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Malaysia

By

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Introduction

Malaysia entered a new and even more painful economic crisis in mid-1997 as compared with the economic downturn of the 1980s. Beginning as a financial crisis marked by rapid declines in currencies and stock market levels, the worst hit sectors have been construction and manufacturing. The economic slowdown is expected to affect adversely the demand for labour and investment in human resource development. An initial assessment of the immediate impact of the economic downturn on the labour market has been a marked increase in the retrenchment of workers. Slower GDP growth is expected to result in a significant decline in employment growth and loss of jobs. Employment levels are expected to fall in all economic sectors except for the export-oriented industries. The wholesale and retail, hotels and restaurants sectors are experiencing an employment growth rate below 1 percent. Overall, employment growth is not expected to improve substantially during the period 1999-2000 (Seventh Malaysia Plan, 1996).

In general, this economic crisis has had social impacts, particularly on women. Among the most serious are:

- (1) a rise in female unemployment, leading to the feminization of unemployment.
- (2) more women turning to the unpaid labour force (informal sector and petty trading), as the formal sector becomes increasingly unable to absorb them.

1. The Impact of the Crisis on Paid and Unpaid Work

The policy implications of unpaid work are very difficult to measure in Malaysia as statistics on unpaid work are not compiled at the national level. However, generally it can be concluded that most women in paid employment who lose their jobs will switch to work in the informal sector and be involved in activities such as hawking, petty-trading and operating foodstalls.¹

The impact of the crisis on paid work can be observed from Table 1. As presented in the table, the sectors that have been most affected by the current crisis in terms of losses in employment include manufacturing, wholesale and retail, construction, financial services, insurance and trade. The manufacturing sector has been the most affected in terms of retrenchment. The total number of persons retrenched within the 18 months beginning in January 1997 to June 1998 was 41,790, as reported to the Ministry of Human Resources.² This constitutes only 0.5 percent of Malaysia's labour force of 9 million (Table 2). Given the unemployment rate of 2.6 percent, this marginal increase indicates that Malaysia is still experiencing full employment and operating under tight labour market conditions. However, unemployment may increase to 6.4 percent within the year (NERP, 1998).

Data on the gender breakdown by sector reveals that more men than women were retrenched during the same period (Table 2). Both men and women in the manufacturing sector seemed to be the most affected, as well as in the wholesale and retail, financial services, insurance and trade sectors. The majority of those retrenched in other areas such as construction, transport, storage, communications, and social services were mainly males.

The occupational group that recorded the largest number of persons retrenched is professional, technical and related work (Table 3). The number of skilled workers retrenched is significantly larger than semi-skilled workers. It has been noted that more men than women have been retrenched. Another occupational group that is severely affected is services. The majority of employment in these occupations is concentrated in personal services such as hotels, cosmetics industry, and protective services. Whereas there were massive retrenchments in the private sector, particularly in the manufacturing sector; the government will not retrench in services. Instead, the government cut back on employment in lower groups. Most of those in the lower groups are women and they are less likely to be hired as compared to their male colleagues.

Women's participation in the labour force is confined to industries with low technology, low capital requirements, and industries that, in spite of high capital requirement and sophisticated technologies, are highly labour-intensive. The common factors for women workers in these two types of industries in

Malaysia and almost in every country in the world are relatively low wages and poor working conditions. It is not surprising when evidence shows that women are the last to be hired and the first group to be affected by economic recession. In line with the retrenchment trend (Table 2), human resource development and skill training should be further enhanced in order to upgrade the workforce in various sub-sectors in manufacturing, especially in skills related to information technology, computers, automation, and computer-integrated manufacturing.

Manufacturing firms should be encouraged to take advantage of the slowdown in production to train their staff in-house. In the meantime, school leavers and retrenched workers unable to find jobs can also be given training in public and private institutions so that they may be better equipped and prepared for employment opportunities during the economic recovery process.

The predominance of males in these occupational groups should be linked to their labour force participation rate (LFPR). The wide disparity between the LFPR of men and women has remained and by 1996 it was 86.6 percent and 47.2 percent, respectively (Ministry of Human Resources, 1997).

The lower rate of women's participation in the labour force has been linked to various factors such as their lower level of education and skills; the lack of employment opportunities; availability of affordable quality childcare services and flexible working conditions. It is significant to note that 76.6 percent of women identified housework as their reason for not seeking employment in 1996. The Malaysian report for the Asian Development Bank project, "Education of Women in Asia, 1994," indicated that 80 percent of Malaysian women interviewed identified family responsibilities as a major factor limiting their access to education and training; 68 percent indicated parents' attitude; 60 percent the husband's attitude. In rural areas, women cited lack of facilities and distance to facilities. Housework is considered a constraint to formal employment by only 4.3 percent of men (Labour Force Surveys 1995, Department of Statistics). The AsDB report suggested, based on the above, that the following information was needed: what percentage of women want to interrupt or postpone careers for family reasons; what percentage of those want to re-enter active employment; what is the average duration of layoffs due to family reasons? Should maternity leave be extended, with or without pay? What kinds of changes need to be made in the work environment and in family life to accommodate women in the workforce (Education of Women in Asia, Asian Development Bank/Agrodev Canada Inc, 1994, pp 137-167).

It cannot be disputed that the occupational structure in both developed and developing economies reflects various elements of inequality defined by educational attainment, rewards and social standing. These occupational structures are also gendered. In light of this characteristic, the issue of safety nets must be given careful consideration in order to ensure that workers are protected in times of crisis. In principal, workers in Malaysia are protected by various pieces of labour legislation. Despite increasing pressures to provide compensation and alternative employment, a "welfare" or "social security" system has yet to be established. The current crisis emphasizes the need to address such matters. This issue is of great significance since the majority of men and women in Malaysia are employed at the bottom of the occupational ladder where incomes are correspondingly low. Working conditions vary according to sector and occupational group.

In Malaysia the National Council of Women's Organisations (NCWO) launched 'The Women's Watch' on March 8, 1998 to protect and enhance the rights of women and to work toward the achievement of equality, development, and peace. Women's Watch can be considered as a gender-sensitive social safety net mechanism.³ The Women's Watch will set up an appropriate mechanism/methodology for data and information collection, and disseminate its findings to all media organizations, and to relevant national, regional, and international agencies.

The suggested safety net for Malaysia stated below can be channelled to the Women's Watch for further implementation. It includes:

- (a) public works and other employment programs;
- (b) credit-based self-employment programs; and
- (c) community-based arrangements that help mitigate against deprivation and temporary income shortfalls.

1.1 Labour Legislation and Other Supportive Measures for Working Women

In general, Malaysian women enjoy equal rights under most legislation affecting employment, including some legislation with special protective provisions for women in the workplace. Yet, some legislation remains outmoded and discriminates against women.

The public sector adopted the principle of “equal pay for equal work” in 1969 but this principle does not apply to employees in the private sector. Men’s wages are nearly twice as high as women’s wages.⁴ The law differentiates between the rights of a widow and those of a widower of an employee who dies during employment. The widow receives all benefits due, the widower will only receive if he is incapacitated, either mentally or physically, at the time of his wife’s death (Pension Act 1970, Employees Social Security Act, 1969).⁵

The Employment Act of 1955 applies equally to both men and women, but confers special rights and protection for women based upon physical differences and their maternal functions. The Act includes provisions that prohibit women from working underground or on night shifts, without permission from the authorities. Female workers are also entitled to 60 consecutive days with pay for up to five surviving children. As of May 1998, employees in the public sector, who were previously entitled to only 40 days, are to receive 60 days. In addition, women may opt for early retirement upon reaching 50, even though the mandatory retirement age is 55 for both males and females. The Employment Act was recently amended to permit women, especially housewives, to be gainfully employed in part-time employment, while allowing them the flexibility to meet their family obligations. The amendments ensure the payment of statutory benefits to part-time employees proportionate to those full-time employees in order to entice them to enter the labour market.

Women are also entitled to opt for a separate income assessment. The Income Tax Act, 1967, was amended in 1978 to allow a married women employee to elect for separate income tax assessment. Prior to this, it was mandatory for a wife’s income to be aggregated with her husband’s. As women are given the choice to have their income tax assessed separately, there is a strong indication that the government has recognized the gender equality aspect of women’s contribution and justified the importance of women’s contribution in the workforce.

Fiscal incentives are provided to establishments to set up childcare centres to encourage more women with children to enter the labour market. Evidence of the full utilization of these incentives is still questionable. Childcare providers are from public as well as from private organizations. Publicly, the Ministry of Rural Development through KEMAS (social development division) carries out childcare services. The role of the Ministry is to train the teachers and provide the syllabus. Hindering the success of the public centres are problems in management, monitoring and implementation. The other providers of the childcare centres are from private agencies like PETRONAS, RISDA and others. Apart from various management problems, these agencies also face the problem of few qualified trained human resources.

2. “Paid” and “Unpaid Work”

2.1 Definitions

"Employed", as used in the Labour Force Survey, includes all persons who at any time during the reference week did any work for pay, profit, or family gains (as an employer, employee, own-account worker, or unpaid family worker). Persons who did not work during a vacation, labour dispute, or due to social or religious reasons are considered employed if they have a job, farm, enterprise, or family enterprise to return to. Those temporarily laid-off with pay and who would definitely be called back to work are also included as employed. The term “unemployed” includes both active and inactive unemployed persons. Actively unemployed includes all persons who do not work during the reference week but are actively looking for work during this period. Inactive unemployed includes persons who are not looking for work because they believe no work is available, or if available they are not qualified; those who would have looked for work if they had not been temporarily ill or had it not been for bad weather; those who are waiting for answers to job applications; and those who looked for work prior to

the reference week. All persons not classified as employed or unemployed, such as housewives, students, retired or disabled persons, and/or who are not interested in looking for a job, are considered to be “outside the labour force”.

Employment status can be categorized as employees, employers, own account workers, and unpaid family workers. A high percentage of employees and a small percentage of unpaid family workers characterize the labour force in advanced countries. In developing countries, it is common to encounter a high percentage of own account workers and unpaid family workers, especially among women. As shown in Table 4, there is a very obvious shift within the female labour force from being an unpaid family worker to an employee. During 1980-95, the percentage of employees of the total female labour force increased from 64.5 percent to 77.1 percent. On the other hand, the percentage of unpaid family workers declined from 18.5 percent in 1980 to 9.5 percent in 1995. The processes of urbanization and industrialization have shifted an increasing proportion of the female labour force from unpaid family workers to employees. However, when the crisis arises, the unpaid category increases again.⁶

When a gender comparison is done, as shown in Table 5, it is evident that males dominate the employer status. Similarly, the percentage of males who are classified as employees and own account workers is higher than that for females. Conversely, females maintain a higher percentage than males in the unpaid family worker category. Unpaid family workers are more prevalent in rural areas than urban areas. For example, in 1995, about 64.9 percent of unpaid family workers were located in rural areas, while 35.1 percent were located in urban areas (Malaysia, 1995).

2.2 Structure of Paid Work and Unpaid Work

2.2.1 Paid Work

Significant differences in the pattern of male and female employment in Malaysia still exist today. Despite changes in the past two decades, the gendered employment structure has undoubtedly been reproduced. A look at the distribution of employment by industry and sex shows that women are largely employed in manufacturing, services, wholesale retail, and agriculture. Table 6 shows that agriculture absorbed about 68 percent of the female workforce in 1970, but by 1996 it fell drastically to 17 percent. A tremendous increase is observed in the employment of women in the manufacturing, service, and commerce sectors between 1970 and 1996. The greatest disparity between male and female employment is still in the mining, construction, transport, and communications sectors. Large differentials in terms of male and female employment patterns are maintained within all the other sectors, except social, personal household, and related community services which employ more women than men. The gap is narrowing significantly only in the manufacturing sector (Seventh Malaysia Plan, 1996-2000). Once again it can be concluded that gender patterns in employment have not changed significantly since the post-independence period. Where significant female entry is observed, women have remained confined to traditional segments (Table 6).

The distribution of the workforce by sex and occupation in 1995 (Table 7) shows that women are still underrepresented in administrative, managerial, and higher professional occupations. Only half of those employed in administrative and managerial occupations are women. Three main occupational groups appear to employ more women than men. Clerical and related occupations employed more than twice the proportion of males and the professional and technical group employed 14 percent females and 8 percent males. The proportion of male and female sales workers was equal at 11 percent (Seventh Malaysia Plan, 1996-2000). Therefore, there is no clear break from earlier trends. Women continue to be concentrated in clerical employment. While there has been an increase in their participation in the professional and technical groups, they are most likely to be located in the lower professional groups, as based on the class framework discussed earlier.

2.2.2 Unpaid Work

The “housewives” category, which is not surprisingly 90 percent female, is considered to be outside the labour force in the census classification. This is a reflection of the value or the lack of value accorded to women's work in the economy and implies that the increase in women's participation in the workforce has yet to be accompanied by a reduction in their domestic responsibility. Survey data indicates that

women's decision to enter paid employment will continue to be influenced by their domestic and childcare responsibilities, and the availability of reliable and affordable quality childcare services. Under such circumstances, the options available to women appear to be limited. Henceforth, the relationship between the domestic or private sphere of reproduction and the public sphere of production will need to be transformed if the occupational mobility and class mobility of women is to be ensured.

2.2.3. Agricultural Sector and Informal Sector

Although employment in the agriculture sector is declining, accounting for about 15 percent of total employment, the sector has been experiencing labour shortages. In terms of ethnic concentration, Malays are largely represented in the agricultural sector. In 1990 and 1995, 69.1 percent and 63.1 percent of the agricultural workers were Malays (Labour Force Surveys 1990, 1995).

The term “informal sector” is difficult to define and monitor since some of its characteristics are nebulous and unlicensed. Malaysia’s informal sector has been growing since the mid-1970s, following the introduction of the New Economic Policy 1971-1975. Although Chinese men are dominant in this sector, foreign nationals and others have joined it as well. During both good and bad times, budding entrepreneurs have been attracted to the informal sector due to its easy access and low capital requirements. The increase in urban population has also encouraged the expansion of this sector as it caters to the lower income urban populace. Undoubtedly, this sector helps to sustain a lower cost of living for lower and middle income groups. Given this realization, local authorities have tried to develop and manage this sector by providing proper trading facilities. The Ministry of Housing and Local Authority (the ministry responsible for this sector) estimated that in 1991 there were more than 400,000 jobs generated by this sector in major cities in Malaysia, (The Star, 28/6/90).

Women are late entrants into this sector as monitored by the local authorities. However, only Kuala Lumpur has a gender disaggregated database. There is no gender policy to guide the authorities in the issuance of licenses. For example, in the case of food products, it is more or less a case of suitability of the applicant in terms of type of vendor, location, and health status. Casual observations reveal that women work more with food items, which is probably an extension of their domestic skills. Women operate either in licensed food courts or in a stall or van at strategic locations, sometimes near their homes within the squatter areas. Most of them are full-time vendors, either static or mobile according to the night market schedule arranged by the local authorities.

It should also be noted that the issuance of licenses is not necessarily an indicator of the level of women’s involvement in this sector. Women could be involved as family helpers, as the wife or daughter to the licensee. In the absence of extensive research and monitoring, it is difficult to ascertain the actual involvement of women in this sector and in unlicensed sub-sectors such as tailoring, subcontracting of various products, food hawking, childcare, and domestic help.

During the economic crisis there has been a sharp decline in the subcontracting sector which employs women working from their homes to do various activities such as cutting and sewing clothing items. The textile and garment industry is one of the trades that has been hit hard. Most of these women work to supplement their husband’s income, although some of them can earn up to RM1500 in a good month. Although there is a decline in family income, families can still survive with some adjustments to their lifestyles. Most women claim that their income goes towards personal needs and their children’s tuition. Without their own source of income, they now have to rely totally on their husband for cash.

2.2.4 Poor Households and Single Parents

The majority of Malaysian women contributed their labour to the care of siblings and housework before joining the labour force. Many of them are withdrawn from school so that their mother is able to work for money, while their male siblings remain in school. Many girls as young as 16 years old (the minimum legal age for formal employment), become factory workers. Their monetary contribution often provides the means for educating their siblings and other expenses. A household is at its most vulnerable when the parents are too old or too weak to work and are totally dependent on a working daughter. Unskilled women workers, particularly women heads of households, are also the most vulnerable groups. A study shows that 18 percent of Malaysian women are single parents (HAWA, 1997)⁷.

Most members of the household are forced to work for an income; children inevitably engage in work in the informal sector. The hours of work necessary for women to fulfil their functions is one of the most important factors affecting their welfare. Research shows that women often spend most of their waking hours working, even in better times. Studies across the world have shown that women consistently work longer hours than men do. In Malaysia, female rubber tappers, who come from the poor households, have workdays of 18-20 hours, including time spent on domestic duties (Cecelia, Rokiah 1985). It is anticipated that with the economic crisis most women will spend extra hours working because it is perhaps the only weapon against poverty.

3. Linkages between Paid and Unpaid Work in Human Resource Policy

Policy concerns are mainly in the context of the increase in women's participation in waged employment. Policy concerns lie with the ways and means to increase the "supply" of women workers, especially in the manufacturing sector, under the tight labour market situation.

The labour force comprises more than 8.1 million, out of Malaysia's estimated population of 20 million. Sixty percent of the workforce is young and educated and within the age group of 15 to 34 years. Malaysian workers have a reputation for their productivity. Today, eight universities (new ones are being established to cater for the increased local demand for higher education), numerous technical and vocational schools, and private colleges provide a stable supply of "trainable" labour to support the growth of industry. At the same time, the Human Resources Development Act of 1992 has made it mandatory for industry to contribute 1 percent of the total wage bills toward the Human Resources Development Fund (HRDF), managed by the Human Resources Development Council (HRDC) in order to finance the training and retraining of employees. A "retrenchment training scheme" was recently proposed which reflects the government's preparedness to continue to "retool" employees despite layoffs.

In short, during the 1990s, human resource development has assumed new importance. Competitiveness, productivity, innovation and capability in the management of new technologies in Malaysia will be determined by the quality of its human resources. Thus, in view of the challenges ahead with the increasing globalization of the world economy, Malaysians should be well equipped with a strong base in education and training, including the ability to speak English, the international language of commerce.

Since the late 1980s, there have been various government initiatives seeking to raise the skills of Malaysian workers. Since the early days of labour-intensive assembly activities, there has been an increasing sophistication of the manufacturing processes in Malaysian industries. Skill levels have risen significantly through industry-led training centers such as the Skills Development Corporations of various states throughout the country.

While these are encouraging trends, from the perspective of human resources development, several problems may be noted. In-house training meets some of the market failures in the provision of technical skills, but it cannot substitute for major gaps in the formal education system. Also, most large firms do little formal training beyond the minimum needed for operational purposes, and the creation of better long-term human resources for advanced design or development work is not considered by most. The SMI (small-and medium industries) sector provides almost no training apart from apprenticeships, which only require a pass on simple skills.⁸

On the whole, human resources development must contain policies and programs that continuously upgrade and improve the education and training programs and facilities to meet the changing skill requirements. With rising incomes, the demand for higher education will keep increasing. Most of this demand will have to be met locally as Malaysia cannot continue to rely upon foreign universities and colleges to solve the problem of providing places for its students. In view of the larger financial resources required to meet local demands, it will not be possible for the government alone to bear the full burden. Hence, policy initiatives such as corporatization of local universities and education franchising are quickly becoming acceptable norms in both public and private institutions of higher learning toward the close of the 20th century.

It is imperative that the Ministry of Human Resources have a role in supporting the nation's thrust to industrialize the economy.⁹ The objectives of the Ministry include the following: to restructure and promote the balanced distribution of human resources in accordance with the New Economic Policy (NEP); to preserve, develop, and improve the welfare and well-being of workers; to preserve the safety and health of workers with emphasis on pollution control in factories and places where machinery is used; to provide data concerning manpower and its demand and supply characteristics of the labor market; to provide training facilities in industrial skills to meet the basic and expert skills demanded; and to provide standards and trade certifications. These objectives are to be achieved through agencies

such as the Department of Trade Union Affairs, the Occupational Safety and Health Department, the Industrial Relations Department, the Industrial Court, Labor Department, National Vocational Training Council, Social Security Organization (SOCSO), and the Labor Market Information Service. Employers must also play a role and this is being addressed through employer associations such as the Motor Vehicle Assemblers Association, the Malaysian Agricultural Producers' Association, the Malaysian Commercial Bank Association, and the Electrical Industry Employers Association. An association that addresses the needs of a variety of industrial firms is the Federation of Malaysian Manufacturers (FMM) which provides a wide range of business and employer support activities, including human resources development and training.

4. Current Status of the Malaysian Government Initiatives in Integrating Paid and Unpaid Work Considerations in Public Policy

At this point in time recognition of women's contributions are in both the "public" sphere of production and "private" sphere of reproduction. The twin responsibilities of family and career are constraints to greater female labour force participation, particularly for married women. In this respect, the private sector will be encouraged to facilitate greater entry of females into the labour force through women-sensitive personnel policies. Measures that are suggested and implemented in the Seventh Malaysia Plan include the provision of housing and transportation facilities between the home and place of work. The private sector will also have to consider providing more conducive working arrangements for women that take into account their multiple roles and responsibilities. The provision of flexible working hours, career breaks and other flexible work practices will enable women to integrate work with household duties. Discussions on the increasing need for childcare facilities are still in process. Currently, there are no efforts to integrate paid and unpaid work in public policy. Concerns are focused on "gender and development" and "paid" employment. The issues are labour force participation, increasing educational opportunities, and other social concerns such as violence against women.

5. Policy Implications

Despite a shift in female employment from unpaid workers to employees and an increase of employed women in professional and technical related jobs, women still lag behind their male counterparts. For example, between 1980 and 1995, more than 60 percent of unpaid family workers were female. Similarly, although there is a rise in the number of employed females in professional and technical related jobs, further scrutiny reveals that a high percentage of them are teachers. In addition, the increase in paid employment does not necessarily reduce the burden of household responsibilities, including childcare. Therefore, further effort is needed from the government to reduce gender imbalances. Studies indicate that the presence of young children reduces the probability of labour force participation among married women. In order to encourage more women to participate in the labour force, employers and government should seriously consider providing child-care facilities at the work place. Some government departments like RISDA, the Department of Agriculture, the Ministry of National Unity and Social Development have already initiated their own in-house childcare centres.

During the Seventh Malaysia Plan, the Government included the provision of tax exemptions to employers for the establishment of childcare centres or crèches near or at workplaces to enable working mothers to look after their children during off-time periods. Institutions such as the Women's Institute of Management (WIM) provided training in small business and entrepreneurial activities. Other efforts by both the public and private sectors included the provision of job training, better career prospects, as well as improved transport, and welfare facilities. Employers were also urged to provide proper housing and hostel facilities, particularly for the benefit of rural migrants, many of whom were women. The Government as well as NGOs encouraged the growth of extended family systems whereby the elderly helped young couples in caring for their children. This was aimed at releasing more women to seek employment and undertake income-generating activities.

Recognizing that one of the main factors constraining women's participation in higher-skilled and better-paying jobs was a lack of marketable skills, further efforts will be taken by the public and private sectors to enhance human capital formation among women through technical, vocational, and other

relevant training programs. Greater access to labour market information will further facilitate the entry of women in wage employment by providing women with knowledge of job availability and requirements in various sectors of the economy. Advances in information technology will assist women to increase their productivity and efficiency at the workplace.

Successful integration of paid and unpaid work would give a truer picture of the real economy as this would have implications for decisions on allocation of public resources for sustainable economic development. In Malaysia, databases on women are not integrated and are scattered all over agencies. HAWA is not able to strengthen this data. Time-use surveys have not been carried out.

Therefore, the first recommendation to the national government (HAWA) is to begin strengthening the database using time-use surveys. Time-use information can serve to inform future allocation of public resources. Misunderstandings about women's available time and unemployment can result in misallocation of resources and wastage in planning processes. This information is essential for human resource policy planners and trainers need to know whether target groups in fact have room in time budgets for training and skills upgrading. However, some of these recommendations are outlined in the National Action Plan.

6. Recommendations in the National Action Plan

Measures taken by the Malaysian government to overcome the crisis are outlined in the National Economic Recovery Plan, unveiled on July 22, 1998. Taking a macro level approach, its basic aims are to stabilize the ringgit, to restore market confidence, maintain financial stability, strengthen economic fundamentals, restore adversely affected sectors, and to continue with the equity and socio-economic agenda.

However, some specific measures are outlined in relation to vulnerable groups, particularly the extremely poor. The original budget allocation to ameliorate poverty for this group has been retained and there is an additional budget from the World Bank loan. More allocations were also made for overall poverty eradication and rural development. This is in anticipation that the incidence of poverty will increase as a result of the crisis. Yet no specific measures were mentioned in the case of vulnerable groups such as women, migrant workers, the urban poor, and the elderly. A migrant worker who cannot be re-deployed is, however, encouraged to be repatriated, while the tightening of entry controls for foreign workers is envisaged.

Measures to increase labour competitiveness are also outlined. These include steps to increase labour productivity, encourage employers to send workers for training and retraining, and to channel levies collected from foreign workers in order to fund the retraining of retrenched workers. Efforts were also being undertaken to overcome the slower employment growth by increasing opportunities for self-employment. These include promoting systematic petty-trading in vegetable cultivation, livestock, etc., training new petty traders and those interested in agriculture and revitalizing construction and infrastructure projects in order to create new jobs.

Notes

1. Reasons women opt for self-employment are independence, higher income, greater freedom and control over their working lives, and not having to retire at a specific age (Maimunah & Rusinah, 1997; Sieh L.M et al, 1991). Self-employed women in the informal sector usually consist of petty traders, hawkers and home-based contract workers or other home-based service providers, as well as those involved in cottage industries and direct selling.
2. The statistics only cover the sectors that responded to the questionnaires provided by the Ministry of Human Resources. The figures only cover the period between January 1997 to June 1998.
3. The objectives set for the Women's Watch are as follows:
 - (i) To monitor discriminatory practices in all sectors, the formulation of government policies to ensure the integration of all women's interest and the implementation of all Government's programs in line with the Beijing Platform for Action, Women's Policy and other international conventions.
 - (ii) To assess the impact of Government policies and progress on Women in particular and the Nation in general in order to ensure complete transparency.
 - (iii) To closely liaise and interact with the relevant government departments, government agencies and the NGOs with the aim of assessing the present position of women and urging major reforms and changes.
 - (iv) To initiate the formulation of new legislation and programs.

A wide combination of activities needs to be implemented to meet the objectives and functions of the Women's Watch. Among these are:

- ⇒ Hotline for discriminatory practices in the media/newspaper survey.
- ⇒ Studies and Research
- ⇒ Networking
- ⇒ Capacity building for the Watch
- ⇒ Fund Raising
- ⇒ Maintain a Database.

4. Wage differentials were prevalent in agriculture, with monthly wage rates for female rubber tappers of RM268 compared with RM282 for males (Occupational Wage Survey 1974, 1997, 1980, 1983, Ministry of Labour). Data on occupational wages for 1970 and 1980 indicate that wage differentials for major industrial sectors widen as one approaches the top level of the employment pyramid. Male-female wage differentials continued to exist in private sector establishments. However, these differentials were narrowing steadily, particularly in labour intensive industries where women were well represented (7MP, p.625).
5. The two examples imply that female employment benefits are weaker than male benefits in the paid workforce, and that there would be less value in investing a female's education, training and career development than that of males. The two Acts are male-biased.
6. Unfortunately, data on unpaid category is not available.
7. The government is currently reviewing the Employment Act 1955, with a view to amending rules relating to part-time employment. This will permit women to be gainfully employed in part-time employment. To further raise the female participation rate, firms will be encouraged to adopt flexible work practices by introducing career breaks, job shares, and flexitime for full-time women workers. This family-friendly approach will provide women the flexibility to balance their time between work and family. The greater use of information technology will provide opportunities for women to be gainfully employed from home.
8. Recently, however, WIM (Women Institute of Management) has developed training programs in small business and entrepreneurial activities for women.

9. The strategy policy thrusts for human resource development (7MP) that support the nation's thrust to industrialize the economy are:
- (a) encouraging greater capital intensity of production in order to save on the use of labour, thereby reducing the reliance on foreign labour;
 - (b) increasing the utilization of local labour, including raising female labour force participation;
 - (c) enhancing the productivity of labour through greater efforts at skills training and retraining.

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Malaysia: Tables

Table 1. Total Retrenchment According to Sectors: January 1997-June 1998

Sectors	Jan -Jun 1997	July-Dec 1997	Jan-Mar 1998	Apr-June 1998
Agriculture, Forestry, Livestock & Fishery	221	324	415	247
Mining & Quarrying	57	65	86	256
Manufacturing	4,592	7,676	9,298	4,826
Electrical, Gas				
Construction	19	93	2,041	1,586
Wholesale & Retail	64	199	2,008	1,659
Transportation, Storage & Communication	1,369	70	230	615
Financial Services, Insurance, Trade	5	0	1,243	972
Social Services	18	17	428	513
Other services	18	486	71	0
Total	6,363	8,930	15,821	10,676

Source: Ministry of Human Resources, Malaysia.

**Table 2. Peninsular Malaysia: Retrenchment According to Sectors: January 1998-June 1998
(in thousands)**

Sectors	January		February		March		April		May		June		Total Employment 2000**	Total Retrenchment Jan-June 1998		Total Retrenchment	
	M	F	M	F	M	F	M	F	M	F	M	F		M	F	N	(%)
Agriculture, Forestry, Livestock & Fishery	97	143	1	8	87	79	43	5	30	47	85	37	1,187,700	343	319	662	0.05
Mining & Quarrying			4	-	70	12	53	22	119	2	57	5	44,500	303	41	344	0.77
Manufacturing	174	185	1,729	2,269	2,100	2,841	57	11	1,142	1,259	1,326	1,031	2,616,300	6,528	7,596	14,124	0.54
Electrical, Gas													84,000				
Construction	6		450	111	1,268	209	44	14	629	122	581	196	845,400	2,978	652	3,630	0.42
Wholesale & Retail	28	15	570	295	786	312	38	17	464	323	419	398	1,469,600	2,305	1,360	3,665	0.2
Transportation, Storage & Communication			39	42	39	110	2	0	372	94	107	40	506,900	559	286	845	0.2
Financial Services, Insurance, Trade			262	191	412	378	3	3	254	163	299	250	479,000	1,230	985	2,215	0.46
Social Services			87	42	182	117	0	0	190	108	126	89	894,200	585	356	941	0.11
Other services	14	19	14	24			0	0					938,600	28	43	71	0.008
Total	319	362	3,156	2,982	4,944	4,058	240	72	3,200	118	3,000	2,046	9,066,200	14,859	11,638	26,497	0.29

**Derived from Table A.12, Malaysia: Employment by Sector, p.20, Malaysia: Labour and Human Resource Statistics 1977, Ministry of Human Resource.

Data January 1998- June 1998 from Ministry of Human Resource, Malaysia.

Table 3. Peninsular Malaysia: Retrenchment According to Occupational Group: January 1998-June 1998 (in thousands)

Occupational Group	January		February		March		April		May		June		Total Jan-June		Total Employment year 2000	Retrenchment	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F		M	F
Professional, Technical and Related Work	5	0	1,093	370	1,204	258	959	235	638	134	640	130	4,539	1,127	1,097,000	5,666	0.50
Administrative & Managerial Workers	19	36	282	132	386	183	443	263	196	117	319	187	1,645	918	290,100	2,563	0.90
Clerical and Related Workers	6	13	290	504	364	708	393	621	236	462	280	505	1,569	2,813	933,800	4,382	0.50
Sales Workers	6	5	83	62	163	141	178	133	207	205	128	100	765	646	1,042,600	1,411	0.10
Service Workers	38	5	66	44	298	119	446	170	299	126	199	170	1,346	634	1,167,500	1,980	0.20
Agriculture, Forestry Workers, Fisherman	4	0	0	0	16	20	20	47	13	16	7	20	60	103	1,486,900	163	0.01
Production Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,046,200	0	0
Skills Worker	7	2	452	635	944	1,689	392	38	526	329	416	150	2,737	2,843	n.a	5,580	n.a
Semi-skilled	19	116	434	1,122	538	431	232	320	642	353	523	553	2,388	2,895	n.a	5,283	n.a
General Workers	215	185	456	113	1,031	509	385	257	443	376	488	231	3,018	1,671	n.a	4,689	n.a
Total	319	362	3,156	2,982	4,944	4,058	3,448	2,084	3,200	2,118	3,000	2,046	18,067	13,650	9,066,200	31,717	0.35

*Figures for Total Employment from Table 4.3, p.113 Seventh Malaysia Plan.

Source: Labour Department, Peninsular Malaysia

Table 4 Distribution of Economically Active Females (%) in Peninsular Malaysia by Occupational Status, 1980-1995

Employment Status/Year	1980	1985	1990	1995
Employer	0.6	0.8	0.7	0.7
Employee	64.5	64.4	69.1	77.1
Own Account Worker	16.4	16.5	15.2	12.7
Unpaid Family Worker	18.5	18.3	15.0	9.5
Total	100.0	100.0	100.0	100.0

Source: Labour Force Survey (1980, 1985, 1990 and 1995).

Table 5. Percentage Distribution of Economically Active Population by Employment Status and Gender, Peninsular Malaysia, 1980-95

Employment Status	1980		1985		1990		1995	
	M	F	M	F	M	F	M	F
Employer ('000)	112.7	8.4	133	13.5	155	14.4	142.6	15.1
(%)	2.7	0.2	2.9	0.3	2.8	0.4	2.4	0.2
Employee ('000)	1,868	907	2074.6	1031.1	2438.6	1359.9	2949.5	1616.3
(%)	44.1	21.4	44.6	22.2	44	24.5	48.6	26.6
Own Account Worker ('000)	669.8	247.6	686.8	264.5	805.7	299.5	817.7	65.4
(%)	15.8	5.8	15.1	5.6	14.5	5.4	13.5	4.3
Unpaid Worker ('000)	142.5	277.9	150.9	293	165.1	296.1	65	200.2
(%)	3.4	6.4	3.1	6.2	3.1	5.3	1.1	3.3
Total ('000)	2,793	1,441	3045.3	1,602.1	3564.4	1,969.9	3974.8	1,897
(%)	66	34	65.7	34.3	64.4	35.6	65.6	34.4

Source: Calculated from Labour Force Surveys - various years, Department of Statistics, Kuala Lumpur.

Table 6 Employment Distribution by Gender and Industry, 1990 and 1995 (%)

Industry	1970		1980		1990		1996	
	M	F	M	F	M	F	M	F
Agriculture, Forestry, Livestock & Fishing	49.6	67.9	37.5	49.3	28.6	33.7	20.6	17.0
Mining & Quarrying	2.3	0.7	1.4	0.3	1.1	0.2	0.6	0.1
Manufacturing	9.3	8.1	11.8	16.3	13.0	18.9	20.2	27.6
Construction	3.1	0.5	6.4	1.0	10.7	1.2	12.1	1.7
Electricity, Gas and Water	1.0	0.1	0.2	0.1	0.8	0.5	0.7	0.2
Transport, Storage & Communication	5.0	0.5	0.5	0.7	5.9	1.3	6.4	1.7
Wholesale & Retail Trade, Hotel & Restaurants	11.6	5.8	13.1	11.2	16.8	19.1	17.1	21.6
Finance, Insurance, Real Estate & Business Services	-	-	1.9	1.6	3.8	3.9	4.4	5.9
Other Services	18.1	16.4	22.7	19.5	19.3	21.2	17.9	24.3
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Table 20-2, Seventh Malaysia Plan, Government Publication Malaysia, 1996.

Table 7 Employment Distribution by Occupation and Sex, 1990 and 1995 (%)

Occupation Category	1990		1995	
	M	F	M	F
Professional, Technical & Related Workers	6.4	9.4	8.4	13.5
Administrative & Managerial Workers	2.8	0.6	4.4	1.9
Clerical & Related Workers	7.0	14.1	7.3	17.6
Sales & Related Workers	11.4	11.4	10.9	11.3
Service Workers	9.9	14.1	9.9	13.4
Agriculture Workers	29.4	28.1	20.9	15.8
Production & Related Workers	33.1	22.3	38.2	26.5
TOTAL	100.0	100.0	100.0	100.0

Source: Table 20-3, Seventh Malaysia Plan, Government Publication, Malaysia, 1996

**APEC Human Resources Development Working Group
Network on Economic Development Management**

**Conference on
Linkages between Paid and Unpaid Work in
Human Resources Policy
Hong Kong, China, May 8, 1999**

Philippines

by

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1. Introduction: The Philippine Context

The significance of measuring the economic contributions of unpaid work of women and men was recognized, in principle, in 1975 at the first International Women's Conference in Mexico City. Ten years later, the *Nairobi Forward Looking Strategies* specifically called for action to recognize and measure and reflect unpaid contributions in national accounts and economic statistics and in the gross national product.

Similarly, full recognition of unpaid work was a major focus of discussion at the Fourth World Conference on Women and the call for development of improved methodology was reiterated in the *Platform of Action*. The *Platform of Action* adopted at the Fourth World Conference on Women in Beijing in September 1995, called for "suitable statistical means to recognize and make visible the full extent of the work of women and all their contributions to the national economy including their contribution in the unremunerated and domestic sectors, and to examine the relationship of women's unremunerated work to the incidence of their vulnerability to poverty."

The United Nations Decade for Women (1975-1985) focused the world's attention on the situation of women. This period highlighted the problems and issues confronting women in countries at various stages of development and gave rise, in most instances, to measures intended to improve their situation. The Philippines' response to the Women's Decade and the worldwide concerns for women has been encouraging. For one, the Philippine government has ratified the UN Convention on the Elimination of All Forms of Discrimination Against Women and has committed itself to the *Nairobi Forward-Looking Strategies for the Advancement of Women*.

1.1 Linkages between Paid and Unpaid Work and HRD Policy

In the Philippine experience, human resource development (HRD) has been closely associated with the broader concept of social development or the improvement of the quality of life of the population. This is done through the provision of basic human needs; equitable distribution of opportunities, income, and wealth; inculcation of self-reliance and community consciousness; and the promotion of popular participation in both the productive and social sectors. Social development is viewed both as an objective and as a strategy. As an objective, it proceeds from the fundamental premise that all development begins, and ends with people and therefore, the goals of economic growth and all development efforts, for example, in the ultimate improvement in the quality of life of the population. As a strategy, social development is the process, which enables the population to become active agents of development.

The development of human resources entails the improvement of the physical, intellectual, and material well being of the population. From a short-term perspective, it requires the provision of basic needs: food, health, nutrition, education, and housing to nourish and sustain the population in order for them to deliver the vital inputs for economic growth. From a longer-term perspective, it is full enjoyment of the fruits of development, a consequence of the conquest of mass poverty and unemployment.

In the short-term, the promotion of the physical, intellectual and material aspects is viewed as directly affecting the productive capacity of the labour force. The labour force must be adequately nourished, housed, and trained. They must be gainfully employed and given wages commensurate to their work, including other benefits and incentives to improve their productivity. This, in turn, is expected to promote production, investment, and overall economic output.

It is in this larger context and framework of HRD that the issues and concerns related to paid and unpaid work are tackled and discussed, consistent with the avowed goals and aspirations for integrating women in the development process.

2. Toward Defining and Accounting for Paid and Unpaid Work

But while the Philippine government has ratified on the UN Convention on the Elimination of all Forms of Discrimination Against Women (August 3, 1981), discrimination against women continues to be a major obstacle for women seeking to enter the labour force. For instance, the stereotyping of roles has a pervasive influence on the employment of women. The age-old tradition that the proper role of Filipino women is that of wife, mother, and homemaker remains honoured in Philippine society. Meanwhile, the Filipino man is generally considered as the provider/breadwinner. And while historians generally allude to the equal position occupied by Filipino men and women during the pre-colonial period (i.e., before the 16th century), it cannot be denied that even then the domain of the Filipino women was the home. Inside the home, then as now, she remained the 'boss,' the educator, the financial officer, the accountant, the censor, the laundry woman, and the cook.

This stereotyping of roles is felt even in the way labour force statistics are assembled. One of the major concerns of women's groups is that 'housekeeping' is not classified as an occupation under the definition of labour force. Housewives are automatically disqualified from being part of the country's workforce as having no reported economic activity.

While unpaid work remains a mute contributor to the Philippine economy, ideas about counting and recognizing the unpaid work of housewives as labour had surfaced as early as 1976, when it was suggested that "the hours (women) devote to caring for the family and running the household should be quantified and given weight in terms of their corresponding economic and social value...(if a woman) is not employed elsewhere but stays at home doing the chores...the number of hours she spends doing those should also be quantified and considered as her labour output. Thus, she becomes a contributor to the national economic set-up and not just a non-entity or a burden to society as statistics would have it."

Perhaps the sociological treatment of unpaid work in the Philippine context contributed to the dismissal of these ideas as "wild". Such thinking was largely out of synch to even attempt to quantify or put a value to unpaid work rendered by a family member in a household activity that would later accrue to an income or economic gain.

It is because of the foregoing that there is still no exact and officially accepted definition of "paid and unpaid work" as used in the system of national accounts, more precisely in the gathering of employment-related statistics in the Philippines. But some terms are used which are related and may help in defining "paid and unpaid work."

Included in defining employment in establishments are working owners, unpaid workers and paid workers. **Unpaid workers** are persons working without regular pay for at least one-third of the working time normal to the establishment. **Paid workers**, meanwhile, include full-time/part-time workers, employees working away from the establishment paid by and under the control of the establishment. These workers are distinguished from working owners who do not receive regular pay but render work in and for the establishment. Excluded from the employment of the establishment are the service workers hired through service providers and contractors, that is, security guards, janitors, messengers, and homeworkers.

Meanwhile, workers are segregated further by class of worker: wage and salary workers; own-account workers; and unpaid family workers. A worker is classified as an **unpaid family worker** if a member of the family worked without pay in a farm or business operated by another member living in the same household. Room and board and any cash allowance given as incentives are not counted as compensation for these family workers.

In a paper presented by the National Statistics Coordinating Board, a working definition of unpaid work was listed as "those utilized in the production of all types of goods and services, both for the market and non-market whose labour inputs are not paid," with the rest being "paid work."

The discussion in government in integrating paid and unpaid work in public policies is virtually at an infertile stage. However, in response to the call for "suitable statistical means to recognize and make visible the full extent of the work of women and all their contributions to the national economy including their contribution in the unremunerated

and domestic sectors, and to examine the relations of women's unremunerated work to the incidence of their vulnerability to poverty," the government has embarked on the exploration of a methodology by which the concern for the inclusion of unpaid work can be addressed (see below).

3. Significance of Unpaid Work to the Philippine Economy

3.1 Economic Contribution

The size of the Philippine labour force grew from 24.24 million in 1990 to 28.38 million in 1995 and to 31.05 million in 1998. In 1998, 19,408 million (62.5 percent) of the country's labour force were men (Table 1).

Despite the economic crisis, employment in 1998 expanded by 8.01 percent to 27.912 million from 25.676 in 1995. Of these, 17.534 are men while women accounted for 10.378 million. Correspondingly, women posted a growth rate of 28.9 percent while men posted a much lower growth of 23.76 percent for the eight-year period (Table 1).

By major occupation group, the non-agricultural sector accounted for 61 percent of total employed in 1998, while the agricultural sector registered at 39 percent. By class of worker, wage and salary workers comprised nearly half the employed in 1998, while the own-account employment category accounted for 37.5 percent. The unpaid work category, on the other hand, comprised 13.5 percent of total employment (Table 1). On the average, women accounted for 53.3 percent of unpaid workers.

3.1.1 Women in the Agricultural Sector

The share of female employment in agriculture in rural areas was about 50 percent in 1997. Female wage and salary earners were no more than 20 percent of the total employed female, with the highest proportion recorded in 1997 at 17.6 percent. The proportion of female own-account workers was highest in 1995 at 27.9 percent. The lowest proportion was in 1990 at 23.74 percent while in 1997 the figure settled at 25.8 percent. Unpaid female workers in the country accounted for more than 55 percent of total agricultural employment during the reference period. In 1995, however, the rate decreased to 55.1 percent from 58.97 but went up again to 56.6 in 1997.

Women in the agricultural sector are mostly engaged in rice, corn, sugarcane, and coconut production, animal breeding and fishing. Aside from their traditional house/home tasks, they also worked in the fields transplanting, harvesting, and threshing. Most rural women who are working find themselves engaged in farm work, peddling, running sari-sari stores, doing laundry, weaving, etc., which are forms of self-employment or unpaid family labour carried out intermittently, irregularly, and quite often when the opportunities arise (Castillo, 1979).

The many tasks involved in farming, animal breeding, and fishing are distributed between males and females, both undertaking specific roles and responsibilities that usually vary by crop or by activity. Except for land preparation, most farm-related activities like fertilizer application, chemical spraying and mechanized threshing, rice and corn production, harvesting and post-harvesting tasks rely heavily on female labour. Moreover, women take over land preparation where minimum tillage is required. Women and children usually do planting and weeding, but male family members sometimes help with the tasks to minimize labour costs. In fishing communities, capture fishery is predominantly a male activity but women have been known to join their spouses. Processing and selling of the produce are the women's domain. Hauling is mainly done by males, but improved transport facilities has lessened women's dependence on male labour. Throughout rural Philippines, women keep much longer total working hours than men. In many cases, the long working day covers earning wages or profit, growing food crops for home consumption, and doing time-intensive housework (Illo, 1997). In the rural areas, women spend almost 16 hours a day producing, processing, marketing, and preparing food, gathering fuel, and water and performing other household tasks in addition to caring for their children and extended families.

Although more and more rural women participate in the labour force, their participation may be considered part-time since housekeeping is still their main activity. Women in agriculture work hand-in-hand with men but there is a gross under-estimation of women in the rural workforce and their work is often not counted. This is due largely to the confusion and contradiction over what is “productive work,” how to deal with “housework” and who is the “worker.” But the primary reason for non-inclusion of women’s work in the computation of the Gross National Product is that so much of it is done within the family setting and is often subsistence in nature.

In most surveys, only fixed employers and regular wages are reported. Not reflected in these surveys are the large number of women who usually undertake various market (informal sector work) and non-market production (produced for home/own consumption) tasks to support their families, as well as other non-economic tasks, i.e., domestic chores, such as housework, child and family care, shopping for goods and services, and community services and organizational volunteer work.

In the Philippine setting, it is a generally accepted standard that women’s work be recorded as “unpaid family labour.” As such, it is to a large extent labeled domestic work and is conventionally excluded from the labour force statistics. Unpaid work is especially prevalent in the rural areas. So much so that the significant role and functions of women in the domestic scene and in the national economy are deemed far less important compared to men. Women involved in such activities are normally reported as housekeepers, and not considered part of the labour force. These are the millions of farmers’ and fishers’ wives and daughters who work in the fields, grow subsistence crops, raise chickens or pigs, engage in actual capture and trading of fishery products, do community volunteer work, but who basically view these activities as part of their housekeeping/household activities.

All these activities, whether in the form of self-employment opportunities or non-market production, have been assessed and identified as productive activities that contribute to the welfare of society and the development of the economy.

3.1.2 Women in Volunteer Work

In many Philippine communities, women are in charge of unpaid, volunteer activities in the areas of nutrition, immunization, and health care, cleanliness, sanitation, solid waste management, beautification, religious ceremonies, fiestas and other festivities.

Women are usually missing in formal community leadership structures because the real value of their social development work is not recognized, or they do not have enough time to attend meetings, which are usually held, when they are occupied with other responsibilities. Thus, even when it comes to development programs and projects at the community level, women are disadvantaged compared to the men who are more visible and have more time.

3.2 The Informal Sector

The informal sector penetrates every aspect of the Philippine economy (ILO, 1994). However, the majority of informal activities are agricultural and rural in nature, and mainly unrecorded. In the agricultural sector, these workers are primarily those who have limited access to land. These include smallholder and tenant farmers that are self-employed and own limited land or farm; usually, the farm is located in isolated areas, with limited exposure to modern technology and irrigation, and produces only enough for family consumption. It also includes landless workers who earn a living by wage labour or payments in kind; usually they are in seasonal share-rate contracts. In urban areas, it includes the poor who have no substantial capital or training to allow them to participate in qualified and higher-paying jobs. These people are the self-employed entrepreneurs who perform independent jobs that require little training or capital, and wage labourers in small and family business, who have no capital to start a business. The extent to which these operations affect the national economy in terms of their contribution to total output and their effects on employment have not been calculated. Nevertheless, there is a consensus that the size of the informal sector is substantial (Lanzona, 1998).

Using the operational definition that the informal sector is composed of self-employed, own-account workers and unpaid family workers, and based on official employment figures (1998 Labour Force Survey), the number of informal sector workers is estimated to be 51 percent. Of these, 10 million were self-employed/own account workers and 3.8 million were unpaid family workers.

In a 1996 survey of the urban informal sector in the National Capital Region (NCR) conducted by the National Statistics Office (NSO), a detailed breakdown of the activities of informal sector operators was provided. Sari-sari store operators account for 17.7 percent, followed by other trades with 10 percent, and then by restaurants, cafés, and other eating and drinking places with a 7.9 percent (Table 3). A comprehensive nationwide estimate of the total number of persons employed in the informal sector was provided by the International Labour Organization (ILO) Project on the Informal Sector in Metro Manila. The study revealed that the agricultural sector accounts for the majority of people engaged in the informal sector, followed by the services sector, and then by the industry sector. From 1993 to 1995 however, the figures for the agricultural sector decreased from 8,580 to 8,252 but increased to 8,670 in 1996 (Table 4).

According to the NSO's 1995 Integrated Survey of Households, nearly 73 percent of females among the self-employed are engaged in trade, with the largest percentage, over 77 percent, employed as unpaid family workers (Table 5). Women are concentrated in the service category, which includes personal services. The findings indicate that women dominate the informal sector.

The extent of the informal sector's contribution to the national total output and its effects on employment have not been accurately calculated. Nonetheless, several studies have estimated the output produced by the informal sector. In a study by the Center for Research and Communication (CRC), the informal sector accounted for P125 to P130 billion of the GNP per year, or an average of 20 percent of the GNP from 1980 to 1990. In 1993, the sector was calculated to have generated about P225 billion, or 30 percent of the GNP. These estimates were derived by taking the difference between the amount of currency in circulation and the amount of demand deposits. The remaining money in circulation, after subtracting those in bank accounts, was supposed to reflect the extent of output transactions in the informal sector, which are perceived to be excluded from the financial markets.

The linkages of the informal and formal sectors are significant in the export manufacturing sector, characterized by the existence of an industrial structure where formal and informal sector enterprises can complement each other through subcontracting arrangements. This is observed in the following industries: leather, garments, electronics, toys and gifts, handicrafts, food processing, paper and packaging products, and furniture making. In agriculture, contracting exists in sectors like banana, rubber, poultry, swine, beef, cattle, feedgrains and shrimp (ILS, 1998).

The informal sector is also able to link the formal sector with the majority of the poor, benefiting a broad range of sectors in the economy. Since informal enterprises are able to do away with costly procedures and government regulations, they can operate profitably, especially in vending which is the most common activity. Informal enterprises using household resources purchase their products and raw materials from grocery stores and retail them to low-income markets. This makes formal sector goods more affordable to the poor (Lanzona, 1998).

3.3 Unpaid Work in Non-Market Production

For non-market production, this may be translated into income and/or savings, considering its value in terms of price, that is, how much would it cost if a hired person had provided the service. Virola and De Perio (1998) provided some estimates of the relative contribution of women and men to the GDP, both conventional and adjusted, for the years 1990-1997. The study made use of both opportunity cost and market valuation in estimating unpaid domestic work, and of other parameters from previous studies (Tables 6, 7, 8 and 9). The following are among the significant findings of the study:

- Almost 90 percent of the total unpaid hours of work were done by women, with about 72 –73 percent coming from the employed and unemployed (ie: classified as part of the labour force). Unpaid work performed by women

is higher among those outside the labour force, representing 91 percent. There was also a slight increase in the employed women's share of unpaid work and a slight decrease in the share of unemployed women. By economic activity, women's contribution to unpaid work is higher in agriculture, fishery and forestry, manufacturing, wholesale and retail trade, financing, insurance, real estate and business services, and community, social and personal services, which comprised 80 percent of the total GNP in 1997.

- Women contributed about 90 percent in terms of the monetary value of unpaid work, with a slight difference between opportunity and replacement cost methods. This is attributed to the representation of unpaid work where the majority comes from those outside the labour force for which the same cost (replacement) was used to derive the value of unpaid work.
- An average of 33 percent represented women's unpaid work against only 4 percent for men in the conventional GDP for the period under study. If the value of unpaid work had been included in 1997, the GDP would have increased by 37 – 38 percent.
- The share of women's unpaid work increased to 51 percent from the 35-40 percent share when the GDP/GNP was adjusted for unpaid work.

3.3.1 Enhancing Access to Training and Gainful Employment

The majority of workers in the informal sector, including unpaid family workers, are from impoverished groups. They lack access and the means to acquire skills and education, to new production technologies and methods from formal institutions that can fully enhance their productivity, and ultimately increase their income. It is largely through unpaid work that they develop and acquire the skills and acumen to ply certain trades and/or occupations. Rendering unpaid work, to some, is a solid investment to increase capacities through skill formation, and therefore acquire the means for survival. Thus, unpaid work in the Philippine context has contributed through the enhancement of access to training and gainful employment, and more specifically, through the skills formation through hands-on apprenticeship and time-tested approaches, and the promotion of entrepreneurship.

3.4 Enhancing Women's Equality

In the Philippines, the promotion of gender equity in its pursuit of human development has come a long way, enabling women to be more active participants in national growth and development. But while investment in opportunities for women has grown, there still exists a wide gap in equality between men and women. Both still live in different worlds, with different access, opportunities, rewards, and legal protection. Yet, women's economic roles could be greater in society if they had equal access to education and training and other opportunities. Unpaid work is seen as contributing to increasing gender equality through enabling women's access to informal education and training.

3.4.1 Enhancing Family Relationships

Workers in the informal sector, including unpaid family workers, are widely accepted to be central to the support and survival of families. This sense of responsibility for the care of the family is entrenched in Philippine culture. As such, much can be done to harmonize work and family responsibilities to further strengthen family relationships. Thus, unpaid work, in one way or the other, contributes to the strengthening of the family, which is regarded as the basic institution for personal and citizenship development. Unpaid work is regarded as the training ground for future caretakers or managers of a family enterprise or economic activity.

Unpaid labour, is also seen to contribute to the changing paradigms in Filipino family relationships, through:

- Challenging traditional definitions, concepts and ideas about women and work;
- Appreciating the benefits of dual income households, both economically;

- Encouraging equitable sharing of housework;
- Harmonizing household and housework and market activities; and
- Encouraging and increasing entry of unpaid labour in the workplace.

4. Public Policy Responses

4.1 The Legal Framework

The spheres of law and government policies are probably the most crucial mechanisms in effecting changes in the economic and social integration of unpaid workers. A brief overview of existing labour and social security laws and executive issuances that are deemed important in promoting and enhancing the even distribution of unpaid work is provided in this section.

National policy provides a relatively favorable atmosphere for women's development. The **1987 Philippine Constitution** explicitly stipulates the fundamental equality between women and men and cites women's role in nation building, recognizing women's maternal and economic roles, and women's special health needs. It also declares natural-born those children of Filipino mothers born before January 17, 1973 and those who elect Philippines citizenship at the age of majority, and allows Filipino women married to aliens to retain their citizenship, thereby correcting the iniquitous provisions of earlier laws. Equity and access to education and training opportunities and enjoyment of their benefits is also provided for in the 1987 Constitution.

Executive Order 27, "**The New Family Code of the Philippines**" (signing on July 17, 1987), eliminated many of the discriminatory provisions contained in the Spanish colonial law-based Civil Code of the Philippines.

Several legislative acts protect and extend women's rights. The **Women in Development Act** for example, mandates that a portion of all development assistance funds received from international agencies and other governments be set aside to support income-generating programs for women. It also allows women to borrow, and obtain loans and credit without the consent of their spouses. The Act also provides women the right to attend the Philippine Military Academy.

The **Maternity Act** extends the period of maternity leave to 60 days for normal delivery and 78 days for caesarian section with pay, and increases the benefits due to a woman on maternity leave. Meanwhile, the **Paternity Act** grants seven days paternity leave to married male employees during childbirth by their legitimate wives.

Social security coverage of married persons who manage the household and family affairs full-time is also provided for under R.A. (Republic Act) 7192. Upon the spouse's consent, they are entitled to the above coverage to the extent of one-half of the salary and compensation of the working spouse.

In addition, whereas before, a Filipino wife was unable to practice her profession without the consent of the husband, the **Philippine Family Code of 1988** empowers her to practice any legitimate profession, occupation, business or activity without the consent of the husband. The same Code provides that the latter may object only on valid, serious and moral grounds.

The Philippines is also signatory to **ILO Convention No. 100, Equal Remuneration for Men and Women Workers for Work of Equal Value**. Remuneration includes "the ordinary, basic or minimum wage or salary and 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."

Improvements in national policy, particularly in HRD policy, remain to be done in order to establish functional linkages between paid and unpaid work. For instance, many areas tend to reinforce the "stereotyped" domestic roles of women while ignoring their productive work. For instance, technology transfer in agriculture, land tilling, job opportunities in industry, financial credit and skills development programs target male beneficiaries as "household

heads" and economic producers. Women on the other hand, are provided with more housekeeping skills like cooking, gardening, and nurturing their offspring.

National policies, particularly HRD policy, have gone a long way in reducing, if not eliminating "stereotyped" roles for women. Priority is now being given to developing new employment models/flexible work arrangements, which will enable both women and men to combine career with family commitments. With the "partial liberation" of working mothers from the traditional perception that they are responsible for childrearing and household management, husbands are now taking a more active role in the performance of these tasks.

4.2 Government Programs and Services

The Philippines has also embarked on a number of pilot projects, mostly with the assistance of the International Labour Organization, that are designed to explore various methodologies and approaches to minimize, if not eliminate the vulnerability of disadvantaged sectors among paid and unpaid workers. Among the targeted sectors are homeworkers and workers in the informal sector. These pilot projects address various issues including working conditions, enterprise development, and schemes for expanding social protection. Some recent and notable government initiatives include the following:

- **Measuring women's and men's contribution to the economy**

The National Statistical Coordination Board (NSCB), in coordination with the National Commission on the Role of Filipino Women (NCRFW) and the National Statistics Office (NSO), under the auspices of the Government of the Philippines and the Canadian International Development Agency, is undertaking a project to develop a framework for measuring women's and men's contributions to the economy.

The proposed framework uses satellite accounts (SAs), a special construct that is semi-integrated with the central System of National Accounts (SNA) framework. The SAs focus on a certain field or aspect of economic or social life in the context of national accounts. Through the SAs, housework services and the contribution of women can be measured and linked with the core national accounts.

The SAs have two parts: identification of the percentage contribution by sex to the economy of the production boundary of the conventional accounts; and identification, measurement and inclusion of housework services/unpaid work of those not in the labour force i.e., those not considered economically active in the SNA. Estimation methodologies include: Gross Domestic Product (GDP) by sex; Gross Value Added (GVA) decomposed by employment; Gross Value Added (GVA) decomposed by number of hours; Unpaid Household Services by sex; and Net Factor Income from Abroad by sex.

- **Training of women in new and non-traditional trades**

The training of women in new and non-traditional trades aims to increase participation of women in national development by developing a broader and more diversified range of job opportunities. This program promotes the entry of women in non-traditional trades in specific areas of technological and industrial trades. It also provides entrepreneurial development training. In its pilot testing in July 1988 until March 1992, some 615 women were trained. It is now part of the regular offering of the Technical Education and Skills Development Authority (TESDA).

The National Vocational Training and Development Center for Women was established in April 1998 to provide traditional and non-traditional trades training. The vocational courses include comprehensive trainers training, pre-employment training, skills upgrading training, methodology training, and non-skills training. Research and development activities include focus on women's capability and development, wider employment opportunities for women, and other measures enhancing women's status. In collaboration with NGOs and other relevant organizations, the Center organizes and conducts symposium/seminars and other activities on gender and development issues. Since April 1998, the Women's Center has turned out 91 women graduates.

- **Social security protection for unpaid work**

Social security protection, as defined in the Philippines, is the development, delivery, and promotion of work-related standards and projects that would cushion the impact of unemployment, seasonality of employment, and lack of access to basic services.

Under the formal conventional scheme, social security protection for workers in the private sector is provided through the Philippines' Social Security System (SSS). In response to the call of the International Labour Organization for the establishment of appropriate forms of social protection, the SSS implemented several measures in an attempt to provide social protection to all Filipinos. In 1992, the SSS initiated a line of coverage expansion programs that led to inclusion of farmers and fishermen with an annual income of at least PhilP18,000.00. In succeeding years, other expansion programs were added which included the coverage of household helpers earning at least PhilP1, 000.00 a month. In 1995, self-employed persons such as cigarette vendors, newspaper vendors, watch-your-car boys, hospitality girls, and other workers in the informal sector with a monthly net income of PhilP1, 000.00 were included. In 1997, the Social Security Law was amended with the enactment of Republic Act 8282, which saw benefit packages, and expansion of coverage to private workers such as the self-employed persons, farmers, fishers, household helpers, overseas workers, and household managers.

A household manager is a person who manages his/her household and family affairs full-time. His/her coverage in the SSS, however, is purely voluntary and is subject to the following:

- he/she is legally married to an actively paying SSS member;
- he/she has never been a member of the SSS;
- his/her coverage has the approval of his/her working spouse; and
- his/her contributions are based on 50 percent of the working spouse's last posted monthly salary credit but be no lower than PhilP1,000.00.

As of December 1998, a total of 1,821 non-working spouses and 1,181,475 workers in the informal sector have voluntarily been registered for their social security coverage under the Social Security System.

5. Private Sector Strategies

Private sector initiatives to enhance and promote productivity in unpaid work can be grouped into those related to employee relations and those related to community relations:

5.1 Employee Relations Initiatives and Strategies

To maintain harmonious relationships and industrial peace between workers and the company, business organizations have pursued varying yet innovative and well-meaning strategies and initiatives in promoting the living and working conditions of their employees and their families. Business organizations have adopted a range of strategies and initiatives including:

- Menstrual leave wherein women employees are allowed rest day (s) with full pay due to menstrual disorder;
- Maternity leave over and above that mandated by law, with provisions for extension, advanced payment, and special maternity privileges;
- Emergency/calamity leave wherein regular employees are allowed to go on emergency leave with full pay equivalent to a specified number of working days in a year in any of the following causes: natural disasters such as typhoons, fire, earthquake, and other calamities directly affecting the employees, and serious illness of an immediate member of the employee's family.
- Maintaining a medical clinic, along with the services of a physician and a nurse with emergency cases being referred to an accredited hospital nearest the workstation.
- Free dental services such as prophylaxis, extraction, temporary and permanent filling of cavities and minor tooth operations.

- Free medicines for common illnesses such as influenza, stomach aches, colds, coughs, diarrhea, and dizziness.
- Hospitalization benefits in addition to those found under the National Health Insurance Law comprising of confinement for a maximum number of calendar days, non-surgery and surgery cases including medicines, professional and laboratories fees.
- Leaves for serious illnesses such as tuberculosis and cancer.
- Nursery/infant assistance in the form of cash assistance to married employees for the birth of their first to fourth child.
- Term life insurance with double indemnity in case of death for regular employees;

5.2 Community Relations Initiatives and Strategies

A review of community relations programs by the Philippine Business for Social Progress, a non-government organization supported by the country's top companies, shows a spectrum of activities ranging from corporate giving or philanthropy to the less advantaged with the view that communities are partners in the business.

Exhibit 1 (see appendices) outlines a range of examples of these corporate initiatives to illustrate these emerging dimensions of these new concepts in Philippine business as they define their mission in society and their target "community".

6. Recommendations

• Recommendations for Governments

1. To harness the full productive potential of unpaid work in contributing to the economy, national governments should institutionalize support mechanisms that would provide access to productive resources, skills and education and new production technologies/methods. Following are some recommendations that could enhance the productivity of the unpaid sector:

- Promoting community-based training to provide some new skills in secondary activities to supplement household income;
- Expanding capability building programs to include on-site, advisory, and consultancy services in the areas of skills, values and preparatory technical assistance;
- Linking skills training programs to existing job opportunities to ensure that these training programs do not become static and can accommodate volatile labour markets;
- Promoting growth-oriented micro-enterprises where motivation is made not by economic survival but by the prospect of making a profit;
- Opening access to wider and more reliable markets to avoid overcrowding and thereby increasing potential for growth.

2. Sustain the initiatives in measuring the contributions of paid and unpaid work to the economy

The research currently being done with the Philippines' National Statistical Coordinating Board on measuring the contributions of women and men to the economy should be sustained. While the conceptual framework has been established, future directions should determine the data items, designs, classification of activities, and data collection schemes. Further discussions of the results, approaches, or methodology and issues concerning the conceptual framework should be held among fellow researchers and policymakers, including senators, congress, and other government officials and interest groups.

3. Pursue effective coverage of unpaid workers in public sector programs and services

While there are various public sector initiatives and strategies that give due recognition and benefit to those rendering unpaid work, much remains to be done. For public sector initiatives and programs to have considerable impact and relevance in improving the living and working conditions of those performing unpaid work, the public sector must be able to adapt to the needs, conditions, and circumstances of those with unpaid work. The establishment of one-stop shops for unpaid work is an initial step in this direction. One-stop shops aim to deliver under one roof to unpaid workers programs and services that will enhance their contributions to the economy.

4. Provide an environment where private sector initiatives that recognize and support unpaid work are supported, recognized, and rewarded.

While the key policy consideration in the Philippines remains to the generation of productive and paid labour, an environment must be created that catalyzes or facilitates private sector initiatives that either extend the gains of paid employment or spurs development in communities where unpaid work is thriving or predominating or where paid and unpaid work are necessarily or indispensably linked. With industry regarded as the main engine of economic development, the private sector continues to be the primary source of creative and innovative ways of enhancing the linkages of paid and unpaid work. Thus, a system of helping, recognizing, and rewarding private sector initiatives should be instituted. In the Philippines, the "Galing Pook Awards" or the "Gawad Sikap Awards" are worth emulating in this regard. The "Galing Pook Awards" recognize initiatives of local authorities in pursuing development in their respective communities while the "Gawad Sikap Awards" recognize outstanding individual and institutional efforts in promoting workers' welfare and industrial peace.

- **Recommendations to the APEC Human Resource Development Working Group**

It is hoped that this project on "Linkages between Paid and Unpaid Work in Formulating Human Resources Development Policies" will promote a broader understanding of how intra- and inter-relationships among APEC member economies can be further strengthened and enhanced. The new insights on paid and unpaid work, and intellectual gains from this project notwithstanding, there are many paths that the APEC HRD Working Group could consider, for example:

1. To widen the discussions to transcend those related to work to look deeper in the socio-cultural dimension of paid and unpaid work

While the discussion of paid and unpaid work in some APEC member economies often leads to the recognition of unpaid work by attaching proper monetary values, the Asian handling of unpaid work transcends monetary values and has deep roots in culture and family. Thus, to some APEC member economies, unpaid work is not synonymous to exploitative conditions of work like child labour and/or forced labour but is related to family rearing or future assumption of family responsibilities such as managing the family business enterprise. This aspect of unpaid work is very Asian and very Filipino. A deepening of the discussions of paid and unpaid work with a focus on this aspect is necessary to understand the subject matter across APEC member economies.

2. To continue the discussions on the measurement of the contributions of men and women in each economy

Recognition of the linkages of unpaid work and other "invisible" contributors to the economy begins with an accounting of their quantity, dimensions and contribution to the economy. The Philippines, for instance, with support from the APEC Central Fund and under, perhaps, the auspices of the APEC HRD Working Group LMI, could take the lead among APEC member-economies on capability building and information dissemination on the measurement of "unpaid work" contributions.

3. To take up the agenda of paid and unpaid work for wider debate and discussion

As a follow through to the debates and discussion that ensued in this project and the HRD Working Group, the recognition and accounting of unpaid work and strengthening their linkages should be brought to a higher level of

discussion toward arriving at an international consensus on the matter. The APEC HRD Working Group could bring forward these issues in other forums, notably starting with the other working groups, committees, and the ministers' levels (i.e., HRD Ministerial, Finance Ministers, Labour Ministers and the like).

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Appendices

**Table 1. Summary of Employment Situation: Philippines 1990, 1995 and 1998
(In Thousands)**

Indicator	1990			1995			1998		
	Both	Male	Female	Both	Male	Female	Both	Male	Female
Labour Force	24,244	15,295	8,948	28,380	17,907	10,472	31,054	19,408	11,646
Employed Persons	22,212	14,167	8,045	25,676	16,322	9,354	27,912	17,534	10,378
Class of Worker									
Agriculture	9,981	7,504	2,477	11,147	8,348	2,799	10,933	8,129	2,804
Wage and Salary Workers	2,033	1,598	435	2,357	1,859	498	2,407	1,904	503
Own-Account Workers	5,061	4,449	612	5,706	4,905	802	5,599	4,767	832
Unpaid Family Workers	2,887	1,457	1,430	3,084	1,585	1,499	2,928	1,460	1,469
Non-Agriculture	12,216	6,651	5,566	14,518	7,966	6,552	16,972	9,400	7,571
Wage and Salary Workers	8,062	4,829	3,233	9,506	5,761	3,744	11,266	6,804	4,463
Own-Account Workers	3,549	1,634	1,916	4,296	1,945	2,351	4,867	2,296	2,571
Unpaid Family Workers	604	187	417	716	260	455	839	301	538
Industry Not Elsewhere Classified	15	13	2	12	7	4	6	18	4

Source: National Statistics Office, Bureau of Labour and Employment Statistics

Table 2. Summary of Female Employment in Agriculture in Rural Areas, Philippines, 1990, 1995 and 1997 (%)

Indicator	1990	1995	1997
TOTAL	48.77	48.8	50.1
Wage and Salary Earners	17.29	17.0	17.6
Own-Account	21.43	27.9	25.8
Unpaid Family Workers	58.97	55.1	56.6

Source: Bureau of Agricultural Statistics

Table 3. Breakdown of Activities of Operators in the Informal Sector, National Capital Region, Philippines, 1995 (by number and %)

	Frequency	Percent
Agriculture, forestry, fishery	140	3.9
Textile, wearing apparel, leather		
Manufacturing	265	7.3
Other manufacturing	210	5.8
Construction	138	3.8
Sari-sari stores	642	17.7
Other food and beverage retailing	284	7.8
Other trade	366	10.1
Operators of bus, taxicabs, jeepneys	197	5.4
Tricycles and other transport	217	6.0
Renting of buildings and rooms	169	4.7
Financing insurance, real estate, Business services	84	2.3
Repair services	136	3.7
Other personal and household services	192	5.3
Restaurants, cafes and other eating and Drinking places	287	7.9
Hotels, motels and other lodging places	174	4.8
Others	126	3.5
TOTAL	3,627	100.0

Source: 1995 Urban informal Sector Survey in Metro Manila, National Statistics Office

Table 4. Persons in the Informal Sector in the National Capital Region, Philippines by Major Industry Group, 1990- 1996 (in thousands)

Year	All	Agriculture	Industry	Services
1990	11,387	7,499	744	3,144
1991	11,708	7,667	790	3,251
1992	12,278	8,140	699	2,794
1993	12,854	8,580	810	4,194
1994	12,936	8,513	839	3,584
1995	12,911	8,252	856	3,803
1996	13,540	8,670	828	4,042

Source: ILO (1994); Philippines' National Statistics Office

Table 5. Distribution of Own-Account and Unpaid Workers in the Informal Sector, National Capital Region, Philippines by Class of Worker, Sex and Industry Group, 1995 (in %).

Industry	Self-Employed						Unpaid Family Worker		
	Own-Account			Employer					
	M	F	Both	M	F	Both	M	F	Both
Agriculture, Fishery, Mining, Quarrying	5.2	0	2.8	5.7	0	3.3	3.4	0	1.4
Manufacturing, Construction, Electricity, gas and water	11.9	8.4	10.2	18.6	11.8	15.7	17.2	9.1	12.3
Wholesale and Retail trade,	35.6	72.6	52.7	32.9	56.9	43.0	41.4	77.3	63.0
Transportation, Storage and Communication	25.4	1.3	14.3	15.7	5.9	11.6	13.8	0	5.5
Financing, insurance, real estate and business services	2.5	1.6	2.1	7.1	2.0	5.0	0	2.3	1.4
Community, social and personal services	19.3	16.1	17.9	20.0	23.5	21.5	24.1	11.4	16.4
Total (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number (000)	363	312	675	70	50	120	30	44	74
% of employed work force	11.7	10.0	21.7	2.2	1.6	3.9	1.0	1.4	2.4

Source: 1995 Integrated Survey of Households, National Statistics Office

Table 6: Percentage Distribution of Estimated Total Unpaid Hours of Work (Housework Services) By Sex, Employed, Unemployed and Not in the Labour Force (in thousands)

	Average 1990-1997	
	M	F
A. Employed	27.2	72.8
Agriculture, Fishery and Forestry	12.6	14.8
Mining and Quarrying	0.2	0.1
Manufacturing	2.6	9.3
Electricity, Gas and Water	0.2	0.1
Construction	2.2	0.2
Wholesale and Retail Trade	2.4	23.4
Transportation, Communication and Storage	2.7	0.5
Financing, Insurance, Real Estate and Business Services	0.6	1.7
Community, Social and Personal Services	3.7	22.6
B. Unemployed	28.1	71.9
C. Not in the Labour Force	8.8	91.2
TOTAL	10.5	89.5

Source: From the study of Virola, Romulo A. and Sylvia M. de Perio., "Measuring the Contribution of Women to the Philippine Economy"

Table 7. Percentage Distribution of Total Value (at current prices) of Unpaid Hours by Sex for All, 1990-1997 Opportunity Cost and Market Prices

	Employed				Unemployed		Not in Labour Force		Total			
	M		F		M	F	M	F	M		F	
	OC	MP	OC	MP	MP		MP		OC/MP	MP	OC/MP	MP
1990	6.2	27.0	73.8	73.0	25.5	74.5	8.7	91.3	10.7	10.3	89.3	89.7
1991	26.1	26.8	73.9	73.2	26.9	73.1	8.3	91.7	10.2	9.9	89.8	90.1
1992	27.2	27.5	72.8	72.5	27.4	72.6	8.3	91.7	10.4	10.0	89.6	90.0
1993	26.0	26.8	74.0	73.2	27.9	72.1	8.7	91.3	10.7	10.4	89.3	89.6
1994	26.2	26.7	73.8	73.3	28.4	71.6	8.8	91.2	10.7	10.4	89.3	89.6
1995	26.3	26.5	73.7	73.5	27.6	72.4	8.9	91.1	10.8	10.7	89.1	89.4
1996	26.4	26.5	73.6	73.5	28.5	71.5	8.6	91.4	10.6	10.2	89.4	89.9
1997	25.9	25.9	74.1	74.0	28.9	71.1	8.6	91.4	10.6	10.2	89.5	89.8
1990-1997	26.3	26.7	73.7	73.3	27.6	72.4	8.6	91.4	10.6	10.3	89.4	89.8

Source: From the study of Virola, Romulo A. and Sylvia M. de Perio., "Measuring the Contribution of Women to the Philippine Economy"

**Table 8. Percentage of Value of Unpaid Hours (Housework Services) to GDP/GNP
(at current prices)**

Year	% to GDP						% to GNP					
	Total		M		F		Total	M	F	Total	M	F
	OC/ MP	MP	OC/MP	MP	OC/M P	MP	OC/MP			MP		
1990	33.0	32.1	3.5	3.3	29.4	28.8	33.1	3.5	29.6	32.2	3.3	28.9
1991	39.1	38.3	4.0	3.8	35.1	34.5	38.9	4.0	34.9	38.1	3.8	34.3
1992	38.8	38.0	4.0	3.8	34.8	34.2	38.1	4.0	34.2	37.3	3.7	33.6
1993	38.0	37.2	4.1	3.9	33.9	33.3	37.4	4.0	33.3	36.5	3.8	32.7
1994	40.3	39.5	4.3	4.1	36.0	35.4	39.3	4.2	35.1	38.6	4.0	34.5
1995	35.3	34.5	3.9	3.6	31.5	30.9	34.4	3.8	30.6	33.6	3.5	30.0
1996	36.2	35.3	3.8	3.6	32.4	31.7	34.8	3.7	31.1	33.9	3.5	30.5
1997	37.6	36.7	4.0	3.8	33.6	32.9	36.1	3.8	32.2	35.2	3.6	31.6
1990- 1997	37.3	36.5	4.0	3.7	33.3	32.7	36.5	3.9	32.6	35.7	3.7	32.0

Source: From the study of Virola, Romulo A. and Sylvia M. de Perio, "Measuring the Contribution of Women to the Philippine Economy"

Table 9. Percentage Distribution of GDP and GNP (at current Prices) Adjusted or Unpaid Housework Services by Sex, Using Hours of Work, Employed-Opportunity Cost; Unemployed and Not in Labour Force-Market Price, (in Millions of Pesos).

Year	GDP Adjusted			GNP Adjusted		
	Total	M	F	Total	M	F
1990	100.00	50.2	49.8	100.00	50.9	49.1
1991	100.00	48.1	51.9	100.00	48.9	51.1
1992	100.00	48.3	51.7	100.00	49.1	50.9
1993	100.00	48.6	51.4	100.00	49.3	50.7
1994	100.00	48.0	52.0	100.00	48.6	51.4
1995	100.00	49.1	50.9	100.00	49.7	50.3
1996	100.00	48.6	51.4	100.00	49.4	50.6
1997	100.00	48.1	51.9	100.00	48.9	51.1
1990-1997	100.00	48.6	51.4	100.00	49.4	50.6

Source: From the study of Virola, Romulo A. and Sylvia M. de Perio, "Measuring the Contribution of Women to the Philippine Economy"

Exhibit 1. Spectrum of Programs on Community Relations of Selected Business Organizations in the Philippines.

1. Name of Organization:	PHINMA Group of Companies	PHIMCO Industries Inc.	RFM Corp.	Central Azucarera Don Pedro
2. Title of Program:	Community Relations	Community Development	Family Welfare and Livelihood Program	Community Development
3. Logic/Philosophy:	Development of community residents into productive, self-reliant and “empowered individuals and groups	Assist in combating unemployment, drug dependency, malnutrition and lack of education	Enable employee or their family members to engage in projects which will augment their threshold income	Promotion of corporate social responsibility through the implementation of relevant community development program and assistance in achieving industrial welfare by conducting effective employee-oriented program
4. Target "Community"	Communities around the factories and plants	Urban Poor of Punta, Sta. Ana, Manila	Needy employees and their families	Communities where employees reside and contiguous to the factory
5. Structure:	Full Time COMREL Group	Integrated in the human resource function of the company	Working committee with management and labour representatives	Community Development Office reporting directly to the Resident Manager
6. Strategies:	<ol style="list-style-type: none"> 1. Livelihood group assistance 2. Day care center 3. Scholarship grants 4. Health care services 5. Skills training and workshops 	<ol style="list-style-type: none"> 1. Supplementary feeding program 2. Preparatory school for pre-school children 3. Training & livelihood 4. Organizing into business group 	<ol style="list-style-type: none"> 1. Family welfare 2. Livelihood projects 	<ol style="list-style-type: none"> 1. Livelihood 2. Social services 3. Community organizing 4. Information

**APEC Human Resource Development Working Group
Network on Economic Development Management**

**Conference on
Linkages Between Paid and Unpaid Work in Human Resource Development Policy
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Thailand

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1. Introduction

Thailand has recognized the significant role and status of women in social and economic development, especially in paid and unpaid work, for decades. However, progress toward equality in the role and status of women in the paid and unpaid sectors fall short of the gains women have achieved in the developed world. Women must have an opportunity to participate more equally both in paid and unpaid work in the next century.

1.1 APEC and the Issue of Paid and Unpaid Work

The APEC Human Resource Development Working Group (HRD WG) has set out to explore how human resource development policies might recognize and account for the linkages between paid and unpaid work. It also examines the role of planners and policymakers to address the interface between paid and unpaid work (APEC HRD Working Group Proposal, 1998).

The objective of this paper is to explore APEC's proposal. In particular, the impacts of the recent financial crisis on the social roles and status of women especially in the paid and unpaid work in Thailand are examined. Finally, public policy responses to the equity issues between men and women in these matters will be addressed.

2. The Macroeconomic Meltdown and the Unexpected Financial Crisis¹

The current financial crisis was born of the internal problems resulting from the clash of speculation in property by the private sector, government liberalization of the financial system, and the launching of the Bangkok and Provincial Banking Facilities. External factors exacerbated the crisis because the baht float, which was supposed to help Thai exports, did not reach expectations due to the financial crisis in neighbouring states. As to the recovery, external factors should play a vital role. An excellent indicator would be the economic condition of Japan, which is the main Asian engine for economic growth.

Thailand's economic crisis and the turmoil that followed the baht floatation in July 2, 1997, forced the country to seek financial help from the International Monetary Fund (IMF) with the rescue package of US\$17.2 billion. So far the Thai government has strictly implemented the austerity programs negotiated with the IMF in order to rebuild the economic stability.

In the midst of the crisis, the Thailand Development Research Institute's (TDRI) macro-economic forecasts in early January 1999, when the value of baht averaged around 41.26 per US dollar, predicted a negative growth in exports of around -5.6 percent with -33.8 percent of total investment. By the end of 1998, it was predicted that the Thai economy would experience growth at -8.2 percent. The industrial sector would experience growth of -13.1 percent. The service sector was also expected to record negative growth at -6.1 percent despite the fact that the government declared 1998 and 1999 as "Amazing Thailand" years for tourism promotions. Both current account and trade account would be in surplus to the tune of US\$ 13.2 billion and US\$ 12.3 billion, respectively. Inflation would reach its peak this year at 8.1 percent, increased from only 5.6 percent in the previous year.

TDRI also forecast that in 1999 the Thai economy would shrink slightly with a negative growth rate of 0.4 percent when the value of baht fluctuates around 36 baht per US dollar. The government has achieved a certain degree of success in solving the problem of the finance sector (e.g., lack of liquidity, and foreign investment). All sectors of the economy except agriculture will experience a negative growth rate with inflation dropping to 3.2 percent. The trade and current accounts continue to show positive growth at US\$12.9 billion and US\$12.3 billion, respectively (Chalamwong, 1999).

The slowdown of the Thai economy in 1997 and the recession in 1998, which is expected to continue until the end of 1999, will definitely increase open and underemployment. This point will be explored further in the next section.

2.1 Impacts of the Economic Crisis on Labour Markets

¹ This section is drawn from Yongyuth Chalamwong. "The Impact of the Crisis on Migration in Thailand" *Asian and Pacific Migration Journal*, Vol. 7, Nos 2-3, 1998, pages 207-301.

As a result of the 1998 economic recession, a large number of factories and business establishments closed down. There are labour surpluses everywhere, in every sector and at every skill level, a phenomenon Thailand has not experienced for years. The number of unemployed reached 1.13 million in August (peak season) or 3.45 percent of labour force in 1998 as compared to only 0.29 million person or 0.87 percent in August 1997. The contraction in demand appeared in three work sectors, namely employers, private employees and unpaid family workers. By contrast, the government and own-account employment remained relatively stable.

The impacts of the crisis on real sectors was quite different. For example the Labour Force Survey data indicated that the construction sector experienced a sharp decline in employment. Employment in this sector fell from 2.98 million in February 1997 to 2.04 million February 1998.

2.2 Underemployment

The crisis also caused large-scale underemployment and layoffs. The number of employed persons working fewer than 35 hours a week increased almost by 2 million, from 2.43 million persons in February 1997 to 4.41 million in the same period in 1998. Underemployment was concentrated in private employees and self-employed persons. The largest number of underemployed persons was concentrated in the manufacturing and commerce sectors, and accounted for 65.9 percent of the total 1.97 million (Chalamwong, 1999).

The following sections will emphasize the impacts of the crisis on paid and unpaid workers, especially women.

3. The Significance of Unpaid Work

“Unpaid work” is defined as work without pay on a farm or in business enterprise owned or operated by the household head or any other members (NSO)². Unpaid work is defined by Heather Gibb in her Framework Paper as “non-market work” which is unlikely to be reflected in the national employment and income statistics. The majority of unpaid family workers are likely to be women. This is probably true everywhere, and Thailand is no exception. For example in 1998, based on the Labour Force Survey, the data clearly indicated that 66.4 percent of the 9.4 million employed persons who are classified as unpaid family workers are women.

3.1 Linkages between Own-Account Workers and Unpaid Workers

The own-account worker is defined as a person who operates an enterprise on his/her own account or jointly with others in the form of a partnership either for profit or dividends but without engaging employees. The linkages between unpaid workers and own account workers are clear when the enterprise is operated by husband and wife. Here, the husband is usually classified as an own-account worker while the wife is classified as an unpaid family worker. Sometimes, both are classified as self-employed workers. They are active, work in similar environments and face similar risks. In 1998 the proportion of self-employed (own-account plus unpaid family workers) constituted about 60.7 percent of the total labour force. Out of this total self-employed, 9.12 million persons were female and 10.28 million persons were male. This is a slight decline from 1990 when the total self-employed females numbered 10.26 million and 10.68 million were male.

The impact of the crisis since its start in mid July 1997 on work status is not clear when the statistics of 1997 with 1998 are compared. As stated earlier, total employment decreased by more than one million as a result of the financial crisis. The number of unpaid family workers continues to drop regardless of the crisis. While more and more of the labour force were composed of own-account workers, the number of employed in formal employment decreased by almost one million in 1998 as compared to 1997. The impact of the crisis is likely to reduce the proportion of women in unpaid family work while this gap is widened among men.

² National Statistical Office (NSO), Office of the Prime Minister.

3.2 Women in Unpaid Work: Trends

During the past three decades, the role and status of women has changed along with economic development. As the economy was transformed from predominantly agricultural to industrial, the share of agricultural product dropped from 31.5 percent in 1975 to 11 percent in 1998. The majority of workers, however, are still concentrated in this sector. In 1998, according to the Labour Force Survey, about 51 percent of total employed persons were farmers.

As the economy underwent structural change, the population structure also changed. The population growth rate dropped very rapidly from more than 3 percent in the 1970s to only 1.2 percent in the 1990s. The smaller family size has lessened the burden of childbearing and other household activities for women. This should provide women more time to acquire knowledge and participate more actively in social and economic activities.

In fact, despite having lower labour force participation rates than men, women always participated in economic activities and the gaps between both sexes has been narrowing over time, especially in municipal areas. However, the gap between both sexes has widened in non-municipal areas. This gap is wider than ever as a result of the crisis.

The nature of work status in non-municipal areas has been slightly different from that in municipal areas. The share of unpaid family workers in non-municipal areas has been much larger than municipal areas, where most economic activities take place outside the household. Women have been less engaged than men both in the formal labour market (i.e., employer, public, and private employees) and in the informal market (i.e., own-account). Women have dominated the unpaid family work sector for a long time, despite the fact that their participation rates declined over time. Market and household work are somewhat complementary, especially for those women who work in non-municipal areas where most activities are concentrated in agriculture and small family non-farm enterprises. The shift from unpaid household work to paid work among women is accounted for by the shift in production away from households. Phananimai (1995) argued that this phenomenon would help women improve their role and status. The more women participated in paid work, the more economically independent they should be. They should be able to achieve their own fulfillment as individuals instead of having to depend solely on their family (or husband).

In general, men dominated in all work sectors except in the unpaid family worker category in the study period. However, the proportion of men and women in the formal sector (e.g., employer, and employee) has not deteriorated. It is interesting to note that in 1998, own-account work is dominated by men who accounted for 71.2 percent, increasing from 70.3 percent in 1990. The unpaid work sector is dominated by women who accounted for 66.4 percent in 1998 as compared to 68.2 percent in 1995. During the past eight year period, more than 1.4 million women have turned to work in the productive, or market sector.

As mentioned before, women are concentrated in the area of unpaid family work, accounting for more than 46 percent in 1995, decreasing to 43.4 percent in 1998. During this period, more and more unpaid family workers shifted from unpaid to paid work. The crisis further pushed at least 0.42 million women out of unpaid work and into paid work to help generate income for the family.

3.3 Jobs and Earnings

The data indicate that job segregation by gender persists in the family. Traditionally, when women work as unpaid workers (or are self-employed), the distinction between market and non-market activities is not clear, since women move back and forth between the two types of work. The division of labor between men and women is clear. Currently, it is even more difficult for women to participate actively in both markets. According to Phananimai (1995), men specialize more in market activities and women in non-market activities. The following data support this finding. As we all know, the agricultural sector has been the largest sector in terms of employment absorption in Thailand. This sector absorbed about 16.4 million people in the labour force in 1998. Of that total, about 52.1 percent were men. Women's participation in this sector declined over time as more and more women shifted from non-market work to market activities such as sales, crafts and as professionals as a result of better working environments and higher educational backgrounds.

Until 1995, men dominated work in all industries except in the professional, clerical and sales categories. This pattern has changed since 1995, when more women turned to work in the service sector. The financial

crisis is pushing women out of unpaid farm work to become wage earners. In fact, the proportion of women in all sectors except farming increased in 1998 compared to 1997.

The crafts occupation was also hit hard by the crisis. In many of the remaining occupations, employment rose after the crisis.

When both sexes work in family enterprises, their work activities are complementary. Their income is shared among family members. But when women work outside of the family, they may not be able to compete with men on an equal basis. Women are likely to perform both paid work and unpaid family work due mainly to cultural biases in Thai society. Even though this discrimination has been declining slowly, it still creates disadvantages for women to compete in the job market.

During the past ten years (1987 to 1997), the total number of employed persons increased by 6.4 million or about 24 percent. It increased in every work status except unpaid family worker. The number of employed unpaid family workers dropped only 0.135 million, with the number of women increasing by 0.197 million while men decreased by 0.334 million over the same period.

While the number of unpaid workers declined during the crisis, the number of own account workers, especially in the public sector increased. The number of unpaid family workers fell by 0.461 million for women and 0.03 million for men.

4. Paid and Unpaid Work and Human Resource Development

4.1 Education

Discrimination persists against women in human resource development as well as in the job market. Women in general tend to have lower education than men especially among unpaid family workers. Research by Tonguthai (1998) confirms that gender bias remains. However, the Seventh Economic Development Plan has had some success in narrowing the education gap between men and women.

The upward trend in education attainment improved very slowly during the past ten years as the share of employed persons with less than primary education decreased. Women received lower education than men in all education levels but the gap has been reduced over time. For both sexes, the percentage of unpaid workers who had primary education or lower slowly declined from 9.0 million (or 90.0 percent) in 1987 to 7.5 million (or 79.8 percent) in 1998. The educational attainment level of women unpaid workers was slightly lower during the same period. The share of primary education or lower of female workers was 93.8 percent in 1987 and 85.4 percent in 1998.

The crisis most affected workers with primary education or less. About 1.5 million of unpaid workers and private employees were left unemployed because of the crisis. Women still experience limited choices in selecting subject areas for study. At the middle level of education, home economics, commerce and business administration are popular choices among women. At the university level, women are found mostly in social science, business, education, and nursing. Some subject areas of study (economics, agricultural economics, veterinary science, forestry science, industrial agriculture, archeology, production management, nursing, and military school) still have quotas limiting access for women. According to Tonguthai (1998), these patterns of selecting areas of study derive from persisting social values that are linked to traditional gender roles and to occupational segregation by sex. These practices result in limited education opportunities and discrimination against women.

4.2 Training

Training has become a crucial means for women to improve their employability and quality of life. Adequate training enables women to gain equal work status with men. This point was supported by a 1998 study submitted to the APEC HRD NEDM in Chinese Taipei that noted the urgent need for upgrading Thai workers' skill and knowledge through non-formal education and training.³ The training (pre-employment,

³ For more details see "Gender and Life-Long Learning: Enhancing the Contributions of Women to SMEs in Thailand for the 21st Century". Paper presented at the APEC HRD NEDM conference in Chinese Taipei, June, 1998.

retraining and upgrading) offered by various organizations in Thailand is limited. Special questions were added to the Labour Force Survey in 1995 to ask whether workers had received any formal training at least one time during the past three years. The data showed that only about 4.5 percent had. Of the 1.48 million who had received training, about 75 percent were civil servants, 5 percent were enterprise workers, and 18 percent were private workers. However the data was not broken down by sex, therefore we do not know how many benefited.

Training courses are offered by four major government authorities: the Department of Non-formal Education, the Department of Vocational Education, the Department of Agricultural Extension, and the Department of Skill Development. In 1997, 97 percent of the 3.04 million people who had received vocational training had been trained by these four departments.

In non-formal education, according to Tonguthai, more than 53 percent were females participating in adult functional literacy, vocational certificates and vocational short courses. Women tend to participate more in self learning programs, compared to men, who participate more in classroom and distance learning.

Most of the short courses offered by the Department of Agricultural Extension are in home economics and farming, and women form the majority in home economics courses. However, for agricultural courses, men select themselves to participate in learning new farm techniques and other special training, since they are the heads of household and often community leaders.

According to data received from the Department of Skills Development, Ministry of Labour and Social Welfare, women comprised only 35 percent of total enrollment. In pre-employment training, women accounted for only 10 percent. The training programs offered to women covered spinning, weaving, sewing, cooking, good preservation and artificial flower making. Although the experience women receive from such training may help them improve their employability, their chance of participating in such programs remains limited.

The Report from the Women in Development Working Committee⁴ identified three major barriers to women: program barriers as a result of limited choice for mainstream training programs for women; physical barriers as a result of inappropriate training equipment and facilities for women; and social barriers as a result of having too many men in the existing training system. There are no chaperones and/or activities for women during leisure time. This also discourages parents from allowing their daughters to participate and live in the training centres run by the Department of Skill Development.

Other factors that may limit women's opportunity to participate in training include women's roles in domestic work such as household chores and child care. Husbands may object to their wives attending training programs that require overnight stay. Women who do attend risk having family quarrels and stirring up "neighbourhood gossip" as summarized by Tonguthai (1998).

4.3 Characteristics of Unpaid Work

The unpaid work which is a part of informal employment is mainly performed by women. Their work is concentrated in labor intensive activities with limited technology and low costs. These activities do not require very high education and skills. The work is quite heterogeneous and flexible, allowing women to work at home and perform household chores at the same time. This reflects a kind of "women friendly workplace."

A survey conducted by the Department of Labor Protection and Welfare found that the majority of workers in the informal sector, especially "home-based" workers, were women. Their education was relatively low but they were skillful in their work. The majority of these homeworkers had previous experience working in factories. Currently there is no country data on the total number of those classified as "homeworkers". But women who currently work as homeworkers are very concerned, since they are not covered by current Labor Protection Law (1997).

⁴ A detailed report appeared in the "Women in Development Team of the Asian Development Bank" (ADB) Project on Skills Development of DSD/MOLSW, 1998.

Their major concerns are:

- The chance of receiving any training comes only from subcontractors. Additional education and training from other sources is limited.
- Self-employed work among women is uncertain. There is a lack of continuity in employment and income, and no such thing as a long-term contract.
- Money wage earnings for women are relatively uncertain and lower than the minimum wage rate as a result of limited market and/or monopolies by suppliers or subcontractors. The welfare of workers is not covered by the Labour Protection Law.
- Since subcontract work is not covered by the Labour Protection Law, workers' health and safety is at risk.
- Homeworkers are very scattered geographically. It is less likely that these subcontracting workers will form groups to improve their bargaining power with subcontractors. Therefore they are vulnerable to exploitation.

There are some success stories of homeworker activities organized by local entrepreneurs and others jointly with the Ministry of Industry, civil organizations and communities. There are many examples of the private sector participating in promoting non-farm enterprises in rural communities. Many work activities have been initiated by the Population and Development Association (PDA) aimed at raising income and the quality of life of people in rural communities. Successful programs have been developed in various parts of the country, especially in the poorest regions such as in the Northeast and in the North. The programs in Buriram Province, for example, include producing brand name shirts and shoes by hiring hundreds of workers from nearby communities. Similar activities have been carried out by large Thai companies as part of their policy of "giving back to society". These projects involve predominantly women in communities and can be considered as *friendly workplaces*. It is expected that the crisis will encourage more rural people to participate in such activities as more and more laid off workers return home. Some of these workers are relatively old and do not want to return to factory work even though the crisis is over. Therefore a friendly workplace such as local small industries, community industries, and homework activities which allow women to stay close to their family should receive some support from these groups.

5. Gender Equity

5.1 Unequal Role in the Family

In Thai society, in addition to economic disadvantages, it is quite clear that women still suffer social disadvantages. Thai women have multiple roles, as wife, mother and daughter. Their roles also include: taking care of parents; sharing income with other members in the family; taking care of household chores; and earning supplementary income for the family. In addition, cultural beliefs and religious values may put women at a further disadvantage. For example, in the past when a woman married, she had to use her husband's surnames even after her husband passed away. Currently, married women no longer suffer such discrimination because a new law⁵ allows her to make her own choice whether to use her own maiden name or her husband's last name. This choice still remains even after women divorce. A free choice also was given to sons or daughters whether to use the mother's maiden name or father's last name after their parents divorce.

In short, the burdens that women shoulder to perform their traditional roles as daughters and mothers (i.e. unpaid work) in the family, coupled with lack of human resource development and decent job opportunities may force some of these women to accept work under poor conditions (Phananiramai, 1995).

5.2 Unequal Work and Unequal Pay Opportunities

In theory, there are only a few regulations which prevent women from working in all positions in the formal labour market. Some positions in the public service, such as working with male prisoners, or those requiring

⁵ Still in the stage of final review by the Office of the Council of State.

frequent transfers from one remote area to another, are examples. In practice, however, many positions have been rarely filled by women, even though there is no regulation prohibiting them from such positions, for example, the governor of a province and/or chief of local administration. This may lead to a conclusion that a bias against women is deeply embedded in the Thai culture and belief system.

The current Labour Protection Law ⁶ also prohibits pay discrimination. But in reality, as cited by Phananimamai (1995), the practice persists widely both in terms of employment and pay, in both public and private sector employment. Based on the Labor Force Survey report, it was found that the average monthly earnings of women in 1997 were about 30 percent lower than men as compared to 50 percent lower in 1980, indicating a narrowing of the gap over time.

6. Public Policy Responses

The Thai government through The National Commission on Women's Affairs has prepared a 20-Year Perspective Plan for Women (1992-2011). This document has been used as a basis for Five-year Development Plan for Women as well as to assist in the coordination and promotion of women in development. The relevant public policy recommendations will be drawn from this document along with other documents reported elsewhere concerning paid and unpaid workers.⁷

6.1 Policies Toward Gender Equity

The new constitution stipulates the equality between men and women. Thailand has also ratified the UN Convention on "Elimination of all Forms of Discrimination against Women", whose main points are:

- To eliminate discrimination against women ensuring equality between women and men, especially for those who are employed and other circumstances.
- To protect women from various abuses, such protection includes women in both employment and family work.

The Thai government became increasingly aware of the plight of women when the United Nations declared 1975 as International Women's Year, and 1976-1985 the decade for women. The Thai National Economic and Social Development Board has included women since the Fourth Plan (1977-1981). The main problems cited in the plans are illiteracy rates among women, employment and wage discrimination, education and training opportunities, and social attitudes that reflect beliefs that men are more productive than women. The Plans have been criticized by Thomson (1990) for only recognizing women's problems without always specifying how and when they are to be solved.

6.2 Gender Planning

Through a special task force, the government initiated the first "Long-term Women's Development Plan (1982-2001) in 1981. Later on in 1995, the National Commission on Women's Affairs (NCWA) continued to follow up with another long-term plan for women in development in 1995. The Perspective Policies and Planning for Development of Women (1992-2011) launched by the NCWA forms the basis of a five year plan and assists in the coordination and promotion of women in development initiatives. The long-term plan is extensive, and covers socio-economic and cultural change, family, health, education, employment, social participation, environment, mass media, religion, prostitution, law, resources and research concerning women. The plan outlines the following basic strategies to promote women:⁸

⁶ The law states that where the work is the same in nature, quality, and volume, the fixing of wages, overtime pay, and holiday work pay shall be equal regardless of the sex of employee.

⁷ National Committee on the Perspective Plan and Policies for Women's Development, 1992-2011, National Commission on Women's Affairs (NCWA), Office of The Prime Minister, Thailand, 1995.

⁸ The section is drawn directly from "Perspective Policies and Planning for the Development of Women (1992-2011), NCWA, 1995, p. 1-4.

- Central government organizations or mechanisms responsible for women in development should be further developed and promote networking among governmental as well as non-governmental agencies. Coordinating and networking should be both horizontal and vertical, all the way to the village level. In all undertakings, men should also be encouraged to participate.
- Initiate programs and projects with special reference to women.
- Integrate women in all programs and projects, both as beneficiaries as well as agents of development.
- Campaign for values and attitudinal changes related to women, especially those with negative connotations or stereotypes. Advocacy groups should be formed to encourage and open ways for women to participate more fully in economic and social development.
- Recognize the importance of information and the use of mass media with special emphasis on women's issues and status of women in order to create a common understanding and common needs so that goals can be achieved.
- Promote training in various subjects so that women can have knowledge and skills in determining societal changes.
- Recognize the family as a common social unit in promoting development equality and eliminate gender-based biases especially among children and youth.
- Revise laws and regulations to facilitate equality, both de jure and de facto.
- Collect and analyze information and situations to promote women in development as well as promote research related to women.
- Encourage various government agencies to include women in their projects and activities.
- Organize formal and informal groups to promote the protection of women.
- Promote policies related to women as a part of political platforms to all political parties.
- Instill a systematic exchange of information among organizations and agencies on innovations used for women in development. Distribute and disseminate information to help change the image of Thai women especially in international communities.

6.3 Policies to Increase Equality Between Paid and Unpaid Work.

Since there is only sketchy information on unpaid workers in Thailand, there is an urgent need for research on the characteristics and the economic and social benefits women may gain from such activity. However, based on the current knowledge, policy recommendations which are related to increasing equality between paid and unpaid work could address the following points:

(1) Since unpaid work (e.g. homeworkers) happens mostly around the household and community nearby, the roles of women and the family may not be greatly impacted. But to equip women with knowledge, modern skills and equal opportunities to enjoy a better quality of life, the following recommendations are needed:

- The burden of women must be reduced. This could be done by promoting the family, including child rearing and household chores. In order to increase campaigns to create an attitude of partnership between husband and wife and increase men's participation in family matters, campaigns to stimulate pride in fatherhood and its duties are needed;
- Women working in informal activities must also be protected by labour protection law and/or regulations, especially in dangerous areas and in activities with health hazards;
- Both government and civil society organizations should support training for women who are self-employed in order to improve administrative and managerial skills (i.e., entrepreneurs); and
- All parties concerned should be encouraged to provide knowledge in the fields of modern science and technology in addition to general knowledge outside the home.

It is unfortunate that efforts to address the above initiatives are not documented. However, the Social Insurance Scheme (SIS) implemented last year encouraged more participation by husbands in child care and domestic work. The new SIS-scheme extended the maternity leave of women from 60 days to 90 days under a

cost-sharing basis. The employer and SIS will share 50 percent of women's salary. The scheme also allows husbands up to one month's leave at the time of birth to help take care of the infant and domestic work.

(2) In order to encourage women to engage more in the paid work in the community, the following should be implemented:

- Daycare services established nearby to encourage mothers to breastfeed their child and to enhance infant care services;
- Better protection for illness caused by poor working environments and risky conditions must be improved by employers and subcontractors;
- Women should be encouraged to seek knowledge from various sources to develop themselves, their families and communities;
- Discrimination against women in all levels of education and training must be eradicated so that women can continue to improve their general knowledge, analytic and synthesizing skills;
- There is also an urgent need to eliminate other occupational discrimination. This could be done by encouraging women to form professional groups to improve their bargaining power;
- Sharing job information through all kinds of mass media must be encouraged and targeted to reach women's groups; and
- Laws, rules and regulations must be changed to improve welfare and protect self-employed women.

6.4 Policies to Provide Better Social Recognition of Unpaid Work

In Thailand, there are no *direct* policies to provide better social recognition of unpaid workers. The NCWA (1995) has summarized the problems concerning government and private agencies with respect to women and unpaid work:

- There is still a lack of understanding among various agencies regarding policies and plans on unpaid work.
- There are almost no networks to implement Women in Development policies that integrate unpaid work because government agencies do not understand its economic and social significance.
- The work of the private sector to support and integrate unpaid work activities still has very weak linkages with government agencies.
- There is no specific delegation of authority to any government organization to respond to the needs of unpaid workers.
- There is a lack of resources in development of women in this area.

To address these problems, there is an urgent need to create understanding and networks among government, private and business organizations, civil organizations, and others in the development of policy directions and plans. There is a need for trained personnel in both governmental and non-governmental organizations relating to self-employed women. There is a need for research to improve our understanding about women participating in self-employed work, especially unpaid activities, so that appropriate plans and actions can be developed to address these problems.

6.5 Toward A Self-sufficient Economy and Sustainable Development

Ever since the economic bubble burst, the Thai economy has been cushioned by the rural non-municipal sector. If Thailand had not maintained a large agricultural sector, the impact of the crisis would have been even more severe. This situation alerted authorities to the fact that the traditional safety net has been

neglected for many years, while attention was focused on industrial and service sectors with the hope that Thailand would soon become another Asian Tiger.

As a result of long-time neglect and mis guided policies, agriculture can no longer provide a sustainable livelihood to most rural people, especially the self-employed. Unpaid family workers have to depend more and more on income from the non-agricultural sector. The boom of non-farm sectors which was concentrated only in the central part of the country during the past decade drew people from rural communities and households. It created severe social impacts on household ties and rural social capital. To restore potential to this sector, new ways of thinking and new farming techniques are badly needed.

Most of the Thai people now acknowledge the wisdom in the speech given by His Majesty the King on December 1997 about the concept for a “self-sufficient economy.” His Majesty the King reminded all of us about returning to the traditional agriculture sector. His Majesty the King also developed a new approach to farming several years back by suggesting that farmers divide their land into four sections, 30 percent for a water pond to raise fish, 30 percent for rice crops, 30 percent for fruit trees and other non-rice crops, and the remaining 10 percent for residential use wherever appropriate. The residential areas could be used to raise chickens, pigs and vegetables. The main outputs from this practice would be mainly used in the family, and the surplus would be sold in the local market. This money could provide cash flow for the family. Hopefully, this concept will be developed and extended to rural families all over Thailand.

Time Use Case Study: Lopburi Province

To help us understand more about time allocation of males and females in such a practice, a family in Lopburi Province was interviewed in early February 1999. The results are as follows:

	Male %	Female %
1. Land preparation	100.0	0.0
2. Planting	34.8	65.2
3. Taking care of farm	41.7	58.3
4. Harvesting	56.6	43.4
5. Marketing	0.0	100.0
6. Total	42.9	57.1

More than 80 percent of time spent on household work is performed by women. Community work is shared equally by husband and wife. More than 90 percent of the public speeches or lectures and attendance in training is performed by the husband. The husband also entertains visitors who want to learn more about his farming practices.

The Social Working Group on Social and Economic Plan for rehabilitating Low Income Communities organized by the Thailand Development Research Institute (TDRI) has developed recommendations to the government utilizing existing local resources to enhance the capacity of existing communities to respond to the crisis and improve the quality of life of both urban and rural communities.

The process is based on a multi-partite partnership and a people-centered approach. It starts with many organizations and/or communities engaging in addressing their own problems. This is organized by independent or collaborative groups or agencies, various existing consultative groups or groups that are to be established based on the needs of the communities. Several development agencies from both the public and private sectors form a network to accommodate this process. It is important that networking, coordination and collaboration exist among these organizations to support their collective activities. Through cooperation, the community will benefit from a vast array of technical assistance which can be provided in an effective and efficient manner. The key to the success of this model is that the communities must identify and rely on their own social capital and indigenous resources before they seek outside help. Currently, the government has taken these policy suggestions very seriously and has begun implementing this concept. It is our hope that if outcomes described in this section are realized, it should strengthen the linkage between paid and unpaid work.

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Thailand

Tables

Table 1 Percentage distribution of employment by work status - Thailand
(in thousands)

Status	Total	Whole kingdom		Municipal		Non-municipal	
		F	M	F	M	F	M
1998							
Total number	31,935	14,380	17,555	3,046	3,461	11,334	14,094
%		100.0)	(100.0)				
Employers	822	173	649	2	6	1	3
%		(1.2)	(3.7)				
Private employees	8,994.5	4,026.5	4,967.9	48.3	48.3	22.6	23.4
%		(28.0)	(28.3)				
Public employees	2,714.2	1,064.2	1,650.1	16.3	16.9	5.0	7.4
%		(7.4)	(9.4)				
Own-account workers	10,003.2	2,876.1	7,127.1	16.7	23.0	20.9	45.0
%		(20.0)	(40.6)				
Unpaid family workers	9,400.9	6,241.1	3,159.0	16.6	5.7	50.6	21.0
%		(43.4)	(18.0)				
1997							
	Total	F	M	F	M	F	M
Total number	32,942.8	14,937.5	18,005.3	3,045.1	3,625.5	11,892.4	14,379.8
%		(100.0)	(100.0)				
Employers	746.6	134.4	612.2	1.5	5.7	0.7	2.8
%		(0.9)	(3.4)				
Private employees	10,036.5	4,346.8	5,689.7	53.0	50.8	23.0	26.6
%		(29.1)	(31.6)				
Public employees	2,420.5	926.1	1,494.4	13.6	15.2	4.3	6.6
%		(6.2)	(8.3)				
Own-account workers	9,860.1	2,838.1	7,022.0	16.7	23.2	19.6	43.0
%		(19.0)	(39.0)				
Unpaid family workers	9,878.9	6,692.0	3,159.0	15.3	5.2	52.4	20.9
%		(44.8)	(17.7)				
1990							
	Total	F	M	F	M	F	M
Total number	29,956.2	13,942.2	16,014.0	2,221.8	2,737.5	11,720.4	13,276.5
%		(100.0)	(100.0)				
Employers	372.0	83.7	288.3	2.0	5.7	0.3	1.1
%		(0.6)	(1.8)				
Private employees	6,785.2	2,941.8	3,843.3	45.5	47.7	16.4	19.1
%		(21.1)	(24.0)				
Public employees	1,856.3	655.2	1,201.0	15.3	18.6	2.7	5.1
%		(4.7)	(7.5)				
Own-account workers	9,151.2	2,537.4	6,613.8	19.8	21.0	17.9	45.5
%		(18.2)	(41.3)				
Unpaid family workers	11,791.5	7,723.9	4,067.6	17.4	7.0	62.6	29.2
%		(55.4)	(25.4)				

Sources: National Statistical Office (NSO), Labor Force Survey on August 1990, 1997-1998.

Note: persons aged 15 years and above

Table 2 Labor Participation Rate of Thai Labor Force (in thousands)

Year	Municipal				Non-Municipal			
	Total	M	F	?	Total	M	F	?
1971	51.7	64.3	39.0	25.3	76.3	81.5	71.1	10.4
1975	50.9	63.0	38.7	24.3	71.5	77.5	65.5	12.0
1980	59.0	68.1	50.2	17.9	75.7	79.0	72.4	6.6
1985	60.8	69.0	52.9	16.1	75.9	80.9	70.9	10.0
1990	66.7	67.6	58.6	9.0	82.2	86.6	77.7	8.9
1997	67.1	75.4	59.2	16.2	73.0	79.6	66.3	13.3
1998	68.5	76.0	61.6	14.5	75.0	83.0	67.0	16.0

Sources: NSO, Labor Force Survey, Various Issues.

Note: Age of employed persons during 1971-85 surveys was 11 years old and over

Age of employed persons during 1990-97 surveys was 13 years old and over

Age of employed persons during 1998 surveys was 15 years old and over

Table 3 Percentage of Labor Force by Work Status on August, 1995-1998

Work Status	1995		1996		1997		1998	
	F	M	F	M	F	M	F	M
Total	45.4	54.6	44.9	55.1	45.3	54.7	45.0	55.0
Employers	19.9	80.1	19.8	80.2	17.7	82.3	20.6	79.4
Private employees	42.7	57.3	41.5	58.5	43.4	56.6	44.8	55.2
Public employees	36.3	63.7	37.3	62.7	38.0	62.0	39.4	60.6
Own-account workers	29.7	70.3	29.5	70.5	28.8	71.2	28.8	71.2
Unpaid family workers	68.2	31.8	69.4	30.6	67.7	32.3	66.4	33.6

Source: NSO, *Labor Force Survey* conducted August, 1995-1998.

Table 4 Percentage of Female and Male Labor Force by Work Status on August, 1995-1998.

Work Status	1995		1996		1997		1998	
	F	M	F	M	F	M	F	M
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Employers	1.3	4.3	1.1	3.7	0.9	3.4	1.2	3.7
Private employees	26.6	29.7	28.3	32.5	29.1	31.5	28.0	28.3
Public employees	6.0	8.8	6.0	8.2	6.2	8.3	7.4	9.3
Own-account workers	19.9	39.3	20.4	39.7	19.0	39.0	20.0	40.6
Unpaid family workers	46.2	18.0	44.3	15.9	44.8	17.7	43.4	18.0

Sources: NSO, *Labor Force Survey* conducted August, 1995-1998.

Table 5 Percentage of Female and Male Labor Force by Occupation on August, 1995-1998.

Occupation	1995		1996		1997		1998	
	F	M	F	M	F	M	F	M
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Professional	5.7	4.3	5.7	4.1	6.4	4.4	7.0	4.6
Administrative	0.9	3.3	1.1	3.5	1.1	3.5	1.2	3.6
Clerical	4.8	3.2	4.6	3.2	4.9	3.0	5.2	3.0
Sales	14.9	8.1	15.4	8.6	15.4	8.8	16.7	9.1
Farmers	53.3	50.9	51.6	48.8	51.4	49.6	49.9	52.1
Transportation	0.4	7.0	0.4	6.7	0.3	6.7	0.5	6.3
Crafts Laborers	15.4	19.2	15.7	21.5	15.3	19.6	14.2	17.0
Services	4.5	3.9	5.5	3.6	5.1	4.2	5.3	4.2
Others	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0

Source: NSO, *Labor Force Survey* conducted August, 1995-1998.

Table 6 Percentage of Labor Force by Industry on August, 1995-1998.

Occupation	1995		1996		1997		1998	
	F	M	F	M	F	M	F	M
Total	45.4	54.6	44.9	55.1	45.3	54.7	45.0	55.0
Professional	52.5	47.5	53.3	46.7	54.4	45.6	55.8	44.2
Administrative	19.3	80.7	21.2	78.8	20.4	79.6	21.6	78.4
Clerical	55.4	44.6	54.0	46.0	57.0	43.0	58.5	41.5
Sales	60.4	39.6	59.2	40.8	59.2	40.8	60.0	40.0
Farmers	46.5	53.5	46.3	53.7	46.2	53.8	43.9	56.1
Transportation	4.2	95.8	5.0	95.0	3.5	96.5	5.7	94.3
Crafts Laborers	40.1	59.9	37.3	62.7	39.4	60.6	40.5	59.5
Services	49.0	51.0	55.5	44.5	50.3	49.7	50.7	49.3
Others	31.5	68.5	84.6	15.4	64.4	35.6	94.2	5.8

Source: NSO, *Labor Force Survey*, conducted August, 1995-1998.

Table 7 Employed Persons by Work Status, Education, and Sex in 1987. (in thousands)

	Employer	Private Employee	Public Employee	State Enterprise Employee	Own Account Worker	Unpaid Family Worker	Total
Female	101.9	2,490.3	588.5	56.2	2,431.4	6,502.8	12,171.0
Less than Primary	69.9	1,473.5	51.2	15.3	2,127.7	4,743.7	8,481.3
Primary	8.0	496.4	13.5	-	174.6	1,430.8	2,123.2
Lower Secondary	13.2	148.4	46.3	3.5	70.6	178.3	460.3
Upper Secondary	5.2	211.1	106.7	11.5	37.5	86.1	458.1
College	5.2	151.9	369.5	25.9	13.8	53.2	619.6
Unknown	0.4	8.9	1.3	-	7.1	10.7	28.4
Male	258.5	3,115.3	1,030.3	255.8	6,198.8	3,526.5	14,385.2
Less than Primary	158.2	1,765.2	221.1	71.0	5,471.5	1,556.8	9,243.7
Primary	20.5	611.6	57.5	30.3	318.8	1,366.8	2,405.5
Lower Secondary	37.7	297.4	214.2	48.2	236.9	320.1	1,154.4
Upper Secondary	21.7	273.1	151.6	53.9	97.6	198.6	796.4
College	15.8	150.2	383.5	51.0	45.8	82.1	728.3
Unknown	4.7	17.9	2.4	1.5	28.3	2.2	56.9
Total	360.4	5,605.6	1,618.8	312.0	8,630.2	10,029.3	26,556.3
Less than Primary	228.1	3,238.7	272.3	86.3	7,599.2	6,300.4	17,725.0
Primary	28.5	1,108.0	70.9	30.3	493.4	2,797.7	4,528.7
Lower Secondary	50.9	445.8	260.5	51.7	307.5	498.4	1,614.7
Upper Secondary	26.9	484.2	258.4	65.3	135.1	284.6	1,254.5
College	21.0	302.1	753.0	76.9	59.6	135.3	1,348.0
Unknown	5.1	26.9	3.7	1.5	35.3	12.9	85.3

Sources: NSO, *Labor Force Survey* conducted August, 1987. **Note:** Persons aged 15 years and above.

Table 8 Employed Persons by Work Status, Education, and Sex in 1997. (in thousands)

	Employer	Private Employee	Public Employee	State Enterprise Employee	Own Account Worker	Unpaid Family Worker	Total
Female	131.9	4,347.5	831.8	90.3	2,836.9	6,699.0	14,937.5
Less than Primary	80.4	1,823.2	59.9	6.5	2,122.1	4,185.9	8,278.0
Primary	16.0	1,048.4	13.9	2.1	384.9	1,784.0	3,249.3
Lower Secondary	12.4	516.2	56.4	8.2	182.8	455.8	1,231.8
Upper Secondary	8.8	444.5	116.0	23.9	84.3	183.7	861.2
College	14.3	514.3	585.6	49.6	61.9	89.4	1,315.1
Unknown	-	0.9	0.0	-	0.9	0.1	2.0
Male	612.7	5,669.4	1,204.6	298.8	7,027.7	3,192.0	18,005.3
Less than Primary	352.8	2,269.7	205.9	50.0	5,364.0	805.4	9,047.8
Primary	55.9	1,545.2	63.7	36.5	847.4	1,591.8	4,140.5
Lower Secondary	75.7	799.0	225.1	49.5	480.6	506.4	2,136.4
Upper Secondary	53.5	533.8	187.8	63.7	232.9	240.7	1,312.4
College	72.8	520.8	522.1	98.6	99.8	47.6	1,361.8
Unknown	1.8	1.0	-	0.5	3.2	0.1	6.5
Total	744.7	10,017.0	2,036.4	389.1	9,864.6	9,891.0	32,942.8
Less than Primary	433.3	4,092.9	265.8	56.5	7,486.0	4,991.2	17,325.8
Primary	72.0	2,593.5	77.7	38.5	1,232.3	3,375.8	7,389.7
Lower Secondary	88.1	1,315.2	281.5	57.8	663.4	962.3	3,368.2
Upper Secondary	62.3	978.3	303.7	87.7	317.2	424.5	2,173.7
College	87.1	1,035.1	1,107.7	148.2	161.7	137.1	2,676.8
Unknown	1.8	1.9	0.0	0.5	4.1	0.2	8.5

Sources: NSO, *Labor Force Survey* conducted August, 1997. **Note:** Persons aged 15 years and above.

Table 9 Employed Persons By Work Status, Education, and Sex in 1998. (in thousands)

	Employer	Private Employee	Public Employee	State Enterprise Employee	Own Account Worker	Unpaid Family Worker	Total
Female	170.3	4,029.4	937.7	124.2	2,880.7	6,238.2	14,380.5
Less than Primary	96.5	1,499.0	68.5	11.6	2,070.1	3,747.0	7,492.8
Primary	25.4	970.9	14.1	5.9	402.0	1,628.1	3,046.3
Lower Secondary	11.1	622.8	58.4	12.0	214.1	526.8	1,445.3
Upper Secondary	13.3	407.4	133.5	28.1	118.8	238.8	939.9
College	24.1	529.1	663.2	66.6	71.7	97.4	1,452.0
Unknown	-	0.2	-	-	4.0	0.0	4.2
Male	654.7	4,974.5	1,273.1	357.0	7,133.3	3,162.0	17,554.5
Less than Primary	361.1	1,835.1	205.6	48.6	5,146.5	677.7	8,274.6
Primary	66.5	1,299.1	63.0	34.4	974.2	1,485.8	3,923.0
Lower Secondary	80.4	789.4	237.5	72.4	607.6	629.6	2,417.0
Upper Secondary	71.9	494.2	231.4	76.6	261.5	289.4	1,425.0
College	70.8	551.9	535.6	125.0	140.6	79.4	1,503.3
Unknown	4.0	4.8	-	-	2.8	0.1	11.7
Total	825.0	9,003.9	2,210.7	481.2	10,013.9	9,400.1	31,935.0
Less than Primary	457.6	3,334.1	274.2	60.2	7,216.6	4,424.7	15,767.4
Primary	91.9	2,270.0	77.0	40.3	1,376.2	3,113.9	6,969.3
Lower Secondary	91.5	1,412.2	295.9	84.5	821.7	1,156.5	3,862.2
Upper Secondary	85.2	901.6	364.8	104.7	380.2	528.2	2,364.8
College	94.9	1,081.0	1,198.8	191.5	212.3	176.7	2,955.3
Unknown	4.0	5.0	-	-	6.8	0.1	15.9

Sources: NSO, *Labor Force Survey* conducted August, 1998. **Note:** Persons aged 15 years and above.

Table 10 Increment Employed Persons By Work Status, Education, and Sex in 1998-1987. (in thousands)

	Employer	Private Employee	Public Employee	State Enterprise Employee	Own Account Worker	Unpaid Family Worker	Total
Female	68.4	1,539.1	349.2	68.0	449.3	(264.6)	2,209.4
Less than Primary	26.7	25.6	17.3	(3.7)	(57.6)	(996.7)	(988.4)
Primary	17.4	474.5	0.6	5.9	227.4	197.3	923.0
Lower Secondary	(2.2)	474.4	12.1	8.6	143.6	348.6	985.0
Upper Secondary	8.1	196.3	26.7	16.6	81.3	152.8	481.7
College	18.9	377.1	293.7	40.7	57.9	44.2	832.4
Unknown	(0.4)	(8.7)	(1.3)	-	(3.1)	(10.7)	(24.2)
Male	396.2	1,859.2	242.8	101.2	934.4	(364.5)	3,169.3
Less than Primary	202.9	69.9	(15.5)	(22.5)	(325.0)	(879.0)	(969.1)
Primary	46.0	687.5	5.5	4.1	655.5	119.0	1,517.6
Lower Secondary	42.7	492.1	23.4	24.2	370.7	309.5	1,262.5
Upper Secondary	50.2	221.1	79.8	22.8	163.9	90.8	628.6
College	55.0	401.7	152.1	74.0	94.8	(2.7)	774.9
Unknown	(0.7)	(13.1)	(2.4)	(1.5)	(25.4)	(2.1)	(45.2)
Total	464.6	3,398.3	592.0	169.2	1,383.7	(629.1)	5,378.7
Less than Primary	229.5	95.4	1.9	(26.1)	(382.6)	(1,875.7)	(1,957.6)
Primary	63.4	1,162.0	6.1	10.0	882.8	316.2	2,440.6
Lower Secondary	40.5	966.4	35.4	32.8	514.2	658.1	2,247.5
Upper Secondary	58.3	417.4	106.5	39.3	245.1	243.6	1,110.3
College	73.9	778.9	445.7	114.7	152.7	41.4	1,607.3
Unknown	(1.2)	(21.8)	(3.7)	(1.5)	(28.5)	(12.7)	(69.4)

Sources: NSO, *Labor Force Survey* conducted August, 1998. **Note:** Persons aged 15 years and above.

Table 11 Impacts of Crisis on Employed Persons By Work Status, Education, and Sex in 1998-1997. (in thousands)

	Employer	Private Employee	Public Employee	State Enterprise Employee	Own Account Worker	Unpaid Family Worker	Total
Female	38.4	(318.1)	105.8	33.9	43.8	(460.8)	(557.0)
Less than Primary	16.1	(324.2)	8.6	5.2	(52.0)	(438.8)	(785.2)
Primary	9.3	(77.5)	0.2	3.8	17.1	(155.9)	(203.0)
Lower Secondary	(1.3)	106.6	2.0	3.8	31.3	71.0	213.4
Upper Secondary	4.5	(37.1)	17.5	4.1	34.5	55.1	78.6
College	9.8	14.7	77.7	17.0	9.8	7.9	136.9
Unknown	-	(0.7)	(0.0)	-	3.0	(0.1)	2.2
Male	42.0	(694.9)	68.5	58.2	105.5	(30.0)	(450.8)
Less than Primary	8.2	(434.6)	(0.3)	(1.4)	(217.5)	(127.7)	(773.2)
Primary	10.6	(246.1)	(0.8)	(2.1)	126.9	(106.0)	(217.5)
Lower Secondary	4.6	(9.6)	12.5	22.9	127.0	123.2	280.6
Upper Secondary	18.4	(39.6)	43.6	12.9	28.5	48.6	112.5
College	(2.0)	31.1	13.4	26.4	40.8	31.7	141.5
Unknown	2.1	3.8	-	(0.5)	(0.3)	0.1	5.2
Total	80.4	(1,013.0)	174.3	92.1	149.3	(490.8)	(1,007.8)
Less than Primary	24.3	(758.8)	8.3	3.7	(269.4)	(566.5)	(1,558.4)
Primary	19.9	(323.6)	(0.6)	1.8	144.0	(261.9)	(420.4)
Lower Secondary	3.3	97.0	14.4	26.7	158.3	194.2	494.0
Upper Secondary	22.9	(76.7)	61.1	17.0	63.1	103.8	191.1
College	7.8	45.9	91.1	43.3	50.6	39.7	278.4
Unknown	2.1	3.1	(0.0)	(0.5)	2.7	(0.1)	7.4

Sources: NSO, *Labor Force Survey* conducted August, 1998 **Note:** Persons aged 15 years and above.

**APEC Human Resources Development Working Group
Network on Economic Development**

**Conference on
Linkages Between Paid and Unpaid Work in Human Resource Policy
Hong Kong, China, May 8, 1998**

Australia

by

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- Office of the Status of Women (OSW)
- Affirmative Action Agency (AAA)
- Department of Workplace Relations & Small Business (DEWRSM)
- Human Rights & Equal Opportunity Commission (HREOC)
- Department of Education, Training & Youth Affairs (DETYA))

4. Public Sector Responses

- Linkages between unpaid work and HRD policies
- Issues for women wishing to enter or re e enter the workforce
- Overcoming the barriers:
 - Facilitating conditions
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5. Private Sector Strategies

- Enterprise agreements replacing award regulated work
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1. Context

The total number of women of employable age (15yrs+) in Australia is 7.4 million. Of this total, about half (3.6 million) are in the paid labour force and a further 334,000 are looking for full-time or part-time work (most recent data, ABS, 27/2/98). This represents 43 percent of all employees.

Two-thirds of people not in the labour force are women. Of these, 15 percent are still in the education system or have returned to education. Of the rest, significant numbers would seek work if it were not for constraining reasons, both personal and family. A further group is classified as "discouraged job seeker." This half of the female population will be discussed in more detail below.

While women constitute slightly more than half the population of Australia, only 54 percent participate in the workforce. However, this participation rate is increasing steadily, particularly in part-time work.

The labour force participation of women has steadily increased from 63 percent in 1987 to 70 percent in 1997, although the rate of this increase has progressively leveled off during the 1990s.

2. Paid and Unpaid Work

2.1 Paid Work

Of the women classified as being in the paid labour force, 42.7 percent are part-time or casual employees. Part-time work, including permanent part-time work, is increasingly the paid work position of women. At the same time, 6 percent of employed women held more than one salaried job in 1994, twice as many as in 1981. Women are more likely than men to hold a second paid job in all age groups (Junor, 1998).

2.1.1 Gendered nature of the workforce

The Australian workforce remains highly segregated, with women concentrated in clerical, sales, and personal service occupations (56%). The most significant recent change to this picture is the advances women have made in the professions where they are approaching half the total (48.96%). Management and administration remains an occupational sector dominated by men (75.7%), (ABS, 1998).

2.1.2 Casualization of the workforce

Between 1988 and 1998, the proportion of workers employed on a casual basis has increased from 17.6 percent to 26.9 percent. In 1998, 65.4 percent of part-time employment was on a casual basis, representing a slight drop from 1988. Australia is second only to Spain in the Organization for Economic Cooperation and Development (OECD) countries with its proportion of casualization of the workforce.

However, much of the casual work is long-term. Data from the Australian Workplace Industrial Relations Surveys suggests that the average job tenure for casual employees is just over three years and 16 percent have been working in their current workplace for more than five years.

There were important gender differences in the incidence of casual work. In 1998, 32 percent of women were casual employees, up from 27 percent in 1988. For men, the incidence of casual employment more than doubled over the same period, rising to 22.6 percent in 1998, up from 10.8 percent.

Casual workers are becoming more marginalized. The long periods of time that many workers spend on casual rates is cheap for employers who are not required to pay for annual or sick leave.

2.13 Part-time work and women

According to Australian Bureau of Statistics (ABS) data, the proportion of employees working part-time rose between August 1988 and August 1999 from 19 percent to 28 percent. Three-quarters of part-time workers are women, though this has declined eight percentage points since 1988. For men, there has been a corresponding increase in part-time employment over the same period. The main feature of part-time work for women is their increasing proportion of permanent part-time work. Although this is also a feature of part-time work for men, the rate of growth is not so great.

2.1.4 One possible reason for the changes

The phenomenon of the growth in women's permanent employment, whether in full-time or part-time employment, needs to be explained.

Anne Junor (1998) has found that this growth was driven primarily by employer demand. Contrary to the rhetoric, it had little to do with overcoming the disadvantages of casualization or with meeting workers' needs to "harmonize" careers and family commitments. Employers were seeking both skills and flexibility. Mature-aged women recruited into administrative and customer service jobs brought with them a complex but under-recognized configuration of "articulation work skills."

Junor defines articulation skills to include a combination of information work, emotional labour, and time management. These skills combine the integration of technology with service delivery. The technology provides the information and the service delivery requires interaction with the public. This demands a range of interpersonal skills, including responsiveness and patience, and coping with sometimes hostile reactions. Further, it includes organizational skills, such as the anticipation of problems and bridging gaps; the management of interruptions and of the requirement to do several things at once, as well as remembering personal details and case histories, and an ability to follow up loose ends. (Junor, 1998: 6)

More fundamentally, permanent part-time employment also offered a means of generating additional value through enhanced productivity. This productivity is produced by time flexibilities based on some combination of three measures: an increased span of ordinary time hours, variable rostering, and the averaging of part-time hours over an extended period. In fact, Junor found that permanent part-time employment proved to be a more reliable source of flexibility than either casual or full-time work.

Junor points out that it is also possible to take the argument one step further. By allowing workers (mainly women) sufficient time to continue providing some household and community services outside the market system, part-time employment released the wages system from the full cost of reproducing labour power. It is unlikely that this was in the minds of the employers but it would be welcomed by governments who do not meet the potential demand for childcare, after-school care, etc., or cover for the voluntary services women provide and which would be demanded by full-time workers.

2.1.5 Adverse changes to paid work

Changes in the nature of waged employment are having a differential impact on groups like women, older workers, and people from non-English speaking backgrounds (NESB). Research has shown that these changes are profound and structural and not cyclical (ACIRRT, 1998: 14-23).

Adverse changes include the following characteristics:

Distribution. The distribution of working hours is inequitable and available work is not shared evenly or fairly. While 36 percent of employees are working a "standard" working week of 35-40 hours, some Australians are working excessive hours (32%), some (8%) are not working at all, and others are underemployed.

Duration. Since the mid-1980s, full-time workers have been working longer hours. This is true for all occupations. Furthermore, 20 percent of workers would like to work fewer hours, with managers and professionals being the most unhappy about their excessive hours. These workers are also less likely to

be paid for their overtime. Those workers with more traditional or set structures or who are paid overtime are happier with their hours. Overtime is worked on a regular basis by 27 percent of female employees and 43 percent of male employees. Female employees are more likely than their male counterparts not to be paid for their overtime (46 percent compared to 29 percent). Women are less likely than men to have overtime included in their salary package (Australian Women's Year Book, 1997: 92-3).

These figures have implications for occupational health and safety and are particularly manifested in an increase in stress leave. Among the OECD countries, Australia is second to the United Kingdom in the proportion of its workers regularly working more than 45 hours per week and a full 7 percent work over 60 hours per week.

Precarious employment. Other workers have less predictable work and security of hours. This is a result of the demand by employers for "flexibility." The downsizing of organizations has led to casualization and contracting out of part of the workforce. There has been a steady growth of contracted work and outsourcing. Research shows that contract employees are both undermining workplace standards and are having their own conditions undermined.

Intensity of work. Research conducted in 1995 and 1998 shows clearly that there is an increase in work pace, and tighter management and performance monitoring and control. This, together with workplace under-staffing, is leading to increased stress and decreased ability to balance work and family and social life.

Compensation. In the past, excessive hours of work have been compensated in various ways including overtime, night-time and weekend pay, and time in lieu. These compensations are rapidly being eroded especially by non-union enterprise agreements and individual contracts. There has been a decrease in the value of wages through the weakening of the relationship between hours worked and hours paid and an increase in annualizing salaries and wages.

Unpredictability. Changes relate to both shortening and lengthening working hours according to the needs of the workplace, unscheduled changes in rosters, and unpredictability in hours of work and therefore, for casual employees, in take-home pay. The unpredictable nature of the hours of work makes childcare arrangements extremely difficult and the precarious nature of the take-home pay calls into question whether childcare can be afforded. These factors are adding to the discouragement of women seeking to re-enter the workforce.

The new flexibility of work more often than not suits the employer more than the employee. The implementation is left largely to the discretion of middle managers and supervisors which often works against women workers.

2.1.6 Effects of Changes on Women

The changes outlined affect women directly because they are the group of workers most likely to be in part-time and precarious employment, with consequent lower incomes and less likelihood of benefits such as holiday pay, recreation and sick leave, and superannuation. They are also affected as men work longer, anti-social hours, thus placing even more of the family and childcare responsibilities onto women. With the reduced likelihood of men taking an increasing share of the caregiving responsibilities because of hours worked, the chances of a shift in the culture toward this end is also diminished.

From a woman's point of view, there may be certain stages in her life when she considers part-time work to be desirable (if the family unit can afford to forego a full-time wage). Theoretically, it enables mothers of small and school-age children to balance their family responsibilities, at the same time allowing women to maintain their skills and their position in the workplace. With the changes outlined above, working mothers are faced with serious childcare problems. Childcare providers want a commitment to specific times and hours. Women employees on the other hand, are often not able to give such commitments because of the "flexibility" which has been introduced into their working patterns, but which is determined by the needs of the workplace.

The childcare period is, however, often a temporary period in the full span of a women's working life. If

she has not secured her return to work after a break for childbearing and childcare, she may find that opportunities for re-entry to both the full-time and the part-time workforce have been curtailed and conditions, especially the hours of work, not family-friendly. This will, of course, depend on her skills and the type of industry she is seeking to enter. As we have seen, mature women are in demand in certain industries.

2.1.7 Home-Based Work

The significant developments in information technology (IT) and its relative accessibility, combined with the growth of information-based work, is changing both the nature of work and the place of work. Not all home-based work is based on or is dependent on IT. Some are outworkers, for example, doing piece work for the garment industry, but it is not possible on the ABS data to identify these people. Some may be working in another person's home; they may be concentrated in particular geographic areas; and some may not be willing to provide accurate answers to survey questions.

In 1995, a relatively small proportion of employed people worked most hours at home – 6 percent of employed females and 2 percent of males. A further 16 percent of women and 22 percent of men usually worked some hours at home. The number of women working from home increased from 186,200 to 230,700 during the period 1989 to 1995. Over the same period, the number of men increased from 80,300 to 112,600. Approximately half were own account or self-employed workers or contributing family members (AWYB, 1997: 97)

The occupations of women and men who worked from home differed. Fifty-five percent of women were in clerical occupations and 15 percent were salespersons or personal service workers. In contrast, 34 percent of men were in professional occupations and 22 percent were tradespersons.

2.1.8 Women and SMEs

So far, most of the discussion has focused on an assumption that women are wage workers in large organizations. However, just over 1 million women are employed in small businesses, of whom 313,400 are either employers or own account workers. In 1997, more than half (58%) of Australian businesses were two-operator businesses and 87 percent of these were male-female combinations. Women constitute approximately one-third of all small business owners and this proportion is growing faster than the rate for men. The ABS predicts that by the year 2000 SMEs will be owned mostly by women than men. Almost two-thirds of female-operated businesses have been established in the last five years, compared with half of the male-operated businesses.

Clearly, there are both push and pull factors at work. The flow of women from salaried employment into SMEs either as sole operators, employers, or employees will continue. In addition, women wishing to enter the workforce for the first time, or to re-enter the workforce but finding the opportunities restricted, may contemplate moving into SMEs.

The Australian Bureau of Statistics estimates that SMEs owned by women contribute 10-15 percent of GDP and probably contribute about 20 percent of private sector net employment creation.

The reasons women give for establishing their own business include the desire to escape the demands of large organizations, and to achieve flexible use of their time and thus better balance work and family responsibilities. Other reasons include the opportunity to control the enterprise and personal satisfaction. Many do not think in terms of entrepreneurship and expansion, perhaps for fear that this will increase the demands on their time and energy, and that is the very reason many women left large organizations. Underlying all this is women's responsibilities in the domestic sphere and as caregivers.

While their pre-existing skills are invaluable, the transition from one form of work to the other, and the upgrading of skills in, for example, information technology, and the acquisition of new, more relevant skills, such as business planning and market research, will be needed.

2.2 Unpaid Work

People not in the labour force are separated into categories according to their attachment to the labour force. Some have a close association with the labour force because they want to work and in some cases are looking for available for work. Those people looking or available for work partially satisfy the criteria for being classified as unemployed. They can be considered as having a strong attachment to the labour force.

In September 1997, 53,000 people were actively seeking work, 54 percent were women. In addition, 837,200 wanted to work, were not actively looking for work but were available to start work within four weeks. Seventy-two percent of these were women.

There is a cohort of women who can be described as "discouraged job seekers." Among their reasons for not actively seeking work are that they were considered too young or too old by employers; they lack the necessary education, training, or experience; they have difficulties because of language and ethnic background; and there is either no work in the locality or no jobs at all (Table 1).

Table 1 Main reasons given for not actively seeking work - "Discouraged job seeker."

	F (%)	M (%)	Total (%)
Considered too young or too old by employers	30.1	18.6	48.7
Lacked the necessary schooling, training, or experience	15.4	4.5	19.9
Difficulties because of language and ethnic background	12.2	4.1	16.3
No job in locality or line of work	16.2	10.0	26.2
No jobs at all	4.8	2.6	7.4

ABS, Persons not in the Labour Force, September 1997.

Apart from the discouraged job seeker, other reasons given for not actively looking for work could be labeled "personal reasons" and "family reasons." Personal reasons include own physical health/physical disability/pregnancy, had no need to work, wanting to give others a chance, welfare payments or pension may be affected, and had moved house or were on holidays when the survey was done. However, the overwhelming reason was because people were attending an educational institution (Table 2).

Table 2 Main reasons for not actively seeking work - "Personal Reasons."

	F (%)	M (%)	Total (%)
Own ill-health/physical disability/pregnancy	54.3	47.0	101.3
Attending an educational institution	84.7	87.8	172.5
Had no need to work	25.2	9.1	34.3
Give others a chance	3.4	0.8	4.2
Welfare payments or pension may be affected	8.9	5.4	14.3
Moved house or holidays	11.5	6.1	17.5

ABS, Persons not in the Labour Force, September 1997.

The family reasons for not actively seeking work included the ill health of others than self and other family considerations, but overwhelmingly the reason was childcare (Table 3).

Table 3 Main reasons for not actively seeking work - "Family Reasons."

	F (%)	M (%)	Total (%)
Ill health of others than self	14.5	2.2	16.7
Childcare	200.2	6.2	206.4
Other family considerations	59.2	4.3	63.4

ABS, Persons not in the Labour Force, September 1997.

There is one further consideration. We might call it “degree of commitment.” There are women in unpaid work situations who say they would like to work if all kinds of conditions were met – such as the ones listed above and even if their husbands approved! Their degree of commitment is not clear. These women have been described as having a “marginal attachment to the workforce” but it is very possible that, provided the conditions were met, they would opt for work – possibly part-time work.

2.2.1 Value of Unpaid Work

The ABS measures unpaid household work and volunteer and community work under the “total unpaid work.” These activities constitute the so-called non-market sector which deploys, without pay, a large amount of human labour for the production of goods and services which are directly consumed by households without going through the market. Although these activities are “productive” in the broad sense of the term, they are, with some exceptions, not included within the main production boundary of the System of National Accounts (SNA). They have, however, been recorded in the “satellite” accounts.

A widely accepted principle for determining the scope of total unpaid work is the “third person” or “market replacement” criterion:

“Household production consists of those unpaid activities which are carried on, by and for the members, which activities might be replaced by market goods and paid services, if circumstances such as income, market conditions and personal inclinations permit the service being delegated to someone outside the household group.” (Reid, 1934, 11, quoted in Goldschmidt-Clearmont, L.; *Unpaid Work in the Household*, ILO, 1984).

Using this method, the value of total unpaid work in Australia for 1992 is estimated to have been A\$227.8 billion. This represents an average hourly rate of A\$12.17.

Women were estimated to have contributed about two-thirds of the dollar value of total unpaid work. They also contributed 20 percent of their daily time compared with 10 percent contributed by males.

International comparisons show Australians apparently contributing more to GDP through unpaid work than other nationalities. This may be due to methodological differences in calculations, or it may be due to cultural factors, such as, for example, a high level of home ownership and the predominance of detached housing with gardens.

2.2.2 Voluntary Work

Time spent on voluntary work and care activities includes unpaid voluntary work for community organizations, caring for adults, and doing favours for family and friends outside the household. Time spent per day on voluntary work and care by women was slightly more than for men. For the people who participated in these activities, males spent longer but fewer of them participated.

Both males and females spent a similar amount of time on unpaid voluntary work. Differences between time spent by males and females were evident in caring for adults and helping doing favours. Although fewer males participated in these activities, they spent, on average, more time on both of these activities than females (ABS, 1997: 7).

3. Who Uses the Data

Data produced by the ABS is used by all government departments and by a wide range of academics and businesses. It is considered reliable and the methods by which calculations are made are transparent. The list given below is indicative only.

3.1 Australia Bureau of Statistics (ABS)

The ABS itself uses the data it collects. The Time-Use Survey shows how people allocate their time to activities such as paid and unpaid work and allows for analysis of such issues as gender equality, caregiving, and balancing family and paid work responsibilities.

The ABS says that patterns of time use have assumed increasing importance as a means to measure the productive value of households as economic units. The data collected by the latest survey (1997) will be used by the ABS to derive a monetary value for all forms of unpaid work to update measures that assist analysis of the national accounts for the household sector.

3.2 Office of the Status of Women (OSW)

OSW is responsible for monitoring the development of government policy to ensure that it does not adversely affect women. The Office, in partnership with the ABS, annually publishes the *Australia Women's Year Book (AWYB)*. The latest issue was in May 1997. The year book looks at women's position across a broad range of areas including employment, income and income support, and women's role in voluntary work, as well as living arrangements, health, housing, education, employment, crime and justice, and decision-making. Data is included wherever possible, to allow for monitoring the progress of women over time. Comparative data for women and men are presented following international guidelines. It is recognized that comprehensive, accurate, and up-to-date statistics are essential if government is to develop economic and social policy that meets women's needs.

3.3 Affirmative Action Agency

The Agency was established to administer the Affirmative Action (Equal Employment Opportunity for Women) Act 1986. Its main functions are to provide advice and assist employers on the development and implementation of affirmative action programs; monitor the position of women in the labour force and promote an understanding of affirmative action through community awareness and educational programs.

3.4 Department of Employment, Workplace Relations and Small Business (DEWRSB)

Within this department, there is a Work and Family Unit which provides advice and assistance to individuals and organizations who have an interest in getting work and family initiatives on the work agenda. The unit produces a range of publications including on each of the features which make up family friendly workplaces.

Since 1992, DEWRSB, in conjunction with the daily newspaper, *the Australian Financial Review*, has made awards to public and private sector organizations for family friendly workplaces.

3.5 Human Rights and Equal Opportunity Commission (HREOC)

As well as investigating and conciliating complaints of discrimination, HREOC also monitors the effects of legislation and other societal changes on women and other groups. Its Flexible Working Hours and Women Project produced *Stretching Flexibility: Enterprise Bargaining, Women Workers and Changes to Working Hours* in October 1996.

3.6 Department of Education, Training and Youth Affairs (DETYA)

There is a decreasing number of women participating in vocational education and training. To address this issue, the National Strategy for Women's Vocational Education and Training was developed to set "a direction for governments, industry and training providers to ensure that the needs of women are consistently addressed as a priority in policy making, planning, resourcing, implementing and monitoring vocational education and training." The Strategy advocates the sensitive and consistent use of Recognition of Prior Learning (Ministerial Council on Education, Employment, Training and Youth Affairs Vocational Education, Employment and Training Women's Taskforce, 1996: 16).

The Australian National Training Authority (ANTA) has funded a wide range of projects in 1997-98 to support the Strategy. Innovative aspects of the programs include customized learning materials, supported self-directed learning groups, on-farm networking and after hours access to support services.

The Small Business Professional Development (Best Practice) Program is a Commonwealth-funded, State and Territory operated program concerned with the development of a better and more widespread training capacity within small business. It was begun in 1995-96 and has been piloting various approaches, including mentoring.

4. Impact on Public Policies

4.1 Linkages between unpaid work and HRD Policy

When considering preparation of unemployed women for the workforce, the following cohorts must be taken into account:

- Those who have never worked – unfortunately a large number of youth and now even second generation members of families;
- Those who have been made redundant in industry restructuring; and
- Women who wish to re-enter the workforce following temporary withdrawal due to childbearing or other family responsibilities.

Almost one-quarter of women re-entering the labour force have not had a job for 10 years or more. A further third have been out of the workforce for five to nine years. Eighty percent of women seeking to enter the labour force were employed while the remainder were looking for work. The likelihood of being employed decreased as the length of time since their last employment increased.

4.2 Issues for Women wishing to enter or re-enter the workforce

It is clear from the discussion above that issues affecting women's entry into the workforce are much wider than their skills and training needs. The changes to the nature of work and the nature of the workplace which have been set in train in the past two decades, as well as a decline in family incomes and the increase in the cost of childcare are perhaps the most critical factors.

Women who have been out of the workforce for five years or more are likely to be not only out-of-date with work-place practices, but may also need to upgrade their information technology skills. In addition, they may suffer a loss of confidence and uncertainty because of their isolation from these changes.

4.3 Overcoming the Barriers

Methods used for overcoming barriers for women's participation in the paid workforce can be generalized as "facilitating" or "enabling" conditions. These conditions also affect women's ability to participate in education and training programs.

4.3.1 Facilitating conditions

- Mobility
- Cost of transport and courses
- Appropriate courses
- Suitable times and locations of courses

Women in business or wishing to move into business either as an employee or on their own account recognize the need to upgrade their skills or that they need new skills. Berrerra and Robertson (1996: 52) list the areas of training most often requested by women to include financial management, business planning, marketing and promotion, management experience, self-confidence building, and industrial relations.

Recent research conducted by the author on the Business Training Needs of Rural Women in the state of Victoria arrived at very similar conclusions. Rural women wanted "business development skills", such as marketing, financial planning, business planning, productivity enhancement, and leadership and negotiation skills; and "core business skills" such as computer skills, budgeting, practical farming topics, bookkeeping, accounting, and personnel management, in that order (McKay and Christie, 1999: 20).

Since courses of these kinds are provided by a wide network of Technical and Further Education (TAFE) Colleges, the question must be asked why women have not increased their participation in these courses in recent years despite an increase in resources devoted by governments to them. Still and Timms (1997: 36) have identified several barriers to women's participation:

- courses are perceived to be male dominated
- entry criteria are restrictive and
- timing of courses conflicts with women's caregiving responsibilities.

In addition, Still and Timms found that information about government training and assistance programs is too fragmented and requires greater streamlining and proactive marketing strategies.

These researchers found that women prefer training in short, flexible modules which lead to credentials, is relevant to business survival and growth, and which is associated with appropriate follow-up. The provision of training should include women-only groups, women trainers and consultants, visible female role models, networking and mentoring programs, opportunities to learn in groups, and alternatives to TAFE courses for the less academically inclined.

The recent research referred to above concerning rural women once again generally confirmed these findings though rural women were happier to take classes with men perhaps because rural women in Australia are very often better educated than their spouses. Partly because of costs and time taken with travel, and also because TAFE courses are not run if class sizes fall below 15 participants, rural women would like learning materials, including videos, which they could follow with close neighbours and friends (McKay and Christie, 1999: 18-19, 26).

Relevant to this paper are the study provisions which may be in workplace agreements and training programs provided in the workplace. One large finance company (see below) has a good policy on recognition of prior learning and work-based learning which leads to degree accreditation from the University of Technology, Sydney. It also conducts Executive Development and Leadership, Advanced Management Development, Applied Business and Springboard (for women in non-management positions) programs. Women are given overseas experience to increase their potential for promotion to senior management.

4.3.2 Enabling Conditions: Flexibility in the Workplace

In theory, flexible work practices allow organizations to operate effectively and assist employees in effectively managing work and family responsibilities. It also allows employees choice and versatility in ordering their lives. Examples of these work practices are:

- flexible working hours
- part-time work
- job sharing
- career break schemes
- working from home
- part-year employment
- family leave
- parental leave
- childcare and eldercare provisions.

The results of a family-friendly workplace can include:

- a reduction in employee absenteeism, lateness and stress
- greater availability in the workplace for overtime, travel, shift work and training
- increased employee motivation and commitment to the workplace.

These improvements can translate into benefits for the organization or business in the form of:

- increased employee productivity
- reductions in recruitment and training costs as staff retention is increased
- improvements in attendance rates and reduced sick leave costs
- maintenance and enhancement of workplace skill levels
- a motivated workplace with loyal, diligent, and enthusiastic employees
- ability to attract skilled, efficient labour, encompassing a diverse range of workers
- compliance with industrial and anti-discrimination legislation.

5. Private Sector Strategies

Although the public sector is ahead of the private sector in granting the conditions which add up to "family-friendly" workplaces, a combination of factors is driving medium and large firms in this direction. Among these factors are the desire to comply with legal requirements and the costs of compensation.

Under affirmative action legislation, organizations with a workforce above a certain number of employees are required to report annually on their policy and movement toward equity goals. Most conform even though the penalties for non-compliance are minimal. Of greater significance is the possibility of court action under the 1984 Sex Discrimination Act and various state and territory anti-discrimination acts. Dismissal due to family responsibilities may constitute an unlawful action. Liability may also arise in respect of unfair dismissal claims under industrial legislation. For example, in 1993, the Industrial Relations Commission of New South Wales found the dismissal of a woman because of her absence from work for a sick child was "harsh, unreasonable and unjust."

Among other factors pushing firms toward changes in their workplace practices are the changing nature of work with the decline of unskilled labour and the increase in knowledge-based workers in whom an employer may have a lot invested or who would be costly to replace. Some companies are also benefiting from the policies of a new generation of managers who are aware of the increase in productivity (and the reduction of costs) which result from these workplace practices.

5.1 Enterprise agreements replacing award regulated work

Changes have been steadily introduced since the 1980s when workers were persuaded to enter into a "social contract." Wage increases were frozen but workers could negotiate for other advantageous conditions in lieu. Enterprise bargaining agreements were formally introduced in October 1991, not as a new direction but as a continuation of an increasing focus on the workplace, rather than the industry, in wage negotiations. The changes represent a recognition by both employers and employees that strike action was too destructive to livelihoods and that industry could not bear greater demands for improved pay and conditions and remain internationally competitive. Improved pay and conditions had to be traded against increased productivity.

The Workplace Relations Act of 1996 gave this shift to workplace negotiations a considerable push. It also reduced the role of unions in the negotiating process. The Act guarantees a "safety net" of 20 "allowable matters" which preserve fair and enforceable minimum pay and conditions. Other matters which include childcare, flex-time, and home-based work are negotiable. The Act provides a "no disadvantage" test, making the awards and conditions of 1996 the minimum benchmark.

One of the intentions of the Act was to encourage the spread of regular part-time work involving reasonably predictable hours of work and pro rata conditions and allowing a clear distinction from casual employment. The Act also places priority on helping workers to balance their work and family responsibilities and highlights the importance of preventing discrimination, including on the grounds of responsibilities. In addition, workplaces are required to report on enterprise bargaining developments and their impact on women, part-time employees, and immigrants. It acknowledges the application of the 1984 Sex Discrimination Act and ILO Convention 156.

Despite all the time spent in developing agreements, less than a quarter of the women surveyed by HREOC reported any significant changes to the hours, days, or times worked. This was because some of the changes made to working time arrangements were implemented partly or not at all. The lack of implementation suggests that some changes sought by employers are speculative or related to anticipated future arrangements. This means that it is very difficult for workers and unions to tally the cumulative impact of proposed changes. This situation should be monitored over an extended period of time. One of the problems with this is that one of the monitoring authorities, HREOC, has been downsized and another authority, the Australian Industrial Relations Commission which records the certification proceedings, has acted in a mechanical rather than investigative way (HREOC, 1996: 10-11).

5.2 Efficiency and Productivity

Government promotion and the rhetoric of those companies which have espoused a family-friendly workplace claim benefits in efficiency and productivity of family friendly work practices. But there has been no research which gives a comprehensive accounting of these benefits.

Robin Kramar of Macquarie University was commissioned in 1996 by the NSW Department of Industrial Relations to write *The Business Case for a Family Friendly Workplace*. Apart from presenting the arguments, she includes steps by which workplaces may act and simple formulae to show how costs of absenteeism, turnover, training, and performance differences may be calculated (Appendix C).

5.3 Men and Workplace Conditions

Finding a satisfactory balance between the demands of family life and the workplace is not confined to women. The case which follows demonstrates that men, in a male dominated workplace like the railways, have for a long time been able to manage some flexibility in their work practices to accommodate family concerns. From being negotiated informally, these practices have gradually been built into management practice.

A research project into Westrail commissioned by the Work and Family Unit of the Department of Workplace Relations and Small Business collected information on work and family issues from 109 male employees from non-traditional families including sole fathers, non-custodial fathers, and from workers

from non-English speaking backgrounds, Aboriginal and Torres Strait Islander workers, workers with family of origin responsibilities, and those with disabilities.

Westrail provides many family-friendly work conditions including parental leave, flex-time (for administrative positions), adoption leave, bereavement leave, leave for Aboriginal employees to attend meetings convened under the Aboriginal Affairs Act, and an entitlement to attend counseling under the Employee Assistance Program during working time without having pay deducted. Other general work-family entitlements include shift exchange where employees may freely exchange shifts in order to fulfil family responsibilities and an EEO child-care register of facilities to assist employees in placing their children in appropriate care.

Many of the policies, practices, and conventions were developed in response to conflicts that railway workers have always had to contend with in reconciling work and family issues, such as shift work, relocation, and working away from home. Interestingly, the development of some of these policies and practices preceded the development of any formal welfare state (ICAS Pty Ltd: 1995).

5.4 Men and Childcare

In 1992, research was conducted into 84 companies in Victoria and Tasmania concerning childcare. Of the 40,000 respondents, 47 percent were male. Of these, just over half (53%) came from private sector companies. Twenty-four percent of fathers (and 37% of mothers) reported difficulties managing and caring for children (ABS: 1994).

Data collected for the Work and Childcare Advisory Service also clearly showed that fathers were finding work and family to be a juggling act. The findings show that 54 percent of males had difficulties with care arrangements including problems when a child was ill (27%), cost of care (24%), and availability and hours of care (22%). Sixty-eight percent reported some negative impact on work from caregiving responsibilities (compared with 85% of women), caused by lateness for work, leaving early, or interruption during the day because of problems with care arrangements. One-third of men indicated they had to take time off work when under school-age children were sick and 29 percent indicated they would like childcare facilities near their work (Morgan and Charlesworth: 1997).

Although there has been an increase in the number of men availing themselves of family-friendly conditions, especially parental leave and home based work, these conditions still largely benefit women.

5.5 Family Friendly Workplaces

Some workplaces have gone beyond the terms of the Act in their provisions and practices to make their workplace family friendly. (The term "work/life balance" is not yet common in Australia.) These organizations provide examples of best practice and have been acknowledged in national awards, such as that conducted by the Department of Employment, Workplace Relations and Small Business and the *Australian Financial Review* newspaper.

5.6 Case Studies

The following case studies have been selected from the 1998 winners of the awards to illustrate the range of industries in which best practice can be found.

- **Finance**

AMP is a long established mutual benefit society (financial, superannuation, insurance, investment, and management) which in 1997 demutualized and was launched on the Australian Stock Exchange. AMP was the gold award winner in 1998.

Size: 5,633 employees and one-third of the workforce have dependents. Fifty-eight percent of the total workforce is female; its target is 50 percent.

Sites: 60 locations around Australia.

Practices: All the practices listed above in 4.3.2. In 1995, AMP was the first Australian company to offer six weeks paid parental leave for male and female employees and is still one of the few which offers paid parental leave to men.

Outcomes: In 1997, the company had a very high retention of women staff. No senior women left, 11 percent turnover for women was lower than for men, 90 percent of women returned to work from maternity leave. As a result of the 1997 Enterprise Agreement, all employees' remuneration is now packaged. This change resulted in nearly 2,000 "unpackaged" female employees receiving an increase in employer superannuation of 2.5 percent (from 8% to 12.5%). There was a 100 percent increase in flexible jobs.

Home based work is an option which has been in operation for one unit for more than four years. Productivity has increased 20 percent, turnover has dropped, and there have been no resignations in the past year.

The company believes that critical to its success is the commitment of its CEO and senior management to cultural change in general and to increasing diversity in particular. This rhetoric is backed up with action: each business unit has an affirmative action implementation plan and progress is monitored statistically every quarter or half-year.

- **Petroleum Industry**

Mobil Oil Australia Ltd. is a refiner and marketer of a broad range of petroleum products in Australia and the Pacific Islands.

Size: 1,912 employees, 367 females, 1,545 males.

Sites: 23 locations.

Practices: Most of the practices listed above. Known in the company as "Balancing Work and Personal Needs" because not all employees are married or responsible for dependent care.

Outcomes: Retention rates of women beginning parental leave have increased from 42 percent in 1996 to 72 percent in 1997. Both men and women use flexible work times for family reasons. Eleven people have used childcare referral services successfully.

- **Municipal Government**

The City of Melbourne is the capital of the state of Victoria and is a focus for business, international trade, arts, entertainment, and sporting activities.

Size: 968 employees: 481 females and 487 males.

Sites: 18 locations.

Practices: Most of the practices listed above. Provisions include a Baby Room on site, "Keep-in Touch" programs, counseling and health programs.

Outcomes: Staff surveys have revealed on-going concerns about work-family issues which were to be addressed in the following year. Measurement of retention rates, etc. was begun.

• **Professional Services**

Dunhill Madden Butler is a national commercial law firm based in Melbourne.

Size: 28 partners supported by 157 staff, 122 females and 58 males.

Sites: 4 locations.

Practices: Most of the practices listed above. These were introduced in 1996 following the work of a large group of professional employees undertook research and developed the policy. This includes the requirement of the managing partner to monitor and manage the policy.

Outcomes: A number of staff, including partners, use flexible working hours, 16 staff have used special family leave, and there are three job-share secretarial positions.

• **Utilities Provision**

Sydney Water Corporation is the biggest water company in Australia serving more than 3.8 million residential customers and 73,000 businesses.

Size: 4,777 employees, 973 females and 3,804 males.

Sites: 130 Locations in greater Sydney.

Practices: Most of the practices listed above including home-based work on a temporary basis and to address specific needs and tele-working at the discretion of the local business unit and work-based childcare at two locations.

Outcomes: Since these practices came into force in the early 1990s, there have been decreasing levels of absenteeism, the number of employees working part-time has almost doubled, and there is an increasing number of women being employed. Most of these are choosing part-time work. This has occurred at a time when the overall workforce numbers have almost halved.

6. Conclusions

The research done by HREOC (1996) and the Australian Centre for Industrial Relations Research and Training (ACIRRT) (1998) and that done by progressive companies demonstrates the congruence between the desires of workers, both men and women, with regard to their hours, flexibility, and other conditions of work, a company's profitability and the "health" of the workplace.

This raises the question as to why such family friendly practices are not the norm.

6.1 Management

One conclusion is that Australian management culture generally is stuck in outdated and unresponsive work practices. This is confirmed by an Australian Government sponsored study undertaken between 1992 and 1995 which is highly critical of Australian management practices (Industry Task Force on Leadership and Management Skills, "The Karpin Report", 1995.) Ultimately this should be to the detriment of the company as it spends more on labour force replacement costs and inefficiencies caused by absenteeism to cover family responsibilities. Companies have found that the up-front recognition of the worker in a holistic way, for example, having a life and responsibilities beyond the workplace and

making provision for this in workplace practices, actually "buys" greater loyalty and productivity from the worker.

- **Role of Department of Employment Workplace Relations and Small Business (DEWRSB)**

The greatest protection of women workers will be in the maintenance and strengthening of minimum standards, the application of a comprehensive no-disadvantage test of the Workplace Relations Act 1996 and the maintenance and strengthening of consultation requirements.

- **Role of the unions**

The study commissioned by HREOC says that unions have been largely reactive in their approach to enterprise bargaining. Few have developed comprehensive policies which identify employee preferences for flexibility and take a strategic employee-oriented approach to changes to working time (HREOC,1996: 9).

- **Role of the Department of Education, Training and Youth Affairs (DETYA)**

Since VET makes a vital contribution to training and re-training for the workplace, it is essential for women's participation that VET provisions be women friendly. The VET Action Plan for Women is a highly commendable development but its place at the institutional level is fragile. It has not yet been fully embedded in the culture of all individual institutions and thus is constantly under threat by financial cuts.

7. Recommendations to the APEC HRD Working Group

Generally, to develop a broader recognition and understanding of work and employment and to harmonize work and family responsibilities for women and men by:

- putting the issue of unpaid work back on the agenda and acknowledging the current dual burden on women and families, with attendant implications for government provisions such as childcare;
- promoting recognition of the contribution of women's unpaid work to the System of National Accounts and argue a case for policy change such as tax concessions;
- identifying the barriers to women moving back into the workforce;
- arresting women's declining participation in Vocational Education and Training and to inform and improve the provision of VET to overcome the barriers to women's participation and to generally make it more attractive to women;
- promoting the wide range of characteristics which make for family friendly workplaces and the economic benefits of introducing such conditions; and,
- recognizing the contribution to society of voluntary work done by both women and men, its contribution to the strength of civil society, and the effects on participation in voluntary work by excessive pressures in the workplace.

Appendix A: Definitions Relating to Australian Data

The Australian Bureau of Statistics (ABS) is a statutory body whose work is independent of political interference. It is responsible for the national census in all its forms and undertakes commissioned work for the private sector. It is experienced in collecting and analyzing time-use data which is also disaggregated by gender.

Three time-use surveys have been conducted in Australia. After a trial survey in NSW in 1988, a nationwide survey was published in 1992. The next survey was done in 1997 and published in December 1998.

Gender disaggregated statistics continue to be reported and analyzed in annual ABS publications such as the *Year Book Australia* and *Australian Social Trends*.

Definitions

The ABS divides the activities on which people spend their time into four categories or types of time use:

- *Necessary time* - activities which are performed for personal survival, such as sleeping, eating, and personal hygiene;
- *Contracted time* - activities such as paid work and regular education where there are explicit contracts which control the periods of time in which the activities are performed;
- *Committed time* - activities to which a person is committed because of previous social or community interactions such as setting up a household or performing voluntary work and the consequent housework, childcare, shopping, or provision of help to others;
- *Free time* - the amount of time left when the previous three types of time have been taken out of a person's day, which is devoted to social interaction, recreation and leisure.

Other terms of relevance to this study are:

- *Part-time work* - any time less than 35 hours is classified as part-time. Part-time work may be temporary, permanent, or involuntary. In all cases, workers are covered by the terms of the Workplace Relations Act (WRA) 1996. The WRA defines a "regular part-time employee" as someone who works less than full-time ordinary hours, who has reasonably predictable hours of work, and who receives, on a pro rata basis, equivalent pay and conditions to those specified in an award or awards for full-time employees who do the same kind of work. Awards can include a minimum number of consecutive hours the employee may be required to work and provisions for a regular pattern of hours worked, maximum and minimum hours of work for regular part-time employees are not allowable.
- *Casual work* - either part-time or full-time and of a non-tenured nature. None of these workers is entitled to either annual or paid sick leave. Included in the definition for ABS purposes are persons operating their own incorporated business.
- *Contract work* - may be of two kinds:
 - legally binding, fixed term arrangement with an employer with a high degree of certainty about the job duration and conditions. Under the Workplace Relations Act 1996 such an employment contract cannot undermine the appropriate award and the employee must be offered at least the equivalent of the appropriate award;
 - employment through employment agencies where the employee is legally working for the agency who determines the place of work. As employees of the agency, workers are entitled to employee protections under the Workplace Relations Act 1996. This type of work is a growth area in Australia but from a small base.

Appendix B: Social/Economic Safety Nets in Australia

Federal Minimum Wage (FMW)

Australia has a history of almost 100 years of a guaranteed minimum or "basic" wage. In April 1997, the Australian Industrial Relations Commission established a FMW at A\$359.40 per week for full-time adult employees, with proportionate amounts to junior, part-time, and casual employees. The FMW also applied to certain other categories of employees such as apprentices, trainees, and employees under the supported wage system. The FMW is reviewed annually and in April 1998, the FMW was increased to A\$373.40 as a "safety net adjustment."

Data from the 1995 Australian Workplace Industrial Relations Survey shows that safety net adjustments go disproportionately to lower paid workers. However, they are still below the OECD definition of the low paid as less than two-thirds of median earnings. This would be A\$410 per week for full-time employees based on data from the ABS series Weekly Earning of Employees (Distribution).

On the other hand, compared with certain other OECD countries, the ratio of minimum wages to median full-time earnings in Australia (57.8%) is much higher than New Zealand (45.6%), Canada (41.5%) and the United States (38.8%).

Direct Government Assistance

A wide range of social security payments are provided on a means-tested basis by the Commonwealth Government. These cash transfers to the low paid and the unemployed have a large impact on people's standard of living.

Newstart Allowance (unemployment assistance) is paid to people over 21 years of age at the following rates:

Single, no children	A\$325.70
Single, with children	A\$352.30
Partnered, each receive	A\$293.80
Partnered, over 21 years of age with children	A\$293.80

Other forms of assistance include age pensions, Maternity Allowance, Parenting Payment, childcare assistance, educational support payments, and disability payments.

Many of these direct transfer payments are provided to those in paid employment. For example, a typical low-income couple with children will receive the Family Allowance and, if one partner is at home full-time with children, they may receive the Parenting Payment (partnered). The family may be in subsidized government housing but if renting privately, could be eligible for Rent Assistance. The family could also be eligible for a Health Care Card which provides access to various subsidies. A sole parent in low paid employment might receive part rate parenting Payment (single) and if so, will receive the Guardian Allowance, Family Allowance, possible Rent Assistance and a Pensioner Concession Card. Both families will also be eligible for the Family Tax Payment and may receive the Childcare Cash Rebate and Childcare Assistance to reduce the cost of childcare.

Other initiatives to assist individuals and families include the Family Tax Initiative and the Family Tax Payment; a targeted rebate of 18 percent to individuals who make superannuation contributions of up to \$3,000 on behalf of their spouse; a rebate for private health insurance; and the Youth Allowance.

All wage earners and others with taxable incomes must pay a health care levy.

All wage earners must contribute at least 5 percent of their salaries to a superannuation fund and this contribution is matched by their employer. Men over 65 years of age and women over 61 years of age whose income from other sources does not exceed A\$835.60 (US\$557) in the case of single people and A\$1,397.20 (US\$932) in the case of couples, are eligible for an age pension.

The following table shows that wage income units in the lowest quintile receive a significant amount of their income through direct cash benefits. These benefits are means-tested. The table also illustrates the progressive nature of the income tax system. For example, for wage income units in the top quintile, income tax represents 30.9 percent of total cash income compared to only 12.6 percent for wage income units in the bottom quintile.

Table 1 The estimated composition of weekly cash incomes of persons in income units with at least one adult employed full or part-time as a wage and salary earner - average income components, by quintile, May 1999.

Dollars	Private income	Cash transfer income	Total cash income	Income tax	Disposable income	Equivalent disposable income
First (Bottom)	476	125	601	76	525	384
Second	759	54	813	156	657	550
Third	1,000	18	1,018	233	785	733
Fourth	1,176	3	1,179	296	883	955
Fifth (Top)	1,924	2	1,926	595	1,331	1,560
All	1,067	41	1,108	271	837	837

Source: Commissioned STINMOD microsimulation as at May 1999 based on the ABS 1994-95 and 1995-96 Continuous Income and Housing Survey, NATSEM, January 1999.

Appendix C: The Case for Family Friendly Workplaces

Costs of Absenteeism

Kramar quotes a 1993 survey of the Australian workforce which found that:

- working parents take an average of 9.9 days off work per year to care for children;
- about 3.5 of these days were to care for sick children;
- almost one-third of respondents had taken time off in the previous 12 months to care for parents, parent-in-law, a spouse, partner, or other relative.

The costs of absenteeism include:

- cost of paying the employee both wages/salary and other benefits while not producing;
- costs of supervisor's time in managing absenteeism;
- costs associated with overtime, production losses, inefficient material usage.

A simple way of assessing the costs of sick leave is:

Take salary and add employer costs @ 30%. Thus, if an employee on \$30,000pa - divide by 240 days takes 10 days sick leave a year- multiply by number of days absent

$$\frac{\$30,000 + 49,000}{240} = \$1,625 - \text{total} = \text{cost of days absent}$$

The cost of the employee being absent on sick leave is \$1,625 or 4.9% of salary costs (Kramer, 1996: 10).

Costs of turnover

Turnover refers to a voluntary or an involuntary departure from the organization. Costs include separation costs - exit interviews, administrative functions, and separation pay and replacement costs - advertising, selection, and training.

An example of recruiting costs for a junior management post is:

Human resource costs 20 hours @ \$20 per hour	\$ 400
Stationary and copying	\$ 300
Management costs	
- 5 hours shortlisting @ \$50 per hour	\$ 250
- 16 hours interviewing @ \$50 per hour	\$ 800
Advertising in national newspaper and specialist journal	<u>\$3,000</u>
Total	<u>\$4,750</u>

A number of Australian organizations have estimated the costs of replacing staff:

- NRMA (automobile association) estimates that it costs \$48,000 to replace managers, \$29,000 to replace senior specialists, \$21,000 to replace specialists and \$12,000 to replace other staff.
- Westpac Banking Corporation calculated it costs \$40,000 to replace a staff member with eight years experience and \$60,000 to replace a senior manager.
- In 1990, the Australian Manufacturing Councils "Automobile Division estimated the cost of replacing a manager was \$77,000 and the cost of replacing two clerks was \$32,000.

- **Training costs**

When an employee is new to a position, the organization will probably provide formal training away from the job and/or training on-the-job with an experienced employee.

Costs associated with training include:

- overheads including informational and instructional literature;
- instruction under a formal training program; and,
- instruction while on assignment.

Example of training costs:

Cost of training a personal assistant (salary \$30,000) on a five-day in-house training program:

Informational and instructional literature, equipment & material	\$ 200
Premises	\$ 200
Trainer's costs (salary, 35 hrs @ \$30 per hour) divided between 10 trainees on the course	\$ 105
Trainee's costs (salary, 35 hrs @ \$20 per hour)	\$ 700
Temporary cover expenses (average)	<u>\$ 300</u>
Total	<u>\$1,505</u>

When an employee leaves an organization, the benefits of the employee's on-the-job and off-the-job training and education are lost. It is not only the skills which are lost, but the corporate knowledge and an understanding of how work is done in the organization. The banking industry has estimated that it cost \$65,000 - \$80,000, excluding recruitment costs, to retrain a person to the same level of experience as a employee who leaves after 7 to 10 years' experience. Esso Australia assessed the training investment in experienced employees as at least \$100,000 per person.

Performance differences

There are also costs associated with the difference in the work performance of an employee who leaves, compared with his or her replacement who is likely to be less efficient for some time. The time, of course, will vary with past experience, the work expected and the new skills required. The lower performance can also adversely affect the performance of those people dependent on the person's output. An example of the costing of performance difference follows:

A replacement employee earning \$30,000pa is initially 60% efficient (A) and 40% inefficient (A to B) and he/she becomes 100% efficient after one year (C).

Cost of limited work performance = $ABC = 0.5 \times 1 \times 0.4 \times \$30,000 = \$6,000$

(Kramar for NSW Department of Industrial Relations, 1996).

Appendix D Tables

Table 1. Value of Voluntary Work

	1992	1992	1992	1992	1997	1997	1997
Sex/Employment Status	Weekly Hours	Wage Rate	Population	Value of Voluntary Work	Weekly Hours	Wage Rate	Populat
	(hr)	(\$/hr)	('000)	(\$ million)	(hr)	(\$/hr)	('000)
Female	0.7	12.17	6,911.6	3,078.58	0.82	14.03	7,398.5
Male	0.46	12.17	6,699.4	1,960.95	0.7	14.03	7,160.2

Source: DEWRSB.

Methodology: Weekly hours column based on 4153.0 (*How Australians Use Their Time*, page 1). The 1992 wage rate is based on table 5, 5240.0, *Unpaid Work and the Australian Economy - Occasional Paper* (the methodology for calculating the rate was the individual function replacement cost method, which is the ABS preferred method. It involves assigning values to the time spent on unpaid household or voluntary work according to the cost of hiring the market replacement for each individual function). For 1997, 1992 wage rate was multiplied by 15.3% as this was the growth in average weekly earnings over this period. The population data was taken from the ABS PC *Austats Labour Force Database*: annual average population figures were formed from monthly population data. Finally, the value of voluntary work for the years 1997 and 1997, is calculated by hours multiplied by wage rate multiplied by population multiplied by 52.2857 (i.e 366 days/7) for 1992 and 52.14 (365/7) for 1997.

Table 2. Value of Unpaid Household Work

	1992	1992	1992	1992	1997	1997	1997
Sex/Employment Status	Weekly Hours 1992	Wage Rate 1992	Population 1992	Value of Unpaid Household Work	Weekly Hours 1992	Wage Rate 1992	Populat 1992
	(hr)	(\$/hr)	('000)	(\$ million)	(hr)	(\$/hr)	('000)
Female	33.53	11.14	6,911.6	134,983.37	32.55	12.92	7,398.5
Male	16.97	11.14	6,699.4	66,219.5	17.27	12.92	7,160.2

Source: DEWRSB

Methodology: Weekly hours column based on 4153.0 (*How Australians Use Their Time*, page 17). 1992 wage based on figure in table 2 from the 5240.0 *Unpaid Work and the Australian Economy - Occasional Paper* (the methodology for calculating the rate was the individual function replacement cost method, which is discussed in the 5240.0). For 1997, the 1992 wage rate is multiplied by 16% as this was the growth in average weekly earnings for the (broadly comparable) personal and other services sector over this period. The population data was taken from the ABS PC *Austats Labour Force Database*; annual average population figures derived from Monthly population data. Finally, to obtain the value of unpaid household work for those years, hours are multiplied by wage rate population, by 52.2857 (i.e 366 days/7) for 1992 and 52.14 (365/7) for 1997.

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**APEC Human Resources Development Working Group
Network on Economic Development Management**

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**A Gender Perspective in Examining
Linkages Between Paid and Unpaid Work in Indonesia**

by

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1. The Indonesian Setting

The debate on unpaid work, especially done by women, sets rich and poor economies apart. Women in rich economies, who are not gainfully employed are therefore invisible (Gibb, 1998). But they are fighting, with some success, for recognition of housework, care for children, sick, and the elderly, voluntary work, and work in political organizations in their national economies. In poor economies such as Indonesia, most women who join the labour market do so for family or household survival. There is a tendency to maximize labour in poor households and as long as the marginal returns are positive, additional labour continues to be added to a household enterprise. Many women simply help fathers, husbands, other relatives, or even neighbours to keep the family enterprise going, whether in subsistence agriculture, cottage industry, or street vending. In other cases, in exchange for their services, they are given free meals. In either circumstance, they receive no actual payment for their services. Statistically, they are referred to as unpaid family workers.

Even when hailed as one of the East Asian miracle countries (World Bank, 1993) before the economic crisis hit in August 1997, Indonesia's labour market was still predominantly non-formal,¹⁾ absorbed in non-legal based businesses. The introduction of numerous deregulation measures during the 1980s, led to structural changes in the labour market. Reliance on agriculture declined and export-led industrialization increasingly expanded employment opportunities in industry and the services sectors, in legal-based enterprises or otherwise referred to as the formal sector. In the meantime, educational opportunities and achievements expanded and rose, and the better educated wanted, and some were getting, jobs in formal sector enterprises where they were paid salaries or at least regular wages. Consequently, the workforce was formalizing, albeit slowly because of Indonesia's enormous population size, already more than 200 million persons living in an archipelago counting some 13,000 islands across the equator. With the economic crisis, the tides have turned and Indonesian workers are increasingly again forced to rely on non-formal sector activities, the traditional cushion in difficult times.

It is within this dichotomy of formal and non-formal sector workers that we shall examine the linkages between paid and unpaid work. More specifically the purpose of this paper is to examine whether there are linkages between paid and unpaid work and if so, why those linkages have surfaced. More specifically, a gender perspective and urban-rural distinctions will also be reviewed.

The distinction between formal and non-formal sector workers is based on a classification of workers by their status. Following ILO recommendations, workers are statistically differentiated into four categories: self-employed; employers; employees; and (unpaid) family workers. While the formal and non-formal sector dichotomy is all inclusive of the work force,²⁾ in examining the relation between paid and unpaid workers, we prefer to rely on a subset only of those who 'work' for others providing their labour only. Among those working for others, some receive payment while others do not. In this framework, paid workers will be regarded as employees and unpaid workers as unpaid family workers.

Another reason for focusing on unpaid family workers is the gender perspective. As described below, unpaid family workers is a category strongly associated with females. The unpaid family worker status for males is usually a classification given when they are young. When they get older and marry, they are usually categorized as self-employed. Besides, on their part, many women continue to perceive themselves as only "assisting" their husbands (*bantu-bantu suami*, Djamal 1996: 232-250) even when they obviously run the business and their husbands are assisting them. This asymmetrical relation is socially accepted and legally supported. According to the 1974 Marriage Law (*UU Perkawinan No. 1/1974*), men are heads of households responsible for the well being of their families (Article 31:3) while women are wives responsible for household management (Article 34) (Luhulima and Ihromi 1998).

2. Data Sources

Independent Indonesia has a fairly long history of macro population and labour force data collection. In fact, the first macro data collection exercise was the 1958 Labour Force survey. This was followed by the 1961 Population Census and the National Socio-Economic Surveys conducted between 1963 and 1970 by the Central Bureau of Statistics (CBS for *BPS*). After the second Population Census of 1971, the CBS has conducted numerous other population-based surveys such as the intercensal population surveys known as *SUPAS*, national socio-economic surveys known by its acronym *SUSENAS* and labour force surveys commonly referred to as *SAKERNAS*. Population censuses are now conducted once every decade in years ending in zero and the *SUPAS* in years ending in five. As the need for statistical data rises, and especially for current information, so have the frequency of the surveys. Today both the *SUSENAS* and *SAKERNAS* are conducted annually in February and August.³⁾

Early macro labour force analyses during the 1970s focussed on size and trends in composition, including distributions by socio-demographic factors distinguishing groups of population. The size of the labour force was an issue due to changes in definition, classification, and also imputation rules during data processing. All these factors have different implications for women and men (Jones, 1974, 1981; Bukit and Bakir, 1984; Bakir and Manning, 1983; World Bank, 1983; Rucker, 1985; Cremer, 1990). The need to distinguish between 'signal' and 'noise' in the labour force, where 'noise' arises from 'erratic' inclusion of 'unpaid family workers' was proposed by Kornis (1987), who examined a whole range of different data sources. In addition to the earlier findings of variables affecting labour force data, causing different results in the labour force, instruments, sequence of questions, and size or length of instrument, all appear to also have an impact. For that reason the analysis below shall rely on only one series, the *SAKERNAS*.

3. Definitions

In their labour force data collection procedures for the *SAKERNAS*, the CBS claims to have relied on definitions recommended by the ILO. The following definitions for inclusion in the labour force have been used since 1976:

- **Labour force:** Persons of 10 years old and over who were working, temporarily absent from work but having jobs which are categorized as employed, and those who didn't have work but were looking for work..
- **Working:** All persons who worked for pay or assisted others in obtaining pay or profit for the duration of at least one hour during the survey week.⁵⁾
- **Temporarily absent from work, but having jobs :** All persons who had jobs but were temporarily absent from work for some reason during the survey week.
- **Did not have work and looking for work:** All persons who did not have any job but were looking for work during the survey week. This is usually called open unemployment.
- **Work Status:** is the status of a person at the place/establishment where he/she works.
- **Self-employed without assistance of other person(s):** is a person who works at his/her own risk without the assistance of his/her family members or employees.
- **Self-employed assisted by family members or temporary workers.**
- **Employers with permanent workers:** are persons who do their business assisted by paid permanent workers.
- **Employees:** are persons who work for another person or an institution for pay in cash or in kind.
- **Unpaid family workers:** are persons who work **without pay** in an economic enterprise operated by **other members of the family**, relatives, or neighbours.

4. The Context of Indonesian Workers

The following discussion will focus on the period between 1986 and 1997, before the crisis. This time frame is partly dictated by data availability and also by the economic dynamism of the period. Regrettably, the detailed impact of the crisis can not be addressed in this paper as the results of the 1998 *SAKERNAS* are not yet released (at time of writing).

Between 1986 and 1997 the working age population, here defined as 10+, grew from 123 to 157 million persons (Table 1). Females constitute slightly more than half. Overall labour force participation

remained fairly stable, between 57 and 58 percent, rose slightly for males from 70 to 72 percent, but remained constant for females at around 44 percent.⁶⁾ Overall work force participation (percent for the work force over the working age population) also hardly changed, between 55 and 56 percent. Similarly, for males work force participation varied between 68 and 69 percent, and for females the variation was between 42 and 44 percent.

Open unemployment, however, rose faster for females (from 2.6 to 6 percent) than for males (from 2.6 to 4 percent) since the mid-1990s⁷⁾ (Table 2). These numbers were consistent with the prevailing optimism arising from steady rapid economic growth. More people wanted to join the labour market. Even though we agree with Manning (1998) that those with upper secondary education or more and seeking work or waiting for a “better” job were no longer limited to the elite,⁸⁾ they were still hopeful to obtain better paying jobs in the formal sector labour market. Consequently, the proportion of new entrants into the labour market among the openly unemployed rose substantially, overall from 74 to 82 percent, for males somewhat faster (71 to 79 percent) than for females (from 80 to 85 percent). About three-fifths of the unemployed have completed upper secondary schooling or higher.⁹⁾

The general assumption that formal sector employment is preferred over non-formal sector activity also applies to Indonesian workers. A definite preference for paid work¹⁰⁾ was recorded in favour of unpaid family work. Overall the share of paid workers rose from one-fourth to one-third, among males from three to four out of every 10 workers and among females from 2 to 3 out of every 10 workers (Table 3). Unpaid worker status is quickly deserted when an opportunity comes along. Overall the share of unpaid workers declined from three to two-tenths, among males from 16 to 9 percent and among females from 50 to 37 percent.

These data show an inverse relation between the shares of paid and unpaid workers. The relation is, however, not a straight line. It is not true that those not entering or leaving unpaid jobs necessarily become employees. In fact, other trends also occurred over time and these changes are different for males and females. Earlier we said that with age and marital status, men move into the self-employed status. Yet this category also declined for males from 54 to 50 percent, implying the less desirable nature of the status and therefore also to be left when opportunities become available (Table 4). While most became employees, a smaller proportion became employers (0.8 to 2.2 percent). Women remain at least a step behind. Rejection of unpaid work was accompanied by a rise in the share of self-employed among female workers from 30 to 34 percent, and to a lesser extent also among employers, 0.3 to 0.8 percent.

The implications of these trends are clear. When the opportunity arises, not just men but women too will strike out on their own. They start as self-employed, initially relying on family or household labour and eventually possibly expanding, using hired labour. At times though, women are socially considered by others as well as by themselves as subordinate to men. When their businesses grow, they are often taken over by their husbands. By then they either revert back to being unpaid workers or they exit from the labour market to take care of their families.¹¹⁾ Thus, as the economy continued to grow resulting in a growing middle class, the share of women as housekeepers also rose (from 28 to 32 percent, Table 5). This phenomenon had been observed before based on a slanted J-curve, relating education as proxy for social class, with labour force participation. Female labour force participation declines to the lowest point among those with lower secondary schooling and rises rapidly thereafter (Oey-Gardiner, 1991; Rahardjo and Hull, 1984).

Even though no feminization occurred among paid workers over the decade, there was a fairly strong tendency toward feminization among urban paid workers. In other words, paid employment opportunities grew at a similar pace for men and women. Hence the share of women among total paid workers (urban and rural) remained fairly constant at around 30 percent (Table 6). While it is true that among urban paid workers women made significant inroads, in rural areas, women were losing ground. The share of females among urban paid workers rose from 28 to 33 percent, but declined in rural areas from 32 to 29 percent. The decline in the share of females among rural paid workers is attributed to two factors. One was the departure of rural women with potential to enter the formal sector in urban areas, and two, a more rapid increase in rural paid employment opportunities for men.

As men rapidly left unpaid activities, women constituted a rising share among unpaid workers. Overall, the share of women among the total unpaid workers rose from 67 to 71 percent, among urban unpaid workers from 67 to 69 percent, and among rural workers from 67 to 71 percent. This phenomenon is a

function of very different age compositions between male and female unpaid workers. Men perform unpaid work when they are young. Women, especially those with little human capital, are more likely forced to perform unpaid labour throughout their working lives. Consequently most elderly unpaid workers are female.

In sum, as the Indonesian economy grew between 6 to 7 percent per annum from the mid-1980s to before the 1997 financial crisis, workers increasingly were able to obtain paid employment and unpaid work was shunned. The benefits from expanding paid employment opportunities were not only enjoyed by men (30 to 39 percent) but also by women (20 to 29 percent). To take up paid employment they left their unpaid jobs when possible (among men the decline was from 16 to 9 percent and among women from 50 to 36 percent). On the other hand, men were one step ahead of women. Men also left their own 'businesses' where they were self-employed (from 54 to 50 percent). Women, on the other hand, became more independent, establishing their own 'businesses' as self-employed workers (30 to 34 percent). Even though urban paid workers numbered more females, and rural paid workers numbered more males, on average the share of females among paid workers remained fairly stable over the period. On the other hand, women assumed more unpaid work as men abandoned such jobs.

5. Better Educated Workers

The shift from unpaid to paid work occurred as the population and therefore also the work force became better educated. As suggested earlier, unpaid work is to be abandoned for paid work whenever possible. The opportunity to abandon unpaid work comes with education. Due to the size of the Indonesian work force, even during the period of rapid economic growth, paid employment opportunities did not grow as fast as expansion of education opportunities and the output of the system. Paid job seekers exceeded available opportunities. Some of these paid job seekers joined the ranks of unpaid workers while waiting for a 'proper' job to come along.

Rising education is denoted by the percentage of LSS+ (lower secondary schooling or more). Among the total work force this group made up 17 percent in 1986 and 33 percent in 1997 (Table 7). Of course urban workers are much better educated (rising from 43 to 57 percent) than rural workers (from 11 to 21 percent). Males are better educated (21 to 37 percent) than females (11 to 27 percent). The gender gap is narrowing faster than the urban-rural gap. The urban-rural gap for males remained fairly stable at 35 percentage points but widened for females from 26 to 35 percentage points.

As the education of all workers increased, so did the education of paid and unpaid workers. Paid workers are much better educated (rising from 38 to 54 percent) than unpaid workers (only rising from 9 to 21 percent). Over time the education gap between paid and unpaid workers widened (rising from 29 to 33 percentage points between 1986 and 1997).

But that is not where the story ends. As paid employment is more likely available in urban areas, the urban-rural education gap widened more among paid workers than unpaid workers. Among paid workers the urban-rural education gap rose from 28 (55 – 27 percent) to 34 (70 – 36 percent) percentage points while among unpaid workers the rise was only from 28 (36 – 8 percent) to 30 (47 – 17 percent) percentage points.

There was a noticeable gender difference in the education gap between paid and unpaid workers. For males, the education gap between paid and unpaid workers narrowed from 26 (42 – 16 percent) to 22 (55 – 33 percent) percentage points between 1986 and 1997. For females, the education gap widened, from 24 (30 – 6 percent) to 36 (52 – 16 percent) percentage points.

These patterns are the result of different mobility experiences between men and women in moving out of unpaid work into paid work and from rural to urban areas. For both males and females, the education gap between urban and rural paid workers widened. For male paid workers, the urban-rural gap rose from 29 (58 – 29 percent) to 35 (72 – 37 percent) percentage points and for females from 27 (47 – 20 percent) to 35 (68 – 33 percent) percentage points. Among male unpaid workers, however, the urban-rural gap narrowed from 33 (47 – 14 percent) to 30 (58 – 28 percent) percentage points, while for females the gap widened from 25 (30 – 5 percent) to 28 (40 – 12 percent) percentage points. Most striking is the rapidly narrowing education gap between males and females paid workers from 12 (42 – 30 percent) to 3 (55 – 52 percent) percentage points while widening for unpaid workers from 10 (16 – 6 percent) to 17 (33 – 16 percent) percentage points.

What happened within the context of linkages between paid and unpaid work? While education is increasingly necessary to obtain paid employment, it is not sufficient to obtain paid employment as such opportunities lagged behind educational attainment. Paid jobs are more available in urban than in rural areas, and women had relatively greater access to paid employment openings. Following the patterns in East Asian countries, women have benefited disproportionately from export-led industrialization as paid employment became more accessible to the better educated and those willing to brave the urban labour market. Consequently, the education gap between paid and unpaid workers widened, and between urban and rural workers; but the gender gap in education narrowed. As the period was also characterized by different gender mobility dynamics, the education gap between male and female urban paid workers is rapidly narrowing while widening among unpaid workers.

6. Aging Workforce

Earlier statements of preference for educated youth by employers should be set within the context of an aging work force. One of Indonesia's success stories has been fertility control through extensive provision of family planning services. As a result, the population and by extension the workforce is getting older. As the proportion of youth is declining the proportion of older ages has to rise.

The last decade has seen a fairly sharp decline of new entrants into the labour market. The proportion of workers age 10-24 years declined from one-fourth to one-fifth between 1986 and 1997 (Table 8).¹²⁾ Most of the decline occurred among rural workers (from 27 to 21 percent) while the share of new entrants into the urban workforce remained fairly constant at around one-fifth.¹³⁾ By the time of the crisis there was a convergence in the youthfulness of the urban and rural workforce.

The decline of new entrants was also sharper among females (28 to 22 percent) than males (24 to 20 percent) for reasons already mentioned. As the economy grew, so did the middle class. Some women, who regarded themselves as only "helping" their husbands as secondary earners, became housekeepers when the need to contribute to household resources lessened. The opportunity cost of staying home taking better care of their husbands and children outweighed the benefits from unpaid work, especially among rural women. Most of them would have been involved in agriculture. Over time the farmers' terms of trade worsened, rendering unpaid work in agriculture of little value.

A different picture appears from the relation between paid and unpaid workers in regard to age. Paid workers are older than unpaid workers as the share of new entrants is much lower among paid workers. Overall about one-fourth of paid workers are new entrants and the same is true of urban paid workers. As urban workers dominate the overall numbers of paid workers, the slow decline of the youth among rural paid workers has had little effect on the total. Unpaid workers are much more youthful but are slowly aging as the share of new entrants declined from about one-half to around 40 percent, a trend also experienced by rural unpaid workers. Even though not as pronounced because of fluctuations resulting from rural-urban migration, a decline among young unpaid workers in urban areas had also been revealed, albeit at a much slower pace.

These results support our earlier contention that unpaid work is a temporary status and a stepping-stone while waiting for either an opportunity to obtain paid employment, or to strike out on one's own, as self-employed. Paid employment, however, is a status maintained throughout one's working life.

The gender breakdown shows very different patterns and trends. Among paid workers, women are younger than men are, as the share of new entrants is substantially higher among women (about one-third) compared to men (about one-fifth). The gender differences among urban paid workers are even more pronounced (women around 40 and men less than 20 percent) than among rural paid workers (females one-third and males one-fourth). Again this is a function of the relative recent growth in paid employment created by modern businesses concentrated in and around major cities which tend to favour young and educated women.

The opposite pattern has been recorded among unpaid workers. Male unpaid workers are much younger than female unpaid workers are, even though for both an aging process was occurring, and faster for women. In the mid-1980s one-third of female unpaid workers were age 10-24 years, and before the crisis about one-fourth. Among males the decline was only from 80 to 74 percent. Again the aging process is more a rural than an urban phenomenon.

The following observations have been recorded. First, as the overall workforce is “aging” so too are paid and unpaid workers. Second, the aging process, as measured by a decline in the percentage of new entrants, 10-24 years old, is more a rural than an urban phenomenon. Third, as rural workers were younger than urban workers were, there appears a convergence in the share of new entrants between urban and rural workers. Fourth, unpaid workers are much younger than paid workers are. But, as the better educated youth are more likely to obtain paid employment, the avoidance of unpaid work for paid work among youth has also contributed to an age convergence between paid and unpaid workers. Fifth, as women not only avoid or abandon unpaid work for paid work, but also for household responsibility, the decline in the share of young unpaid workers is faster among women than men.

The above analysis has provided some flavour of the complexity of the relationship. This serves as a warning that no simple solutions can solve complex problems, especially not those caused by the economic crisis.

7. The Aftermath of the Crisis

Indonesia is suffering an economic and financial crisis of unprecedented magnitude. After achieving decades of rapid growth¹⁴⁾ and reducing the incidence of poverty from 40.1 percent in 1976 to 11.3 percent in 1996 (BPS, 1996), the economy is now near collapse. Eighteen months after the crisis began, the Indonesian currency has lost more than 70 percent of its value against the US dollar.¹⁵⁾ Inflation has soared to 77.63 percent for the calendar year 1998 (*Suara Pembaruan* February 1, 1999). The economy has swung from rapid growth to even more rapid contraction, and the stock exchange has lost much of its value.¹⁶⁾ Capital and entrepreneurs have fled following racial riots in mid-May 1998. Foreign creditors have withdrawn their funds and practically no new investments have been made. Unfortunately, the crisis was exacerbated by the worst drought in 50 years, and international oil prices registered a sharp decline. Businesses have had to rationalize and open and under-employment is rapidly expanding, leading to widespread poverty. In response a variety of social safety net programs have been introduced.

Mass retrenchments were one of the most widely discussed consequences of the crisis. Starting with construction sector workers in late 1997, as the Rupiah continued to weaken there followed retrenchments in textiles, garments and leather goods, electronics, metal products, automobile and machinery manufacturing. Young and relatively well educated women lost their jobs as a result of closure of numerous factories, especially in the foot-loose and export oriented industries (textiles, garments and leather goods, and electronics). While some returned to their home villages toiling on the land, others tried to make ends meet while staying in the city. Whatever their circumstances, many of these workers are experiencing a downward spiral in their standard of living as prices of goods and services continue to rise.

In early March 1999, the discourse focused on the liquidation of some 30 to 40 private banks and the merger of four state banks, causing massive retrenchments of some 33,000 skilled workers among whom a substantial proportion are women. Most of the financial sector workers are well educated. A good proportion had completed some sort of post-secondary education. During the boom years, when managers were in short supply, bankers were better paid than other occupations. Retrenchment for bankers carried very different meaning from that of factory workers. It can be anticipated that while waiting for another job to come along, these well-educated workers will turn to further invest in their human capital by attending school or other training programs.

7.1 Estimating the Impact on Unemployment

In early 1999, as the impact of the crisis unfolds, disaster and hardship estimates are being questioned. As the crisis wore on, a number of agencies produced estimates, apparently rather exaggerated but in line with the politics of poverty. The Ministry of Manpower (MOM) announced in April 1998 that there were to be 13.4 million unemployed (*Suara Pembaruan*, 4 April 1998). By July the estimate had further escalated to 15.4 million and was feared that it could reach 18-20 million (*Kompas* 21 July 1998). More recently, MOM estimated 13.7 million unemployed for 1998 and 16.86 for 1999 (*Kompas*, 19 February 1999). The National Planning Board (*BAPPENAS*) arrived at 12.4 million for 1998, and the ILO task force claimed 9 million unemployed in 1998 (1998).

7.2 Data Based Measures of the Crisis Impact

Preliminary tabulations from the latest 1998 SAKERNAS show far lower numbers of unemployed. Based on preliminary tabulations for the population 15+,¹⁷⁾ BPS recorded the unemployed to number only 4.2 million persons or 4.7 percent in 1997, and 5.1 million persons or 5.5 percent of the labour force in 1998. In urban areas there was an increase of 3.2 percent and in rural areas 2.4 percent. Women recorded a much stronger increase in the workforce than men, not only in relative but also in absolute terms. The female workforce expanded by 1.4 million persons or 4.2 percent while among males the increase was only 900,000 or 1.7 percent. Fewer women could remain as housekeepers, which declined by almost 700 thousand persons or 2.7 percent between August 1997 and 1998.

Besides unemployment, the impact of the crisis is also reflected by paid workers. Men have borne the brunt of the crisis. Of the net decline in paid workers of 1,472,400 only 33,500 or 2 percent were females. In an economy like Indonesia, the loss of paid employment is of course compensated by a return to unpaid work and also self-employment, basically the categories associated with non-formal sector activities. As the loss of paid employment was more severe among men than women, the rise in unpaid workers and the self-employed was much sharper among men than women. Male unpaid workers expanded by 12.1 percent and female unpaid workers by 6.9 percent. Among the self-employed, males expanded by 6.6 percent and females by 5.5 percent.

In contrast to times of rapid economic growth when people were deserting unpaid jobs for paid employment or housekeeping, in response to the crisis unpaid activities serve as a cushion in facing hardship.

8. Dealing with Poverty

If any notice has been taken of unpaid workers it is in the context of informal sector workers and poverty reduction or amelioration policies. Every now and then it is realized that the informal sector serves as a cushion against hardship experienced by the less well off. More frequently mentioned is the issue of underemployment related to low hours of work, usually referring to those working less than 35 hours a week. As the impact of the crisis has resulted in widespread suffering and expanding poverty due to massive lay-offs, declining purchasing power, and the absence of social safety nets, public responses have focused on developing social safety net programs. These programs are designed to directly deal with poverty and less on human resources development. Thus there have been food distribution programs for the poor known as *sembako*. Then there are four types of labour intensive programs organized by the Minister of Manpower: (1) in urban areas; (2) in rural areas; (3) in forestry; and (4) in skilled programs. While urban programs are basically of the public works type, rural programs have focused on repairs to or improvement of irrigation systems. Under the forestry program, the plan calls for reforestation with mixed cropping. The fourth component is to address the needs of skilled labour, including bankers, a good proportion of whom are women. They are to be trained or integrated into small-scale industries with some credit/capital support schemes. Then there is the program introduced by the coordinating Minister for People's Welfare and Poverty Alleviation, the former Minister for Population and Head of the National Family Planning Coordinating Board, the *KPKU-Prokesra (Kredit Pembangunan Kemitraan Usaha Program Keluarga Sejahtera)*, a small business partnership credit scheme for the family welfare program. The loans extended through this program are very small and usually directed at women who are also the target of the family planning program.

9. Beyond the Crisis: Developing Human Resources

As we are living in the aftermath of the crisis and considering the extent of the poverty problem and the severity of the problems for the poor, it is the needs of the poor that deserve priority attention. Thus the following recommendations focus on training for self-employment and micro-enterprise development, some of which have been forwarded in the ILO report (1998):

1. The neediest should be the focus for poverty alleviation and training for self-employment and micro-enterprise development.

2. Employment and training programs should be selective, carefully targeting poor individual households, household groups, and geographical areas. The programs should include provision for training and technical and marketing assistance, together with credit-based programs for self-employment. Credit should be advanced at near market rates and recourse to subsidy should be avoided to minimize leakage to non-target groups.
3. The Government should resist calls to assist the educated unemployed, particularly university graduates, in establishing small businesses. Experience suggests that fresh university graduates without work experience and networks are not likely to succeed in business and create additional employment.
4. As there is a gender bias in the labour market, it is necessary to have a gender focus in program design and development. Unlike available micro-credit programs directed at women, mostly limited to traditional women's activities, gender stereotyping should be avoided. Gender sensitive projects should take care to identify viable activities and new occupations in growth sectors to diversify women's skills development.
5. An important component of training programs for the poor is the inclusion of literacy training to impart basic cognitive skills that are needed alongside more specialized skills training. The difficulty in training of inexperienced poor for self-employment should not be underestimated; instead special efforts should be built into the design.
6. As the crisis progresses the Government has introduced a variety of social safety net programs, including paid employment creation, credit schemes, and rice distribution. Usually the poor, and poor women in particular, have little access to information. Special efforts should therefore be made within the scheme of these programs to reach poor women.

Table 1 Population, Labour and Work Force by Sex, Indonesia 1986-1997

Year	Pop. 10+ (m)			% Labour Force			% Work Force		
	M	F	T	M	F	T	M	F	T
1986	60.3	62.2	122.5	70.5	44.4	57.3	68.6	43.3	55.8
1987	62.0	63.8	125.9	70.3	44.8	57.4	68.5	43.7	55.9
1988	63.9	65.5	129.4	69.7	45.8	57.6	67.8	44.6	56.0
1989	65.9	67.0	132.9	68.8	45.0	56.8	66.9	43.7	55.2
1990	67.1	68.6	135.7	70.9	44.0	57.3	69.2	42.9	55.9
1991	67.9	69.4	137.3	71.2	43.4	57.1	69.5	42.1	55.7
1992	69.7	71.1	140.8	71.0	44.0	57.3	69.2	42.7	55.8
1993	70.9	72.9	143.8	70.6	43.1	56.6	68.7	41.8	55.1
1994	72.7	75.1	147.8	72.0	44.5	58.0	69.2	42.2	55.5
1996	76.5	77.9	154.4	72.3	44.6	58.3	69.3	42.0	55.5
1997	77.9	79.5	157.4	72.3	44.1	58.0	69.3	41.6	55.3

Sources: Biro Pusat Statistik, *SAKERNAS* for several years.

Notes: Pop. = population; the Labour force consists of the working population or work force and those looking for work or the unemployed; the Work force consists of the working population. In both the % labour force and % work force, the denominator is the working-age population or age 10+.
M = Males, F = Females.

Table 2 Unemployment rates and percentage of new entrants among the unemployed, Indonesia 1986-1997

Year	Unemployment Rates			% New Entrants		
	Males	Females	Total	Males	Females	Total
1986	2.6	2.6	2.6	70.7	79.5	74.2
1987	2.6	2.4	2.6	71.6	81.7	75.4
1988	2.8	2.8	2.8	72.9	81.8	76.8
1989	2.8	2.8	2.8	72.6	82.7	76.7
1990	2.4	2.6	2.5	72.7	80.4	75.9
1991	2.4	2.9	2.6	72.9	81.5	76.6
1992	2.6	2.9	2.7	69.4	81.2	74.4
1993	2.6	3.0	2.8	70.2	82.4	75.3
1994	3.9	5.1	4.4	68.2	75.5	71.6
1996	4.2	6.0	4.9	79.2	85.6	82.2
1997	4.1	5.6	4.7	79.0	85.1	81.8

Sources: Biro Pusat Statistik, *SUSENAS* for several years.

Table 3 Percent Paid and Unpaid Workers of Total Workers by Sex, Indonesia 1986-1997

Year	% Paid Workers			% Unpaid Workers		
	Males	Females	Total	Males	Females	Total
1986	29.6	19.7	25.7	15.8	49.9	29.2
1987	30.5	20.6	26.5	16.3	50.5	29.8
1988	30.3	20.7	26.4	16.9	50.6	30.5
1989	30.6	21.4	26.9	16.7	48.6	29.4
1990	31.1	22.5	27.8	15.7	47.7	28.1
1991	32.5	24.1	29.3	14.4	46.7	26.7
1992	32.3	24.5	29.3	14.3	45.9	26.5
1993	34.1	25.7	30.9	12.9	43.6	24.7
1994	37.2	26.4	33.0	11.4	40.7	22.8
1996	37.9	27.2	33.8	9.0	34.1	18.6
1997	38.9	28.7	35.0	9.2	36.5	19.6

Sources: Biro Pusat Statistik, *SAKERNAS* for several years.

Notes: Paid workers = employees and Unpaid workers = Unpaid Family Workers

Table 4 Percent Employers and Self-employed of Total Workers, Indonesia 1986-1997

Year	% Employers			% Self-employed		
	Males	Females	Total	Males	Females	Total
1986	.8	.3	.6	53.6	29.8	44.2
1987	.8	.4	.6	52.5	28.5	43.0
1988	.9	.3	.7	51.8	28.4	42.4
1989	.9	.3	.7	51.8	29.6	43.0
1990	1.1	.3	.8	52.1	29.4	43.3
1991	1.1	.4	.8	52.0	28.9	43.2
1992	1.1	.4	.8	52.2	29.2	43.3
1993	1.2	.4	.9	51.8	30.2	43.5
1994	1.3	.4	1.0	50.1	32.5	43.3
1996	1.8	.8	1.4	51.4	37.9	46.3
1997	2.2	.8	1.7	49.7	33.9	43.7

Sources: Biro Pusat Statistik, *SAKERNAS* for several years.

Table 5 The share of housekeepers among the working age population by gender and residence, Indonesia 1986-1997

Year	Males			Females			Total		
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total
1986	0.4	0.2	0.2	35.7	25.3	28.1	18.2	12.9	14.4
1987	0.5	0.2	0.3	34.4	24.5	27.3	17.7	12.6	14.0
1988	0.4	0.2	0.3	33.8	23.1	26.2	17.3	11.8	13.4
1989	0.5	0.3	0.4	34.7	23.7	27.0	17.7	12.1	13.8
1990	0.5	0.3	0.4	34.3	26.4	28.8	17.6	13.5	14.8
1991	0.6	0.4	0.5	35.1	27.4	29.9	18.0	14.1	15.4
1992	0.6	0.3	0.4	34.4	27.2	29.6	17.8	13.9	15.2
1993	0.6	0.4	0.5	34.6	27.6	30.3	17.8	14.2	15.4
1994	0.5	0.3	0.4	33.7	27.1	29.4	17.3	14.0	15.2
1996	0.6	0.4	0.5	34.9	28.1	30.6	17.9	14.4	15.7
1997	1.0	0.6	0.8	35.3	30.4	32.3	18.3	15.6	16.7

Sources: Biro Pusat Statistik, *SAKERNAS* for several years.

Table 6 Share of Females among Paid and Unpaid Workers by Residence, Indonesia 1986-1997

Year	Paid Workers			Unpaid Workers		
	Urban	Rural	Total	Urban	Rural	Total
1986	28.0	31.7	30.2	67.0	67.2	67.2
1987	29.4	31.8	30.7	65.5	67.3	67.1
1988	29.9	32.7	31.5	65.4	66.9	66.8
1989	29.8	33.3	31.8	65.0	66.1	66.0
1990	31.2	31.6	31.4	64.8	66.0	65.9
1991	32.0	30.8	31.4	65.9	66.8	66.7
1992	32.3	32.4	32.3	66.7	66.9	66.9
1993	32.4	31.6	32.0	66.9	68.0	67.9
1994	32.4	29.4	30.9	67.5	69.4	69.2
1996	32.0	29.2	30.7	68.7	70.4	70.1
1997	32.8	29.3	31.1	69.3	71.1	70.8

Sources: Biro Pusat Statistik, *SAKERNAS* for several years.

Notes: Paid workers = employees and unpaid workers = Unpaid Family Workers

Table 7 Percent with LSS+ among Paid and Unpaid Workers by Sex and Residence, Indonesia 1986-1997

Status and Year	Males			Females			Total		
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total
Paid Workers									
1986	58.3	29.5	41.8	46.8	20.1	30.3	55.1	26.5	38.3
1987	60.1	28.9	42.7	50.4	19.4	32.2	57.3	25.9	39.5
1988	60.9	30.1	43.6	50.2	20.2	32.4	57.7	26.9	40.1
1989	61.1	30.2	44.0	52.2	22.3	34.5	58.4	27.6	41.0
1990	63.9	30.1	46.1	52.0	21.8	35.9	60.2	27.5	42.9
1991	64.1	32.0	47.7	51.3	24.2	37.8	60.0	29.6	44.6
1992	65.9	32.8	49.2	56.5	23.1	39.6	62.9	29.7	46.1
1993	65.9	31.9	48.7	57.7	24.9	41.4	63.2	29.7	46.4
1994	67.3	32.9	49.6	59.5	27.3	44.0	64.8	31.2	47.9
1996	71.7	37.0	54.9	65.6	30.3	49.7	69.7	35.0	53.3
1997	71.6	37.4	55.1	67.8	32.8	52.3	70.4	36.1	54.3
Unpaid Workers									
1986	47.2	13.6	15.8	29.8	4.6	6.2	35.5	7.5	9.4
1987	44.0	17.5	19.6	27.3	5.8	7.4	33.1	9.6	11.4
1988	46.4	18.1	20.4	30.7	6.3	8.2	36.1	10.2	12.3
1989	51.0	21.0	23.5	32.9	6.9	8.9	39.2	11.7	13.8
1990	50.8	21.2	23.9	29.9	7.4	9.3	37.3	12.1	14.3
1991	52.0	23.8	26.7	32.4	9.1	11.3	39.1	14.0	16.4
1992	51.5	23.5	26.4	31.4	8.5	10.9	38.1	13.5	16.0
1993	52.2	23.4	26.7	33.9	9.0	11.7	40.0	13.6	16.5
1994	51.7	24.8	28.2	34.6	9.9	12.8	40.1	14.5	17.6
1996	60.3	28.5	32.9	40.1	12.0	15.6	46.4	16.9	20.7
1997	58.4	27.9	32.7	40.1	11.9	16.1	46.6	16.5	20.9
Total Workers									
1986	47.6	13.4	20.9	32.5	6.7	11.1	42.6	10.7	17.0
1987	49.0	14.4	22.5	34.5	7.5	12.5	44.0	11.6	18.5
1988	48.8	15.0	23.1	34.6	8.1	13.2	43.8	12.2	19.1
1989	49.5	15.8	23.9	36.6	8.9	14.2	45.0	12.9	20.0
1990	51.8	16.6	25.6	36.9	9.1	15.2	46.6	13.6	21.6
1991	52.7	18.8	28.2	38.0	10.7	17.3	47.6	15.6	24.0
1992	53.0	18.7	28.5	40.1	10.6	17.9	48.4	15.5	24.4
1993	53.9	19.0	29.4	42.1	11.3	19.3	49.7	16.0	25.5
1994	55.0	20.4	31.2	44.2	12.4	21.1	51.2	17.2	27.3
1996	60.1	23.1	35.5	49.0	14.4	24.8	56.2	19.6	31.4
1997	60.3	24.2	36.8	51.2	16.1	27.4	57.0	21.0	33.2

Sources: Biro Pusat Statistik, *SUSENAS* for several years.

Note: LSS+ refers to those who completed/graduated from Lower Secondary School, total of 9 years of schooling.

Table 8 Percent New Entrants of Paid and Unpaid Workers by Sex and Residence, Indonesia 1986-1997

Status and Year	Males			Females			Total		
	U	R	T	U	R	T	U	R	T
Paid Workers									
1986	17.3	25.5	22.0	37.1	36.1	36.5	28.8	28.9	26.4
1987	15.9	25.7	21.3	35.6	34.4	34.9	21.7	28.4	25.5
1988	16.2	25.9	21.6	36.7	33.6	34.9	22.3	28.4	25.8
1989	16.4	25.2	21.3	40.2	32.1	35.9	22.7	28.3	25.9
1990	18.1	26.1	22.3	42.2	34.8	38.5	25.0	28.0	26.6
1991	19.0	25.4	22.3	42.2	34.8	38.5	26.4	28.3	27.4
1992	19.0	25.8	22.4	40.4	32.7	36.5	25.9	28.0	27.0
1993	18.3	24.4	21.4	40.1	32.2	36.1	25.3	26.8	26.1
1994	19.2	25.0	22.2	41.2	33.3	37.4	26.4	27.4	26.9
1996	18.5	24.2	21.3	38.0	30.8	34.8	24.8	26.1	25.4
1997	18.5	23.5	20.9	37.5	29.5	34.0	24.7	25.3	25.0
Unpaid Workers									
1986	68.8	80.8	80.0	31.3	34.3	34.1	43.6	49.5	49.2
1987	63.4	79.6	78.4	30.2	33.0	32.8	41.7	48.2	47.7
1988	63.5	78.7	77.4	32.4	31.7	31.8	43.2	47.3	46.9
1989	60.2	79.1	77.6	29.2	30.6	30.5	40.0	47.1	46.5
1990	67.6	77.9	77.0	31.5	30.2	30.3	44.2	46.4	46.2
1991	64.1	77.0	75.7	30.6	29.8	29.8	42.0	45.5	45.1
1992	65.4	78.5	77.1	30.6	29.5	29.6	42.2	45.7	45.3
1993	68.2	78.0	76.9	30.6	29.5	29.6	42.4	44.6	44.3
1994	65.6	76.0	74.7	32.4	28.1	28.6	43.2	42.8	42.8
1996	65.0	79.2	77.3	30.5	27.2	27.7	41.3	42.7	42.5
1997	62.5	76.1	74.0	27.0	25.3	25.5	37.9	40.0	39.7
Total Workers									
1986	16.3	26.0	23.9	26.3	28.4	28.0	19.7	27.0	25.5
1987	15.6	25.9	23.5	25.1	27.5	27.1	18.9	26.6	24.9
1988	15.6	25.9	23.4	25.6	26.4	26.3	19.1	26.1	24.6
1989	15.2	25.7	23.1	24.7	25.3	25.2	18.5	25.5	23.9
1990	17.2	25.6	23.4	27.5	25.0	25.6	20.8	25.4	24.3
1991	17.5	24.6	22.7	29.2	25.3	26.2	21.6	24.9	24.0
1992	17.3	24.9	22.7	27.5	24.7	25.4	21.0	24.8	23.8
1993	16.9	23.9	21.8	27.7	23.9	24.9	20.7	23.9	23.0
1994	17.5	23.1	21.4	29.0	23.2	24.8	21.6	23.2	22.7
1996	16.3	22.5	20.4	26.4	21.9	23.2	19.9	22.2	21.5
1997	16.5	21.2	19.5	25.4	20.8	22.3	19.7	21.0	20.6

Sources: Biro Pusat Statistik, *SUSENAS* for several years.

Note: New entrants are here defined as those aged 10-24 years.

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NOTES

- 1) Non-formal is used here in contrast to formal, meaning legal. The non-formal sector includes the informal sector associated with urban economic activities.
- 2) It is important to note our distinction between the labour force and the work force. The labour force consists of the work force and those looking for work or the unemployed. The work force consists of only those actually recorded as 'working' during the reference period.
- 3) From the introduction of the *SAKERNAS* in 1976, data was collected on a quarterly basis to capture the effects of the agricultural cycle on labour utilization. As agricultural technology has changed, so has the nature of labour utilization changed. Harvest frequency is no longer a function of seasonality but rather determined by soil quality and inputs, and therefore reducing the need for quarterly data collection. Starting in 1994, *SAKERNAS* data is now collected only annually with a reference month of August.
- 4) As *SUPAS* was conducted in 1995, *SAKERNAS* was not conducted in that year. Because *SUPAS* produces rather different results from other surveys, including *SAKERNAS*, we shall omit data for that year.
- 5) This one-hour reference period has often incited hectic debates (Oey-Gardiner and Suleeman, 1997), but not since the crisis until recently when the over-riding issue is open unemployment.
- 6) This stability among females is contrary to earlier data when comparisons extended from 1961 to the early 1980s, based on various sources. As mentioned earlier, differences in data collection procedures resulted in different records of the labour force. These results, however, led to inferences of continuing rising female labour force participation (BPS 1983), which are today not fulfilled.
- 7) Even though part of the rise may well be a statistical artifact. The rise in unemployment is first recorded in 1994 when data collection for the *SAKERNAS* became annual and was conducted in August, only one to two months after school is out and there is an upsurge of new entrants into the labour force (Table 2).
- 8) As a result of rapidly expanding education opportunities, the less well off were also increasingly benefiting from the available services.
- 9) The poor with little or no education can hardly afford the 'luxury' of being unemployed.
- 10) From here on based on employees.
- 11) As the crisis wears on and women are the responsible party for household welfare, increasingly women have had to return to the labour market, even at poor levels of returns. Women can no longer afford to only be responsible for housekeeping. Instead, increasing numbers of women have had to combine household duties and participating in economic activities, even at very meager returns.
- 12) This decline can not be fully attributed to an aging population. Instead, aging of the workforce is also affected by withdrawal from the workforce by women. Rapid economic growth spurred the rise of housekeepers among women.
- 13) There are three contributing factors to this decline. First is the slowdown in overall population growth resulting from declining fertility affecting the cohort of new entrants. Second, is the withdrawal or non-entrance of young, and particularly rural, mothers whose wage levels are too low to make it worth their while to join the labour market. They are better off taking care of their families as homemakers. Third, urbanization of young women into paid employment in urban areas resulting in constant shares of new entrants among urban workers in general and female workers in particular.
- 14) GDP was growing at 6.1 percent per annum during the 1980s and rose to 7.6 percent during the first half of the 1980s and even reached 7.8 percent in 1996. This high growth has been associated with a structural shift in favour of manufacturing, which grew at an impressive average rate of 10 percent per annum between 1985 and 1995, and accounted for a quarter of the nation's GDP. Indonesia's gross

investment rate rose from 24 to 32 percent of GDP between 1980 and 1996. Domestic savings had also grown to 31 percent of GDP in 1996 (World Bank 1997, Asian Development Bank 1997 and ILO 1996, cited in Islam 1998).

¹⁵⁾ Between July 1997 and July 1998, the exchange rate deteriorated from around Rp.2,400 to Rp.15,300 per US dollar. In late February 1999, the exchange rate was approximately Rp.9,000 to US\$1.

¹⁶⁾ In July 1997, the Jakarta Stock Market Index stood at more than 700. By January 1998 it had reached its lowest point at around 350, and by mid-July it had risen again to 470. In late February 1999 it hovers around 400.

¹⁷⁾ As earlier tabulations were based on the population 10+, these preliminary figures are not comparable to the data used in this paper.