



Fact Sheet No. 6: South and South-East Asia

Economic security exceeds income share

The region encompassing South Asia and South-East Asia has a higher share of economic security than its share of the world's income. This is a notable conclusion of a new ILO report on economic security around the world, which draws on a comprehensive database for more than 100 countries, as well as on special workplace and household surveys looking at the insecurities experienced by workers and their families.

Among the findings in the report that relate specifically to Asian countries are the following:

- The pattern and trends in national economic security in Asia is affected by the differential experience of the two mega-countries, China and India, both of which have experienced higher economic growth in the globalization period and a decline in economic instability. Other countries have experienced lower growth rates, but unlike the rest of the world they have not experienced a great deal more economic instability, even taking account of the Asian crisis of 1997-98.
- The extent of labour market insecurity – lack of employment opportunities – is underestimated in Asia, primarily because a large part of the labour slack that exists in China is unmeasured, consisting of large numbers of workers put on long-term lay-off. Such workers are gradually entering the pool of open unemployed.
- Surplus labour abounds in Chinese enterprises. The situation is particularly pressing in State-owned and collective enterprises. In the ELFS, over two-thirds of such establishments indicated that they did not have enough work for their workforce.
- While women all over the world experience more income insecurity than men, their relative position in Asia is more disadvantaged. Among the main reasons for this is that they often lose a large part of their earnings, taken by relatives, middlemen and others. They are also more likely to experience irregular payments and fluctuating incomes.
- Women in Asian countries are concentrated in some form of informal economic activity – in itself an indicator of various forms of insecurity documented in the report. It also seems that when men move into more formal (protected) jobs they gain more than women making similar

moves, implying that formalization of jobs could widen the inequalities between men and women.

- In terms of relative performance in economic security, as measured by the Economic Security Index (see general press release), a high proportion of Asian countries are in the Much-to-be-Done cluster, that is, having relatively undeveloped policies to promote economic security, having weak institutions to put such policies into effect and having relatively poor outcomes. This is the case even though the region has achieved higher levels of economic security than income, as noted earlier.

Economic Security Clusters in Asian Countries



Legend
Pacesetters
Conventional
Pragmatists
Much to be done

Note: Countries in "white" are not part of the analysis
Source: IFP-SES database, 2004

- In Asian countries, workers in general lack representation security, that is, they do not have access to collective representation and bargaining to protect them in the workplace and in the labour market. In this respect, they are worse off than their counterparts in many other parts of the world. No country in Asia has high representation security, as measured by a national index of representation, and 9 out of the 16 countries surveyed fall into the Much-to-be-Done cluster of countries.
- Women are less likely to occupy senior positions in trade unions in Asian countries than in most other regions of the world, according to evidence



from a review of 61 countries. Thus, women only have 10% of top union managerial positions in Asia, compared with 26% in OECD countries.

- Workers in Asian countries are more inclined to be passive or fatalistic when confronted by labour difficulties than in many other parts of the world. For instance, in China over a third of workers (35%) said they would do nothing if they did not receive their wages, whereas only 14% said they would appeal to a union to take action. In Indonesia, only 21% of workers thought they would be prepared to go on strike in pursuit of their interests.
- Unions in the Philippines, according to a survey of 1,300 industrial enterprises, have been effective in increasing workers' income security. Average wages in unionized firms were three times the level in non-union firms.
- In Bangladesh and Indonesia, women were more likely than men to express a positive attitude to trade unions, and this seemed to apply in the Indian state of Gujarat as well.
- In Asian countries, as shown from the survey data from China and Indonesia, women with higher levels of schooling and in higher-income jobs are much less likely than other women to lose their jobs on becoming pregnant. This is a form of insecurity that is not taken into account in standard measures of inequality. Overall, in China 18% of all women thought a woman would lose her job on becoming pregnant.
- In Asian countries such as China and the Philippines, managers of small-scale firms are more likely than their counterparts in large firms to admit discriminating against women because of the prospect of women taking maternity leave.
- Small is also not necessarily beautiful when it comes to the promotion of skill formation. In Indonesia, in a survey of 2,000 firms, it was found that small firms were less likely to give workers any training. Foreign firms, there and in the Philippines, were the most likely to provide training.

- A phenomenon that is strongly observable in Asian countries covered by the ILO analysis is the non-use of available skills. Given the widespread belief that there is a need for more investment in skills and training, it is notable that large numbers of workers report that they do not use the skills and qualifications in their work. This is more common among women than among men.

Indonesia: Income-earners believing they use their qualifications or skills in their main work, by area, establishment size and work status, by gender (percentage responding "Yes")

Type of area	Using qualifications		Using skills	
	Male	Female	Male	Female
Urban	62.1	41.7	79.6	76.6
Rural	49.2	42.3	68.8	63.6
Establishment size				
	1-5	48.0	37.9	68.9
	6-10	69.7	73.3	79.5
	11-20	79.3	54.5	75.4
	21-50	79.1	55.6	83.7
	51+	76.5	75.0	84.6
Work status				
	Own account	46.9	34.8	69.0
	Wage			
	Private (<5 employees)	43.5	34.1	61.1
	Private (5+ employees)	70.8	58.7	86.7
	Public	80.6	81.0	81.7
	Cooperative	(100.0)	(100.0)	(100.0)

Note: Figures in parentheses are based on fewer than 10 observations.

Source: Indonesia PSS 2001.

- In South Asian countries, workers in wage jobs are relatively unlikely to be working without any form of employment contract. China is a striking exception, since over two-thirds of workers, both men and women, have long-term employment contracts. By contrast, in Bangladesh, only a little over a third of men in wage jobs have such contracts and in Gujarat only a little over 1% of both men and women do so.