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Need to get more women into workforce

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DEPRESSING SCENARIO: Business and non-government sectors lack commitment



Health workers in Pasir Puteh demonstrate a rescue operation. Policies introduced for civil servants should be extended to the private sector.

THE 2010 Asia-Pacific Human Development Report (AHDR) estimates that if women's labour force participation rates were raised to 70 per cent, countries such as Malaysia, India and Indonesia would enjoy between two and four per cent increase in gross domestic product.

Malaysia, in particular, stands to lose US\$4.2 billion (RM13 billion) a year (Asia-Pacific Economic Cooperation, 2011). Can we afford to ignore an average of additional three per cent increase in GDP, especially in a world clouded by economic uncertainty?

According to the Department of Statistics Malaysia, women's rate of participation in the labour force was 46.1 per cent in 2010. This was below the global average of 53 per cent, and East Asia's rate of 67 per cent.

In order to accommodate more women in the workforce, changes to the regulations relating to employment are imperative. In our society, responsibilities, including managing the children, elderly, household chores and household finances, fall on the shoulders of women.

There is a need for policy initiatives which will encourage more women to be employed without compromising the stability of the family institution.

Although several policies to entice women into the workforce are in place, the results are quite depressing. The lack of commitment from both business and non-government sectors is because of the absence of specific legislation, and ignorance of the positive impact on profitability and the economy, particularly the employment multiplier.

In line with efforts to transform Malaysia into a developed nation by 2020, the importance of education has never been neglected. This aspect of capacity building for the development of human capital has been well rewarded.

Statistics indicate that women with tertiary education have increased by almost 50 per cent since 1980. The irony, however, is that labour force participation of women remained at an average of 45 per cent over the same period.

Adding insult to injury, the AHDR reported that women who do work earn only US\$0.42 for every US\$1 earned by men -- the lowest among Asean member states.

The proposal to introduce a minimum wage regime is applauded though the target audience is restricted to unskilled employees, who represent only 18 per cent of women in the labour force. To overcome the gender income disparity, wage rates should be based on quantifiable factors, including level of education, work experience and inflation rate, instead of on perceptions.

The United Nations Millennium Development Goals of 2010 (Malaysia) reported that 48 per cent of women in the 25-39 age group who are outside the labour force cited household responsibilities as the main reason.

Specifically, the exit from labour force for this age group is linked to marriage, child-bearing, and child-rearing. With adequate policies in place, this is avoidable.

Over the years, policies introduced include the National Women Policy, child subsidy, tax exemption for employers to establish childcare centres, and paternity leave. In January last year, the cabinet approved the National Family Policy, and the 2012 Budget was acknowledged as women-friendly to enhance women's economic capabilities, economic security and to reduce dependency on the social safety net.

The bold move of the government in introducing 90 days maternity leave would benefit the 3.7 million women labour force if the policy were extended to all and not restricted to the 1.3 million civil servants.

Having said this, the business community need not be concerned since almost 50 per cent of the women fall outside the fertility age group.

While such policy will not affect the productivity of the nation's input-driven economy, the increase in labour force could contribute to achieving the objective of a productivity-driven economy through innovation and entrepreneurial activities. The rise in women's labour force participation rate will increase double-income households and reduce the poverty level.

Policies introduced for civil servants should be extended to the private sector. This can be accomplished with a revision of the Employment Act 1955 sections 37 to 43, particularly section 37(1)(a), and other relevant employment laws.

Policy initiatives relating to work-life balance, including flexible working hours, working from home and result-oriented performance evaluation instead of hours-worked, need to be implemented immediately, in appropriate economic activities.

In recognition of women's accomplishment in tertiary education since 1980, let's not wait for another generation to achieve 70 per cent women's participation in the labour force and to achieve an additional four per cent GDP growth.