



Chapter 2

The role of Thai women in the current economic system

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Today's plan

01 | Women in the labor market

- Role of women in participating in the labor market in Thailand

02 | Women at Work

- Gender diversity and the glass ceiling in the workplace in Thailand

03 | Limitations of women in the labor market

- Factors that determine the limitations of women in the labor market

04 | Policy to encourage women to participate in the labor market

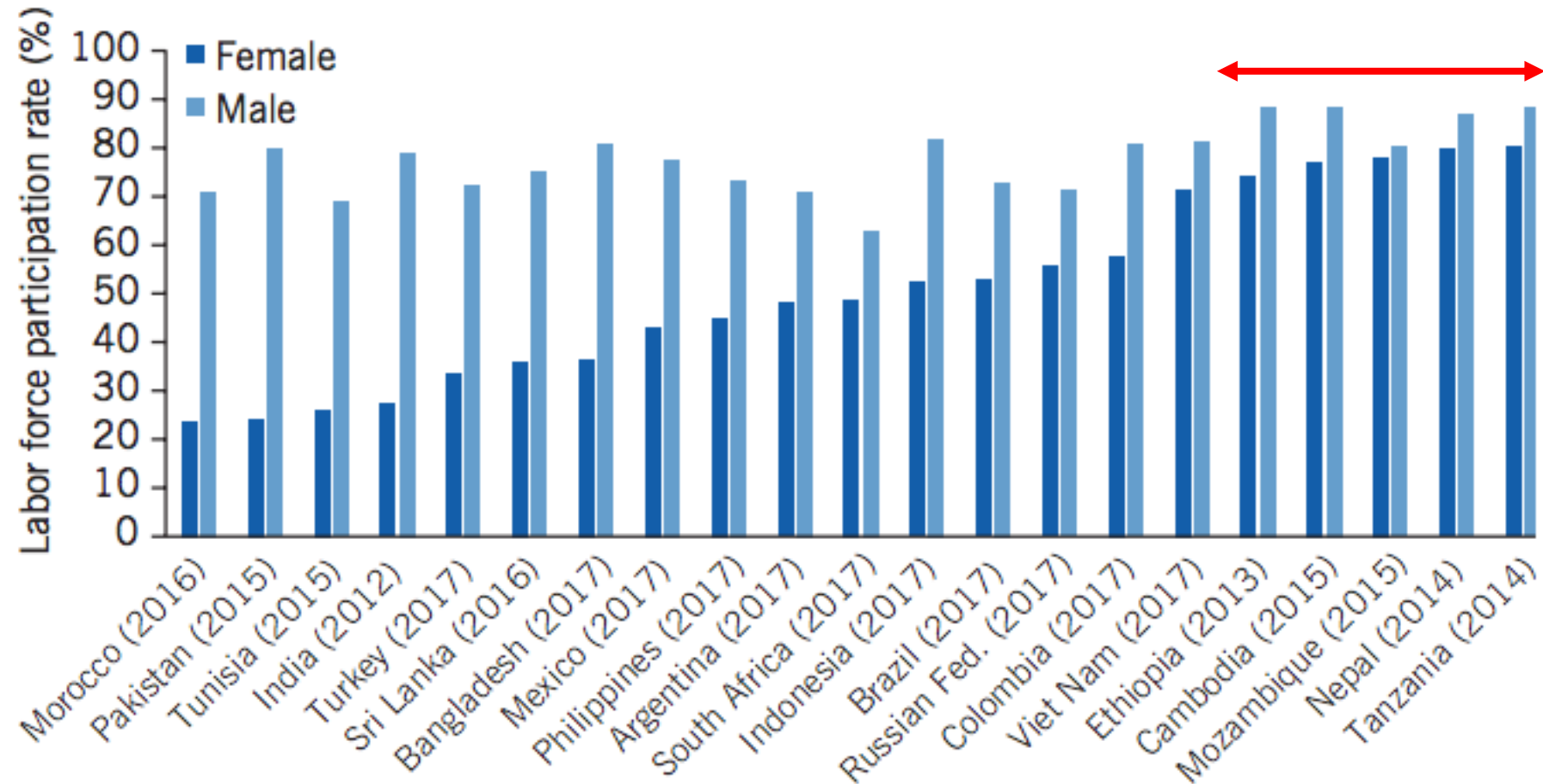
- Policy implementation in Thailand



(1)

Women in the labor market

Figure 2. Gender disparities in labor force participation rates in selected developing countries, various years (2012–2017)

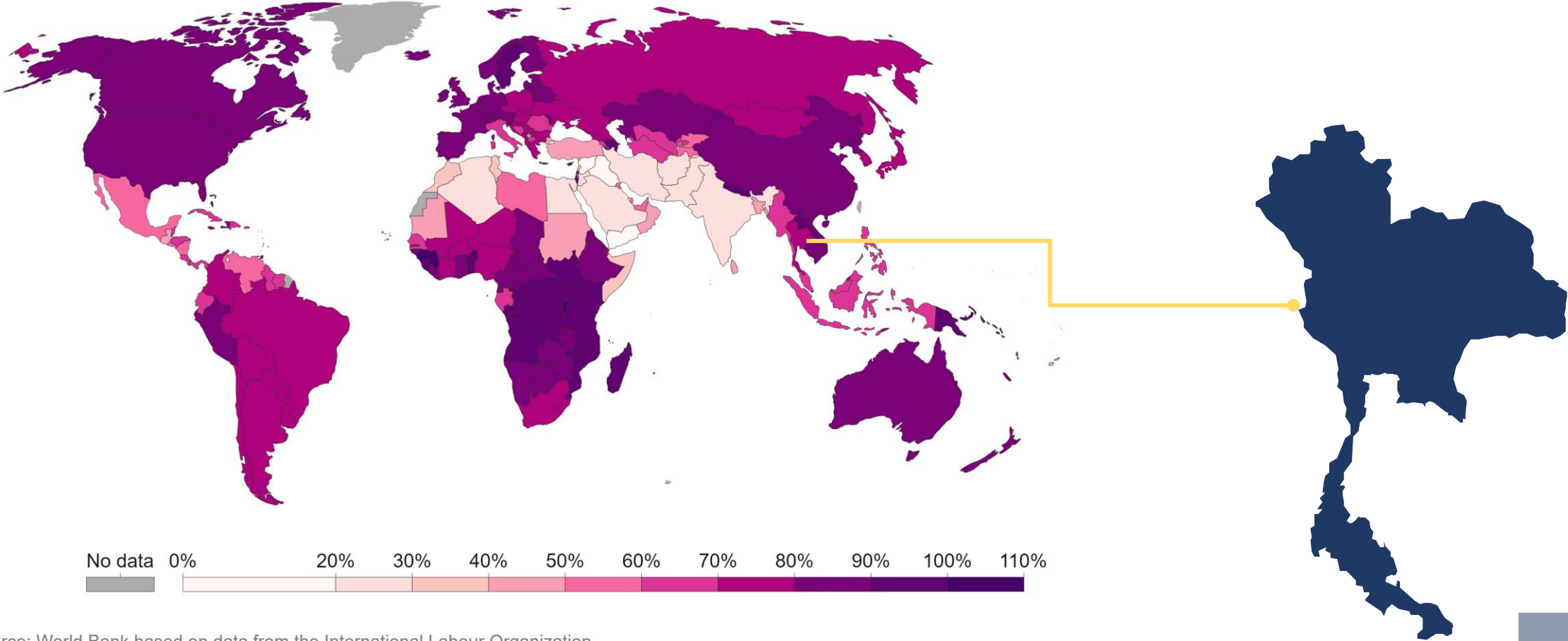


Source: National estimates from ILO Statistical Database, ILOSTAT. Online at: <http://www.ilo.org/ilostat>

Ratio of female to male labor force participation rates (%), 2019



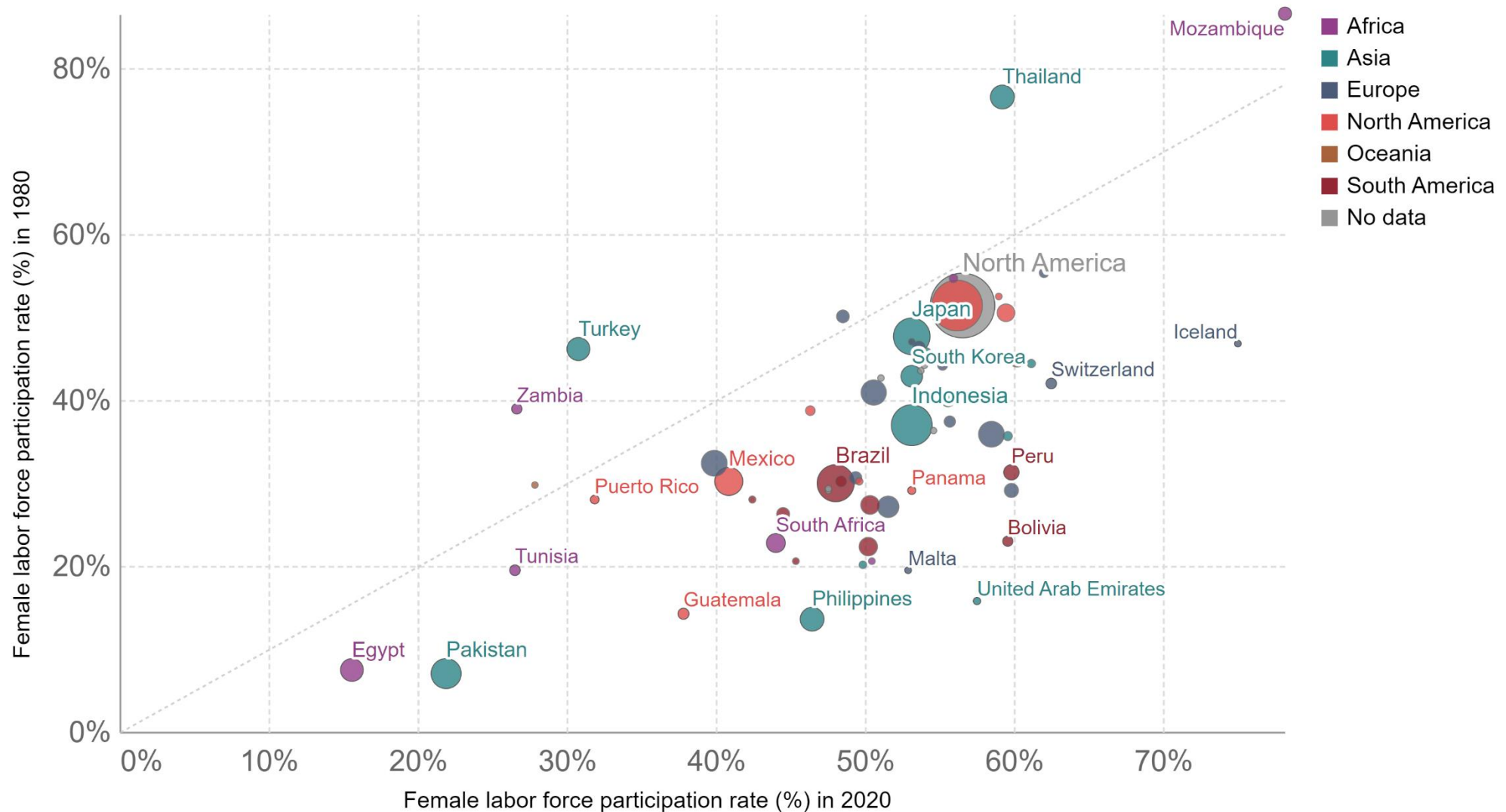
The female-to-male ratio of labor force participation rates is calculated by dividing the labor force participation rate among women, by the corresponding rate for men. The labor force participation rate is defined as the proportion of the population ages 15+ that is economically active. All figures correspond to 'modeled ILO estimates' (see source for details).



Source: World Bank based on data from the International Labour Organization
OurWorldInData.org/female-labor-force-participation-key-facts • CC BY

Female labor force participation rates

The female labor force participation rate corresponds to the proportion of the female population aged 15 and older that is economically active. All figures correspond to national estimates, without ILO corrections (see limitations and exceptions in the Sources tab).






Women's participation in the labor market in Thailand

- Thailand has a consistently high female workforce participation rate, averaging 65% from 1990 to 2017.
- The rate in other countries in Southeast Asia: Malaysia (46%) & Philippines (48%).
 - Thai women continue to work after marriage and raise children at the same time.
 - The female participation rate of married women is 80% (Liao and Paweenawat, 2021)

Women's participation in the labor market in Thailand

- The development of women's roles parallels economic changes.
 - In the past, taking care of children/unpaid family workers have become main workers in labor market.
 - Education is an important factor driving Thai women in the labor market.
 - Currently, there are more advances in education for women than for men.
- Women's income tends to increase in the same way as men's income.
- Women's income increased(1985-1996) & decreased during Asian financial crisis (1997)
 - After recovery, the gender wage gap has continued to decrease dramatically.

Women's participation in the labor market and economic system

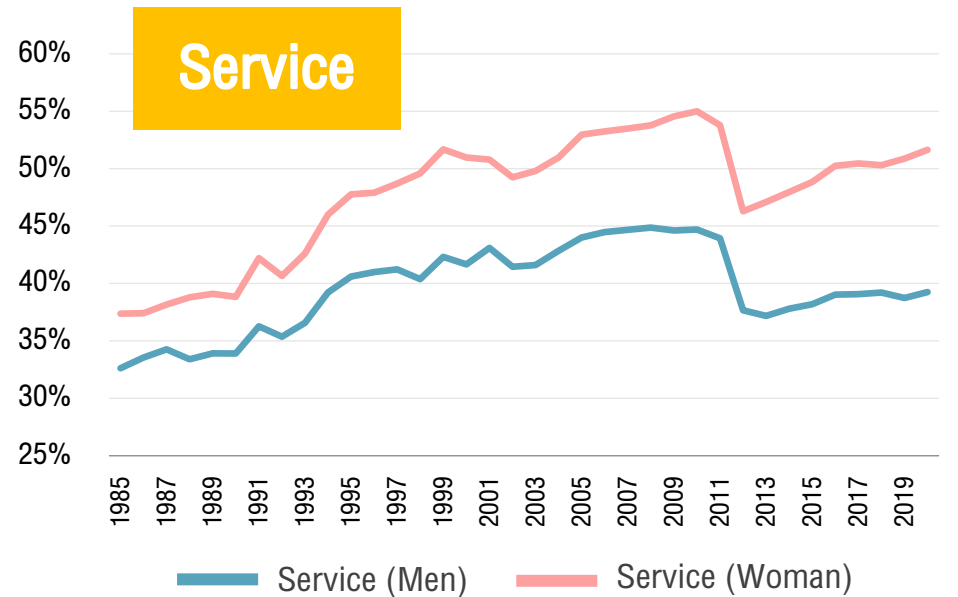
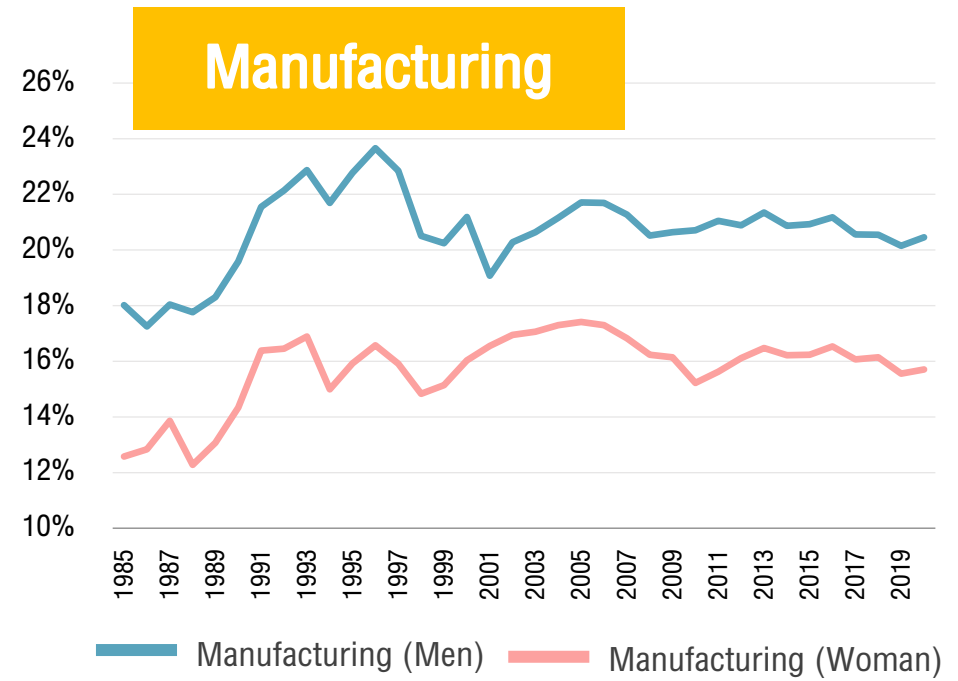
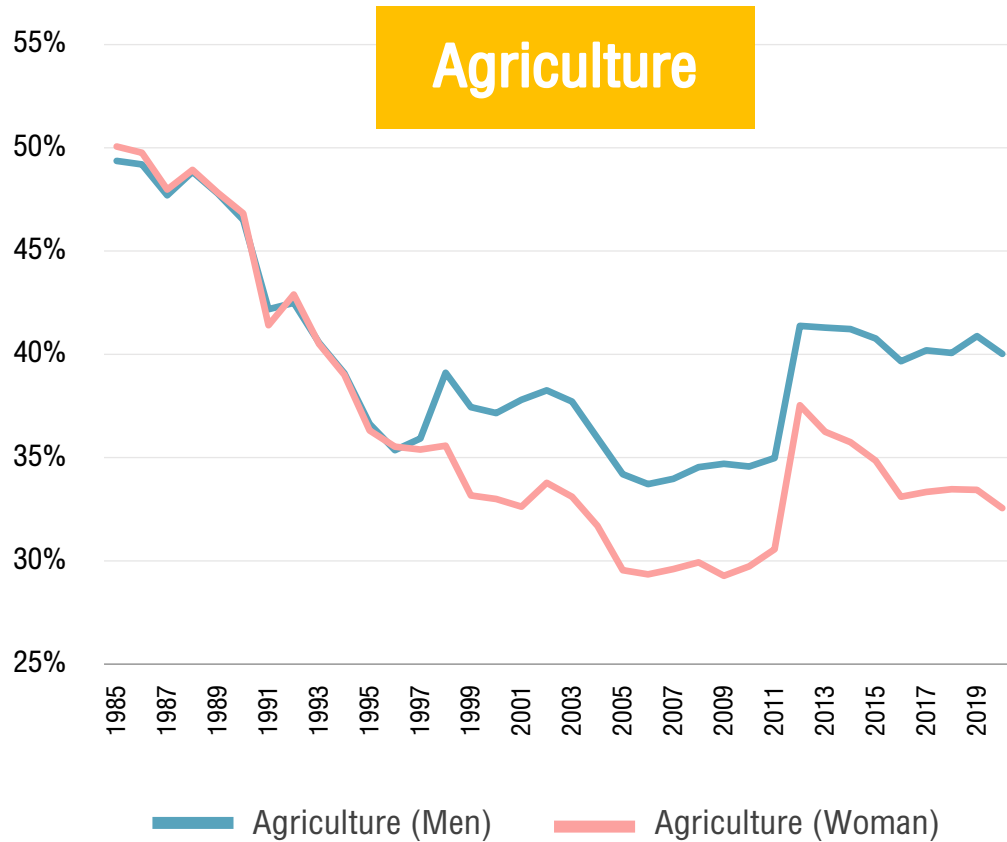
-  Thailand has evolved from an economy based on agriculture to one based on the manufacturing and service sectors over the past few decades.
-  The Thai workforce has transitioned from a low-income agricultural sector to the high-income manufacturing and service sectors.
-  The proportion of employment in the manufacturing and trade sectors continues to decline.
 - Proportion of employment in service sector continues to increase.

Women's participation in the labor market and economic system

- The demand for Thai workers in the manufacturing sector is high.
 - Women have become the source of labor supply expansion in the Thai labor market.
 - Government has implemented education policies to support the country's development.
 - Women are highly educated, have started working in manufacturing/service sectors, and receive higher wages.
 - Income inequality (gender wage gap) has decreased over time.

Proportion of workers by industry and gender (1985-2020)

Source: Author's calculation from LFS (1985-2020).




Women's Participation in the labor market and industry

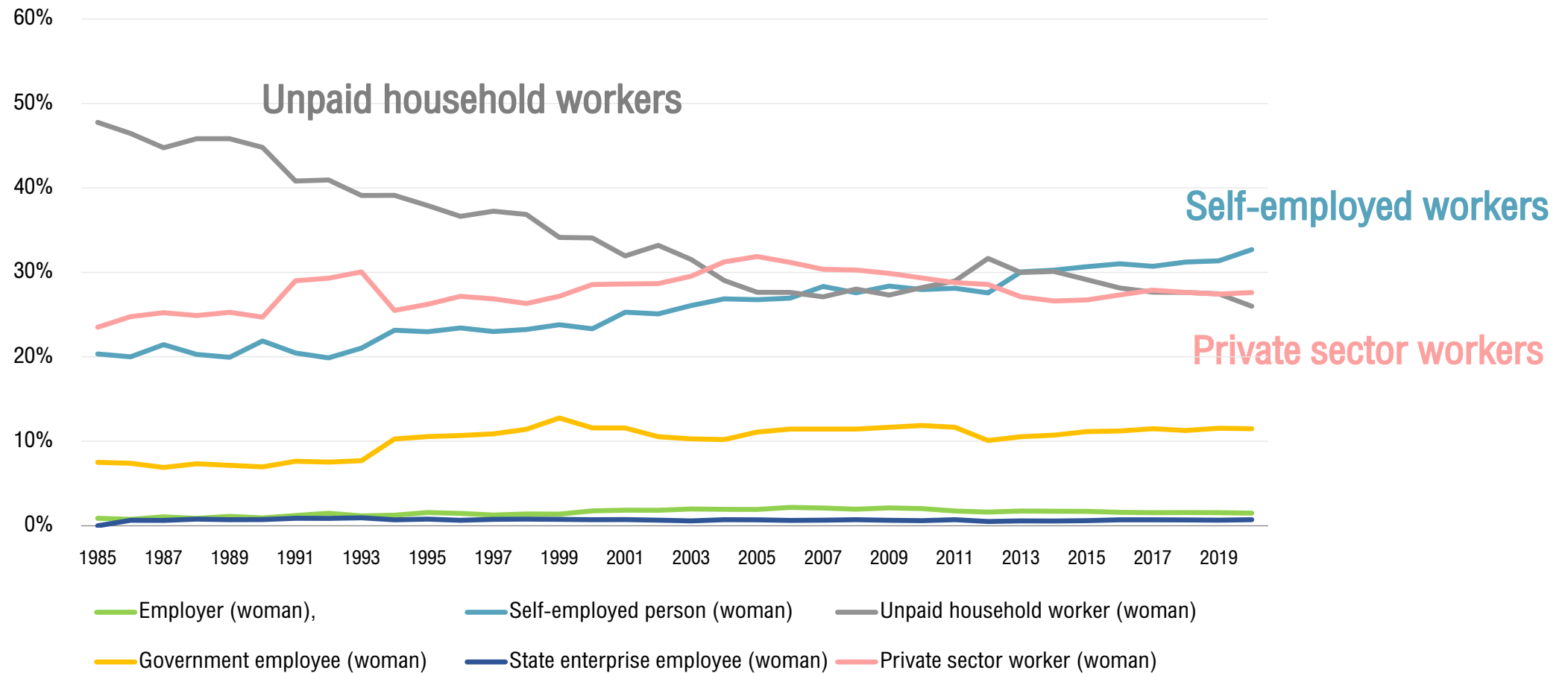
- 🏠 The average share of the agricultural workforce has dropped sharply from 50% in 1985 to 33% in 2020.
- 🏠 The proportion of workers in the manufacturing sector has increased since 1985 and remained stable after 1995.
- 🏠 The proportion of workers in the service sector has increased since 1985 and remained stable after 2000.
 - The number of women working in the service sector is higher than men.
 - The proportion of labor in this sector has continued to increase dramatically.

Working status of women in Thailand

-  Working status of women in Thailand
 - 1) Employee (Government; Government enterprises; Private sectors)
 - 2) Employer/Own account workers (operated enterprise with/without employee)
 - 3) Unpaid family (works without pay on a farm or in a business enterprise owned or operated by the head/other members of family)

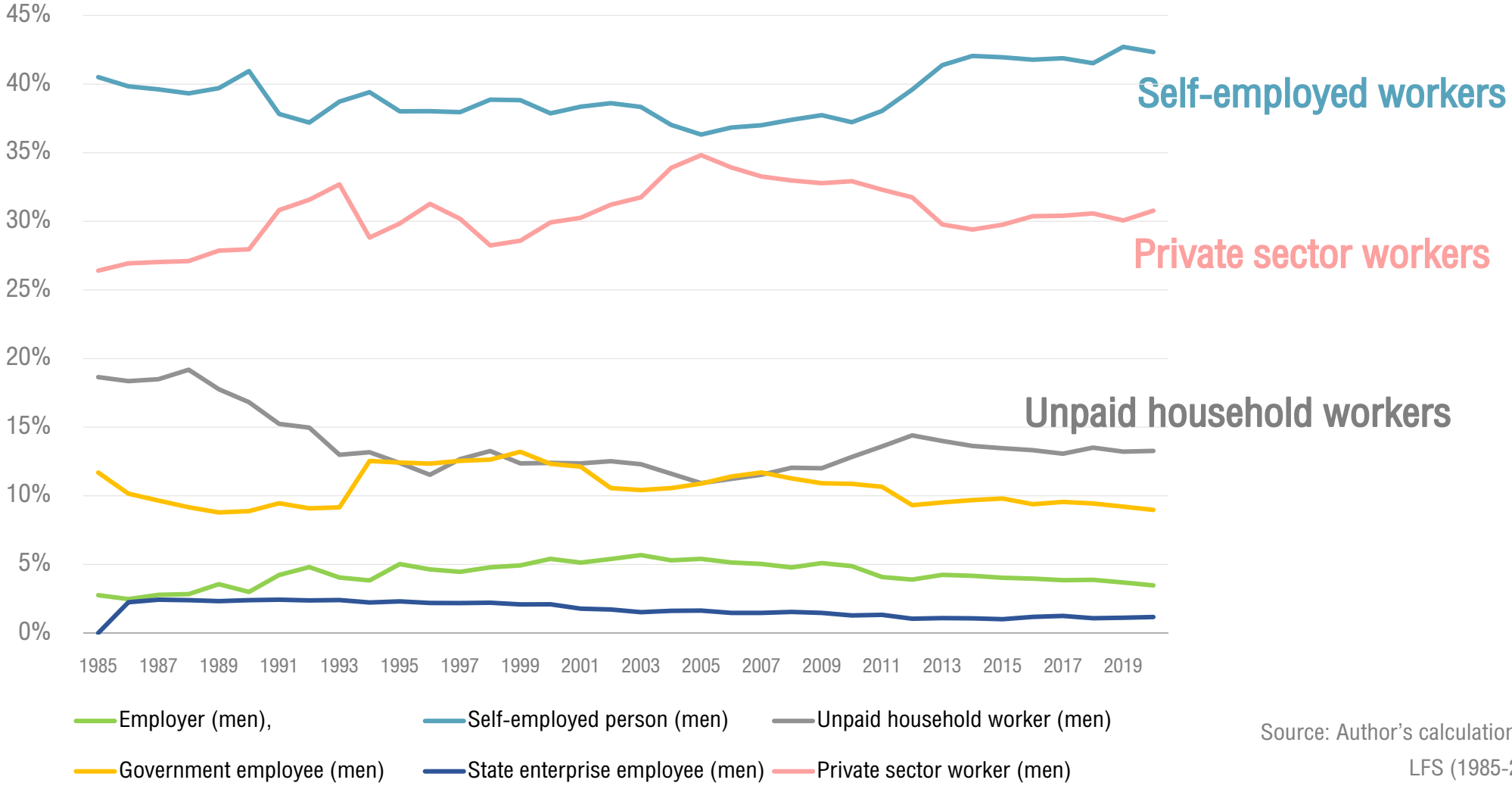
-  A number of women work as unpaid family workers more than men
 - However, trend has declined over time & The gap between men and women has decreased steadily
 - However, men join to work more than women in other sectors, especially in own account worker (men have higher proportion than women)

Gender proportion of workers by working status (1985-2020) - Women



Source: Author's calculation from LFS (1985-2020).

Gender proportion of workers by working status (1985-2020) - Men



Source: Author's calculation from LFS (1985-2020).

Women's participation in the labor market and education



Education is the main factor driving Thai women into the labor market.



Compared to other Asian countries such as Korea, Indonesia, Thailand

- There is a strong correlation between education and participation in the female labor market (Dowling and Worswick, 2001)



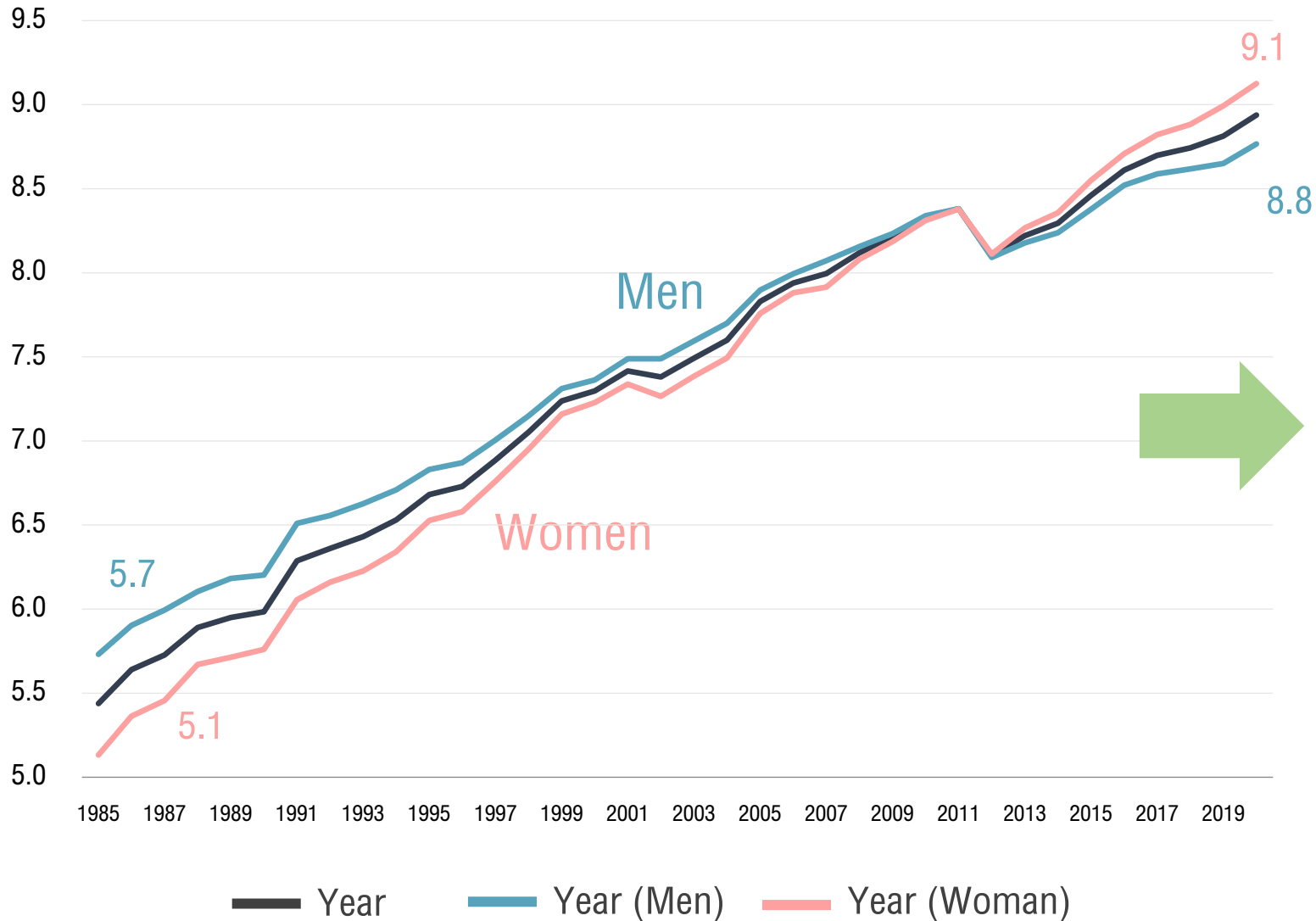
Women's participation in the labor market and education



Thailand's education system.

- In the past, boys learned from the monks in the temple, while girls studied to do housework in the house
- The First School in Thailand has been invented by the King Rama V (1871).
School for boys and girls!
- Compulsory Education Policy - 4 years (1936) → 7 years (1951)
→ 6 years (1977) → 9 years (1999) → 12 years (2002)
- The average year of education of Thai workers has continued to increase.

Average year of education for Thai workers (1985-2020)



5 levels of education:

1. Below elementary school (<6 years)
2. Elementary school (6-8 years)
3. Lower Secondary School (9-11 years)
4. High school (12-15 years)
5. University (>15 years)

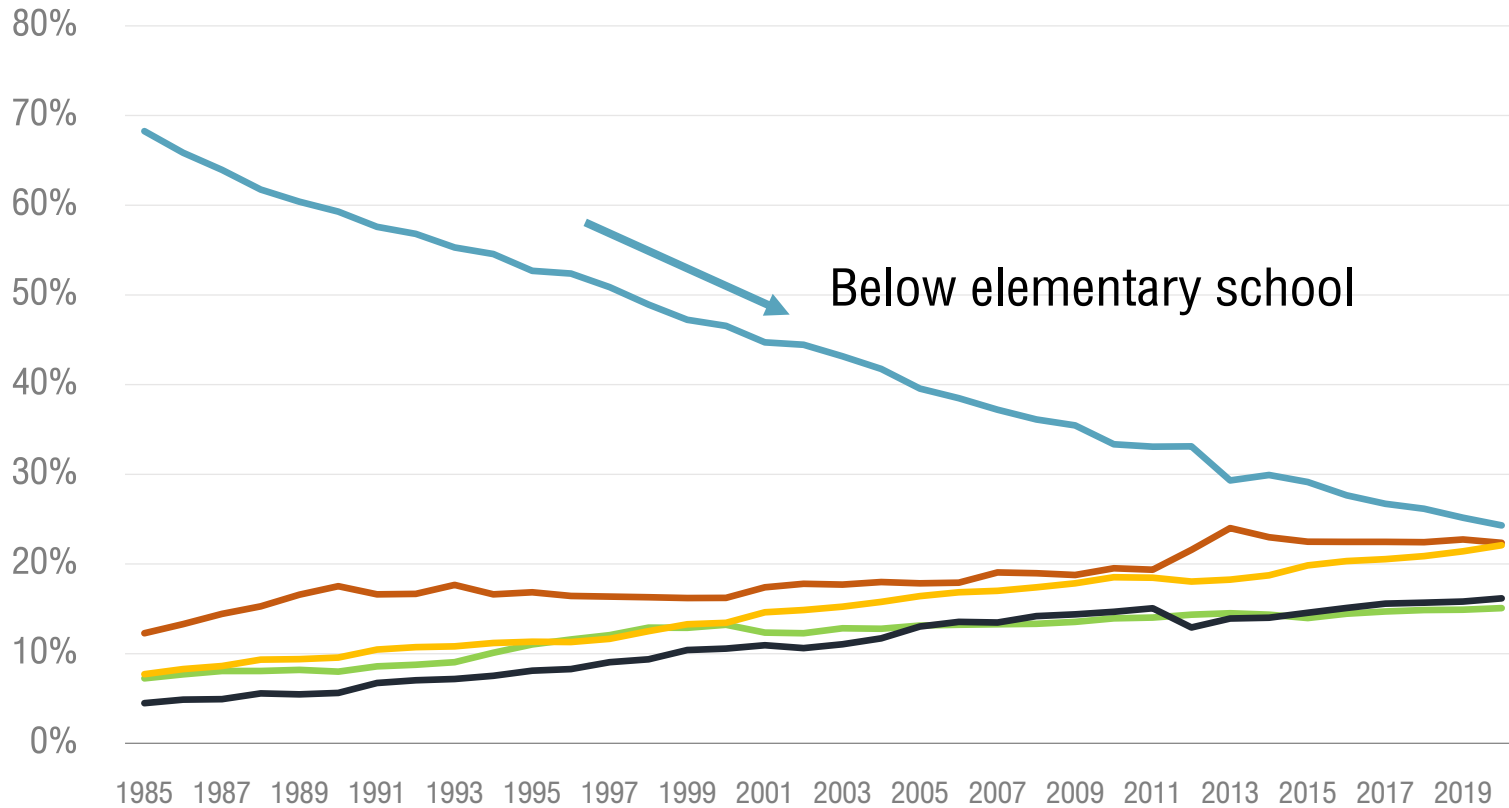
Source: Author's calculation from LFS from LFS (1985-2020).

Note – elementary = primary school

Women's participation in the labor market and education

- The implementation of Thailand's education policy, especially the number of compulsory years of education, has improved the education level of Thai workers.
 - The proportion of people with less education has decreased, and the proportion of workforce graduating from higher education has increased.
 - The proportion of less -educated people decreased 35%, and there was a 10% increase in the proportion of the workforce graduating from higher education (male and female).
- However, women's education is lower than that of men at all levels, except at the tertiary level.

Proportion of workers classified by level of education (1985-2020)



- Below elementary school
- Elementary school
- Lower Secondary School
- High school
- University

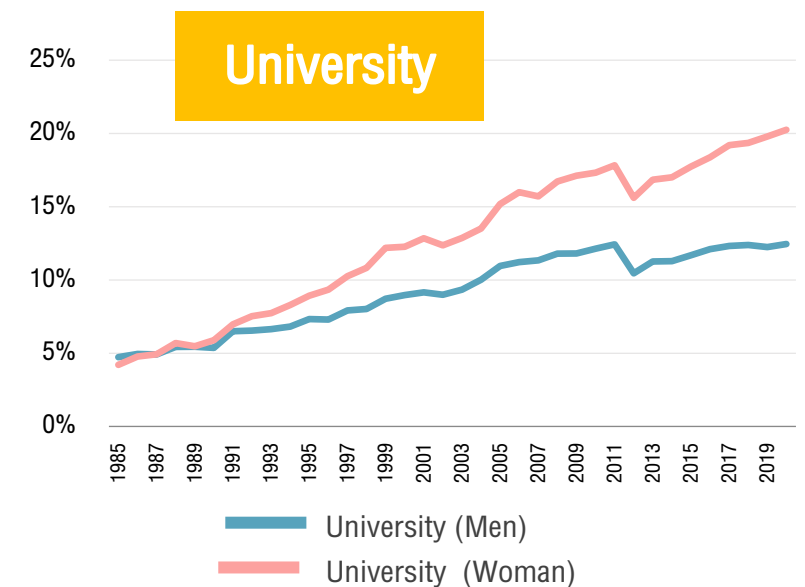
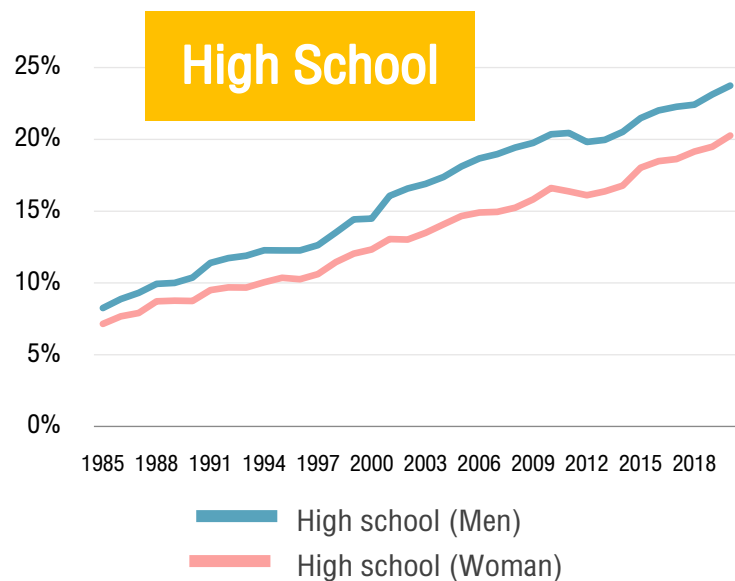
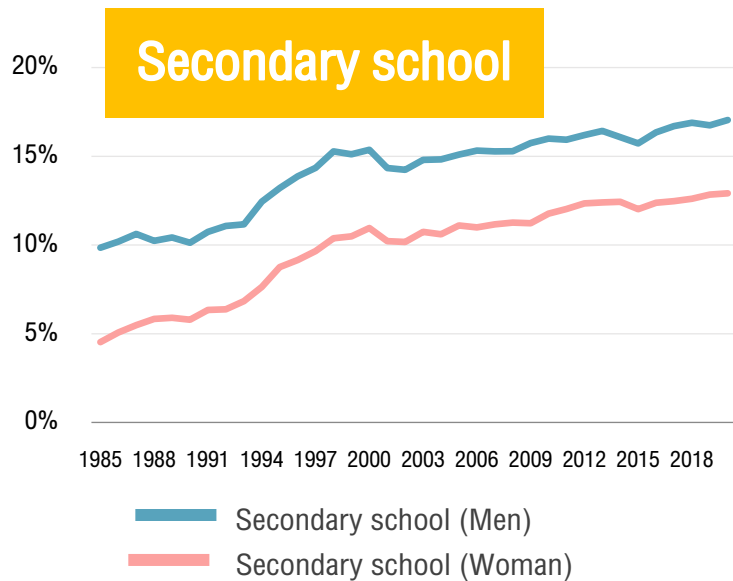
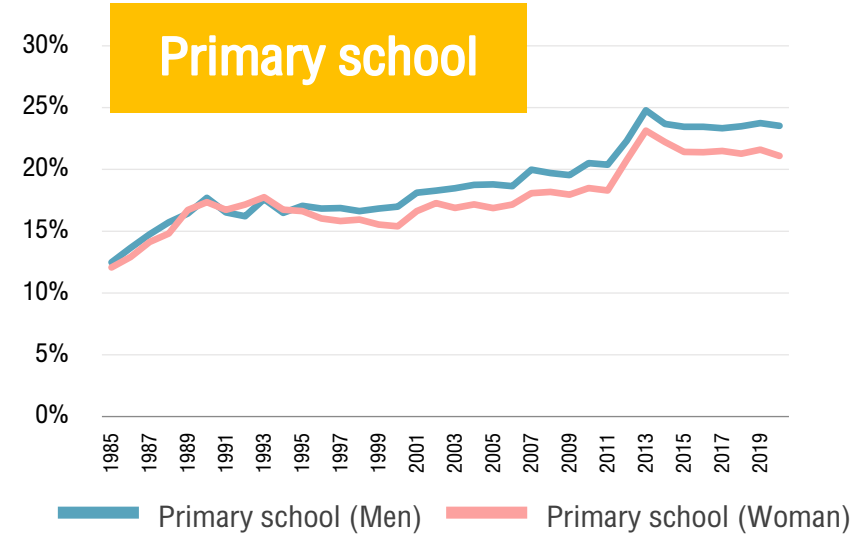
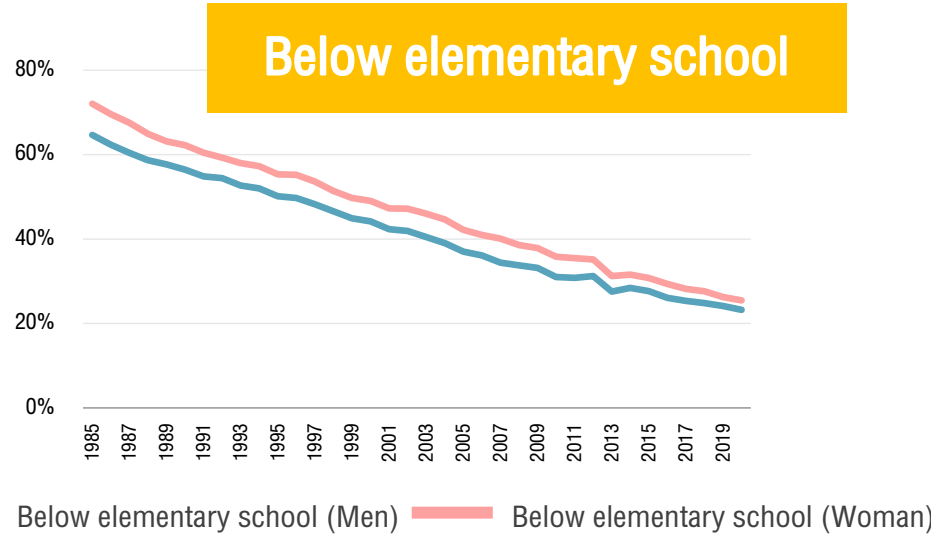
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Source: Author's calculation from LFS from LFS (1985-2020).

Proportion of workers Classified by educational level and gender (1985-2020)

Source: Author's calculation from LFS (1985-2020).



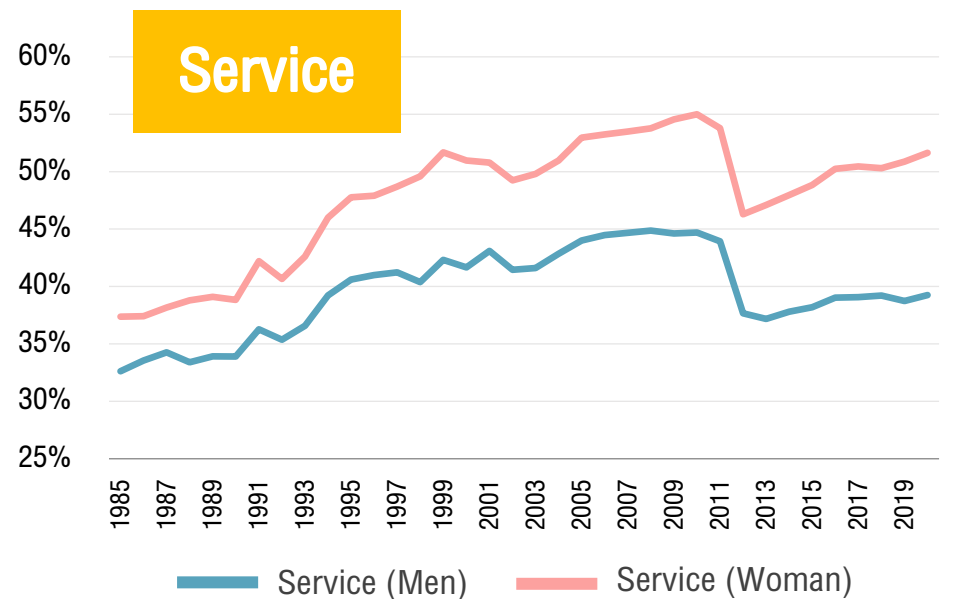
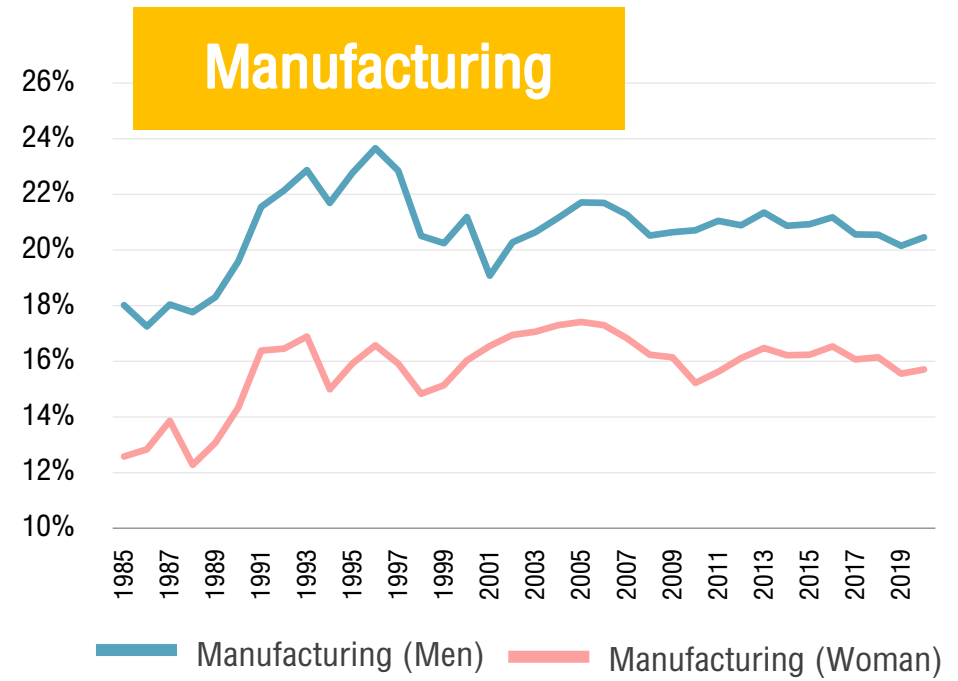
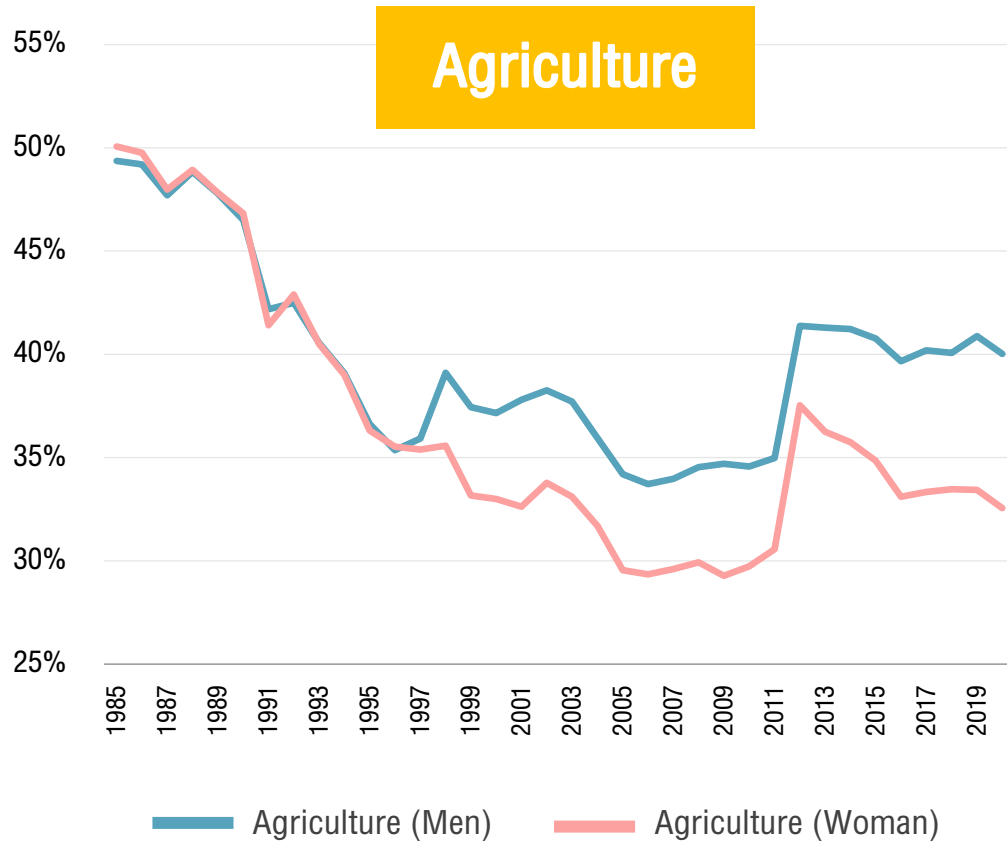
Participation of women in the labor market and industry

- The average share of the agricultural workforce has dropped sharply from 50% in 1985 to 33% in 2016.
- The average share of the manufacturing workforce has been substantial since 1985 and stable in 1995.
- The average share of service workers increased from 1985 and remained stable in 2000.
 - More women work in the service sector than men.
 - The proportion of workers in this sector has continued to increase dramatically.



Proportion of workers by industry and gender (1985-2020)

Source: Author's calculation from LFS (1985-2020).





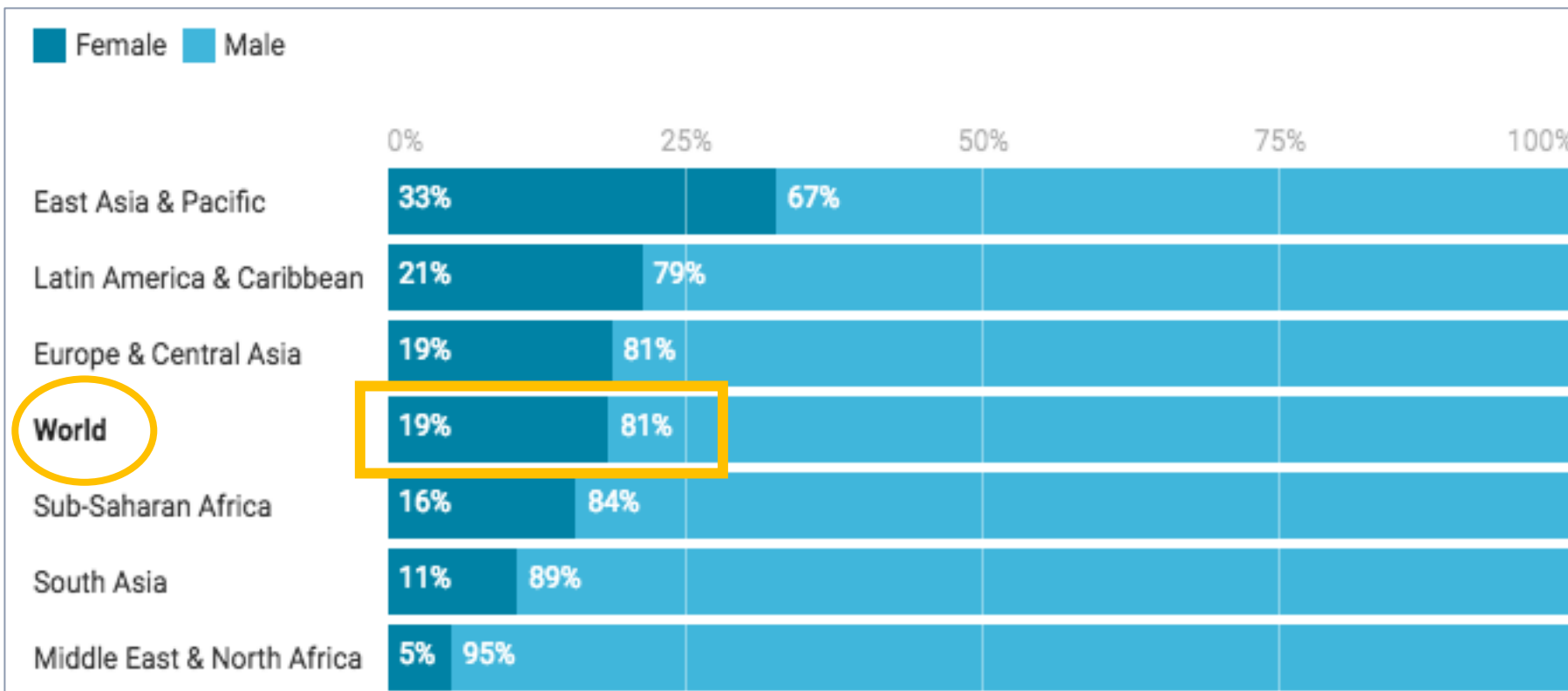
2) Women at work

Gender diversity and glass ceilings in the workplace in Thailand



Only one-fifth of company's worldwide include women with senior management positions.

Companies where women held senior management positions in small, medium, and large companies in 2016 (% of companies).



Note: World aggregate includes: 17 high-income economies and 110 low- and middle-income economies.

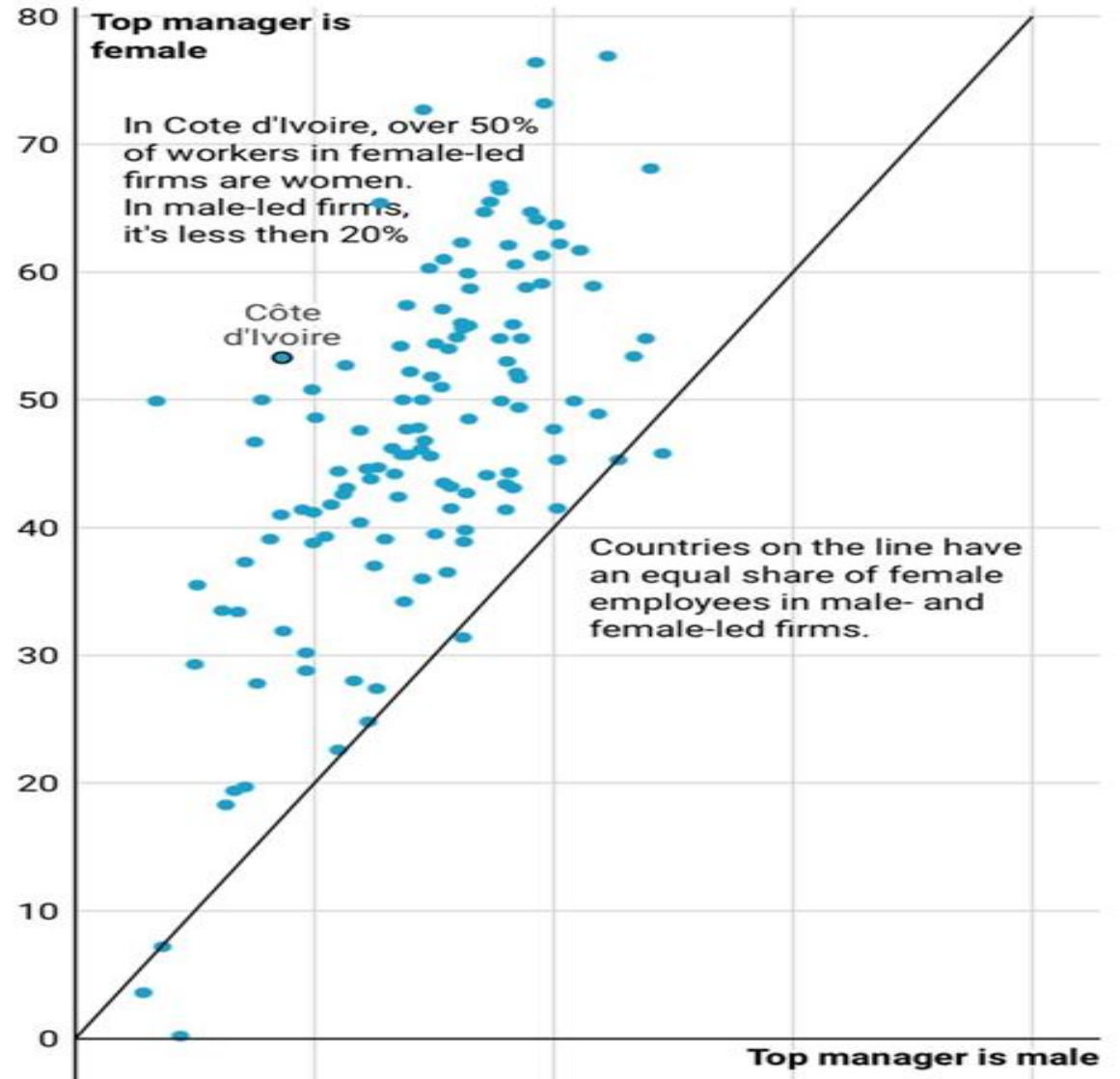
Source: World Bank Enterprise Surveys

Source:
http://blogs.worldbank.org/opendata/how-many-companies-are-run-women-and-why-does-it-matter-0?cid=ECR_FB_worldbank_EN_EXT

Women-led companies. There is a tendency for the number of female employees to increase.

Source: http://blogs.worldbank.org/opendata/how-many-companies-are-run-women-and-why-does-it-matter-0?cid=ECR_FB_worldbank_EN_EXT

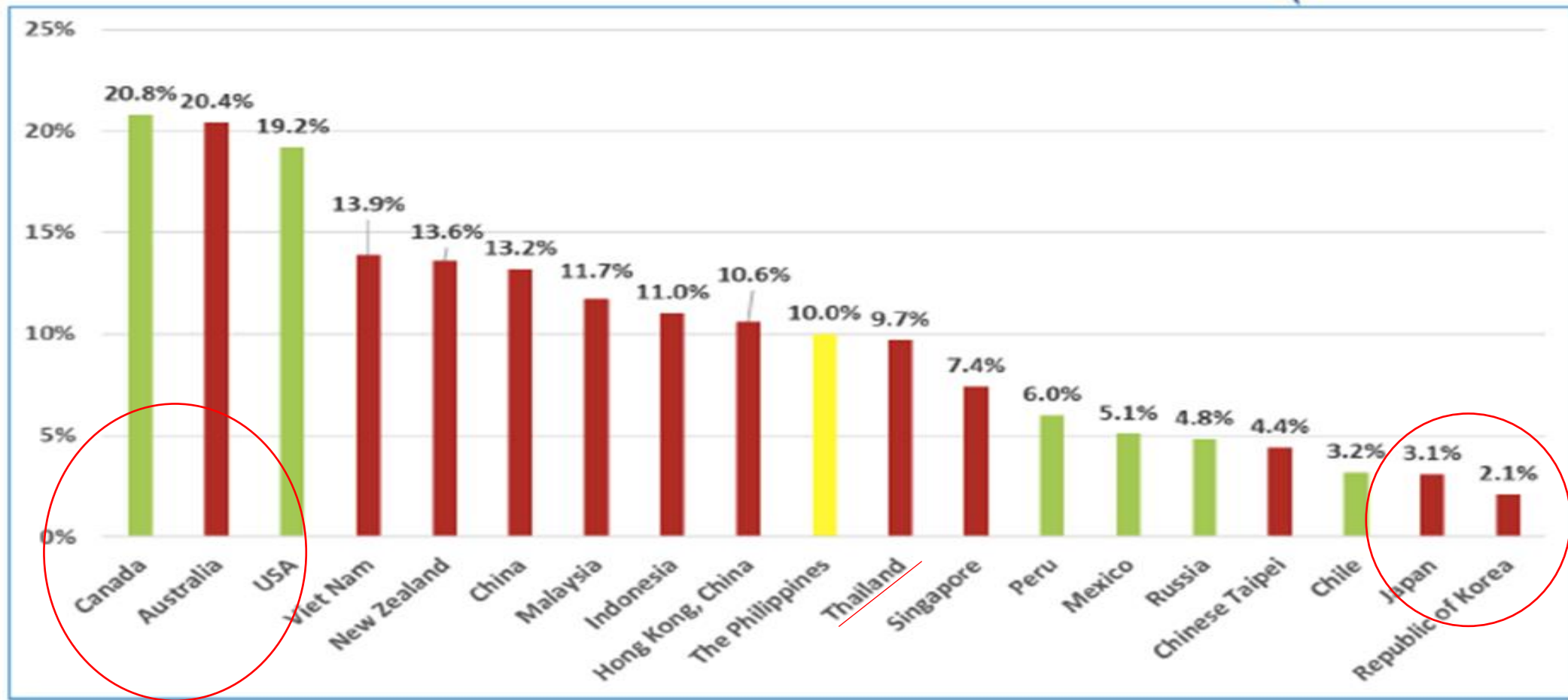
Percentage of permanent full-time workers that are female



Female Directors in Asia Pacific (2020 CWDI Report)

- The number of women on board is very small in the Asia-Pacific region, accounting for 15.1% of all directors in 1,573 leading companies.
- At the regional level, Asia-Pacific still has fewer women on board than other regions.
 - The percentage of women on board in Asia Pacific is 15.1%, behind Northern Europe (37.6%), USA/Canada (28.6%), Western Europe (26.5%), Central and Eastern Europe (19.3%), and Southern Africa of Sahara (19.1%)
 - Only Latin America (8.3%) and the Middle East North Africa (MENA) region (3.7%) have a lower percentage of women on board than the Asia-Pacific region.

Female Directors in Asia Pacific





Reason – Female Directors in Asia

- 📍 Social and cultural contexts in Asian countries (a society in which men dominate as leaders) contributed to the fact that women remained underrepresented.
 - There are fewer women on the board of directors (BOD) in Asia.
- 📍 Although women have higher education levels and a more active role in the labor market, they still have a disadvantage in making decisions and are considered “under-represented in decision making.”



Reason – Female Directors in Asia

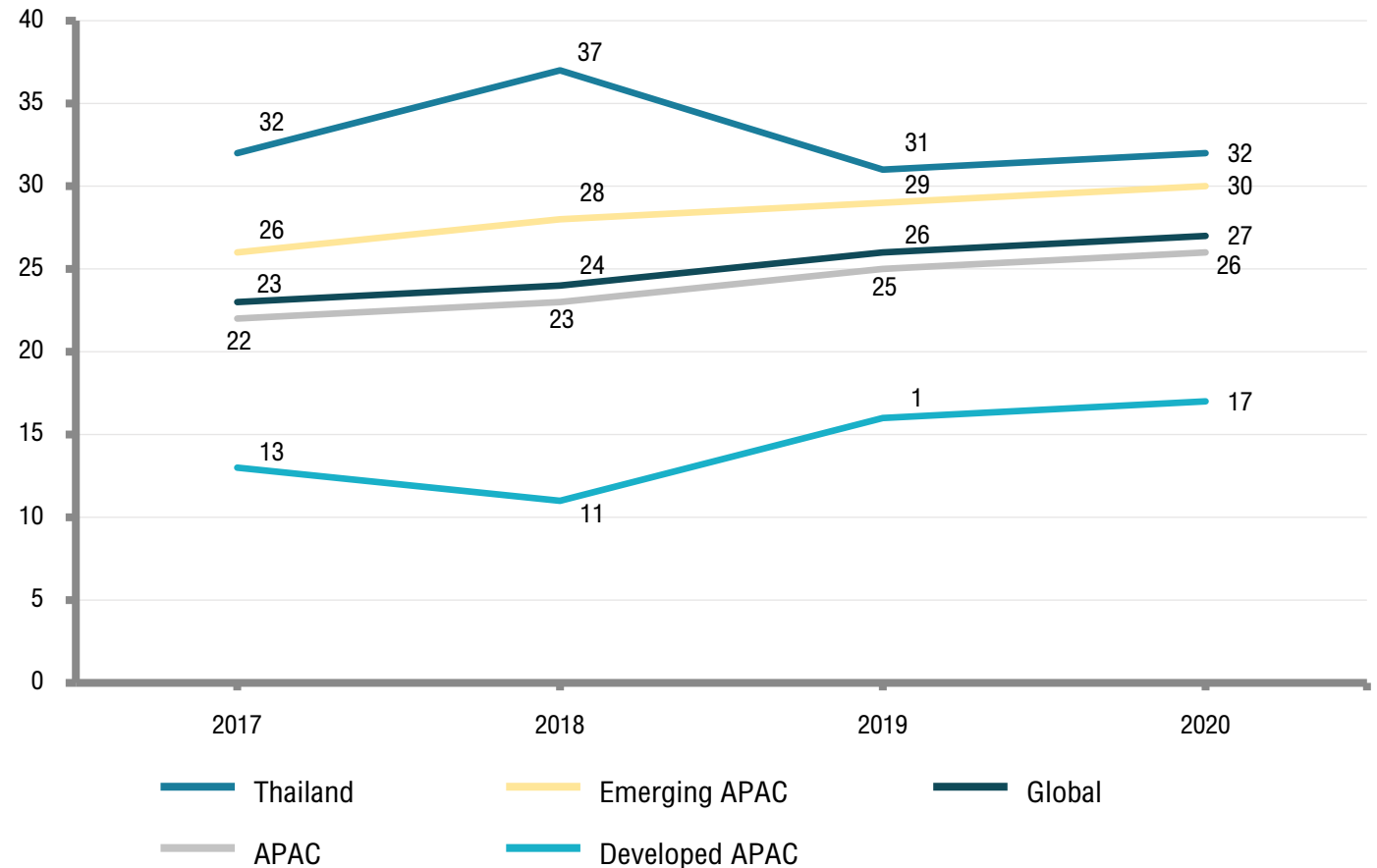
- Gender discrimination (in which women are considered inferior leaders to men) results in a small number of women serving on the BOD in this region.
- The issue of the percentage of women on the board is highly controversial, leading to some countries setting a gender quota for boards.

Private sector

The number of Thai women in senior management positions is 32%, higher than the global average of 27% and the Asia-Pacific average of 26%.

Source - The Grant Thornton (2020).

Percentage of Thai women holding senior management positions (2017-2019)



Only 20.4% of Thai women are on Board of Directors

Proportion of women on board



There is a very high percentage of men in the Board of Directors in Thailand

Percentage of women in business leadership positions across ASEAN.

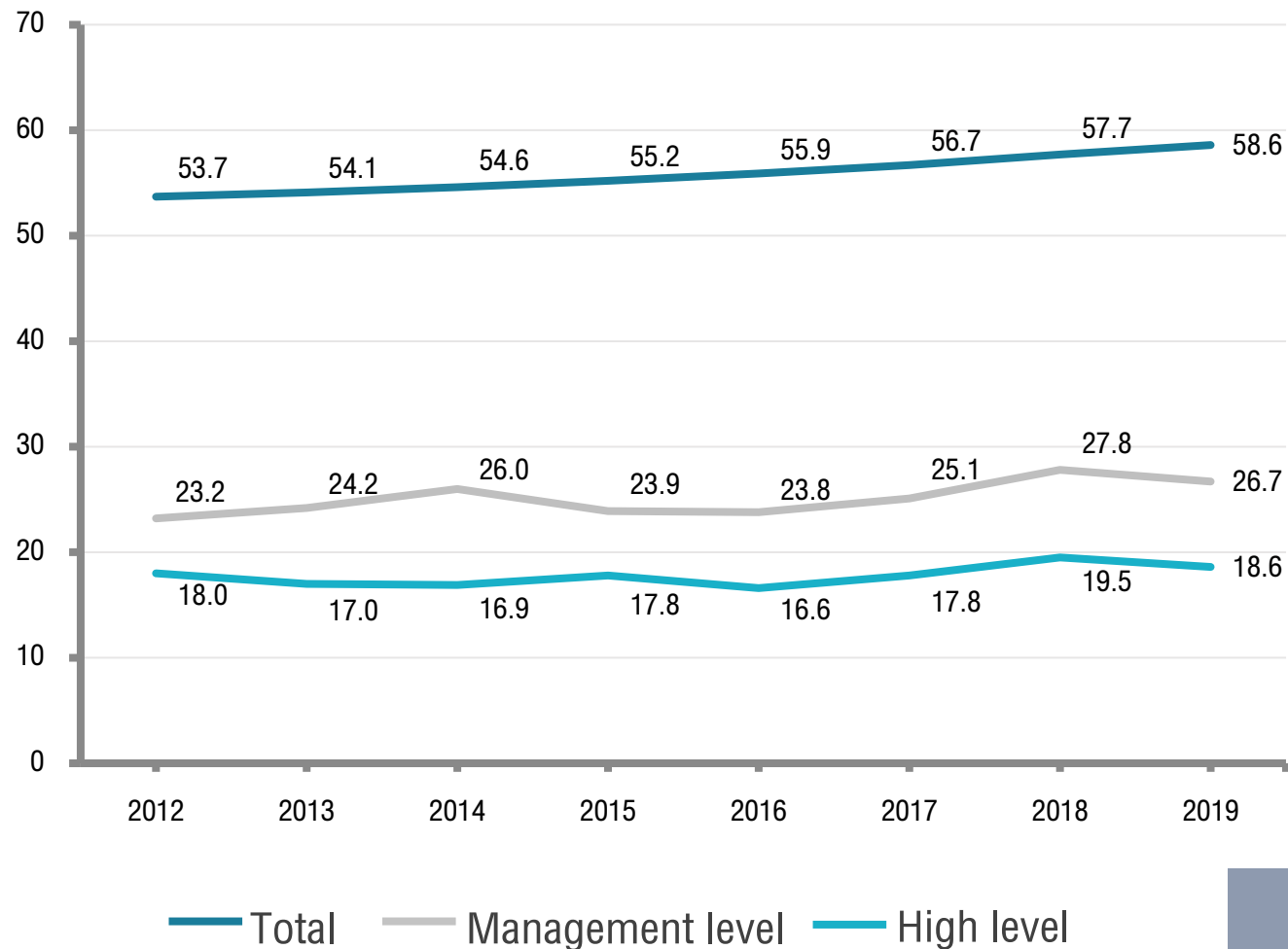
	Indonesia	Malaysia	Philippines	Singapore	Thailand	ASEAN average
Board Members	14.9	13.5	13.2	11.9	20.4	14.9
Role of the Board of Directors						
Chairman of the Board	11.7	6.1	3.9	5.2	7.6	7.1
Executive Director	-	14	12.4	11.8	19.7	13.8
Non-Executive Director	-	10.4	14.7	11.1	19.7	14.3
Independent Director	14.6	13.9	8.9	11.3	18.1	13.4
Audit Committee	19.0	11.2	13.1	9.9	19.8	14.6
Other Leadership Roles						
Senior Executives	18.4	26.2	32.8	27.2	29.7	25.2

Public sector

On average only 25.1% of Thai women hold executive positions and 17.8% in senior positions.

Source: Office of the civil service commission (OCSC), 2012-2019.

Percentage of Thai women in the public sector (2012-2019) (classified by position level)



Glass ceiling = ?



Glass ceiling

- ⬡ The glass ceiling is an invisible barrier or limitation that prevents working women from rising to the position of senior executives/company directors or from progressing in their duties and work.






- ⬡ The concept of the glass ceiling in Asia is different from that in developed countries.
- ⬡ Numerous studies indicate a shortage of women in management positions in general
 - Not just in senior management positions, which can be used as an indicator of the glass ceiling.

Glass ceiling

- The main reason for the existence of glass ceilings in Asia is tradition (both culture and religion)
 - Bangladesh - Only 5.1% of women are in administrative and management positions and only 6% of women work in government agencies (Zafarullah, 2000).
 - South Korea - 94% of women believe they have more difficulty finding full-time jobs than men (Kang and Rowley, 2005).
 - Only 7% of managers in South Korea are women, compared to 21% in Hong Kong and 19% in China.
- In Thailand - Currently, there are no female students admitted to the Police Cadet Academy.
 - The Police Cadet Academy is accepting applications for female police cadets from 2009 until 2018.

Glass ceiling in Thailand

Year	Men	Women	Difference
Managerial jobs and related			
1985	79.72%	20.28%	59.44%
1995	78.73%	21.27%	57.46%
2005	72.17%	27.83%	44.34%
2015	71.19%	28.81%	42.37%
Agricultural jobs and related			
1985	53.96%	46.04%	7.92%
1995	54.48%	45.52%	8.96%
2005	56.45%	43.55%	12.89%
2015	57.74%	42.26%	15.49%

-  The proportion of men in administrative and management jobs is over 70%, while women are only 20%.
-  The proportion of women in management has increased by approximately 8% over 30 years.
-  Women working as farmers. There is still a large proportion in Thailand.

Effects of Gender Diversity on Company Performance

- The presence of women as directors (Women on Board) or the increase in the proportion of women as directors affects the company's operations (Terjesen et al. (2009)). It affects the company's performance or good governance.
- The proportion of women on the Board of Directors and their impact on corporate governance and efficiency.



Adams and Ferreira (2009) provides empirical evidence in the United States.

Publication – Adams, R. and Ferreira, D. 2009. “Women in the boardroom and their impact on governance and performance,” *Journal of Financial Economics* 94(2): 291–309

Women on boards in the US

: (Adams and Ferreira, 2009)

- 🏠 Information of 1339 companies (1996-2003) - Board meeting information Director's Remuneration and financial information
- 🏠 Study Results - Gender diversity in directors has a significant effect on company outcomes (firm's input).
 - Women behave differently than men in meeting attendance.
 - Women tend to have less attendance problems than men.
 - What is the proportion of women in the Board of Directors? The behavior of the male judges was even better.
- 🏠 More diversified boards tend to hold CEOs accountable for falling share prices.
- 🏠 LGBT committees are paid more equal. Boards with more gender diversity have more rigorous scrutiny.

Women on boards in the US

: (Adams and Ferreira, 2009)

Variable	Number of observations	Mean	Standard deviation	Min	Max
<i>Firm characteristic</i>					
Sales (millions)	8,253	4,348	9,955	0.32	168,919
Log(Sales)	8,253	7.26	1.49	-1.15	12.04
# Business Segments	8,253	5.90	4.97	1	32
Tobin's <i>q</i>	8,253	2.09	2.07	0.48	77.64
ROA	8,253	3.19	16.38	-577.85	59.59
Volatility	8,253	0.42	0.20	0.10	1.89
Stock Performance	6,901	-0.038	0.469	-3.77	2.01
<i>Board characteristic</i>					
Board Size	8,253	9.38	2.68	3	39
Fraction Independent Directors	8,253	0.63	0.18	0	0.94
Firm Has Female Directors	8,253	0.61	0.49	0	1
Firm Has Only One Female Director	8,253	0.40	0.49	0	1
Fraction Female Directors	8,253	0.085	0.083	0	0.5
Total Director Compensation (thousands)	8,253	95.89	198.9	0	7,973
Fraction Equity Pay	8,253	0.395	0.36	0	1
Meeting Fee (thousands)	8,253	1.03	0.85	0	7.7
Total CEO Compensation (thousands)	8,114	4,829	13,327	0	580,641
Fraction CEO Incentive Pay	8,098	0.52	0.27	0	1
<i>Director Characteristic</i>					
Female Dummy	86,714	0.093	0.29	0	1
Attendance Problem	86,714	0.024	0.153	0	1
# Other Directorships	86,714	0.92	1.31	0	10
Tenure	86,714	9.7	8.1	0	63
Age	86,714	58.9	8.6	25	98
Retired Dummy	86,714	0.18	0.39	0	1
Committee Member	68,235	0.69	0.46	0	1
Audit Committee Member	68,235	0.39	0.49	0	1
Compensation Committee Member	68,235	0.37	0.48	0	1
Nomination Committee Member	68,235	0.29	0.45	0	1
Corporate Governance Committee Member	68,235	0.17	0.38	0	1

Women on boards in the US

: (Adams and Ferreira, 2009)

- 🍯 Main contribution – Significant literature on the demography of organizations (in term of management/organization theory & economics and corporate/finance.

“Overall, the results suggest that gender-diverse boards are tougher monitors.”

- 🍯 Women have a significant impact on board governance in the company.

Based on this main finding – What policy should we suggest policy maker?