the career and earning potential for women in particular. The scale refers to the function level fixed by the employing organization and the corresponding pay. It is not uncommon that newly employed women are put on a lower scale – all other things being equal – than men

7. *The VIP Paycheck* is a tool to attract more visitors, as it shows the earnings of movie and rock stars, soccer players, heads of state and other Very Important Persons.

### A short history

Overview of one decade's work:

- 1999: the idea takes root to use the internet for gathering salary information related to occupations
- 2000: first questionnaire for women only launched, online and offline through women's magazines with high online response
- 2001: launch of WageIndicator for women, followed by WageIndicator sites for men, 40plus, youth and a generic WageIndicator; the site for 55plus is operational since early 2008
- 2004: the Salary Check extends to 400 occupations and thereby virtually covers the whole Dutch labour market
- 2008: 500.000 visits per month.

International extension:

- 2004: Belgium, Denmark, Germany, Finland, Italy, Poland, Spain, UK (EU)
- 2005: Hungary, Argentina, Brazil, Mexico, India, South Africa, South Korea
- 2006: USA
- 2007: China, Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Russia, Turkmenistan, Tajikistan, Ukraine, Uzbekistan, Sweden
- 2008: France, Chile, Colombia, Paraguay, Guatemala.

State of affairs by July 2008:

- Management of 55 websites in 35 countries
- Tens of thousands of links to other sites
- Teams in (almost) all participating countries, composed of representatives from academia, trade unions, other NGOs, (online) national newspapers and/or career sites.

### WageIndicator Foundation

- Mission statement: "Share and compare wage information. Contribute to a transparent labour market. Provide free, accurate wage data through salary checks on national websites. Collect wage data through web surveys."
- Owner of the concept
- Not-for-profit organization, established in 2003
- Members of the Supervisory Board: director University of Amsterdam/AIAS, director Monster Northern Europe, president FNV
- Worldwide 80 team members are involved, from the Netherlands supported by the multidisciplinary development, maintenance and management team of 15 (equivalent of 7 full-time staff, working 40 hours per week).

### Partners

Partners include academic institutes (for example, the University of Amsterdam, Harvard Law School and Renmin University in Beijing), the media (among others, the career site Monster in Europe and the Republic of Korea, MSN-Europe, radio stations and newspapers such as El Pais, Telegraaf, Mail & Guardian and Hindustan Times), and the trade union movement (namely ETUC, ITUC, FNV and many other national (con)federations of trade unions).

## Funding

The WageIndicator Foundation is funded from several sources. Approximately one-third of the income comes from projects funded by the European Union, Dutch development aid or other government agencies. Another one-third comes from income generating special projects, license fees, paid banners and advertisements. And one-third is made up of fees paid by country teams to the Foundation for the provision of their national WageIndicator site with the basic tools, its technical upkeep and updating.

## Yearly contribution of participants

An average, basic national WageIndicator operation costs €17,000 on a yearly basis. For this the WageIndicator Foundation provides:

- national website
- national web survey
- Salary Checks, and twice a year a calculation update
- hosting (given the rising energy prices and increasing visits, fee to be revised each year)
- technical service, technical updates, design updates, international helpdesk
- a Minimum Wage Check
- a DecentWorkCheck
- special (offline) surveys on demand and tools to be adapted to national environments will be available at a fee to be negotiated beforehand
- access to its international network of labour market researchers
- A national team should comprise individuals with journalistic and web marketing skills, the estimated workload amounting to the equivalent of 1 to 2 employees working full-time (40 hours per week) per year.

## The survey

The questionnaire contains questions on occupation (4 digit ISCO), sector (4 digit NACE), education, work experience, wage, bonuses and benefits, working time/hours, personal characteristics, such as family (composition) and country of origin. Completion takes about 20 minutes. The visitor is offered a choice from 1,500 occupations, 450 sectors and (in some cases) hundreds of Multi-National Enterprises (MNEs). The search trees at the end of the questionnaire take the web visitor through in swift and easy steps.

## Assets of online research

- cheap
- permanent
- allows monitoring of current trends and developments as they occur
- flexible: additional questions may be inserted for specific purposes
- easily accessible dataset of high quality
- option of precise comparisons on the level of individual occupations, for example, comparison of age groups within one occupation.

## Paper-based surveys, interviews by telephone or face-to-face

Offline surveys can be derived from the WageIndicator web survey, for example to reach out to workers without internet access. Smaller scale offline surveys may be set up at random and therefore serve as a benchmark for the large scale voluntary online survey.

For offline surveying WageIndicator Foundation can provide an identical survey in excel or as a PDF file for downloading and printing. Interviewers may then use this file in several ways. For example, they may store it on their laptop in excel and complete it during face-to-face or telephone interviews. Printed versions for completion without supervision may be sent to the

target group by normal mail, by enclosing it in a magazine, by posting it as a downloadable file on a website, by distributing it at meetings or otherwise. The completed questionnaires must then be collected and the data must be entered through the easy-to-handle data entry program, provided by WageIndicator Foundation for in-country analysis and international comparison. Because of the additional handling and manpower needed, paper-based surveys are much more expensive than web surveys. Such a choice should therefore be made only after careful consideration of the alternatives and benefits, in close consultation with the WageIndicator Foundation.

#### **The cost price of a valid observation: The Korean experience**

In 2004 in Europe, classical surveys involving face-to-face interviews were estimated to cost €270 per observation (one valid questionnaire). In the same year the cost of a paper version sent by mail to a home address amounted to €27 per valid observation, while the cost of a valid observation through WageIndicator amounted to €7.

Three years later, in early 2008, WageIndicator partner Job Korea carried out a successful marketing strategy to expand the numbers of respondents. Job Korea demonstrated that valid observations can be obtained for as little as €0.70 a piece through a targeted web campaign. First, the WageIndicator website was upgraded for €2,780. Secondly, Job Korea provided lottery prizes for entries during the campaign, bringing the total investment up to €3,853. After five weeks of campaigning 5,865 valid responses had come in.

#### **The dataset**

All WageIndicator partners make their data files available to the WageIndicator Foundation for incorporation in the global dataset. Each quarter the data are downloaded, cleaned and made available in SPSS for research. All data is internationally comparable because the obligatory section of the questionnaire contains all the basic questions phrased in the same way and because of the ISCO- and NACE-coding applied to the occupations and sectors.

#### **Topics for research**

Participating researchers have shown a preference for the following topics:

- the gender pay gap and the penalty for motherhood
- wages and working hours
- international differences per occupation
- preferred models for changing working hours
- labour relations on the job
- the perceived impact of coverage by collective agreements
- the perceived job security under the impact of dismissal threat
- multidimensionality of the informal sector within and between countries
- impact of the presence of multi-national enterprises on local employment opportunities.

#### **WageIndicator China: 3-pronged approach to improve methodology**

The Chinese WageIndicator operation started in 2008 with a proper methodological foundation for the following years. Starting in Beijing, three surveys have been initiated:

1. The WageIndicator.cn internet survey
2. Survey by telephone amongst a randomly selected population using the WageIndicator survey as guideline
3. Face-to-face interviews using a laptop to input the data electronically.

As an additional benchmark, the Chinese WageIndicator team at Renmin University may also draw on the average wages per occupation for the greater Beijing area that are known and available online. After this initial phase a gradual roll-out is planned.

### **Future plan – 75 countries**

Plans are to expand from the current 35 to 75 countries on 5 continents. This future plan has been inspired by globalization and the need for worldwide wage data. Leading partners in this venture are Harvard Law School Worklife Program (USA), University of Belgrano (Argentina) and the Indian Institute of Management in Ahmedabad (India).

### **Sources:**

- WageIndicator Website, accessed 31/07/08
- Conference papers from Worldwide WageIndicator meeting June 21, 22, 23, 24
- ILO (2005), *The World of Work*, No. 53, April.

### **Links:**

Global Website (in English):

<http://www.wageindicator.org/main/>

China Website (in Chinese):

<http://www.wageindicator.cn/main/>

Republic of Korea Website (in Korean):

<http://www.wageindicator.co.kr/>



## GLOSSARY OF TERMS

**Affirmative action** – consists of special, usually temporary, measures to redress the effects of past or continuing discrimination with a view to establish equality of opportunity and treatment between population groups in society in actual practice. Also termed Positive measures.

**Atypical (or irregular) forms of work** – covers a large and growing variety of forms of work and employment characterized by flexibility and reduced security. Examples are: part-time work, casual and seasonal work, job sharing, fixed-term contracts, temporary agency work, home-based work, remote working; self-employment and the work of unpaid spouses or family members in small family-run enterprises. These forms of work differ from the norm historically regarded as “typical” or standard, namely full-time, socially secure employment of unlimited duration, with a single employer, performed at the employer’s workplace and with a guaranteed regular income. Whereas men are over-represented in “typical” or “standard” employment relationships, women have always been over-represented in atypical forms of work, especially as part-time or casual workers.

**CEACR** – see **ILO CEACR**, below.

**Collective bargaining** – the process of negotiation between workers and employers and their representatives concerning any issue related to terms and conditions of employment or any other matter of mutual interest to the worker and the employer. See also ILO Convention concerning the Promotion of collective bargaining, 1981 (No.154), available online at <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C154>.

**Convention** – international treaty that is legally binding after ratification.

**Declaration** – a formal and solemn instrument suitable for rare occasions when principles of lasting importance are being enunciated. In ILO practice, this kind of act appeared with the Declaration of Philadelphia, which was incorporated into the Constitution on the occasion of the constitutional amendments of 1946. A second example is the Declaration concerning the Policy of Apartheid of the Republic of South Africa, adopted in 1964, updated in 1988 and abrogated in 1991 when it became superfluous.

During the past decade ILO member states adopted two major declarations:

- The 1998 Declaration on Fundamental Principles and Rights at Work and its Follow-up underscores the renewed relevance and importance, in the context of globalization, of the fundamental principles and rights, including freedom of association and the right to collective bargaining, the elimination of forced, compulsory and child labour, and the elimination of discrimination at work.
- The 2008 Declaration on Social Justice for a Fair Globalization tasks the ILO and its member States with placing full and productive employment and decent work at the centre of all economic and social policies and pursue the decent work agenda by promoting employment through the creation of a sustainable institutional and economic environment; developing and enhancing measures of social protection – social security and labour protection; promoting social dialogue and tripartism; and respecting, promoting and realizing the fundamental principles and rights at work.

**Decomposition studies** – econometric studies which aim to establish the relative weight of discrimination and other variables in gender pay differentials. Usually a regression analysis is done first, and then the average male-female wage differential is divided (decomposed)

into two parts: an “explained” part which is due to differences between individuals in terms of wage-determining worker or workplace characteristics, and an “unexplained” part, which is attributed to discrimination. The most common decomposition method in pay equity research is the Oaxaca-Blinder method, although other methods are also used. See also **Regression** below. For more information, see Gunderson, Morley (1994), *Comparable worth and gender discrimination – an international perspective*, ILO, Geneva and Grimshaw, Damian and Rubery, Jill (2002), *The adjusted gender pay gap: A critical appraisal of standard decomposition techniques*, Manchester, UK.

**Direct request** – comment made by the Committee of Experts on the Application of Conventions and Recommendations to governments, seeking more information or clarification on specific issues regarding the implementation of a ratified Convention.

**Discrimination** – any distinction, exclusion or preference based on race, colour, sex, religion, political opinion, national extraction or social origin which nullifies or impairs equality of opportunity or treatment in employment or occupation. Discrimination can be direct or indirect:

- **Direct discrimination** exists when unequal treatment between workers of different race, colour, sex or any other ground covered by the Convention stems directly from laws, rules or practices making an explicit difference between workers on these grounds. For example, laws which do not allow women to sign contracts. Or, a labour law stipulating that internal rural migrants shall receive less pay in cities than the residents of these cities. Or, job advertisements which specify the appearance and sex of the candidates.
- **Indirect discrimination** means rules and practices which appear neutral but in practice lead to disadvantages primarily suffered by persons of one sex, race, colour or any other characteristics. For example, setting requirements for managerial or secretarial jobs which are irrelevant to the job such as height or weight levels that typically only people of one sex, race or colour can meet.

**Earnings** – remuneration in cash and in kind paid to employees, as a rule at regular intervals, for time worked as well as time not worked (such as, annual vacation, other paid leave or holidays). Earnings exclude employers’ contributions in respect of their employees paid to social security and pension schemes and also the benefits received by employees under these schemes. Earnings also exclude severance and termination pay. For more detail, see International Labour Organization (ILO) Resolution Concerning an Integrated System of Wages Statistics Adopted by the 12<sup>th</sup> International Conference of Labour Statisticians, October 1973, para. 8.

**Equal pay for equal work** – where individuals receive the same pay for performing the same work. This is one of the fundamental rights guaranteed by the Universal Declaration of Human Rights. However, it is more limited in scope than “equal pay for work of equal value”.

**Equal pay (remuneration) for work of equal value** – the principle according to which men and women should receive equal remuneration when they perform work that is different in content but of equal value. See also **Pay equity, Remuneration** and **Work of Equal Value**.

**Equal value** – see **work of equal value**.

**Equality of opportunity and treatment in employment and occupation** –

- *Equal opportunity* refers to having an equal chance to apply for a particular job to be employed, to attend educational or training courses, to be eligible to attain certain qualifications and to be considered as a worker or for a promotion in all occupations or positions, including those dominated by one sex or the other

- **Equal treatment** refers to equal entitlements in pay, working conditions, security of employment, reconciliation between work and family life, and social protection
- The reference to both **employment and occupation** means that protection from discrimination is provided not only to employees but also to other parts of the labour force, such as own-account or self-employed workers, owners of enterprises and unpaid family workers.

**Female-to-male earnings or wage ratio** – the ratio of women’s to men’s earnings or wages. This is calculated by dividing women’s earnings or wages by men’s earnings or wages, and is often expressed as a percentage (i.e. the ratio multiplied by 100). For example, if women’s average monthly wage in a country is 3 units, and men’s is 5 units, the female-to-male wage ratio is 3 divided by 5, which amounts to 0.6, or 60% when expressed as a percentage. In this example, the **gender pay gap** (see below) would be 100 minus 60 is 40%.

**Gender equality** – refers to the same human and workers’ rights and the fair distribution of workload, decision-making and income. It is about the enjoyment of equal rights, opportunities and treatment by men and women and by boys and girls in all spheres of life. It asserts that people’s rights, responsibilities, social status and access to resources do not depend on whether they are born male or female.

It does not mean, however, that men and women are the same or must become the same, or that all labour market measures must arrive at the same results. Gender equality implies that all men and women are free to develop their personal abilities and make life choices without the limitations set by stereotypes or prejudices about gender roles or the characteristics of men and women.

In the context of decent work, gender equality embraces equality of opportunity and treatment, equality of remuneration and access to safe and healthy working environments, equality in association and collective bargaining, equality in obtaining meaningful career development, maternity protection, and a balance of work and home life that is fair to both men and women. The ILO approaches gender equality as a matter of human rights, social justice and sustainable development.

**Gender mainstreaming** – strategy for making the concerns and experiences of both women and men an integral part of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres to ensure that women and men achieve equality, and inequality is not perpetuated. It includes the process of assessing the implications for women and men of any planned action, including legislation, policies or programmes, in any area and at all levels.

**Gender pay gap (or gender wage gap)** – the percentage point difference between average female and average male pay (or between average female and average male wages). For instance, if women earn 70% of what men earn, the gender pay gap is 30%. See also **Female-to-male earnings or wage ratio**.

**Gender stereotypes** – the ideas that people have on what boys and men, girls and women are capable of doing, for example, women are better housekeepers and men are better leaders. While stereotypes may sometimes be true, they are often proven false.

**Gini coefficient** – a measure of inequality in income and wealth distribution. The gini coefficient ranges between 0, which represents perfect equality, and 1, which represents perfect inequality.

**Gross Domestic Product (GDP)** – a measure of national income and output which reflects the performance of a country’s economy. It is usually defined as the total market value of all

of the goods and services produced in the country during a specific time period (usually a year). Often the GDP of a country is divided by the total population of that country to obtain the “GDP per capita”, which shows the relative wealth of the population (as opposed to the economy). A country can have a very high overall GDP, but at the same time a low GDP per capita.

**Gross enrolment ratio** – the number of pupils enrolled in a given level of education, regardless of age. The gross enrolment rate is expressed as a percentage of the population in the theoretical age group for the same level of education.

**Human capital endowment** – see **Productivity-related characteristics**.

**ILO Committee of Experts on the Application of Conventions and Recommendations (ILO CEACR)** – the ILO Committee which examines the performance of countries with regard to the application of ILO Conventions and Recommendations. It convenes yearly and issues both general observations on trends in the application of Conventions as well as country-specific “observations” and “direct requests” to Governments. See also **Direct Request** and **Observation**. The reports and other documents issued by the CEACR are available online at: <http://webfusion.ilo.org/public/db/standards/normes/appl/index.cfm?lang=EN> (APPLIS database) and <http://www.ilo.org/ilolex/english/> (ILOLEX database).

**Income** – the financial resources, whether earned or unearned, accruing to a person over a given period of time. Income can be both more and less than earnings or wages derived from employment, e.g. more: financial resources from inheritances, or less: financial resources left over after taxation.

**Indicator** – yardstick of change – a tool to measure performance and achievement in reaching a set goal or target.

**Informal employment** – the 17<sup>th</sup> International Conference of Labour Statisticians in 2003 defined informal employment as “informal jobs” that are carried out in either formal or informal sector enterprises. This definition relies on concepts for status in employment outlined in the International Classification of Status in Employment (ICSE) 1993 as: own-account workers, employers, contributing family members, employees and members of producers’ cooperatives. Informal employment includes jobs not covered by labour legislation, labour contracts, social security and collective agreements; jobs without employment benefits such as advance notice of dismissal, severance pay, paid annual leave and sick leave; jobs of limited duration; jobs with hours or wages below a specified threshold; jobs where the place of employment is outside of the premises of the enterprise such as outworkers; and jobs where labour regulations do not apply or are not enforced. For more information, see ILO (2006), *Decent work for women and men in the informal economy: profile and good practices in Cambodia*, Bangkok.

**Instruments** – a general term for formal legal documents. In the ILO, this term includes Conventions, Recommendations and Protocols.

**International Standard Classification of Occupations (ISCO)** – one of the main international classifications for which the ILO is responsible. It is a tool for organizing jobs into a clearly defined set of groups according to the tasks and duties undertaken in the job. In this guide, data based on both ISCO-68 and ISCO/88 are used. The major groups of ISCO-68 are: 0/1-Professional, Technical and Related Workers, 2-Administrative and Managerial Workers, 3-Clerical and Related Workers, 4-Sales Workers, 5-Service Workers, 6-Agricultural, Animal Husbandry and Forestry Workers, Fishermen and Hunters, 7/8/9-Production and Related Workers, Transport Equipment Operators and Labourers, X-Workers Not Classifiable by

Occupation and Y-Members of the Armed Forces. The major groups of ISCO-88 are: 1-Legislators, Senior Officials and Managers, 2-Professionals, 3-Technicians and Associate Professionals, 4-Clerks, 5-Service Workers and Shop and Market Sales Workers, 6-Skilled Agricultural and Fishery Workers, 7-Craft and Related Trades Workers, 8-Plant and Machine Operators and Assemblers, 9-Elementary Occupations, and 0-Armed Forces. See <http://www.ilo.org/public/english/bureau/stat/isco/index.htm> for more detail.

**Job evaluation (free from gender bias)** – a process which allows different jobs to be compared within an organization in order to determine appropriate wage rates. This is done by breaking down the duties and skills of jobs into different factors of value (usually skill, effort, responsibility, and working conditions). Job evaluation methods which are free from gender bias are designed to assess jobs objectively through criteria which are equally applicable to both female- and male-dominated jobs to ensure that the skills required for jobs typically performed by women, such as manual dexterity or human relations skills, are not undervalued. See Briefing Note 2.

**Labour Force Participation Rate (LFPR)** – measure of the proportion of an economy's working-age population that is economically active. The LFPR provides an indication of the relative size of the supply of labour available for the production of goods and services. In addition to the general LFPR, sex- and age-specific LFPR are often used to measure differences in the participation rates of men and women and of workers belonging to different age groups.

**Mean** – average. The mean is found by adding all observations and dividing by the number of observations. For example, if the hourly wages of a group of 7 workers are 1, 2, 3, 7, 8, 9 and 10 currency units, the mean hourly wage of the group amounts to 5.7: the total (40) divided by the number of workers (7). Compare with **Median** (below).

**Median** – the middle of the distribution in a list: half of the scores are above and half are below the median. For example, if the hourly wages of a group of 7 workers are 1, 2, 3, 7, 8, 9 and 10 currency units, the median hourly wage of the group of workers amounts to 7 USD (while the mean amounts to 5.7 units). In pay equity research, sometimes median wages are used instead of or in addition to average or mean wages. This is because the median is less sensitive to outliers (extreme values) than the mean.

**Member States (of the ILO)** – countries that are members of the ILO and are bound by the terms of the ILO Constitution.

**Minimum wage** – the lowest wage (hourly, daily, or monthly) that employers may legally pay to employees or workers.

**National extraction** – distinctions made on the basis of the place of birth, ancestry or foreign origin of citizens in a country.

**Observation** – comment made by the Committee of Experts on the Application of Conventions and Recommendations. Observations are generally used for serious or long-standing cases of a government's failure to fulfill its obligations under a Convention it has ratified.

**Occupational segregation by sex** – when women and men are concentrated in different types and at different levels of activity and employment. Segregation can be either horizontal (when women are confined to a different – usually smaller – range of occupations than men) or vertical (when women work in different – usually lower – job grades).

**Pay** – see **Remuneration**.



**Positive measures** – see **Affirmative action**.

**Pay equity** – in this guide, the same as equal remuneration for work of equal value and equal pay. For those interested in the finer distinctions, the term pay equity underlines that something extra needs to be done to redress the gap and enable women to earn the same as men for work of equal value, while equal pay has a stronger connotation with the fundamental and inalienable right of women to earn the same as men for work of equal value. See **Equal pay (remuneration) for work of equal value**.

**Productivity-related characteristics** (sometimes also referred to as **human capital endowments**) – refer to the personal characteristics which are normally considered to determine an individual worker's productivity. The characteristics which are usually considered to have the largest impact on the level of productivity are the level of education and amount of work experience that a person has. Most studies which analyze the determinants of the gender pay gap focus on these, sometimes resorting to proxies (for example, age as a proxy for years of work experience) when exact data are not available. It should be noted that methodological difficulties linked to the use of these variables and proxies (see Chapter 4) can distort research findings. In addition to these two variables, most regression and decomposition studies also use other variables (for example, sex, location, ethnicity, marital status or the number of children that a worker has) as controls as these can also be presumed to have an impact on the worker's (real or perceived) productivity and/or the way he or she is treated at the workplace or in the labour market.

**Protocol** – an instrument amending or supplementing an international labour Convention. The International Labour Conference adopts Protocols following the procedure which the ILO Constitution provides for international labour Conventions. An ILO member State can only ratify a Protocol if it has ratified the Convention that the Protocol relates to.

**Proxy** – substitute. In case information on a certain indicator is not available, another variable is selected as alternative measurement. For example, in pay equity studies, age is often a proxy indicator for years of work experience.

**Purchasing power parity (PPP)** – a price relative which measures the number of units of country B's currency that are needed in country B to purchase the same quantity of an individual good or service as 1 unit of country A's currency will purchase in country A. See *1993 System of National Accounts*, available online on the United Nations Statistics Division website: <http://millenniumindicators.un.org/unsd/sna1993/glossform.asp?getitem=438>.

**Ratification** – an act by which a state formally agrees to be legally bound by a Convention's provision. It usually requires the approval of the state's legislative body (or bodies, in the case of federal states), which is in many cases the parliament.

**Recommendation** – guidelines that are not legally binding and do not have to be ratified because a Recommendation is effective upon adoption at the International Labour Conference. Recommendations usually supplement Conventions and provide more specific guidelines as to how the Conventions they accompany may be effectively applied. However, some Recommendations are not linked to any Convention.

**Regression analysis** – an econometric method which is used in pay equity research to control for the effect of human capital and other determinants of earnings. Usually earnings equations are estimated separately for women and men based on micro data with the individual worker as the unit of observation. The dependent variable in the male and female earnings equation is usually a measure of earnings. The independent variables – or determinants of earnings –

are worker characteristics such as education and work experience and a range of control variables such as marital status, ethnic origin or location. The regression coefficients that are estimated through the procedure show the returns that the market “pays” for changes in human capital endowments such as education or work experience. Following regression, **decomposition** (see above) is often undertaken to estimate the extent of discrimination. For more information, see Gunderson, Morley (1994), *Comparable worth and gender discrimination – an international perspective*, ILO, Geneva and Grimshaw, Damian and Rubery, Jill (2002), *The adjusted gender pay gap: A critical appraisal of standard decomposition techniques*, Manchester, UK.

**Remuneration** – wages or earnings payable by an employer to an employed person according to a written or unwritten contract of employment for work or services performed or to be performed.

**Resolution** – formal expression of an opinion on a particular subject adopted by the International Labour Conference.

**Standard** – international agreement such as a Convention or a treaty which lays down the minimum provisions or guidelines on a specific subject.

**Status in employment** – used to classify jobs held by persons at a point in time. The four major categories from the 1993 International Classification of Status in Employment which are used in this guide to describe status in employment are: *own-account workers* (persons who are self-employed with no employees working for them), *employers* (the self-employed with employees), *contributing family workers* (own-account workers who work without pay in establishments operated by a related person living in the same household) and *wage and salaried workers* (employees, i.e. persons in paid employment jobs, who hold an explicit or implicit contract). The other two categories in the 1993 International Classification are *members of producers’ cooperatives* and *workers not classifiable by status*). For more information, see: <http://www.ilo.org/public/english/bureau/stat/class/icse.htm>.

**Social origin** – an individual’s membership in a class, socio-occupational category—such as farmers—or a caste.

**Tripartite/Tripartism** – defining characteristic of the ILO structure, referring to three parties, namely governments, representatives of workers’ and employers’ organizations. The three parties are represented on the ILO’s main bodies and participate in decision-making, including the formulation of international labour standards and supervision of their implementation.

**Total fertility rate** – the average number of children that would be born to a woman in her lifetime, if her child-bearing follows the current fertility patterns and she lives through her entire child-bearing years. The total fertility rate is usually expressed per thousand women.

**Wage discrimination** – where differences in wages are not accounted for by differences in productivity-related characteristics (such as education or work experience).

**Wages and salaries** – the total earnings, including basic wages and salaries, cost-of-living allowances and other guaranteed and regularly paid allowances, received by employees for a given period of time, for time worked as well as time not worked (for example, annual vacations).

**Work of equal value** – refers to work which may be different in terms of content, but is valued as equal in terms of criteria such as skill, effort, responsibility and working conditions. **Job evaluation** (see above) is commonly used for determining equal value.



## Work, Income and Gender Equality in East Asia: Action Guide

Based on an analysis of English language sources at the international level and from eight countries in Asia, the guide gives a comparative overview of labour market and income differences between men and women. It explains key concepts related to equal pay, discrimination and gender equality in employment and social protection. It looks into the causes for the gender pay gap and discrimination at work. It reviews labour market instruments and shares knowledge and tools for the promotion of gender equality, more equal rewards for paid work and adequate maternity protection for all working women.



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see Equality and discrimination under area of work

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