Women’s Workforce Participation in Indonesia and Malaysia

A Comparative Analysis with Recommendations for Egypt

Photographs taken by authors in Jakarta and Kuala Lumpur

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Introduction

Nathan Associates has strong ties and a rich history of development work in Egypt and recognizes the specific barriers that women face in terms of economic participation in the country. For Egypt to continue to expand its economy, the country needs to address the challenges to women’s labor force participation and work towards greater gender equality. Nathan Associates is looking to design inclusive economic empowerment programs in Egypt and needs to understand better the factors and programs that could increase women’s labor force participation in Egypt.

Nathan Associates proposed Malaysia and Indonesia as two countries with similar economic structures and cultural contexts that could present some lessons learned for women’s access to the labor market and inform economic growth projects in Egypt. This hypothesis translates into the research project the GWU Capstone Team has conducted in collaboration with Nathan Associates: Women’s workforce participation in Indonesia and Malaysia: a comparative analysis with recommendations for Egypt. Specifically, the research focused on identifying the lessons learned from policies and interventions that support women’s access to and participation in the labor force in Indonesia and Malaysia that could be relevant to the Egyptian context. These were then compiled into an inventory of initiatives.

The research questions to approach this hypothesis focused on the following main themes:

- What factors does Egypt share with Malaysia and Indonesia that offer a possibility of comparison?
- What is the current status of women in Egypt, Malaysia and Indonesia?
- What are the socio-economic, political and cultural factors that constrain or promote women’s access to the labor market in each of the three countries?
- What lessons can be learned from Malaysia and Indonesia?
- What recommendations can be issued to Egypt to improve its female population’s access to and participation in the labor force?

This report summarizes the state of women in the labor force in Malaysia, Indonesia and Egypt, and takes lessons learned from Malaysia and Indonesia into consideration in determining opportunities for action in Egypt. The report is divided into five major sections. First, the team explains the research methodology and personal thoughts on the study. The next section includes country profiles for each country including an overview of the historical backgrounds, economies, and gender laws, with a comparative analysis of the three at the end. The report then delves into an analysis of the current context of women and the labor force in Egypt, Indonesia and Malaysia outlined, noting in detail the barriers, successes and opportunities for women's employment. Finally, the team gives specific recommendations to Egypt in terms of increasing women's access to the labor force, based on a review of the current state of its women and lessons learned from Indonesia and Malaysia.

I. Methodology

In order to answer the research questions of finding comparisons between the three countries and drafting recommendations for Egypt, the team conducted a comprehensive literature review and semi-structured interviews with experts and professionals working on a variety of topics in each of the three countries. First, the team divided the work by country: Virginie Martin-Onraët led research focusing on Indonesia, and Marisa Garcia provided assistance; Rachel Greenley was the leader for research on Malaysia, and Lindsay Pollack provided assistance; Marisa Garcia and Lindsay Pollack focused on the Egypt portion of the research together.

The goal of the research is to determine the main challenges in providing access to the formal labor force to women in Egypt, and to learn what Indonesia and Malaysia have done to address these challenges in their own countries.
A. Literature Review

Once the scope of the research was divided by country, the team employed their research skills to find books, articles, and reports that provided backgrounds on the politics, cultures, economies and other dynamics of each country. Overarching documents regarding women’s rights and economic opportunities that did not focus on a specific country were also consulted. Nathan Associates recommended some of the documents to the team, and the rest were found through the GWU Library, personal contacts and Internet research. The team read multiple reports and drafted a detailed annotated bibliography of the findings.

B. Interviews and Fieldwork

The team identified potential interviewees through Internet research, personal contacts and cold calls. Nathan Associates recommended speaking with a few experts as well. Some of the interviewees also recommended others with expertise on women’s labor force participation with whom to speak. Interviews for Egypt, Indonesia and Malaysia were conducted in Washington, DC and via Skype or phone with experts throughout the United States and those located in Egypt throughout the months of February, March and April. A total of 66 informants were interviewed.

In March, Virginie Martin-Onraët and Marisa Garcia traveled to Jakarta, Indonesia, while Rachel Greenley and Lindsay Pollack traveled to Kuala Lumpur, Malaysia. During ten days in each country, the team set up meetings and interviews with the identified informants. They continued semi-structured interviews to identify programs and initiatives in each country directed towards increasing women’s labor force participation (see Annex C for the inventory of initiatives). The team then conducted a thorough analysis of the information gathered during interviews to write the final report. The major findings of this report are largely based on these interviews, in addition to the literature reviewed (see Annex A for the list of interviewees).

C. Interviews and Analysis Methods

Semi-structured interviews were used as the main tool to gather data. The team came to the conclusion that semi-structured interviews were the optimal tool for gathering qualitative data due to their flexible nature. This tool was able to open space for informants to speak candidly about their views, opinions and experiences on the topic. The team sought out many stakeholders of female labor force participation, all of which held a wide spectrum of expertise. Structured interviews and other tools were viewed to be too confining and would have resulted in a significant decrease in the quality of data gathered.

To provide structure and guidance on the subject under study, the team created a list of questions. When requested and when possible, the team provided this interview instrument to informants before the interview. The list of questions was adapted to the country, position as a stakeholder and the time allotted, but most of the interviews included questions on the perceived roles of women in the country, the main challenges for women to access and grow within the labor market, and local initiatives to improve this access.

In order to respect the time of the informants, the team made an effort to keep an interview at around 45 minutes. The team would often meet informants in their place of work or at a local cafe. At the beginning of the interview, the researchers asked permission to take notes and to audio record the interview in its entirety for their own records and internal use for Nathan Associates. Permission was granted unanimously. The recording device was one of the team member’s iPhones. When possible, the team also took photos of and with the informants.
After all of the interviews had concluded, the team sought to analyze the data collected by means of compiling notes and transcribing audio recordings. Once the consolidation phase was complete, the data was then coded. Team members looked for common themes, contrasts found among the informants, countries and initiatives.

D. Limitations

Economic development is a complex process that must involve a country’s historical, political and cultural contexts. The team does not follow a “one size fits all” theory of development and acknowledges that Malaysia, Indonesia and Egypt are not comparable on many levels. Throughout the research for this report, the team sought to gather substantive information on all of these topics in each of the three countries. Due to the limitations listed herein, however, the scope of the findings may be limited.

Labor Market Definitions. One of the main challenges in this study is that labor force participation is measured differently among different governments and international organizations. The International Labor Organization’s (ILO) definition of labor force participation, for example, refers to “those who are employed and those who are unemployed, taken as a share of total working age population” (ILO 2013). The World Bank defines employment as “participation in an economic activity, which in turn covers all market production (paid work) and certain types of non-market production (unpaid work), including production of goods for own use. It excludes household chores in one’s own household, such as cooking, cleaning, or care for children or elderly members of the household. Labor force participation rates are defined as the number of active persons in the adult population (aged 15-64, or 15 and above)” (World Bank 2013). For ages 15-64 in 2013-2014, the World Bank data (based on ILO estimates) lists Egypt’s rate of female labor force participation as 24 percent. Indonesia’s rate is 51 percent, and Malaysia’s is 44 percent.

Egypt’s Central Agency for Public Mobilisation and Statistics (CAPMAS), however, defines employment as “persons who perform any economic activity for at least one hour during the reference week,” (ILO Capmas Definitions) and “economically inactive” people as “those out on parental or education leave, persons on voluntary leave without pay, persons on indefinite lay-off, discouraged workers no longer seeking jobs, persons engaged in own-production of goods (including subsistence farming) or services (e.g., care work, cooking), and volunteer, career, or conscript members of the armed services.” In a 2012 labor force sample survey, CAPMAS noted that female labor force participation is 23.7 percent (Assaad and Krafft, 2013), consistent with the data from the World Bank.

According to a recent report from the Malaysian Ministry of Women, Family and Community Development (MWFCDF) and the UN Development Programme, however, Malaysia’s labor force participation rate as of 2011 was 47.9 percent (Participation of Women in the Malaysian Labor Force, MWFCDF/UNDP 2014). Different age ranges given by each agency should also account for discrepancies in the numbers.

BPS Statistics, the central bureau of statistics in Indonesia, defines work as the economic activity (at least 1 hour in the past week) performed by a person to gain, or help gain, revenue or profits. These activities include unpaid labor activities that support a business or an economic activity. Despite this specific definition of work, the formal female labor force participation in Indonesia matches the rate calculated by the ILO and the World Bank.

The general consensus among interviewees in all three countries was that women working in the informal sector (those that are not captured in these statistics) make up a significant percentage of the population.

Time Limitations. Because of the research team’s university requirements, this research project spanned from December 2014 through April 2015. The first month consisted of reviewing the literature to examine what experts say about the political and cultural landscapes of each country.
The last month consisted of writing the actual report. Thus, the firsthand research was conducted over two months, which may not be enough time to fully comprehend the best practices, lessons learned and recommendations for each country. The research team also had other educational and employment-related commitments during this time.

Travel Limitations. While the fieldwork took place in Jakarta and Kuala Lumpur, the team was unable to visit rural areas of the countries due to time and security concerns. The team was also unable to travel to Egypt entirely, due to security concerns and travel warnings. The inability to physically experience Egypt (as well as other parts of Indonesia and Malaysia) may contribute to a diminished view of the countries. Additionally, the team may have missed certain initiatives and programs that already exist in Egypt.

Language Limitations. The predominant language of business and commerce in Malaysia is English; however, the local language, Bahasa Malaysia, is predominantly spoken in government and rural areas. In Indonesia, the predominant language is Bahasa Indonesia, with a variety of local and indigenous languages spoken on a smaller scale. Egypt's official language is Arabic. The research team does not possess fluency in any of these languages and did have access to a translator. As such, all reports consulted and interviews conducted were in English. The majority of the interviewees were highly educated and possessed high levels of fluency in English; nonetheless, it certainly would have been beneficial to speak to others in their native languages.

Identifying Interviewees. As described above, the team conducted interviews with experts based on personal research and by referral. The subjects interviewed were not identified at random but were mainly referred to them (snowball sampling). While the interviewees were not found using random sample methodology, taking referrals did increase the team's knowledge. Thus, the team considers this method both a limitation and an advantage.

Diversity of Countries. Malaysia, Indonesia and Egypt are extremely diverse countries. Though they share a common religion, there are myriad historical, social, and economic factors that affect the ways in which women are able to participate in the labor force. Thus, finding common ground between the three has multiple caveats. Still, the research team believes that there are lessons to be learned from Indonesia and Malaysia that can be applied to the Egyptian context, as discussed herein.

II. Personal Thoughts on Research

In the initial stage of the research project, the GWU team had many questions about the feasibility of drawing lessons from initiatives to improve women's labor force participation in Indonesia and Malaysia to formulate recommendations for Egypt. However, as the team gathered more information about each country, it acknowledged that the three countries share more in common than previously thought. As discussed in the next sections of the report, some economic features of Egypt, Indonesia and Malaysia are similar, which help lay out grounds for comparison. Recognizing that the practice and manifestation of Islam in people's daily lives varies in all three countries, as well as any interpretation of it in relation to women's roles, available literature discussing women's economic participation alludes, directly or indirectly, to some barriers that the religion presents to women. The team observed that Egyptian, Indonesian and Malaysian women continue to endure the 'double burden' of market and household work, thereby limiting their full economic potential.

Most interestingly, the team found that the Organization of Islamic Cooperation (OIC), the largest inter-governmental organization after the United Nations, and of which all three countries are members, is tackling issues of women and development. With a membership of 57 states spread over four continents, OIC members work in collaboration to promote tolerance and moderation, modernization, extensive reforms in all spheres of activities including science and technology, education, trade enhancement, and emphasizes good governance and promotion of human rights in the Muslim world, especially with regard to the rights of children, women and the elderly and the family values enshrined by Islam. In 2008 OIC member states adopted the “OIC Plan for
Advancement of Women (OPAAW)*, also referred to as the Cairo Plan of Action for Women, based on recommendations made in the First Ministerial Conference on Women’s Role in Development of OIC States. The OPAAW is an approach towards improving the conditions and status of women and some of its objectives include empowering women at all levels of society, raising their participation in decision-making mechanisms, and eliminating all forms of discrimination. During the 2012 4th Ministerial Conference, held in Jakarta, member states signed the Jakarta Declaration to strengthen women’s economic participation, and included the following recommendations: implementing gender mainstreaming to achieve gender equality, enhancing economic capacity for women through access to productive resources by creating programs to develop their financial literacy, and supporting innovative job creation in areas such as micro, small and medium enterprises (MSMEs) that mostly employ women. The Declaration incorporates the text “Guided by the teachings of Islam which stress the need for taking due care of women and granting them full rights.”

Hence, as the differences among these three countries are obvious and never ending, the particular overlaps are worth to study. Additionally the team found that the reasons behind some of the differences in terms women’s participation in the labor markets can be used as important lessons learned.

“It is not the similarities, but the differences that resemble each other.”
Claude Lévi-Strauss

III. Country Profiles and Comparative Analysis

A. Egypt

Historical Background

To better understand the current status of Egyptian women in the country’s economy and labor force, it is essential to explore the changes they experienced during the transition from a planned economy led by Gamal Abdel Nasser’s regime to private enterprise growth under Anwar Sadat and Hosni Mubarak, third and fourth presidents of Egypt, respectively. The Nasser government (1956-1970) was a “nationalistic military regime” that pursued a kind of “Arab socialism” (Bayat, 2006 cited in Kabeer, 2013) that promoted a strong welfare state, a protectionist industry, and free education, and guaranteed public sector employment for university graduates. The public sector was very large, accounting for approximately 40 percent of the national Gross Domestic Product (GDP) (Kabeer, 2013). Thanks to these policy measures, women were more encouraged to attend university and to join the labor force through public sector jobs. However, the 1960s began to witness a decline in economic productivity and rise in inflation, along with much larger military expenditures, which significantly impacted public savings and began affecting the availability of public sector jobs. In 2012, nearly 50 percent of employed women in Egypt were working in the public sector, yet only 35 percent of employed female new entrants found jobs in this sector in 2013 and 2014 (Assaad, 2015). The percentage of women employed in the public sector was even higher the early 1980s, when it reached over 80 percent for those with secondary education or higher.

The Sadat government (1970-1981) significantly changed the Egyptian political and economic landscape by implementing the Open Door Policy promoting greater economic liberalization, larger private sector role, and more foreign investment. These measures, along with increased revenues from higher oil prices in the 1970s, encouraged the growth of male-dominated non-tradable goods such as construction and services, over labor-intensive manufacturing and agriculture, which employed the majority of women. After the decline of oil prices in the mid 1980s, the International Monetary Fund (IMF) and World Bank intervened in 1991 with its Economic Reform and Structural Adjustment Programme, cutting back the role of the public...
sector as the major employer and promoting greater privatization. This liberalization process impacted women negatively. There were fewer employment opportunities in the public sector, there was a defeminization of nongovernmental jobs, and the wage gap between men and women rose. The deceleration in public sector hiring without a proportionate increase in employment in the private formal sector led to a significant increase of informalization (Assaad, 2002).

**Economy and Women**

Egypt is the most populated country in the Middle East and North Africa region with more than 88 million inhabitants, 43 percent living in urban areas and 57 percent in rural areas (CAMPAS, 2015). Following the 2008 global financial crisis and 2011 revolution, Egypt's GDP has experienced a stagnated growth. Annual GDP growth has averaged 2 percent since 2011 after experiencing growth rates of between 5 and 7 percent from 1990 to 2010. The share of agriculture in the economy has been steadily decreasing, from 29 percent in 1975 to 14.5 percent in 2013, while the industry sector has seen the greatest growth from 27 percent in 1975 to 39 percent in 2013. Services is the largest sector, accounting for 46 percent. President Abdel Fattah el-Sisi’s introduction of reforms in taxes and energy subsidies in 2014 have begun to show a positive impact on the economy. Economic growth in fiscal year 2015 is projected to increase to 4 percent, and budget deficit is expected to be reduced from 14 percent in 2013 to 11.3 percent in 2015. However, poverty rates have been rising steadily over the past two decades, with an increase of nearly 50 percent in just fifteen years. Today, over one quarter of Egyptians live under the national poverty line (CESR, 2013).

In the Ease of Doing Business index, Egypt ranks 112th due to low scores in enforcing contracts, paying taxes and resolving insolvency. Egypt ranks 108th in the Third Billion Index, principally due to low scores in the “inclusion in the workforce” and ‘degree of advancement in the national economy’ parameters. Egyptian women are heavily concentrated in varied sectors: agriculture, education, public administration, health and social work. It is estimated that increasing female employment rates in Egypt would have a 56 percent gross impact on GDP and 34 percent net impact (Aguirre et al., 2012).

Although significant strides have been reached in women’s educational attainment at the primary, secondary and tertiary levels, this has not translated into greater participation in the workforce. The quality of education remains low, and inhibits women from engaging in more productive employment. Although the unemployment rate for women with secondary and tertiary education is higher than for those with less than secondary education, the latter are engaged in low quality jobs. Women’s Economic Opportunity Index stands at 48.7 percent. Female labor force participation in the formal market is 24 percent, while male participation reaches 75 percent. The unemployment rate for women is 25 percent and 9.6 percent for men. The 2014 Global Gender Gap Report ranks Egypt 129th, a score that reflects highly unequal female-to-male ratios in economic opportunity and participation, as well as in political empowerment.

MSMEs with fewer than 50 employees account for over 80 percent of private sector employment in Egypt, and represent 75 percent of the total workforce (El-Said et al., 2014). More than 80 percent of all firms operate informally, and more than 70 percent of these enterprises operate at the micro scale, with less than 10 employees. Registered MSMEs contribute only an estimated 25 percent to the national GDP, while the entire MSME sector, formal and informal, contributes an estimated 80 percent (El Saady, 2011; African Development Bank, 2014).

**Politics and Laws on Gender**

It could be argued that women’s status in Egypt has improved, at least in the written law. Some laws have been modified to be less discriminatory to women, yet there are still certain pieces of legislation that do discriminate on the basis of gender. In terms of employment, the Labor Law No. 12 of 2003 prohibits discrimination in wages on the basis of sex, origin, language, religion or creed, but does not directly demand equal remuneration between men and women for equal work. The fact that wage gaps between women and men in Egypt are large, supports the notion that implementation of law is rather weak. Furthermore, Decree 155 of the Ministry of Manpower
and Emigration regulates the kind of work women can engage in. Women are not allowed to engage in the same jobs as men in sectors such as mining, construction, metalworking, and those that are deemed hazardous and arduous. Regarding marriage, the Law on Personal Status (based on Islamic Shariah Law) was revised in 2000 to allow women to obtain a divorce without providing a cause for mistreatment. Egyptian women married to foreigners can now pass on their nationality to her children, when this was not possible five years ago.

Although the new 2014 Constitution includes content on non-discrimination and equality of all citizens (Articles 9 and 33), it never makes any reference to differences in gender. Egypt is signatory of the UN Convention on the Elimination of All Forms of Discrimination (CEDAW), yet with reservations to certain articles. The reservation to Article 16, concerning equality of men and women in matters of marriage and family life, is based on the country’s Islamic law provision, which calls for a husband and wife to have different rights and duties. Egypt has affirmed its willingness to comply with the content in CEDAW, as long as such content does not contradict Shariah law. One of the most recently introduced legislation favoring women is the 2014 decree that criminalizes sexual harassment for the first time. The decree penalizes the offender with prison time and a fine. However, it remains unclear how effective enforcement will be.

B. Indonesia

Historical Background

Indonesia is the fourth most populated nation in the world (more than 252 million) after China, India and the United States. The country is scattered over more than 17,500 islands encompassing more than 300 ethnic groups who often see themselves first as members of their particular ethnic and cultural group and only second as Indonesians. This diversity is part of the country’s national philosophy, expressed in the doctrine of unity and universal justice for all: Bhinneka Tunggal Ika (Unity in Diversity). Indonesia is also the world’s largest Muslim country. Yet interpretations of Islam vary throughout all regions and rituals are often fused with Javanese practices resulting in a very local understanding and practice of religion (Rinaldo, 2013).

Indonesia’s history in the twentieth century was shaped by the end of the Dutch colonial period in 1949, followed by two authoritarian regimes under president Sukarno’s “guided democracy” (1949 - 1965) and his successor Suharto’s New Order (1965 - 1998). This came along with an anti-communist purge that resulted in hundreds of thousands of deaths, all affecting the national economy with constant ups and down, due in part to the country’s dependence on oil exports, culminating with the Asian Crisis of 1997 which doubled poverty in the country.

With the economic crisis and Suharto’s implementation of harsh austerity measures (increases in prices of electricity, fuel and transport, and further budget cuts) numerous protests were triggered and the Reformasi Movement was created with a pro democracy form that brought down Suharto’s New Order in May 1998. The movement consisted of many civil society groups, including a number of women’s organizations (Van Klaveren et al., 2010). They in particular responded to rising poverty and violence against women, but also raised national and international awareness of the problems that women workers faced. As the country’s GDP fell by almost 14 percent in 1998, and total investment by 36 percent, women were required to take up employment to contribute to household consumption (Van Klaveren et al., 2010). Transition to democracy was completed with the formal handover of power by Suharto to his deputy, B.J. Habibie, in 1998, in the first democratic parliamentary election since 1955. Habibie was later replaced by Abdurrahman and in 2001 Megawati Sukarnoputri was appointed the first Indonesian woman to become president.

Economy and Women

Indonesia is a member of the G-20 major economies and its economy is the largest in Southeast Asia. After the Asian Crisis between the years 2000 and 2004, a period of economic recovery took place with a combined average GDP growth of 4.6 percent annually. Thereafter GDP growth increased to an annual average of at least six percent with the exception of 2009 and 2013 when,
amid global financial turmoil and uncertainty, Indonesia’s GDP growth fell to 4.6 percent and 5.8 percent respectively. Indonesia is changing from being an economy highly dependent on agriculture into a more balanced economy in which the share of manufacturing exceeds that of agriculture. This also implies that Indonesia lessened its traditional dependence on primary exports. GDP composition as of 2013 was 14.3 percent agriculture, 46.6 percent industry and 46.6 percent services (Data World Bank, 2014). Fiscally conservative policies over the years have resulted in a debt-to-GDP ratio of less than 25 percent and historically low rates of inflation. Fitch and Moody’s upgraded Indonesia’s credit rating to investment grade in 2011 (Bingham, 2013).

Approximately 52 percent of the population lives in rural areas, where agriculture is the main source of income, and 13.8 percent of rural people are poor compared with 8.2 percent of urban populations (Data World Bank, 2014). Indonesia ranks 114th in the Ease of Doing Business Rank mostly due to bureaucratic systems resulting from corruption and elites in power and 90th in the Third Billion index classified as a country that have not yet established a systematical approach to effectively empower women as economic agents in the marketplace.

Although challenges remain in terms of efficiency and outreach, over the years, Indonesia has improved some key areas related to gender inequality such as health and education, opportunities, voice and agency, and stipulating the necessary legislation for gender mainstreaming. Yet, the balance is still mixed: on the one hand, gender parity index in education has been achieved, maternal health has significantly improved, infant and under five mortality rates and other health outcomes show no pronounced gender disparities and women labor’s participation rate seems to continue growing with better return for educated women than men. On the other hand, challenges persist in gender streaming in education, economic opportunities, access to legal justice, maternal mortality rates, HIV/AIDS, and voice and agency in influential decision-making.

Gender Equality in Education is one of the key achievements for Indonesia. The Millennium Development Goal on gender parity in net enrollment was achieved in 2015 at provincial level. Focus is now on systematic measures to increase access to improved outcomes from a more gender responsive education.

Women’s Economic Opportunity Index stands at 47.8. Female labor force participation in the formal market was 51.4 percent while male participation reached 80 percent in 2014. Women work mainly in the service industry (49 percent) mostly in households, health and social work, restaurants and hotels, and education. Female participation in the industry sector remains low at 16 percent.

According to the Ministry of SMEs and Cooperatives, MSMEs account for 57 percent of total GDP, 97.16 percent of total employment share and 99 percent of working establishments. Of these MSMEs 98.79 percent are micro enterprises of which 60 percent are women owned. Approximately 23 percent of small and medium enterprises are owned by women. According to the Central Bureau of Statistics, 68 percent of Indonesians were employed in the informal economy in 2009, often with low wages, hazardous working conditions and no social protection. Approximately 37 percent of total MSMEs are part of the informal market.

Politics and Laws on Gender

Women’s representation in politics and decision-making in Indonesia has also increased due to affirmative action for women candidacy and political participation in 2008, among other factors. Women’s representation in the Parliament increased from 11 percent (2004-2009) to 18 percent (2009-2014), but remains below the desired 30 percent and is still inadequate in some critical areas of public service and decision-making roles (World Bank, 2011). Significant disparities within political parties and across levels of national and sub-national government limit the full achievement for women’s empowerment.

Indonesia’s Constitution and legal framework assure equal rights for women. The country signed the UN Convention on the Elimination of All Forms of Discrimination (CEDAW) in 1980 and the government implemented the Beijing Platform for Action through the introduction of an Indonesian
National Action Plan. With this the government is legally required to formulate national policies aimed at ending discrimination in the workplace. A National Plan to End Violence Against Women is also in place.

Gender Mainstreaming was adopted with the issuance of the Presidential Instruction Number 9 in 2000 stipulating that a gender component should be included to all steps of the National Development from early planning to monitoring and evaluation. In 2009, a pilot program for gender-responsive budgeting was implemented in seven ministries including the Ministries of National Education, Women’s Empowerment and Child Protection, Health, Agriculture, Planning, Public Works and Finance. Poverty, Vulnerability and Social Protection has been one of the current highest government’s development priorities. While the national poverty rate fell from 16.7 percent (2004) to 11.4 percent (2014) and poverty rates amongst female-headed households (FHH) remain lower than male-headed households (MHH), the overall rate of poverty reduction for FHH is lower than MHH. As such, FHHs have been established as one of the main targets of Social Protection programs (Ministry of Cooperative and SMEs, 2012).

Shariah law is imposed in only one of the 34 provinces of Indonesia, Banda Aceh, where Muslims and non-Muslims are subject to Islamic law. The province was able to establish this regulation due to its special status that was granted by the government in 1999 in an effort to end a separatist movement. This status gives Aceh special autonomy and control on religion, custom law and education. Outside this province, Indonesia is recognized as a secular nation stressing religious tolerance.

C. Malaysia

Historical Background

Malaysia gained independence from Britain in 1957 and still carries much of its influence in daily life today, mainly in its parliamentary government and its legacy of importing large Indian and Chinese ethnic groups to supplement the labor force. The Malaysian government has played a dominant role in investing in its country’s growth, with the goal of becoming a developed nation by 2020.

In understanding the roles of women in Malaysia, three main factors must be understood: race, religion, and economic status. Malaysia’s diverse population is primarily composed of ethnic Malays (Bumiputra), Chinese and Indians. Race plays a major role in opportunities for women; for example, the Malaysian government has an affirmative action program for ethnic Malays to get involved in public sector work and to increase their economic status in the country. Understanding religion in Malaysia is also key to understanding the roles of women since over 60 percent of the Malaysian population is Muslim. Though Malaysia is thought of as one of the more progressive Muslim countries, many of the informants of this report expressed that there is currently a resurgence of conservative Islam. The organization Sisters in Islam (SIS) is instrumental in working on issues of women’s rights, advocacy and law reform in Malaysia, although they are considered controversial in the country (see section VI B for further information on SIS). Finally, women’s economic status plays a major role in their opportunities to enter the labor force. Malaysia has a robust economy with a large middle class; however, women in rural areas often face barriers to enter the labor force based on the opportunities (or lack thereof) available in their areas.

It is important to note that traditional gender roles in Malaysia differ from the Western concept. Women in Malaysia have always been a part of the blue-collar workforce. It was even common for women to work in construction and manufacturing, since manufacturing played a large role in industrializing Malaysia’s economy. It is not insignificant that this transformative sector employed mostly women (Hazri, 2015). The fact that “traditional” means something different, however, does not mean that gender roles are not prevalent. It is simply important to remember that “traditionally,” Malaysian women have always participated in the country’s economic growth.
Economy and Women

The Malaysian government has prioritized strengthening its economy. As of 2013, Malaysia had a GDP of 313.2 million with a population of 29.7 million. Currently, the GDP is comprised of 9.3 percent in agriculture, 34.7 percent in industry and 56 percent in services. MSMEs are an important part of the economy and they contribute 32 percent to GDP. A large 56 percent of the Malaysian workforce is employed by MSMEs. The number of women-owned MSMEs is increasing at a rate of 9.7 percent (World Bank, 2014).

As of 2013, the World Bank reports that 44 percent of women are a part of the formal labor force, while men have a formal labor force participation rate of 76 percent. For nearly three decades the rate for women has stagnated between 44 and 47 percent. In order to change this, the MWFC has funded over 32 projects with over 67 million USD in an effort to help women overcome the barriers that they face in the formal labor market. However, the government is not the only stakeholder interested in empowering Malaysian women. There are many other contributors to this movement, such as grassroots organizations, international NGOs and various private sector organizations.

In 2014, the MWFC published a booklet of statistics on women, family and development. A closer look at women who are employed in the formal sector reflects certain trends. The highest concentration of women are employed in the service and sales industry (30 percent), followed by 17 percent providing clerical support. Only 14 percent are reported to be professionals. The rest of formally employed women are scattered in very small numbers in the following sectors: elementary education, plant workers, agriculture, craft trade, technicians, associate professionals and managers. Women in urban areas have higher chances of being employed (54 percent of urban women are employed formally), while 47 percent of rural women have formal work. These numbers are an indication of how gender norms have influenced where women find work. The team’s semi-structured interviews gave insight as to why these trends are present, as discussed below.

Another important way to consider the statistics released by the Malaysian government is to look at how women are involved across the public and private sectors. Their presence in these areas has an effect that spills into the overarching status of women in Malaysia and what their future holds. In the public sector, women in top management positions have risen from 18.8 percent in 2004 to 32.5 percent in 2014. This increase bodes well as it indicates that more and more women are being involved in the decision making process while drafting policy. In the judiciary system, two out of the ten judges in the federal courts are women, seven out of twenty-two women are judges in the court of appeals and thirty out of sixty are judges are women on the high courts. In the private sector, female representation in leadership is still very small. For example, only 17 percent are members of Boards of Directors in private companies. Politically, female representation has not increased as quickly as the other sectors mentioned; the percentage of female senators rose from 18.2 percent in 1990 to 25.8 percent in 2014. Female state legislature representation has increased from 3.4 percent in 1990 to 11.5 percent in 2014. Overall political female political representation rests at 10.4 percent, making Malaysia the 3rd lowest ranking ASEAN country in female political representation.

While collecting this data, the MWFC and the Department of Statistics sought to understand the motivations of both urban and rural women who were not part of the formal sector. When asked, 31.4 percent of women reported that they were not formally employed because they were pursuing education. A large majority (61.6 percent) of women said that they were not working because of housework and caring for family. The rest reported that they were either retired, disabled or had other impeding circumstances.

Despite the fact that only 44 percent of women participate in the formal labor market, many still participate informally. This was brought to the team’s attention during many interviews. The reasons surrounding the difficulty of capturing the statistics of the informal sector is discussed in the analysis of data gathered from informants in a section below.

Female entrepreneurs still make up a small percentage of the formal labor force as well. As of
2012, only 15 percent of women own their own businesses (MWFCD, 2014). However, there is potential for growth in this area, as the Malaysian government has begun to streamline the ease of doing business. In fact, Malaysia ranks 18th in the 2015 Ease of Doing Business Report produced by the World Bank. Streamlining business measures will facilitate women starting businesses once other barriers are overcome. While educational opportunities have expanded and health care has improved, Malaysia ranks at 107th place in the Gender Gap index. This is due to the lack of political representation and economic opportunity.

**Politics and Laws on Gender**

Malaysia has a dual justice system. All Malaysian citizens are subject to federal law while Muslims are additionally subject to Shariah law. Both of these entities have a significant influence on gender and the different sets of rights that are afforded to men and women.

The federal government is actively attempting to implement mechanisms that empower women and protect their human rights. In part, the government understands that by empowering women and enabling them to be active participants of the formal labor force, they will benefit the country’s overall economy and spur economic growth. In 1995, the Malaysian constitution amended Article 8(2) to bar gender-based discrimination. Other laws have also been created to grant women paid maternity leave and ensure fairness when facing divorce and inheritance issues.

Malaysia ratified CEDAW in 1995, with several reservations of articles that were in conflict with the provisions of Shariah law (Participation of Women in the Malaysian Labor Force, MWFCD/UNDP, 2014). After attending the Beijing Platform for Action the same year, the Malaysian government sought to not only eradicate gender-based discrimination, but to also enact laws that protect women. There were also laws that directly opened space for women to join the labor force. However, in terms of political representation, the number of women in parliament remains low at 10 percent, since there is no quota in place.

As mentioned above, Shariah law has jurisdiction over Muslim family law. Female representation as judges in the Shariah justice system is non-existent. Some of the major issues that family law covers are issues such as inheritance, divorce and child custody. These issues and the stance of Shariah law have a large effect on Muslim women, who comprise over half of the female Malaysian population. Most of these laws are not in favor of women’s participation in the labor force, despite the fact that that Shariah law supports the fact that a woman should have her own money and does not forbid a woman from working in the labor market (Roushdy, 2015). Currently, tensions are on the rise between conservative and progressive schools of Islamic thought, as an upsurge in conservative practices are seeping into the Malaysian justice systems and overall culture.

**D. Comparative Analysis**

Empowering women, thus breaking down the barriers affecting their full engagement in the business and economic sectors, has become a key global development priority. This is particularly true in the Asia Pacific region where, despite significant gender gaps in economic participation, a number of interventions supporting women’s economic empowerment have proven successful. These initiatives, which will be discussed in detail in sections V and VI, could be relevant to other regions where women face similar challenges and opportunities to expand their economic participation, if tailored according to the local context.

Despite obvious intrinsic differences between the two Southeast Asian countries, Indonesia and Malaysia, and the North African country, Egypt, some general characteristics of the three countries provide interesting elements of comparison:

- All three countries are members of Organization of Islamic Cooperation (OIC), working in collaboration to promote women’s empowerment at all levels of society.
• Rapid urbanization is transferring the economic activity from the agricultural to the services sector. Poverty is highly concentrated in the rural areas for all three countries and food production is still largely focused on meeting subsistence needs. Migration to urban centers is often the way to overcome unemployment and poverty caused by lack of access to land and other productive resources.

• Oil revenues are important to the three countries’ economies, both historically and presently. This had an impact on the labor market, as the countries’ economic growth strategies were historically oriented to developing the oil and gas sectors, which were traditionally male dominated.

• MSMEs play a crucial role in the national economy of all three countries where MSMEs represent the most important source of employment and one of the most significant contributions to the GDP. Micro enterprises represent the vast majority of MSMEs and are mostly operating informally, as business registration remains problematic in all three countries.

• Women’s primary role remains associated with the household in all three countries. Both Southeast Asian countries have made considerable advances in recent years toward equality in education, with primary and secondary education now close to parity and literacy rates above 90 percent. In Egypt, however, the gender gap remains, with a female literacy rate of 66 percent against 82 percent for men.

• The persistence of traditional gender roles remains strong in the three countries, limiting women’s ability to break into the public sphere. Women’s representation in local parliament remains under 30 percent in all three countries, and their access to the labor markets shows some comparable ground in the following areas:

  Formal female labor force participation remains below 55 percent for the three countries, with Egypt lagging behind at less than 24 percent;
  There is an overall sense that, despite low labor participation rates, women are indeed working in the three countries, but mostly in the informal sector that is not well documented affecting its recognition and any possibility of social protection;
  Gender Gap remains an important limitation to women’s growth within the labor market;
  Women have a significant and growing presence of 18 percent, 27 percent and 19.7 percent in the MSMEs sector of Egypt, Indonesia and Malaysia, respectively. As a result women are becoming the target of many interventions to strengthen micro enterprises and assess their transition to small and medium enterprises within the formal market. See Annex B for table of statistics.

IV. Women’s access to the labor force

A. Egypt Findings

As of 2015, Egypt continues to face enormous challenges in the political, social and economic arenas. Although the country’s uprisings in January 2011 and July 2013 led part of the population, especially young people and women, to have greater hope of changing the country’s struggles tied to poverty, unemployment, corruption and poor governance, this hope now seems to be dwindling for some. The impact of these pro-democracy demonstrations on the country’s political and economic stability are difficult to observe today, and they also carry high degrees of uncertainty for the future. Although women made important contributions during the protests and grew hopeful of becoming closely engaged with Egypt’s political rebuilding and economic recovery, they have been largely excluded from these processes. For example, no women were a part of the committee tasked with drafting the new 2014 Constitution. Similarly, women’s effective political participation in Egypt was greatly weakened in 2012 when only two percent of parliament
seats were held by women, one of the lowest representation rates in the world. For the upcoming 2015 parliamentary elections, which have already been postponed, the country’s new electoral law guarantees women 12 percent of seats, which some argue is a small quota.

There are differing opinions regarding the outcome of these uprisings in shaping the role of Egyptian women in society, and especially how this call for transformation will translate into greater economic and employment opportunities for them. When asked about how the 2011 and 2013 uprisings in the country have shaped, in any way, women’s role in society, the interviewees provided highly varied responses, both positive and negative. While some said that women’s roles were not affected greatly, others acknowledged that women are able to express their views and beliefs more freely. Based on the interviews, the team concludes that there is now a larger perceived threat of insecurity and harassment against women, especially in public spaces. This perceived sense of greater public insecurity, for example, constrains women’s mobility, and hence, limits their decisions to commute to work in private companies, which are mostly located within the outskirts of cities. Moreover, women also perceive greater sexual harassment at the workplace, especially in micro and small enterprises, which constitute the majority in the Egyptian market. Similarly, it is socially unacceptable for women to work alone with men; it more acceptable for women to work alongside other women, which is often not possible in private businesses.

The perception of Egyptian women has changed significantly over time. While women’s low labor force participation had been initially attributed mostly to cultural norms and separation of gender roles (i.e. supply side), the shrinkage of public sector employment and job conditions in the private sector have received greater attention in recent years. The exclusive focus on the country’s religious and non-religious traditions to explain women’s low labor force participation is no longer entirely valid. While some women find it increasingly difficult to survive solely on their husband’s income and are forced to participate in some kind of economic activity, others willfully choose to remain outside the labor force due to poor working conditions in the private sector. The discourse on women’s low labor force participation has gradually shifted from a purely ideological standpoint to one of economic and policy environment, as proposed by Ragui Assaad, PhD, Professor at the University of Minnesota Humphrey School of Public Affairs and expert on the Egyptian labor market. Assaad (2015) mentions that the restriction in female labor supply, supported by a ‘traditional gender paradigm,’ commonly used to explain women’s low labor force participation, holds only some truth. Rather, it is the low demand for labor in segments that women have traditionally accessed. This, however, is more easily observed in the urban sector than in the rural sector, where social norms continue to be more deeply ingrained. Furthermore, according to Jennifer Bremer, Visiting Professor of International Development at Johns Hopkins University, it is seen as more shameful for women to work among lower socio-economic classes.

While there is a larger acceptance of women joining the labor force, they are still expected to fulfill both their productive and reproductive roles, a combination of worker, wife and mother. A working paper by Shehata and Sakr (2009), for example, calculated that 88.8 percent of husbands are supportive of women’s right to work. Moreover, changes in women’s perception in Egypt appear to be marked by government regimes. For example, Fatma El-Hamidi, Professor at the University of Pittsburgh Department of Economics and researcher in Middle East labor policies, mentions that the perception of women changed quite dramatically during Mohamed Morsi’s presidential term (2012 - 2013). The message conveyed during this period was for women to return to the home. After Morsi was ousted, those who left the labor force during his ruling have found it difficult to return. However, according to Assaad, nowadays there is a growing expectation, at least by educated women, to be employed, but they are not finding jobs easily. Furthermore, some interviewees mentioned that some private firms discriminate against women who choose to wear hijabs, preferring to hire only “Western looking” women.

Public employment continues to be women’s preferred job choice, thanks to the benefits it offers, including health insurance, maternity leave (consisting of 90 days of paid leave and two years of unpaid leave for a maximum of three children), higher wages, short and flexible working hours, and lifetime job security. On the other hand, the private sector is less willing to make these types of accommodations for women, since from an economic standpoint, it is more costly for private enterprises to hire women for a number of reasons, including high turnover rate for women
employees once they get married, costly maternity leave and requests for shorter workdays. Because of requests for shorter workdays, part-time work is not attractive to private sector employers due to government’s policy that establishes minimum wage by month rather than by hour. As such, a company would be required to pay part-time working women as if they were employed full-time, which would mean less production at the same cost.

The private sector’s inability to expand and offer more job opportunities, in conjunction with Egypt’s declining public employment opportunities, has had a negative toll, particularly for women. However, the availability of private sector jobs is not the main issue, but rather the quality of these jobs. If women do not have the choice of working in government and the private sector is not offering any better opportunities, women generally prefer to stay at home. Amirah El-Haddad, Associate Professor of Economics at the American University in Cairo, says that this is an economic and personal choice, and that the opportunity cost of working in a company as opposed to staying at home is not worth the time. Fida Adely, Associate Professor and Chair of the Clovis and Hala Salaam Maksoud in Arab Studies at Georgetown University, explained that a woman’s choice not to work is not necessarily coercive, but is determined by the lack of good alternatives. The significantly large gap in wages between men and women in the private sector contributes to this choice. On average, women earn 35 to 40 percent less than men, while the wage gap in the public sector is only two percent (More Jobs, Better Jobs: A Priority for Egypt, 2014). The lack of opportunities for advancement and further training also inhibits women from joining the private sector.

There is some consensus that labor force challenges specific to women are largely overridden by Egypt’s overall deterioration of economic conditions, sluggish economic growth and high unemployment rates for men and youth in general. Under this context, Assaad (2015) mentions that the private sector is unwilling to make special accommodations facilitating women’s employment because there is no labor shortage at the moment. As discussed above, companies would prefer to hire men from a purely economic perspective. The stagnant growth of jobs in the formal private sector, combined with the contraction of government jobs, has ignited the accelerated growth of the informal market. Given the precarious nature of informal jobs, which offer no contract or social insurance, entrepreneurial ventures are viewed more positively. In the case of female entrepreneurs, if women are provided support to begin and expand their businesses, it is likely that they will hire women, thereby increasing women’s economic opportunities. However, entrepreneurship-focused programs in Egypt have not reached many people yet. Moreover, Egyptians are slowly becoming more familiar with this path of employment after relying on a state-run economy. The Global Entrepreneurship Monitor Egypt Report 2012 shows that very few women are engaged in early stage entrepreneurial activities, and only 14 percent of them were either trying to start a new business or managing a business that is less than 42 months old. Egypt has the highest entrepreneurship gender gap in the MENA region.

What will Egypt’s labor market landscape look like in the next few years, and how will women’s labor force participation fit in? The interviewees held different thoughts on this question. The team found consensus regarding the need for the overall Egyptian economy to change. Egypt’s economy needs to grow, but without relying on oil revenues and military production. Emphasis on these industries explains the type of job opportunities that become available, which are mostly male-dominated. The country also needs to diversify its economy and make its private sector larger and more productive. Women’s participation in the economy will be higher if structural barriers that constrain growth and productivity of jobs are overcome. In addition to creating more jobs that can effectively absorb the Egyptian population, job quality must improve significantly. Women, in particular, need to be offered safe working conditions, equal wages, and jobs that are compatible with their role in the household.

The newly elected president, Abdel Fattah el-Sisi, has opened space for women (though a very small space) that was not present in the government for over thirty years. In fact, el-Sisi’s recognition that women were a powerful constituency resulted in high percentages of women turning up to vote him into office during the 2014 election. While el-Sisi has given more acknowledgment to women and has even created a task force to prevent sexual harassment on his first day in office, his political discourse has overtones that seem to reinforce traditional
gender roles. Whether or not el-Sisi will be able to make a large difference in the daily lives of Egyptian women is yet to be seen.

B. Indonesia Findings

The research team conducted an interview with the United States - Indonesia Society and paid a visit to the Indonesian Embassy to meet with the first secretary of the press and information affairs, Ms. Dew Justicia Meidyawaty. This contact was extremely helpful as she connected the team with Ms. Lintang Paramita Wibawa, the Deputy Director from the Ministry of Foreign Affairs in charge of APEC, who then provided the contacts of many of the interviewees in Jakarta, including the deputy directors of the Ministry of Women’s Empowerment and Child Protection and the Ministry of Cooperative and SMEs, among others.

Team members Marisa Garcia and Virginie Martin-Onraët traveled to Jakarta to conduct interviews from March 6th to March 17th, 2015. Initial key informants for Indonesia, identified through extensive online research, included international organizations such as the World Bank, The Asia Foundation and the International Labour Organization, and Indonesian NGOs such as Rahima, Centre for Education and Information on Islam and Women’s Rights, the Indonesian Business Women’s association (IWAPI) and Women Headed Household Empowerment PEKKA Organization. Knowledge of other organizations, especially local women’s NGOs, was possible through email communication and in-person interactions with secured interviewees. Team members were able to reach individuals with very unique backgrounds and affiliated with international and regional organizations, ministries, women’s grassroots organizations, and educational and research institutions. Two young and successful women entrepreneurs in technology were also interviewed.

Indonesia’s economic and socio-cultural challenges are in part embedded in the country’s deficient connectivity between its one thousand islands that along with poor logistics are weighing on growth and the country’s ability to reduce regional development gaps, poverty, social exclusion and marginalization. This lack of greater interconnectedness makes Indonesia a rather unique case of development where mobility issues affecting women go beyond socio-cultural restrictions, as women’s everyday experiences differ widely between the islands. In this sense, the perception of Indonesian women is quite varied. Unquestionably, the opportunities and challenges for women living in cities are not comparable to those of women living in rural communities and even within these communities, women’s status varies from depending on their ethnicity. For example, a significant portion of the West Sumatra population follow matrilineal cultures.

Despite this overarching diversity, the literature on women’s economic challenges and opportunities in Indonesia, complemented with the interviews conducted, show that in general, cultural norms and social expectations regarding women remain problematic and are difficult to change. There are two main factors that affect women’s access and permanency in the labor force: early marriage (average age of marriage for women is 22) and motherhood. Household duties, child rearing and marriage continue to be perceived as most women’s primary responsibilities. This assigned role stems from and is embedded in both religious and non-religious traditional ways of thinking. The problem, however, is not whether or not women should work, but the kind of work they perform and whether or not such work interferes with their roles in the household. Women’s status as workers remains subordinate to their status as housewives and mothers. Along these lines, in 2014, Vice President Jusuf Kalla proposed to cut the working hours for women so they could arrive to their homes earlier to take care of children. This proposition was poorly received by both companies and women, the latter stating they would lose opportunities in the workplace if this policy were implemented.

Indonesian women face many challenges in becoming truly economically empowered. These challenges overlap with cultural norms, lack of skills, mobility constraints and scarcity of resources.
The fine line between formal and informal markets in Indonesia is most notably perceived in the MSME sector, where women are extremely active mostly as microentrepreneurs. In this sector, women’s main constraints are related to the financial capacity, skills and inputs required to start, run and expand a business. Women-owned enterprises rarely reach their full productivity and growth potential and they are limited to the micro sector. This phenomenon is due in part to women’s lack of business management and entrepreneurial skills and limited access to adequate technology and financial support, as they have no banking history in formal institutions, which results in higher interest loan rates and high collateral lending requisites.

Informality reinforces these complications. One the one hand, many women decide to stay in the informal market to maintain flexible schedules where they can alternate their work with their duties at home. On the other hand, their lack of access to information and markets along with the costs and bureaucratic complications of business registration restrains the smooth transition from micro and informal to small and formal enterprises.

The ILO recognizes two types of home-based women workers in Indonesia: independent entrepreneur women and dependent women workers, where women are employed by factories and paid by piece. The number of homeworkers in the labor force as well as their working conditions is largely unknown due to unique characteristics of homework and a lack of disaggregated data which make them invisible in the labor market. As women work in the informal market, they face a lack of social protection as they are not recognized as workers by the government and policy makers.

Women often have a difficult time accessing higher-level positions as employers often consider women workers less productive than their male counterparts as a result of real or perceived differences such as greater absenteeism due to family responsibilities or maternity leave. The result is a preference for hiring men over women in the formal market, keeping women in low-skilled positions or using outsourcing contracts to avoid the legal obligations of permanent employees. Lack of childcare is a dominant issue as the costs of hiring a skilled helper is high and these are hard to find. There are a few options of daycare, but distance remains a complication and some daycare options are open only a few hours a day, which does not answer the needs of working mothers.

As women manage to overcome the initial constraints to fully enter the labor market, a new challenge emerges: working hours multiply as a result of the double burden of work in the public and the private spheres.

Despite these challenges, opportunities for women in the labor market in Indonesia are emerging as the government is noting women’s contributions to the MSME sector, which represents the backbone of the Indonesian economy. Additionally, the national economy is moving towards becoming more of a service industry, expanding the demand for working women in a sector where women have a significant presence. Additionally, there is a strong demand for microfinance activities, and a variety of organizations are currently responding to that need. Commercial banks have discovered the financial benefits of working with women and women’s groups, and Danamon, Mandiri, Bukopin, and BRI all have growing programs in this market segment. Regional development banks, especially province-owned banks, are effectively using women’s group savings and lending to build strong customer bases. Women’s cooperatives are often formed for savings & loan activities and there are a range of governmental institutions and NGOs supporting credit union activities.

In terms of lessons learned regarding women’s labor force participation, Indonesia prides itself on being an example in the Muslim world. Interviewees recognized the value of having government institutions supportive of women, as well as an increasingly enabling environment for women’s labor. The establishment of the Ministry of Women’s Empowerment and Child Protection shows the Indonesian Government’s commitment to women’s issues. Gender mainstreaming and gender responsive budgeting in numerous ministries and government institutions are identified as steps in the right direction for empowering women, not only economically, but also socially and politically. Women’s organizations in Indonesia have worked in particular ways that are worth highlighting. Some address gender relations and cultural and religious beliefs while engaging in
economic empowerment activities. This helps open up a dialogue between women and men to empower women and move toward gender equality.

Ndiame Diop, World Bank Lead Economist in Indonesia, stated, "In Indonesia, women are the power behind the scene, and the real power is behind the scene."

There is a momentum of women’s organizations in Indonesia actively working to support women in gaining the necessary confidence, skills and instruments that prepares them to join the labor force and increase economic productivity. The uniqueness of these local organizations lies in their ability to create synergies and forge partnerships among them. Each organization targets unique groups of women that face different challenges and needs that could be best served with specifically tailored interventions. Examples of these groups include women heads of households, low-income women, rural women, urban women, domestic workers, and migrant workers. Through joint initiatives, local women’s organizations have the potential to reach larger groups of beneficiaries. Collaborative work allows them to complement their expertise and experience. Moreover, regional and international organizations have also reached out to local organizations with consolidated membership bases that allow them to more effectively target appropriate groups of women.

Some informants mentioned that this powerful network of organizations could exponentialize their work. A leading entity acting as an umbrella to effectively coordinate all initiatives could be useful. The Ministry of Women's Empowerment and Child Protection seems to be the appropriate institution to fulfill this coordinating role and establish a system of accountability to reinforce the national initiatives on women's economic empowerment.

C. Malaysia Findings

Team members Lindsay Pollack and Rachel Greenley traveled to Kuala Lumpur to conduct interviews from March 6th to March 17th, 2015. As Nathan Associates does not have offices in Malaysia, the team members found contacts to interview through extensive research. Once initial key informants were identified, such as the United Nations Development Project (UNDP) and The Ministry of Women, Family and Community Development (MWFCD), team members were able to ask for and successfully contact referrals for other interviews. The team was able to speak to a well-rounded group of individuals with perspectives from the private sector, government, grassroots organizations, international organizations, professors at universities and working women. While those interviewed were gracious and helpful, it was explained to the team members that there is some suspicion regarding those from the United States. Politically, Malaysia has more ties to the United Kingdom and does not have a strong relationship with the United States. For this reason, there was some suspicion regarding what the team would do with the data collected. However, in the end all informants agreed that interviews could be recorded by an audio device for internal use with Nathan Associates. For a complete list of informants, please refer to Annex A.

As mentioned previously, the female labor force participation rate had stagnated at around 47 percent for the last three decades. Understanding the contributing factors to this stagnation and what is being done to open more formal opportunities to women became a major focal point of the interviews conducted. The team was able to learn more of the subtle, historical and cultural factors that have contributed to the climate of the female labor force. The team was also able obtain a clearer understanding of the current issues surrounding the labor force and how Malaysians view the future of women and work.

While conducting interviews there were several factors that were frequently mentioned as historical and cultural influences that had not come up in the literature review performed by the team. First, several informants mentioned that the idea that traditional gender norms in the workplace were a bit different than western norms. Women had been known to take on manual labor and blue collar jobs such as construction. Also, women's presence in the labor force was further solidified during an era of industrialization for Malaysia when manufacturing companies made up a large portion of the economy and hired mostly women. Access, therefore, was not
necessarily the major issue in the eyes of the informants. Instead, retention of women workers seemed to be where efforts should be focused.

Many women are able to attend tertiary education and even obtain jobs after graduation; however, once they marry and have children, over half of women choose to stay home. Some of the informants, such as those from the MWFC and UNDP, have studied the motivations behind women leaving the workforce at length. They, along with other informants, gave the following reasons as to why they felt women would drop out of the labor force during childbearing years:

- **Double burden** - the gender norms that are still in place dictate that the woman is primarily responsible for childcare and household chores. If a woman is working, she is also expected to maintain her traditional role in the home with little help. If a family can afford it, they might bring in domestic help. However, many informants reported that with an increase in rights for migrant workers, wages have gone up and many families can no longer afford the extra help.

- **Religious convictions** - Many women that are raised Muslim feel that once they have children it will be a privilege to stay home and raise their family. This also affects what education they pursue. Crystal Corman, a graduate student from American University who did her dissertation on female workforce participation in Malaysia, reported that when she asked women why they were seeking tertiary education if they were planning to stay at home to raise children, they responded that their purpose in seeking an education was to enhance themselves personally. It did not have to lead to prestigious employment.

- **Husbands’ requests** - for various reasons, some men ask their wives to stay home. In one interview, it was suggested that this was due to a spread of conservative Islamic ideals that emphasized the role of women is to be in the home.

- **Lingering influence of the British Empire** - one informant, who had chosen to stay home with her children and focus on helping them be successful in school, explained that upper middle-class women idealized the concept of being a Victorian housewife. To some women it is a status symbol to stay at home.

- **Lack of childcare** - For middle class women, staying at home often becomes a necessity. Daycare centers are sparse and expensive. In the case that wages of both husband and wife are not able to cover these expenses, the woman may need to stay at home.

Currently, the government is working to create programs and policies that will overcome some of the barriers mentioned. However, many of our informants indicated that lack of policy is not the issue in Malaysia. Instead, implementation of these policies is the area where there is room for improvement. Additionally, some criticized the government's efforts because they did not reach many of the women who are the most racially and economically marginalized. They felt that most government initiatives were aimed at middle class women only.

In an effort to improve its policies and practices, the Ministry of Women has sought to improve its understanding of the female workforce by collecting sex-disaggregated data. The informant from the MWFC admitted that while collecting data on the formal labor force was possible, they were coming up against problems in capturing data of the informal labor force. The majority of informants indicated that a high percentage of women that stay at home still find a way to generate income in the informal market. They may give piano lessons, sell baked goods or offer other services. When sent a survey from the government, women are hesitant to say they are generating income because they are afraid of the tax implications, and others do not report their work because they see their activities as a hobby and not a job. Other women in the informal sector do not understand the benefits and social safety nets that come along with formalizing their home business. Some women will take low paying, informal work because it is all that they can find.

When looking towards the future, many informants indicated that the rate of formal workforce participation would only change if different approaches were taken. First and foremost, childcare needed to become more affordable and accessible to women. Secondly, there is a need for enabling women who had left the labor force to rear children to return. Ideas of re-skilling and conducting capacity building for women were prevalent and part of many organizations that the team contacted.
There have been many initiatives planned through government policy to assist women to remain in and return to the workforce. Whether or not all of these policies have been implemented properly and efficiently has been contested by many of the informants to this report. However, the concerted effort on the part of the MWFCFD has continued to open space for social and cultural norms to shift and for women to pursue a life path that they find fulfilling. In order for many of the mentioned initiatives to be effective, the social and cultural shift needs to happen on a deeper and wider scale. The fundamental challenges remain; women are still loaded with the double burden of work and housework, women are not branching out to study and gain skills in areas that are male dominated and that affordable and accessible childcare are illusive and out of reach. However, certain government initiatives are important tools that are serving to better the lives of women and increase their access to the labor force. See annex D for success stories of women entrepreneurs in Indonesia and Malaysia.

VII. Recommendations to Egypt

As this report clearly shows, Malaysia and Indonesia join Egypt in the struggle to increase women’s participation in the labor force. As the numbers suggest, however, they have a number of initiatives that contribute to their being significantly ahead. Based on a thorough review and analysis of the landscapes and initiatives of Malaysia, Indonesia and Egypt, the following are a number of recommendations for Egypt to take into consideration in its goal to increase women’s access to the labor force.

A. Demand side

**Increase of government collaboration with the private sector.** Working with individual firms is an obvious step. The creation of Public Private Partnerships to support firms’ ability to meet the needs of women workers would also ensure that they are able to maximize women workers’ productivity. The ability to recruit women workers efficiently is also important in reducing their overall cost of employment.

First, maternity leave is a major area where government must intervene to relieve private companies of the burden of paying for the established period of leave. Public funds should subsidize a percentage of maternity leave for all eligible women workers. Ideally, the government would establish the same guidelines for paternity leave, opening a space for men to be more involved in childrearing. This way, it would cost the same amount for employers to hire both men and women.

Another idea is for the government to offer tax incentives to private companies in the following areas:

- **Sexual Harassment** - Companies who hold workshops, trainings, webinars, or conferences at least every other month for their employees will be eligible for a tax break. These events would need attendance of at least half of the company’s employees in order to qualify for the tax break.

- **Flexible Hours** - Companies who give both women and men with children the option to work flexible hours (for example, leave an hour early or come in an hour late three days a week) would be eligible for tax breaks. Given that Egypt’s minimum salary is based on a monthly rate, tax breaks would compensate for any potential loss of productivity viewed by the employer. Refer to Malaysia’s FlexWorkLife program for additional ideas on how to provide parents with flexible working hours.

**Available, affordable, and quality childcare.** Local governments in Egypt could take steps to reach mothers in rural areas (specifically in Upper Egypt), along the lines of what PWDC has done in Penang, Malaysia (see Malaysia initiatives, section VI. B. above). Creating a “state-funded NGO” that prioritizes funding childcare could be specifically helpful to Egyptian families because it would significantly relieve the financial burden of childcare that so many families face today.
during the ongoing unemployment crisis in Egypt. If parents had greater access to safe, affordable and quality childcare, it might encourage women to seek employment. Where appropriate, employee cooperatives can be used as a good entry points for childcare centers and private sector could be encouraged to support their establishment.

**Encouragement of early childhood development careers.** To address Egypt’s mismatch in the need for quality childcare and the lack of qualified childcare professionals, local governments could work with universities to encourage students to enter the childcare field. Since there is a large population of unemployed youth, this population could be utilized to build the infrastructure necessary for quality childcare services.

**Promotion of socially responsible practices for home based workers and informal employees.** Firms who work with companies to employ women on a contract basis are an important part of the employment picture and present a good opportunity for expanding employment opportunities for women, and improving recruitment methods and the terms and conditions of women’s employment. Outsourcing firms, as intermediate service providers, might be reluctant to participate in activities increasing their costs such as providing social protection for employees or incurring in any investment to improve general working conditions, as they could become an expensive burden for the service buyer. Working in collaboration with multinational companies to demand socially responsible practices at both the company and the outsourcing firm levels and their international partners has the potential for workers to benefit from spillover effects of improved practices.

**Creation and implementation of Ministry of Women and Gender Specialists.** The team’s research in Indonesia and Malaysia has shown that creating a Government Ministry dedicated to women’s issues can provide significant benefits to women. Although some have expressed concern that moving anything regarding women to one ministry will cause other ministries to completely ignore gender in other areas, most of the interviewees agreed that the Ministries of Women do more good than harm. In Egypt, the el-Sisi administration has expressed interest in advancing women’s status; because of this, the time may be right to encourage the government to start a Women’s Ministry. In addition to supporting el-Sisi’s reported stance on women’s empowerment, the Ministry could take on issues such as improving the collection of sex-disaggregated data, funding childcare centers, and investing in training of women to start their own businesses. The ministry would take ownership of the already established Gender Mainstreaming National Development Plan and work in collaboration with the National Council of Women. Giving attention to women’s issues at the ministry level would increase visibility for these concerns in the long term. Additionally, the Ministry would work to establish gender specialists in other key ministries, such as the Ministries of Finance; Manpower and Immigration; Industry, Trade and Small Industries; and Education, with the objective of effectively incorporating gender components into their individual development plans.

**Offering a National Award for Best Employers of Women.** Establish an annual award at national level with the support of the Ministry of Manpower and Immigration of Egypt replicating the model of Indonesia where candidates are nominated by each city governmental office based on firm visits and detailed surveys instruments. To qualify for this award, companies would establish environments conducive to women employees (as listed above). In the event that the Egyptian government creates a Ministry of Women, this could be a joint collaboration.

**Gathering of sex-disaggregated data.** Start a Social Mapping Project (as created by the ILO) to collect disaggregated data on women’s participation to Micro, Small and Medium enterprises, overall workforce and GDP to prove to government how important women entrepreneurs are for the country’s economy.

It is recommended that there be a partnership between the ILO and the Central Agency for Public Mobilization and Statistics (CAPMAS) to conduct a National Surveys on employment to employers and employees. Surveys would include specific questions to have not only sex disaggregated data but information on the location of the work (e.g. factory vs. home). For employers, surveys would state not only the total number of employees and the number of women, but provide information on direct-hire employees versus outsourced employees.
**B. Supply side**

**Establishment of women's groups** to reach various populations and expand women’s working opportunities and improve their working conditions, including in the following categories:

- **Childcare:** Promote relationships and offer childcare services for working mothers
- **Training:** Encourage training and skills development useful to targeted local growth industries (e.g. handicrafts, technology, etc.)
- **Mentoring:** Coach women in business planning, quality control, budgeting & financial management, general management & organization, and marketing
- **Formalization:** Establish groups with the objective of transitioning women’s groups to a formal cooperative status
- **Integration:** Create support groups for women that migrate from rural areas to cities
- **Marginalized groups:** Create networks for lower-income and rural women to start, register and grow their own businesses; also for non-business owners to learn about job opportunities and social protections.

**Development of Women-Owned MSMEs.** NGOs and women’s organizations must work in collaboration with Egyptian ministries or private enterprises to provide services to start and expand businesses:

- **Exports.** Include MSMEs in the national policy to grow export revenue. Create forums, trade fairs for business matching between international corporations and women entrepreneurs for them to access the international market. In collaboration with the Ministry of Trade, NGOs would offer technical training on exporting.
- **Microfinance Initiative.** NGOs and Associations to work with commercial banks to have women’s groups saving and lending mechanisms as potential customer bases.
- **Technology Trainings and Workshops**
- **Product marketing.** Partner with retail stores to promote and effectively market products developed by women.

**Government investment in STEM education.** Incentivize young girls to pursue education in the sciences, technology, engineering and mathematics fields by implementing programs that connect them with female professionals in these areas, partner with universities to provide gender-responsive education, and provide them with access to engineering research laboratories.

**Focus on re-entry to the labor force.** Initiatives to get women (mothers) to re-enter the labor force after having children. This could occur by means of re-training women in the field of their previous career. Job fairs targeted specifically towards women who are returning to the workforce after having left for several years to care for family have also been successful in assisting women re-enter the workforce.

**Promotion of a social campaign.** Conservative gender norms contribute to women often staying in the home, especially after having children. As shown from Egypt’s Ishraq Program and other NGO initiatives, community education can result in greater acceptance of women’s work. The el-Sisi administration has indicated that it is dedicated to women’s empowerment. If that is the case, there is plenty of room for NGOs to propose working with the government to start a national campaign advertising the benefits of working women on a local and national level. This could be a project of a Women’s Ministry, and it would strive to change men’s and women’s perceptions about housework, child rearing, and women in the public sphere.

Some of these recommendations, such as the development of women-owned MSMEs and the focus on re-entry to the labor force, could also be encouraged by an overall uptick in the state of the economy, which is beyond the scope of this report. Finally, it is important to note that for any of these recommendations to be successful, the fundamental requirement of trust between the government and the people of Egypt must be enhanced.
Bibliography


