



Gender Equality and Empowerment of Women in the Asia-Pacific and Malaysia

Subhalakshmi Nandi

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The Background

- ◆ Sustainable Development Agenda 2030 – 5 years of SDGs
 - ◆ Gender cuts across social, economic and environmental pillars of development
 - ◆ Gender equality a standalone goal (SDG 5) – voice, choice, security
- ◆ 40 years of CEDAW: charter for women's rights
- ◆ 25 years of Beijing Declaration and Platform for Action: 'gender mainstreaming' in peace and development
- ◆ 25 years of ICPD: women's reproductive health and rights to take centre stage in national and global development efforts

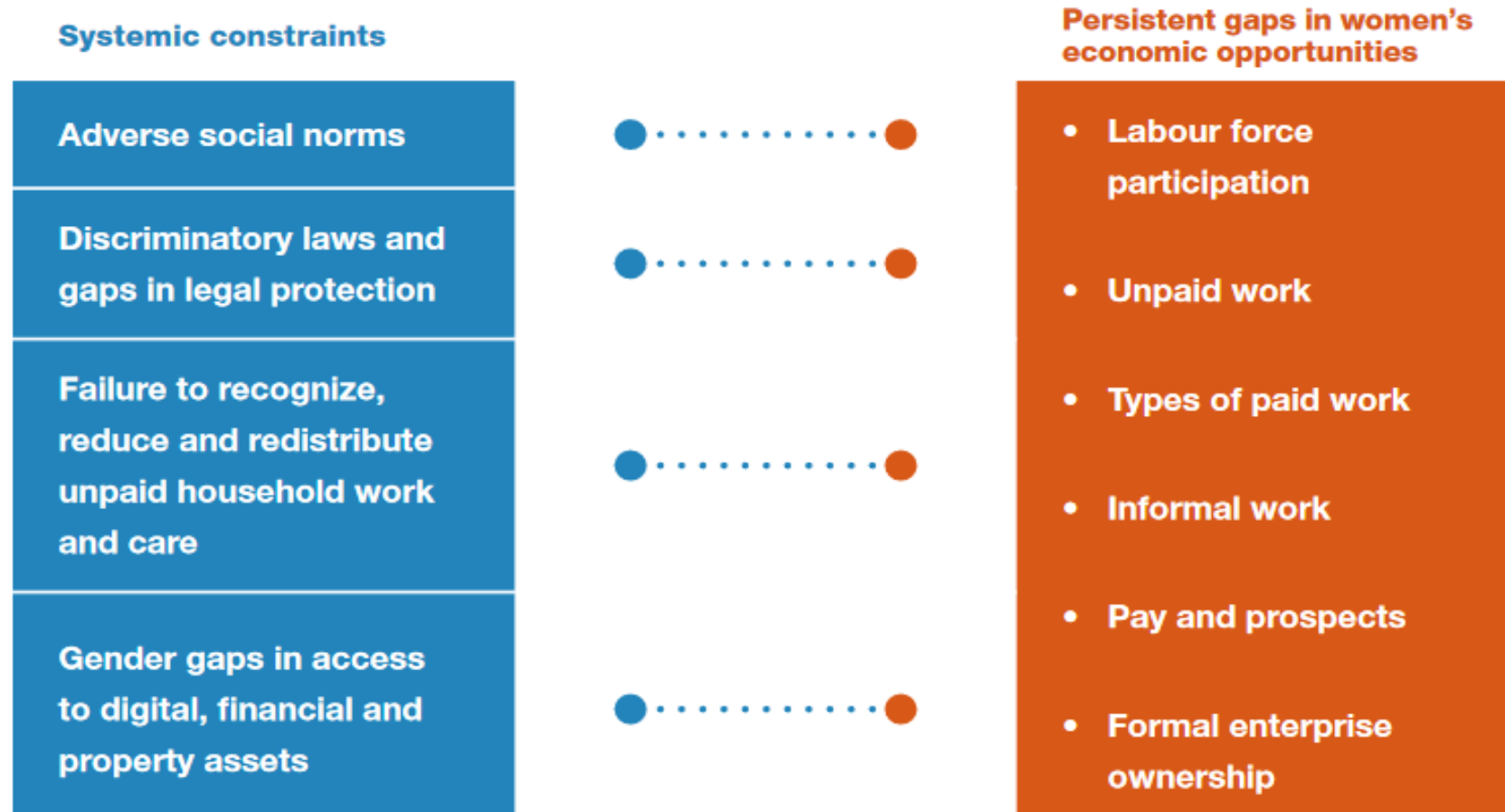
Status of women globally

- ◆ 50% women in working age in the labor force, as compared to 77% men
- ◆ Gender wage gap remains at 24%
- ◆ ‘Motherhood pay gap’: Mothers made 42% less than women without children
- ◆ Women spend twice as much time as men on household work and five times as much on childcare
- ◆ 885 million women do not want pregnancies, of which 214 million not using modern contraception
- ◆ One in three woman experiences Intimate Partner Violence (IPV)

UNHLP Report (2017)

Figure 1

Major systemic constraints contribute to persistent gaps in women's economic opportunities



Status of women in Asia Pacific

- ◆ Female Labour Force Participation (excluding high income countries): **61%** (2018)
- ◆ Education: **Gender parity** was reached in Central Asia and East Asia and the Pacific in 2016. In tertiary education, women's participation levels outperform men's.
- ◆ Greater proportion of women in the region fall within **low-income populations**.
- ◆ High incidence of **violence against women**. Trafficking, child marriage, domestic violence.
- ◆ **Underrepresentation** of women in decision-making positions.
- ◆ Prevalence of women in unpaid, low-paid, low-skilled, self-employed and informal work. e.g. **21** million of domestic workers in 2013, **4 out of 5** of them are women.
- ◆ At the ASEAN level, married women do up to **3.5 hours** more of unpaid work than men each day.

Women in Malaysia

- ◆ Female labour force participation (LFP) is increasing: **46.8%** in 2010, **54.7%** in 2018.
- ◆ Parity in educational attainment:
 - ◆ Literacy rate is **96.3%** for women, 97.3% for men.
 - ◆ Gross enrolment rate in primary level (98.2%) and secondary level (88.5%), tertiary level (**48.3%**, **versus 38.2% for men**)
- ◆ Gender wage gap:
 - ◆ Out of RM 100.000 wages earned by men, women receive RM 93.800.
- ◆ Women's participation at decision-making levels is low:
 - ◆ Women accounted for **15.2%** of director positions of the top 100 listed companies of Bursa Malaysia (2017).
 - ◆ **14.86%** of seats in the House of Representatives are held by women.

Why gender equality & empowerment of women?

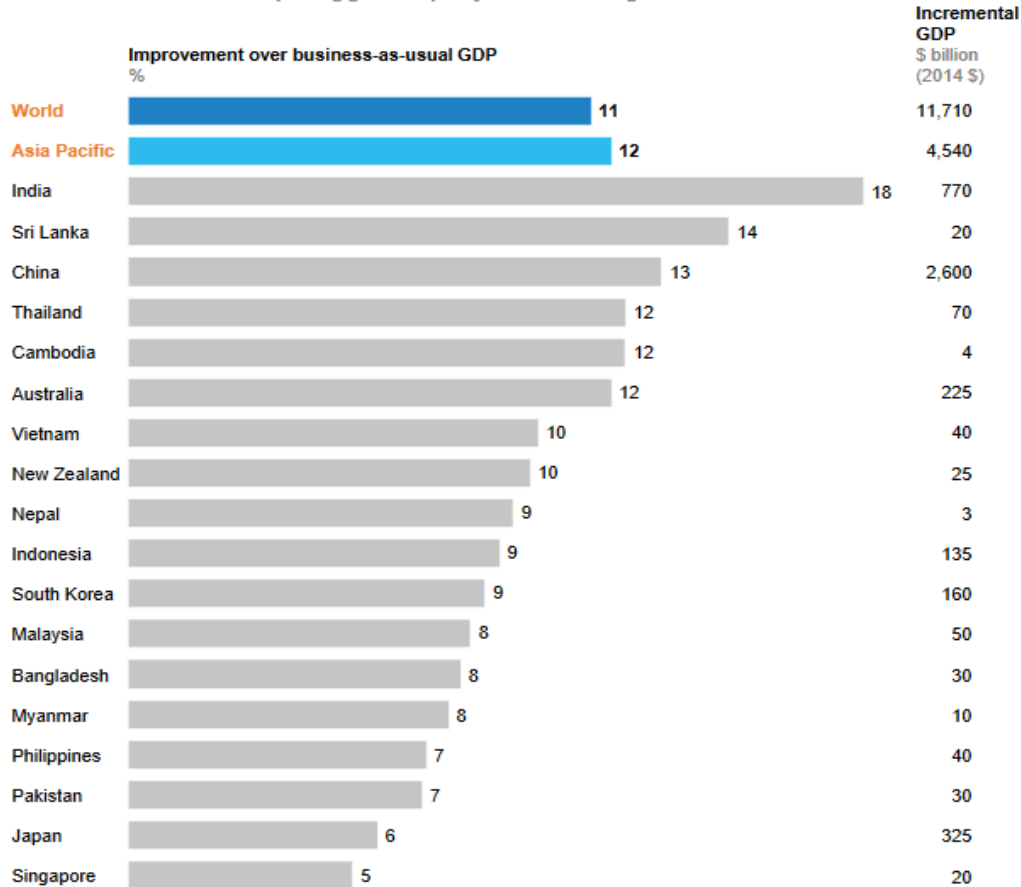
- ◆ Equal economic participation by women would add 26 per cent of annual global GDP by 2025 (McKinsey Global Institute, 2015)
- ◆ Investment in human capital, innovation, and knowledge are significant contributors to economic growth; female education has a stronger impact over time
- ◆ Equitable distribution of intrahousehold resources increases average propensity to invest
- ◆ Closing the credit gap for women-owned small and medium enterprises (SMEs) across the developing world as a whole could boost income per capita growth rates by over 1.1 per cent on average (Goldman Sachs, 2014)

- ◆ Discrimination overall limits productive potential of persons
- ◆ Gaps between male and female farmers in access to productive resources, such as land, credit and technology reduces farm and firm productivity, lowering overall output
- ◆ Women's representation in public bodies impacts investment decisions

Gender equality advancement as an economic booster

In a best-in-region scenario, Asia Pacific could add \$4.5 trillion to annual GDP by 2025, or 12 percent above business as usual

Incremental 2025 GDP from improving gender equality at the best-in-region rate

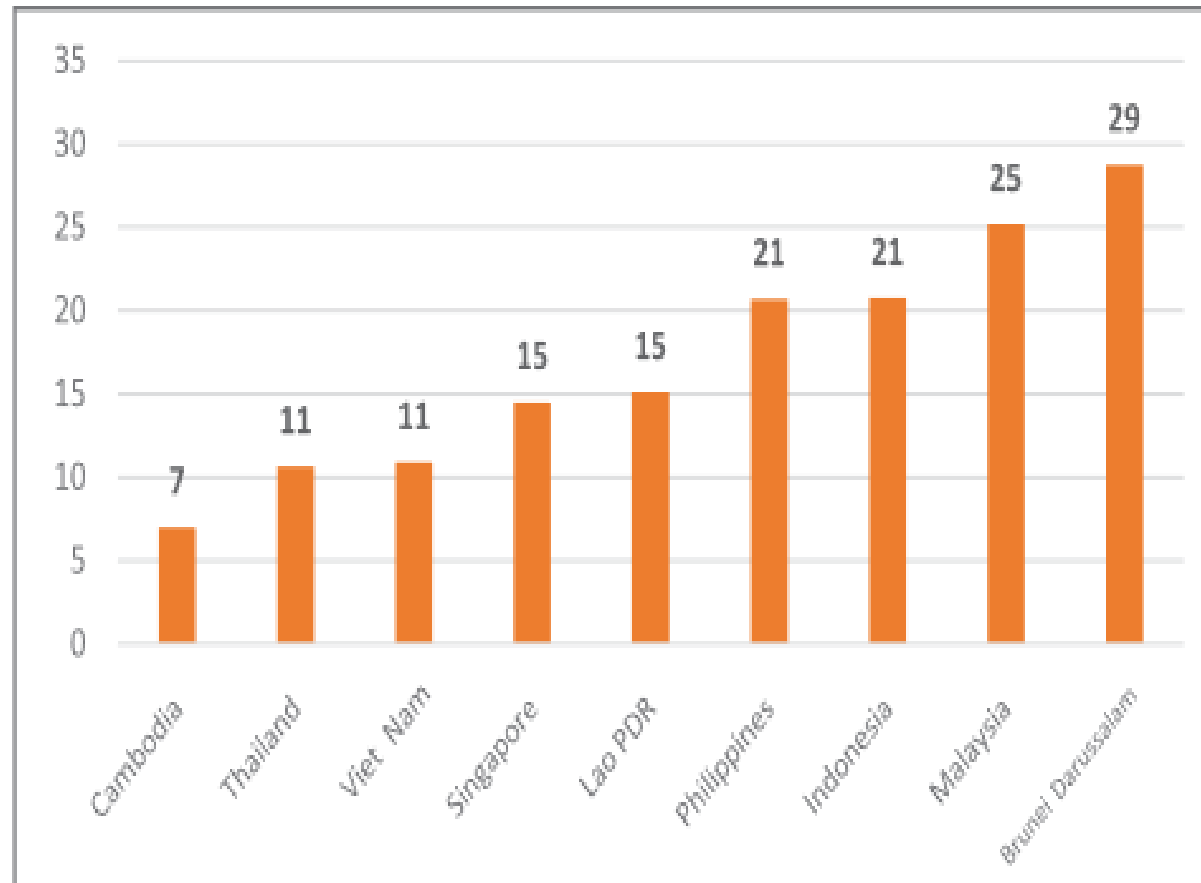


SOURCE: ILO; World Input Output Database; Oxford Economics; IHS; national statistical agencies; McKinsey Global Growth Model; McKinsey Global Institute analysis

- ◆ Extensive economic benefits from closing gender gaps:
 - ◆ World Employment Social Outlook (2017, ILO): closing the gender gap in labour force participation rates could add US\$3.2 trillion to the Asia-Pacific
 - ◆ McKinsey Institute, The Power of parity (2018): In a best-in-region scenario, \$4,5 trillion of additional annual GDP (12%) could be added to the economies of Asia-Pacific by 2025 by advancing women’s equality.
 - ◆ Over the total \$4.5 trillion potential:
 - 58% from raising the female-to male labour force participation ratio.
 - 25% from more women working in higher productivity sectors.
 - 17% from increasing the number of paid hours women work.

GDP losses due to economic gender gaps

Figure 2. GDP losses due to economic gender gaps in ASEAN Member States (percentage of GDP)



Source: Estimates by Cuberes and Teignier (2014). Losses are estimated for a particular year for each country and can thus be interpreted as a one-off increase in GDP if gender gaps were to be removed

Diversity, a financial driver for companies

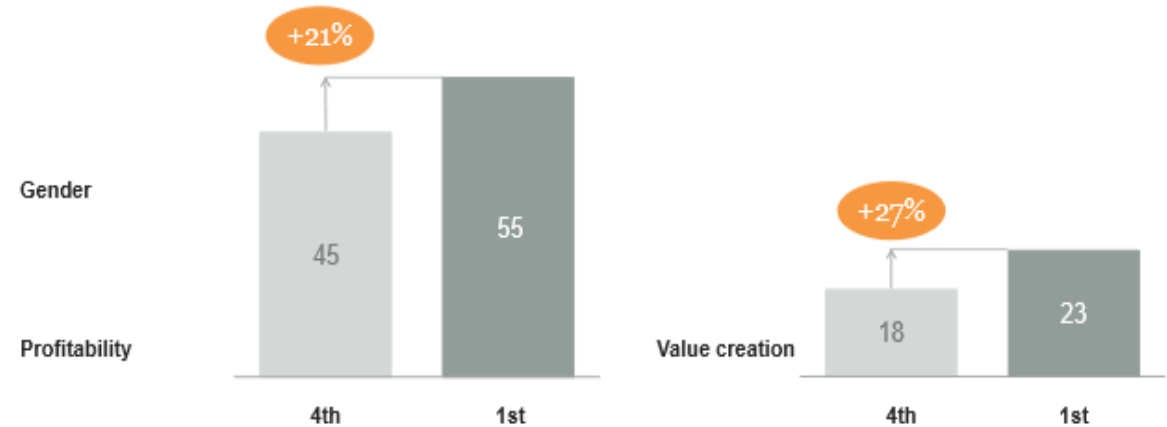
- ◆ Diverse and inclusive companies have a **better financial performance and risk management**:
 - ◆ McKinsey Institute (Delivering through diversity, 2018): «Companies in the top quartile for gender diversity on their executive teams were 21% more likely to experience above-average profitability than companies in the fourth quartile”. (had a 21 percent likelihood of outperforming their fourth-quartile industry peers)
 - ◆ Peterson Institute for International Economics (2016): companies with **30%** female leadership has net profit margins **6%** higher.

- ◆ Diversity as a source of **creativity, productivity and innovation**:
 - ◆ IMF Study: women bring new skills and value to the workplace, resulting in strong complementarities between men’s and women’s work.

How gender diversity correlates with financial performance

Likelihood of financial performance¹ above national industry median by diversity quartile
Percent

Executive team
N = 991



¹ Average economic profit margin 2011–15 and average EBIT margin 2011–15

NOTE: Results are statistically significant at p-value <0.5. Percentages shown here are rounded to the nearest whole number; however, calculation of the differentials in quartile performance uses actual decimal values

SOURCE: Company websites; McKinsey Diversity Matters database

Trade and Gender in the ASEAN

- ◆ Macroeconomic and trade policies are not **gender neutral**. Persistence of gender inequality reduces the **welfare gains from trade** (empowered women contributes to an increased economic development and greater productivity gains).
- ◆ ASEAN Economic Community envisions ASEAN as a single market and production based on the free flow of trade and investments across the 10 ASEAN members. Expected consequences: welfare gains of \$264 billion. However, **lack of gender perspective** in the formulation of trade and macroeconomic policies; none of the 34 indicators tracking the progress of the AEC tracks social and gender impacts and progress in reducing gaps.
- ◆ **Women's share of exports has remained constant** in the past 20 years due to gender differences in labour force participation as well as the prevalence of unpaid work for women, affecting their ability to participate fully in the economy.

Gender equality a 'win-win' for growth & development

- ◆ When women earn higher incomes and have an effective control of their incomes, they tend to **invest in their families**, which contributes to the well-being of the whole nation.
- ◆ Women's economic empowerment helps to **achieve other development goals** linked to health, children and poverty.
- ◆ An equal participation to markets and decent work conditions result in an **increase of competitiveness** and therefore economic growth.
- ◆ Sometimes **gender norms also shift** with women's participation in economic growth and development

To become a high-income nation, Malaysia must optimise the potential of half of its population.

Overall learnings

- ◆ Gender equality is good for growth
- ◆ Growth can be good for gender equality, if some conditions are in place
 - ◆ Policies that directly support women are key, not only from a justice perspective, but also to support beneficial links between empowerment and growth

Gender equality and normative frameworks in Malaysia

- ◆ Malaysia has ratified **CEDAW** and its optional protocol, and has committed to achieve the **SDGs**.
- ◆ Non-discrimination clause mentioning gender enshrined in the Constitution
- ◆ **11th Malaysia Plan** (2016-2020) aims to improve the female labour participation rate by 5%, to 59% by 2020.
- ◆ National goal to achieve **30%** of women's participation in decision-making roles (public and private sectors).
- ◆ **Employment Act 1995; Amendments in 2012** to prohibit sexual harassment in the workplace and extend maternity leave benefit for all women employees.
- ◆ Gender **mainstreaming** and gender **responsive budget** used in Malaysia
- ◆ 2018 was **Women Empowerment Year. Budget 2018**: 4 measures to empower women:
 - ◆ Increase **duration of maternity leave** for women in the private sector to 90 days.
 - ◆ Set a minimum of **30%** of women in boards of government-associated companies by end-2018.
 - ◆ Implement **tax exemptions** for the women who plan to return to work between 2018 and 2020.
 - ◆ Increased budget for skilling and entrepreneurship programmes.
- ◆ **A Gender Equality Act** is currently being considered

Figure 2

Seven primary drivers of women's economic empowerment



A roadmap for transformative financing for GEWE

- ◆ Domestic resources – progressive taxation, investment in social infrastructure
- ◆ International policy – ensure gender incorporated into trade, financial and investment agreements, support women in global supply chains
- ◆ Create enabling environment for women's economic empowerment – laws, policies, programs
- ◆ Multi-stakeholder partnerships
- ◆ Data, monitoring and follow-up – show impact!

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