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White Paper on Women's Economic Empowerment in Asia

OCTOBER 2020



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GIRLS ADVOCACY ALLIANCE

The Girls Advocacy Alliance (GAA) work for the protection of girls and young women against violence and for their economic empowerment. The GAA is an initiative of Plan International Netherlands, Terre des Hommes Netherlands and Defence for Children - ECPAT Netherlands, in cooperation with the Dutch Ministry of Foreign Affairs. The GAA programme runs from 2016 to 2020 in ten countries in Asia and Africa: Bangladesh, India, Nepal, the Philippines, Ethiopia, Ghana, Kenya, Liberia, Sierra Leone and Uganda.



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Plan International is an independent development and humanitarian organization that advances children's rights and equality for girls. We believe in the power and potential of every child. But this is often suppressed by poverty, violence, exclusion and discrimination. And it is girls who are most affected. Working together with children, young people, our supporters and partners, we strive for a just world, tackling the root causes of the challenges facing girls and all vulnerable children. We support children's rights from birth until they reach adulthood. And we enable children to prepare for – and respond to – crises and adversity. We drive changes in practice and policy at local, national and global levels using our reach, experience and knowledge. We have been building powerful partnerships for children for over 80 years and are now active in more than 71 countries.

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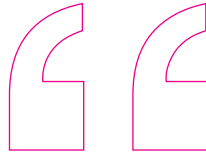
GAA Girls Advocacy Alliance

H&T Hospitality and Tourism

NPR Nepalese Rupee

RMG Ready-Made Garment

¹ UN Women (2017). UN Secretary-General's Message for International Women's Day.



Empowering women and girls is the only way to protect their rights and make sure they can realize their full potential. Gender equality has a transformative effect that is essential to fully functioning communities, societies and economies. When women participate fully in the labor force, it creates opportunities and generates growth.

Antonio Guterres¹
UN Secretary General

INTRODUCTION

Plan International's Girls Advocacy Alliance (GAA) program aims to contribute to building a society where young women are free from gender-based violence and economic exclusion. Through GAA, Plan International Asia aims to advocate with the private sector for policy and practice changes along the ready-made garments (RMG) and the hospitality and tourism (H&T) sector in Asia that invest in the economic empowerment of young women workers.

The GAA White Paper articulates the business case for women's economic empowerment by demonstrating financial and non-financial benefits of investments in young women workers of the RMG and H&T sectors in Asia. It also identifies good practices for promoting women's empowerment and outlines recommendations for how these could be embedded by other private sector actors. The paper draws from evidence gathered from several Plan International publications: (1) *Cashing In: The Business Case for Empowering Women in the Bangladesh RMG sector*, (2) *Female and Thriving: The Business Case for Empowering Women in the Nepal H&T*, and (3) *Valued, Paid, Recognized: Desk Review of Business Efforts in Promoting Women's Empowerment in the Mekong Hospitality and Tourism Sector*.

As a high-level guiding document for the private sector, the White Paper is envisioned to strengthen Plan International's engagement with RMG and H&T actors through the provision of contextualized and empirical evidence, and actionable recommendations.

80%

**of the women
working in
the country's
manufacturing
sector are employed
in RMG factories.**

OVERALL SITUATION OF WOMEN WORKERS IN THE RMG AND H&T SECTORS

² BSR. (2017). Empowering Female Workers in the Apparel Industry: Three Areas for Business Action

³ ILO (2019). Improving working conditions in the ready-made garment sector.

⁴ Bangladesh Bureau of Statistics. (2012). Survey of Manufacturing industries.

⁵ Plan International. (2019). Cashing In: The Business Case

⁶ Ibid.

⁷ Acharya, B. P., & Halpenny, E. A. (2013). Homestay as an Alternative Tourism Product for Sustainable Community Development: A Case Study of Women-Managed Product in Rural Nepal.

⁸ Ibid.

⁹ Plan International. (2020). Valued, Paid, Recognized.

¹⁰ Ibid.

Bangladesh is the second largest global exporter of ready-made garments, and the RMG sector is widely credited with contributing to an improvement in living standards in the country, particularly for women². Though the number of women working in the RMG sector has declined, it continues to employ 50-60% women³. In fact, 80% of the women working in the country's manufacturing sector are employed in RMG factories, making female employment highly crucial to the sector⁴.

The H&T sector in Nepal is estimated to be directly responsible for providing employment to one million people, 20-25 percent of whom are women⁵. Women's participation in the sector is primarily concentrated in lower skilled occupations with 60 percent working in housekeeping, 30 percent in reception or the front desk and food service, and the remaining 10 percent hold managerial or executive-level positions⁶. Among the different H&T businesses, the majority of women work in homestays.⁷

These are stereotypical roles of women commonly present in patriarchal societies that limit women's progress in the workplace.⁸ Societal and cultural norms continue to hinder the economic empowerment of women and subsequent employment in the RMG and H&T sectors. For instance, rural communities in the Mekong region have a particularly negative view of hospitality and believe it is not an appropriate workplace for women. This view sees urban hospitality as working on the street and selling alcohol in informal bars or moving to a city for such work as an indicator of trafficking. Using successful female graduates of hospitality training schools as role models helps to dispel such myths or negative stereotypes concerning the industry⁹.

While education is seen as a way to break free from these norms, the financial cost of attending post-secondary education is seen as a significant barrier for women. Several non-profit schools in the Mekong seek out marginalized youth from rural areas, have quotas for women, or specifically target women of a certain profile, such as a survivor of domestic abuse or single mothers¹⁰.

Despite the importance of female participation in the RMG and H&T sectors, women are evidently at a disadvantage in accessing jobs or thriving in their careers. Although these sectors have brought unprecedented opportunities for women, especially for those in rural areas, problems still persist with women lacking access to decent job opportunities, occupying the lowest paid positions within the businesses and facing discrimination and harassment in the workplace.

¹¹ Plan International. (2020) Female and Thriving: The Business Case.

¹² Fair Wear (2018). Bangladesh country study 2018.

¹³ Plan International (2019). Cashing In: The Business Case.

¹⁴ Plan International. (2020) Female and Thriving.

¹⁵ Plan International. (2020) Female and Thriving: The Business Case.

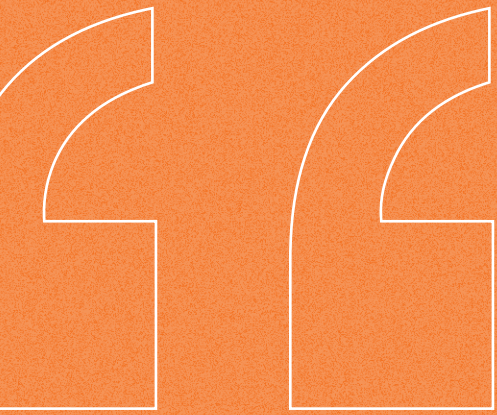
¹⁶ Plan International. (2020) Female and Thriving: The Business Case and Plan International. (2019). Cashing In: The Business Case.

In the H&T sector, access to jobs are primarily through referral even for entry-level professions, limiting opportunities for women who do not have the necessary social network¹¹. In addition, when women are hired, they usually occupy the lowest positions in the company or are offered part-time work. The jobs in which women RMG workers are concentrated also tend to be the worst paid. The Fair Wear 2018¹² report found that the majority of helpers and sewing operators are women, while higher-skilled and better paid positions such as dyeing and weaving operators were mostly occupied by men¹³. Similarly, a third of the female staff in the H&T sector were working mainly in housekeeping, front desk management, sales and marketing and food serving positions in Nepal¹⁴.

Women also experience gender-based harassment and violence in the workplace. The most common form in the RMG sector is verbal abuse with workers being shouted at or being called disrespectful names. There are also incidences of women experiencing physical violence in the workplace. Safety issues in the H&T sector stem from accommodation businesses operating a 24/7 business model and restaurants and bars closing late. Women working the late shift and going home past 10 o'clock at night may feel unsafe while going home¹⁵.

Professional advancement and promotion are highly gendered with women having limited upward mobility. Women are generally underrepresented in supervisory and management positions. Less than 10 percent of management positions in the RMG and H&T sectors are occupied by women¹⁶. Unlike their male counterparts, female employees are not as confident and rarely put themselves forward for promotion or more benefits. In some cases, the absence of an effective performance assessment system as a basis for promotion, makes both these sectors prone to favoritism and discrimination – a dynamic that does not favor women and can leave them vulnerable to sexual harassment and exploitation.

Many women are unable to advance their careers despite the growth of the RMG and H&T sectors. Balancing work and home responsibilities poses a tough challenge for many working women. When these young women get married, their work productivity sharply declines as they are required to spend more time doing care work. These burdens increase young women's lack of time, resulting in the choice to do flexible or part-time work. In some cases, family pressure leads to female staff leaving the workforce. The lack of support for pregnant women and mothers such as paid maternity leave, maternal care, childcare, and breastfeeding facilities makes it difficult for women to return to work after giving birth.



Less than

10%

of management positions in the RMG and H&T sectors are occupied by women.

HOW SUPPLY CHAIN ACTORS ARE EMPOWERING WOMEN WORKERS IN THE RMG AND H&T SECTORS

Several supply chain actors in the RMG and H&T sectors have implemented good practices towards empowering women workers in these industries. These practices range from addressing women's health and safety to promoting career progression, enabling and allowing young women to gain access to employment in these industries and thrive in their careers.



Promoting gender balance at all levels

Women in leadership or senior management roles in the H&T sector should be seen as axiomatic to good business and corporate governance¹⁷. Gender-sensitive tourism policies and gender equality business strategies make a difference for women's empowerment, especially when backed by institutional and budgetary support¹⁸. Most workers in an ILO study responded that men and women were treated equally in RMG factories. However, this might be due to a lack of awareness about gender equality. Though upward mobility and representation in leadership positions remain a challenge in both the RMG and H&T sectors, in recent years, women have been promoted as trade union leaders for factories. The National Garment Workers Federation, one of the largest trade union federations in the RMG sector in Bangladesh, has established a women's leadership development program to prepare more women to emerge as leaders in the industry.¹⁹



Addressing women's safety

Participating RMG factories had sexual harassment policies in place and had set up a variety of mechanisms to address harassment in the workplace. Employees were oriented about these developments to increase awareness on how to report harassment and seek redress. Employees gained confidence and placed more trust in the company as a result of adopting a system to minimize harassment in the workplace. Interventions centered on²⁰:

Policies

- Zero tolerance towards sexual harassment and terminating employees who have harassed female employees
- Requiring trainings on sexual harassment for employees and management regardless of gender

¹⁷ Plan International. (2020). Valued, Paid, Recognized.

¹⁸ World Tourism Organization. Global report on women in tourism.

¹⁹ ILO (2019). Improving working conditions in the ready-made garment sector.

²⁰ Plan International. (2019). Cashing In: The Business Case.

People

- Formation of a Participation Committee to bring employee complaints to the attention of the management
- Assigning a welfare officer responsible for taking complaints in each production floor
- Hiring female security guards

Physical Infrastructure Process

- Setting up complaint boxes in areas such as washrooms and health clinics to allow employees to file sexual harassment grievances while protecting anonymity
- Installation of closed-circuit cameras in strategic places
- Installation of adequate lighting throughout factory grounds
- Provision for a helpline in emergency situations

Many H&T sector businesses such as accommodation establishments and restaurants operate until late at night or around the clock. Hence, transportation services from the workplace to their residence were provided to those assigned to work the evening shift. This permits women the option to work up to ten in the evening without compromising safety. Moreover, with the growing number of women employed in the H&T sector, it was also important that female employees were provided with separate facilities such as lavatories and changing rooms. This enables a sense of privacy, security and safety for female staff²¹.

²¹ Plan International. (2020). Female and Thriving

²² Plan International. (2019). Cashing In: The Business Case.

²³ ILO (n.d.). Bangladesh Labour (Amendment) Act. No. 30 of 22 July 2013. Unofficial English translation.



Addressing women's health²²

The RMG sector in Bangladesh now provides numerous healthcare benefits to its female employees. In accordance to the country's Labor Act Amendment of 2013²³, which introduced specific provisions on workplace safety, factories with over 5,000 employees were required to put up health centers within their facilities. Clinics were staffed with both female and male doctors to attend to the health-related needs of both genders.

Depending on the size of the facility, health clinics provided:

- Primary care
- Care for work-related injuries
- On-site laboratory testing
- Reproductive health services such as birth control and menstrual hygiene
- Vitamin and mineral supplements for women
- Pre- and post-natal care for pregnant women
- Healthcare for employees' children enrolled at the factory's daycare facility
- Healthcare for the immediate family members of employees
- Ambulance services

Many women in developing countries face challenges when having their period. A shortage of menstrual hygiene products for example prevents them from going to work during their period. Some women get infections due to the use of old rags during their periods, resulting in absences. While workplaces are not legally bound to provide menstrual support to their employees, most RMG factories provide sanitary napkins to employees either free of charge, at a reduced price in the health clinic, or at a discounted price in an on-site store.

Health education programs help empower individuals and communities to live healthier lives by increasing their knowledge and influencing their attitudes about caring for their well-being. Trainings for employees cover topics such as general health, nutrition and hygiene, as well as disease specific trainings on dengue, cancer, and sexually transmitted diseases. Female employees at some factories have access to specific training on reproductive health and preventing the occurrence of critical illnesses such as breast and ovarian cancer. Clinics also offer additional health education programs on pregnancy and caring for newborns as well as counselling services to pregnant employees and their husbands.

Several RMG factories also provide additional maternity benefits aside from the services delivered by the on-site health clinics. Healthy snacks are supplied to pregnant women. Employees are given lighter duties during pregnancy and are afforded priority access to elevators and accessibility ramps. Pregnant women's leave requests are prioritized, and they are allowed to leave work early if needed, with no expectation of overtime work during the pregnancy period. Some factories also allot financial support for emergency hospital services and medications.

Despite not being mandated by labor law, most RMG factories designate breastfeeding spaces that afforded privacy for breastfeeding mothers. Workers are allowed two 30-minute breastfeeding breaks in addition to the lunch hour.

Factories with more than forty workers are also required by Bangladesh law to provide employees with access to child-friendly rooms for their children of age six or below. Daycare centers provide food such powdered milk and solid food and some even stock diapers and clothing for children. Some factories also provide financial support towards the education of employees' children.



Promoting career progression²⁴

Most businesses lose women along the leadership pipeline, with few women reaching top management positions. To support women's advancement in the H&T sector, the adoption of flexible working schedules allows women to be assigned to different shifts. Compliance with mandated paid maternity leave is also present in both the H&T and RMG sectors. This fosters a balance between work and home care duties, leading to higher retention rates even after female employees get married.

As a service-oriented industry, H&T businesses regularly provide staff with training programs to increase their skills or learn new competencies. Some establishments take it further by providing on-site job coaching and counseling to motivate female staff, especially those in junior positions. Recognition from the company in the form of appreciation letters, awards for best staff, and birthday tokens is also effective in motivating female employees²⁵.

²⁴ Plan International. (2020). Female and Thriving.

²⁵ Ibid.



Addressing gender wage gap

²⁶ IPS News. (2018). Bangladesh's Garment Industry boom leaving workers behind.

²⁷ World Economic Forum (2019). Global Gender Gap Report 2020

²⁸ Kathmandu Post. (2018). Minimum wage raised to RS 13,450 per month.

²⁹ Exchange Rate set by Central Bank of Nepal for US\$ 1 = NPR 113 as of reporting date.

³⁰ Government of Nepal (2019). Report on the Nepal Labour Force Survey 2017/2018. National Planning Commission, Central Bureau of Statistics.

³¹ Plan International. (2019). Cashing In: The Business Case.

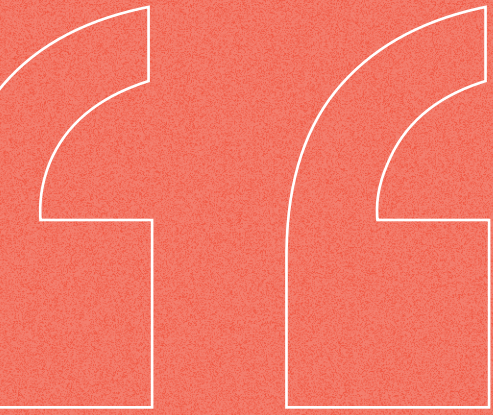
The current minimum wage for a factory worker in Bangladesh is BDT 5,300 (US\$ 64) per month²⁶, with an average salary in the RMG sector being between BDT 8,000 (US\$ 96) and BDT 12,000 (US\$ 145). While the country's labor laws promulgate equal pay for men and women, a gender wage gap exists, with women earning 40 percent less than men²⁷. Most RMG factories prioritize on time payment of salaries to attract workers to apply, improve productivity, and reduce turnover. Payments that are regularly late can lead to labor unrest.

The Government of Nepal recently adjusted the minimum salary for full-time workers at NPR 13,450²⁸ (US\$119²⁹). Despite this, the 2017/2018 Report on the Nepal Labor Force Survey³⁰, stated that women only earned NPR 0.66 for every NPR 1.00 earned by men. Interestingly, among the studied H&T businesses, there is no wage difference between male and female workers. The differences in salaries received are instead based on position and the depth of their work experience. Employees who work part-time end up making less than the minimum wage, which is a common occurrence in homestays and restaurants.



Promoting women's representation and voice

The formation of the Participation Committee in RMG factories provides an opportunity for women's representation to be strengthened. Participation committees with proportionate representation of women workers may enable women's voices to be included in dialogues with factory management³¹.



The **return on investment** from these practices are at least

300%

across all studied factories.

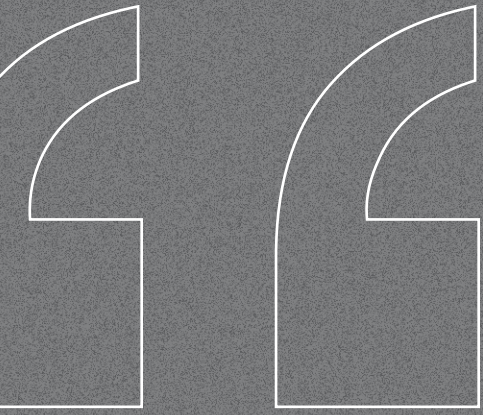
RETURN ON INVESTING IN EMPOWERING WOMEN IN THE RMG AND H&T SECTORS³²

RMG factories implementing interventions for their female workers report business benefits such as improved employee well-being, increased retention rates and better productivity. Health programs such as the provision of on-site clinics and menstrual hygiene support reduce health-related absenteeism. Female staff turnover, especially among pregnant women declined as they are able to access maternal care and childcare facilities. Anti-harassment policies enable a safer environment for female workers resulting in more women seeking promotion and taking on leadership roles within the company. The identified good practices also improve RMG factories' reputation and increases their standing with their buyers. Female workers entering the industry also prefer to apply for jobs with factories that had these provisions in place.

Reduced absenteeism and lower staff turnover rates resulted in factories saving from USD 400,000 to USD 1.7 million annually. The savings more than outweigh the relatively lower cost of these gender interventions. The return on investment from these practices are at least 300% across all studied factories, supporting the premise that investing in women is a good business decision.

The contributions of women to the H&T sector as employees also results in positive cost-benefit ratios and increased returns on investment for the companies. Businesses are aware of the worth in investing in female staff because their performance meets expectations and female staff are seen to be loyal, dedicated, trustworthy and provide warm hospitality and customer care to their guests.

The benefits of investing in programs that enable women to access H&T jobs and motivate them to advance in the sector outweigh the cost of implementing these kinds of programs. H&T businesses that implement different interventions for female staff experience increased revenue generation. For instance, star hotels with at least 20 percent female staff have the most provisions in place for women and show more than 100 percent return on investment, implying a correlation between these measures and organizational performance.



Factories **saved** up to

USD 1.7M

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CONCLUSION

Women continue to face challenges throughout the RMG and H&T sectors. Simply getting women employed by these sectors is not enough. Empowering women across the entire supply chain to reach their full potential will require investing in initiatives that enhance gender balance across all levels, address gender wage gaps, prevent gender-based violence in the workplace, support women's rights, provide education and opportunities to gain new skills, and proactively put women along the leadership pipeline. Building equality and diversity in the workplace can create shared value for businesses. Supporting women in the RMG and H&T sector to be more economically empowered can benefit the industry through better organizational performance by a more skilled workforce, increased customer satisfaction and loyalty, and further growth for the companies.



*Our research shows that **proactively supporting gender equality is a win-win for businesses, the benefits far outweigh the costs.***



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