

Better jobs for Asia

From East to West, Asian economies are rapidly transforming, creating jobs for a growing population of young workers. But can working conditions keep pace? IDRC-supported research is building an evidence base that shows creating better job opportunities can go hand in hand with sustaining growth.

Across Asia, employment is abundant. According to the World Bank, in the last decade South Asia alone has created some 800,000 jobs a month. But job quality often leaves much to be desired. As of 2016, of the eight core conventions established by the International Labour Organization (ILO) to protect workers, Myanmar had ratified only three, and India, only four. Bangladesh and Myanmar have set minimum wages, but full-time workers may still earn as little as CA \$80/month.

In South and Southeast Asia, garment factories have drawn millions of agricultural workers from rural areas. In Bangladesh alone, five million people — 85% of them women — work in the sector. Most of Vietnam’s two million garment workers are women under 25 years old. While these manufacturing jobs bring much needed income, labour standards are often disregarded, leaving women and youth especially vulnerable. Countries across Asia are searching for the right mix of rules and incentives to stimulate and support inclusive businesses as a stepping stone to prosperity.

Promoting inclusive growth and fair employment

IDRC is helping Asian research institutions to identify options that will create the conditions for inclusive growth, leading to more and better employment. Supported research focuses on the most vulnerable, enhancing training opportunities for women and youth; identifying the right frameworks to protect workers and improve their conditions; and pinpointing the ingredients for small business success.



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Jobs can transform individual lives and entire societies. New job opportunities for women can raise their aspirations and potential earnings, improve the distribution of resources within families, and build social cohesion.

IDRC also invests in research leadership in the region, so a new generation can help steer decisions that will shape the labour environment in Asia for years to come.

Counting women into the workforce

Women play an increasingly important role in Asian economies, but they are not always able to participate in training programs designed to better equip them for the workplace. For example, rural Pakistan has some of the widest gender gaps in education and employment in the world. The Government of Punjab has designed skills training programs to increase women’s employability, but many women cannot take advantage of them. Through the Growth and Economic Opportunities for Women (GrOW) program, researchers are studying the factors— such as restrictive social norms and unsafe transportation — that keep women from attending. Their research

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will shed light on the cost-effectiveness of training programs and identify interventions most likely to increase enrolment.

Similarly, in northern Bangladesh, researchers from the South Asian Network on Economic Modeling (SANEM) are evaluating an innovative training and job placement program to see what incentives work best in linking rural youth, mostly women, to secure factory jobs. The program, launched four years ago by a local NGO, involves skills



NTU STERN BHR

Bangladesh's booming garment exports — valued at US\$25 billion in 2014 — have fuelled a major expansion in jobs for Bangladeshi women. Exports are expected to double by 2021.

training and a stipend, followed by an internship at a garment factory. Participants receive mentoring and help finding a good job. To date, graduates who received training, a stipend, and mentoring are three times more likely to hold a job (see figure below).

The Delhi-based Institute for Human Development (IHD) spearheads the South Asian Research Network on Labour (SARNET), which tracks and documents South Asian labour conditions through timely reports. The 2016 South Asian Labour Report shows how the varying growth of employment in the manufacturing sector reflects wider economic constraints on

women's employment: only 4.9% of working Nepali women are in manufacturing versus one in four in Sri Lanka, where the garment trade is thriving.

While more women are active in the labour force, their domestic responsibilities have not diminished. These unpaid responsibilities occupy large amounts of women's time, restricting their participation in social, political, and economic life. A global initiative by IDRC and Hewlett Foundation titled "Counting Women's Work" generates evidence on this burden to advocate for change. For India and Vietnam, researchers find that women contribute about half of the Gross

Domestic Product when factoring in their unpaid care at market wages. But, the gender differences remain striking across Asia: In India, women perform about 30% of all market work hours, but they are responsible for 91% of the domestic work. In Vietnam, higher labour participation, lower fertility, and greater gender equality among other factors explain why Vietnamese women perform 45% of all market work and 60% of all unpaid care and housework. In China, another IDRC-funded research seeks to inform public policies through an analysis of the tensions between the country's rapid economic growth and the increased burden on women.

Strengthening frameworks for fair employment

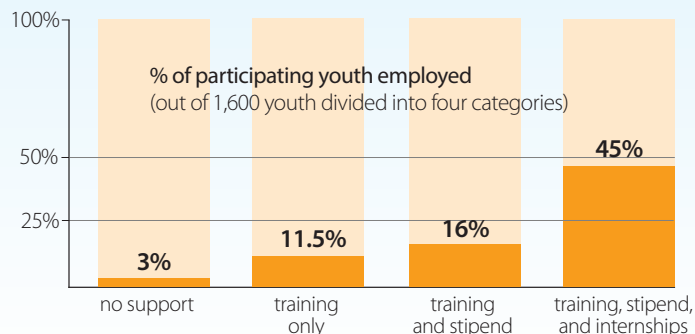
Over recent decades, China has sustained impressive growth, but wage inequalities have widened significantly. Policies to establish minimum wages were introduced in 1994. IDRC-funded research by the Beijing Normal University has found that, over time, increasing minimum wages has served to curb wage inequality, supporting a strategy of inclusive growth pursued by the central government. Compliance with minimum wage rules has risen to 91% of firms, and is strongest in wealthier, coastal provinces, drawing migrants from Western provinces. The



"A necessary step towards increasing women's workforce is to make legal services easily accessible to encourage the use of formal contracts replacing informal modes of running businesses."

Tanika Chakraborty, Assistant Professor, Indian Institute of Technology Kanpur

Training, stipends, and internships combined help young rural Bangladeshis find garment industry jobs



SANEM: Impact of Gana Unnayan Kendra program after 6 months

SOURCE: SANEM (2016)

experience underscores the benefits that have flowed to China from the evolution of global value chains, linking trade, productivity, and higher wages.

According to a report that was produced by IHD with support from IDRC and the International Labour Organization, some 276 million workers in India still live on less than \$2 per day. The 2016 India Labour and Employment Report examines recent progress in formal job creation, wages, and labour conditions in India as the country embarks on regulatory reforms and promotes manufacturing as a means to achieve more and better employment for Indian workers.

The Association of Southeast Asian Nations (ASEAN) includes some of today's most dynamic economies. Since the 1990s, foreign investment and a vast pool of workers have helped Cambodia, Laos, Vietnam, and more recently Myanmar connect with global value chains in garments, electronics, food processing, and other industries. But they have a poor record in the quality of employment. Ensuring that transformation leads to better jobs for growing numbers of youth is a top priority in these countries. In 2015, a regional network led by the Cambodia Development Resource Institute started examining policies and practices in order to upgrade skills and improve working conditions for young, low-skilled workers — mainly women and ethnic minorities. The initiative funds eight studies ranging from gender wage gaps in Laos and Cambodia to minimum wages in Vietnam and Thailand. One of the studies evaluates a housekeeping training program for under privileged youth in Phnom Penh, an initiative with potential for scaling up.

Since 2014, the Yangon-based Centre for Economic and Social Development has provided labour ministry officials and other relevant stakeholders in Myanmar with evidence about the development of fair and efficient labour markets as a basis for inclusive growth. The research includes studies on minimum wages, productivity, and migration; and a new survey on the needs of employers and employees in the garment and food processing sectors. A critical issue for the garment sector in Myanmar is the



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China has moved up the value chain and diversified exports. But for Myanmar, a low-income Asian country, higher value-added exports are unlikely to be a source of jobs for the masses of unemployed youth due to gaps in education.

common use of child labour in factories. With funding from IDRC, an international non-governmental organization called Business for Social Responsibility released a report in May 2016 that highlights challenges, opportunities, and recommended reforms, with a focus on informing international buyers and investors.

Improving working conditions for women remains a critical challenge in Asian factories. To guide future innovations in workers' conditions, a new research project led by Tufts University and the University of Indonesia will study the link between working conditions, well-being, and productivity in Indonesian and Vietnamese garment factories. By comparing female factory workers that participate in a program with better working conditions and those that do not, it will research how female workers' "mindset" influences productivity and well-being. IDRC-funded researchers from the Bangkok-based Asian Institute of Technology are also working to promote gender sensitive policies in garment factories in Thailand, Cambodia, and Myanmar. They will examine how migrant women's working and living conditions at border zones differ from

those in more central locations, and propose improvements to officials, factories, and community leaders.

The private sector also plays a critical role in improving labour conditions. The 2013 collapse of the Rana Plaza factories in Bangladesh prompted international buyers to work with the country's government to improve workers' safety standards. The Centre for Policy Dialogue, funded by the Think Tank Initiative, has closely followed the tragedy, reporting on how the garment industry is responding. In 2016, SANEM launched a report urging the diversification out of the garment industry, with greater investments in better training for skills.



In 2016, IDRC and the Government of Canada announced collaborative research on global value chains to better understand the impact of participation in value chains for growth, development, and job creation in ASEAN. The project involves a consortium of research institutions and practitioners in the region and Canada. IDRC-supported researchers will assess



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Education is essential to future opportunities. In several Asian countries with large youth bulges, investments in training will be needed to equip the next generation for work in more skill intensive sectors.

how participation in value chains can promote employment and better working conditions for workers and small producers of Myanmar, the Philippines, Cambodia, Indonesia, and Vietnam. The project will also aim to establish a network of practitioners to promote best practices for sustainable value chains in foods, garments, and electronics.

Creating a climate of success for entrepreneurs

Most jobs in South Asia are in fact created by workers themselves. Entrepreneurship is much touted as a pillar of growth in ASEAN countries, but they lack evidence on which to base supportive policies. As part of the Global Entrepreneurship Monitor (GEM) initiative, research led by Malaysia's UNIRAZAK (Universiti Tun Abdul Razak) is bridging this gap through a benchmarking exercise that measures how entrepreneurs are emerging in the region. It brings together teams from the Philippines, Indonesia, and Vietnam, and adds the experiences from Thailand and Singapore. Research to date shows that Singapore continues to lead ASEAN in

creating conditions for entrepreneurship, while Vietnam needs to improve financing and education to support business start-ups. Their recommendations underscore the need for more effective business incubators and training to face the competitive challenge of further integration within ASEAN and global markets.

In India, a team of researchers is studying the ways that courts and other institutional barriers prevent small enterprises from entering the market and creating jobs. Based at the Indian Institute of Kanpur, these researchers are also investigating how formal institutions and informal networks distinctively support the decisions of entrepreneurs, including women and marginalized castes, to start or expand their small businesses in India and Bangladesh.

In close collaboration with the Trade Facilitation Office of Canada, IDRC is supporting research to see how small producers in the specialty textile and garment sectors from Bangladesh and Cambodia can be better supported to export their products to Canada. Recognizing their unique traditions of



“According to the Global Entrepreneurship Monitor findings, Indonesian women and men have an equal rate of participation in entrepreneurial activities. The difference is that women’s enterprises tend to have lower aspirations of growth and offer fewer job opportunities for others.”

— Catharina Badra Nawangpalupi,
Associate Professor, Parahyangan University,
Bandung, Indonesia

production, this project moves away from the usual model of high-volume and low-margin exports. It aims to shed light on how these exports can provide employment opportunities for young, female, or ethnic minority entrepreneurs.

Promoting leaders in labour and trade

Despite the importance of labour and trade for the region, Asia has a shortage of specialists in labour research and the link with trade and economic development. To address this gap, IDRC supports training, networking, and publication to advance a research agenda in support of better employment and growth policies. Since 2013, IDRC has funded a training program on labour economics organized jointly by IHD and the ILO. In 2015, the program accepted 30 trainees from South and Southeast Asia. Moreover, IDRC and the Indira Gandhi Institute of Development Research grant graduate fellowships to back a new cohort of Asian economists looking to specialize in labour and industrial policies. In 2016, about a dozen students from across Asia were part of the program.

In 2017, IDRC will foster further opportunities for leadership on trade and labour. The National University of Singapore will launch an executive program for two cohorts of ASEAN leaders to learn about how trade can promote fairer labour and economic opportunities across the region. In Canada, the University of British Columbia's newly created Centre for Southeast Asian Research will launch a series of conferences on ASEAN's business prospects involving Canadian and Asian scholars.

Employment and Growth

International Development Research Centre
PO Box 8500, Ottawa, ON, Canada K1G 3H9
Phone: +1 613-236-6163
Fax: +1 613-657-7749
Email: eg@idrc.ca
www.idrc.ca/en/program/employment-and-growth