Gender Policies in the Context of the Transformation of the Labour Market

Dr Irene Yap Tsue Ing & Dr Roman J. Zytek

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Institute of Policy Studies, Universiti Brunei Darussalam

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Outline

Background
◦ The hard data

Implications
◦ Where are all the men?
◦ “Men need not apply”?

Underlying Cause
◦ From demand for testosterone to demand for soft skills

Policy Options?
◦ Mandates and quotas to treat the symptoms?
◦ The Golden Age of Idle Man?
◦ Genuine reforms?
Background
Some observations and statistics

Economics and Statistics Unit within AMBD

75% 25%

Recruitment by credentials
Trend at workplace...e.g. AMBD

Overall gender ratio within AMBD in 2016

Source: AMBD Annual Report 2016
Not uncommon to have this scene at an internal meeting...
By composition of positions...

AMBD Male to Female ratio as of 2016

- Support Staff
- Assistant Officers
- Confidential Secretary
- Junior Management
- Middle Management
- Senior Management
- Executive Management

Source: AMBD Annual Report 2016
Nation-wide...more males than females

Employed persons in Brunei Darussalam (LFS 2014)

Source: Labour Force Survey 2014, JPKE
### Gender pay gap* (LFS 2014)

<table>
<thead>
<tr>
<th>Education attainment</th>
<th>Average hourly income (B$)</th>
<th>Gender pay gap (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Primary &amp; below</td>
<td>4.2</td>
<td>2.3</td>
</tr>
<tr>
<td>Secondary</td>
<td>6.2</td>
<td>6.1</td>
</tr>
<tr>
<td>Technical/Vocational</td>
<td>9.7</td>
<td>9.3</td>
</tr>
<tr>
<td>Pre University</td>
<td>11.9</td>
<td>9.1</td>
</tr>
<tr>
<td>Other post secondary level</td>
<td>15.2</td>
<td>15.7</td>
</tr>
<tr>
<td>Tertiary</td>
<td>22.7</td>
<td>19.6</td>
</tr>
</tbody>
</table>

*Figures include both local and foreign employees

- In general, education attainment ↑ average hourly earnings ↑

Source: Labour Force Survey 2014, JPKE
Gender pay gap (LFS 2014)

<table>
<thead>
<tr>
<th>Employees</th>
<th>Average hourly income (B$)</th>
<th>Gender pay gap (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Local</td>
<td>11.0</td>
<td>11.2</td>
</tr>
<tr>
<td>Non-local</td>
<td>7.4</td>
<td>4.6</td>
</tr>
<tr>
<td>Total</td>
<td>9.9</td>
<td>9.6</td>
</tr>
</tbody>
</table>

Source: Labour Force Survey 2014, JPKE

- **Negative gender gap** higher wage earned by local female employees (B$2,270 per month) compared to their male counterparts (B$1,940 per month) in Brunei.
- In the OECD, the median full-time wage for women is 85% of that for men. The wage gap due to historical patterns, chosen occupation and “motherhood penalty” (*The Economist*, 2017)
- Not clear if the wage gap in OECD countries persists for new hires.
Brunei Darussalam’s graduates

In 2015

By absolute number, more female graduates entering the job market...

2014 Graduates

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical/Vocational</td>
<td>2095</td>
<td>1623</td>
</tr>
<tr>
<td>Tertiary</td>
<td>1347</td>
<td>2086</td>
</tr>
</tbody>
</table>

2015 Graduates

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical/Vocational</td>
<td>1800</td>
<td>1462</td>
</tr>
<tr>
<td>Tertiary</td>
<td>1395</td>
<td>2140</td>
</tr>
</tbody>
</table>

Source: JPKE Statistical Yearbook 2015
How does this affect labour force?

Education trend will affect the composition of labour force.

Source: Labour Force Survey 2014, JPKE
Comparing with the rest of the world

International Comparison: Ratio of Females to Males in Secondary Education

- Brunei Darussalam
- United States
- World
- Middle East & North Africa

For secondary level, Brunei has similar FTM ratio with others

Comparing with the rest of the world

International Comparison: Ratio of Females to Males in Tertiary Education

- Brunei Darussalam
- United States
- World
- Middle East & North Africa

Tertiary level, Brunei has higher FTM ratio (nearly 2:1) than world’s average

Implications
What does this trend imply?

Stock and Flows
- More female compared to male graduates
- Males failing/dropping out along the education ladder

The social impact
- Marriage market imbalance
- Assortative mating
- More women remain single or settle for lower educated men

Changes to family structure
- Women as ‘bread winners’
- Unemployed husbands
Underlying Causes
Supply Meets the Changing Demand

Deindustrialization-Automation-Robotics (see for example Juhn, Ujhelyi, and Villegas-Sanchez 2012)

- Reduce the demand for muscles/physical strength.
- Increase the demand for capital goods.
- Increase the demand for soft and hard (non-cognitive and cognitive skills).

Increase in the share of services

- Allow for more flexible work arrangements.
- Increase the demand for soft skills.

Increase in the share of knowledge/information

- Increase the role of soft & social skills as they are the foundation for continuous learning of hard, cognitive skills (Deming 2015)
Policy

Recommendations
Possible Solutions

Study why male students drop out from education
- Genetic or social causes?
- Understand parental behaviour and its consequences (Aizer & Cunha 2012)

Reform education to meet the demands of male students
- Emphasize broader skills vs. narrow vocational training
- Role of internships
- Continuous learning (eliminate restrictions, cutoffs)

Emphasize soft skills necessary for learning hard skills
- Special focus on soft skills in early education, ages 0-12 (Cunha and Heckman 2010)
- Be wary of international tests of hard, specific skills & knowledge (such as OECD PISA), their possibly misguided impact on education

Liberalize labour markets to allow part time work, including work from home for men and women

How will the society adapt to this trend?
- History offers some cautionary lessons in adaptations (The Economist 2016)
Some Interesting Readings


Some Interesting Readings


Some Interesting Readings

Eika, Lasse, Magne Mogstad, and Basit Zafar, 2014, “Educational Assortative Mating and Household Income Inequality”, Federal Reserve Bank of New York Staff Reports, no. 682.


Some Interesting Readings


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