

# EXAMINING GENDER ECONOMIC INEQUALITY IN THE PHILIPPINES\*

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## *Abstract*

*This paper looks into the nature and extent of women's participation in the economic sphere and how this participation has changed over time as the economy develops. The relative economic position of Filipino women as compared to men with respect to three aspects, namely: (a) labor force participation, (b) occupational attainment and (c) relative wage level is examined. The analysis of women's economic position as directly related to these three aspects provides some insights on the nature of gender inequality in terms of economic participation. The main question asked in this paper is whether or not economic growth has improved women's economic position.*

## I. INTRODUCTION

It has often been claimed that as the economy develops, the economic position of women also improves. This is attributed partly to the belief that economic development often results in the improvement of the economic situation of the whole population and hence the improvement of women's absolute economic condition. Moreover, it has been noted that lack of job opportunities as well as the existence of patriarchal norms and stereotypes which create job rationing

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in favor of men tend to worsen gender inequality in developing countries. Following these arguments, some have argued for the necessity of economic development and industrialization in realizing gender equality. Thus, it is claimed that the process of economic development can stimulate job growth, which in turn, can fuel women's access to wage income. The validity of this claim, however, remains inconclusive.

One aspect by which the relationship between economic growth and gender equality could be analyzed is to assess whether women's economic position has improved with economic growth or not. According to Meng (1996), the relative economic position of women as compared to men depends on the following: (a) labor force participation in the wage-earning sector; (b) occupational attainment; and (c) relative wage level. These three indicators of women's economic position/participation could then provide the basis for assessing the level of gender economic inequality in the Philippines. However, women's participation in the labor market is largely constrained by the fact that much of women's time is spent on work at home. Hence, the type and amount of women's work at home becomes a very important determinant of women's relative economic position.

This paper reviews the trends of women's participation in the economic sector as economic development takes place over the years. It situates women's economic position vis-a-vis men in Philippine society and identifies some issues and concerns that hamper the improvement of such participation. It tries to answer the question on whether or not the economic position of women has improved with the country's economic growth.

## II. WOMEN'S PARTICIPATION IN THE LABOR FORCE

Female labor force participation in the Philippines is a very important aspect of women's economic status relative to men. In the Philippines where women are traditionally expected to work at home while men are expected to earn for the family, the economic status of women largely depends on whether she has a paid job. Women's participation in the labor market, particularly the married ones, make them less dependent, to a large extent, on a husband's income.

Over the last two decades, there has been a significant increase in the number of women joining the labor force. From 30.6 percent female labor force participation rate (LFPR) in 1970, this reached a substantially higher 48.5 percent in 1995. This participation rate, however, as compared to men is still considered low. Labor force surveys in 1995 reveals that, at the national level, men's LFPR stands at over 83 percent against women's 48 percent. Table 1 provides the labor force participation rate and its changes over the last two decades.

**Table 1. Labor Force Participation Rate, 1970-1995**

Year	Total	Male	Female
1970	49.0	68.1	30.6
1975	49.3	67.9	31.3
1985	63.1	82.0	44.8
1990	64.4	81.9	47.2
1995	65.8	83.0	48.5

Source: *Yearbook of Labor Statistics*, NSO, 1995

In spite of the increasing LFPR of women, the country's total labor force remains to be predominantly male. In a total of 28.4 million persons in the labor force in 1995, for example, 63.1 percent were men and 36.9 percent were women (NSO, 1995). The trend in LFPR indicates that from 1975-85, women had actively joined the labor market with an increase of 13.5 percent compared to an increase of only 3.7 percent from 1985-95. The increase in female LFPR from 1975-85 was partly due to the economic crisis experienced in the 70s which led women to join the labor market to cope with the economic hardships.

While women's economic position can be largely determined by labor force participation, there is a need to further

**Table 2. Employed persons by sex and class of worker (in thousands except %)**

Class of worker	Both sexes	Male		Female	
		Number	%	Number	%
<b>1988</b>	21497	13654	63.5	7843	36.5
Wage and Salary worker	9843	6317	64.2	3526	35.8
Own Account Worker	8260	5752	69.6	2507	30.4
Unpaid family worker	3395	1585	46.7	1810	53.3
<b>1994</b>	25167	15985	63.5	9182	36.5
Wage and Salary Worker	11468	7333	63.9	4135	36.1
Own Account Worker	9942	6856	69.0	3086	31.0
Unpaid Family Worker	3757	1796	47.8	1961	53.2

Source: NCRFW and ADB, 1995.

investigate whether or not the kind of participation provides women with income earnings that would make them economically independent. Table 2 provides some insights on women's participation in wage-earning jobs.

Table 2 shows that from 1988 to 1994, the actual number of employed males has increased faster than females. From 1988 to 1994, additional 2,331 males and 1,339 females were employed. This implies that in actual number, more men are being absorbed in the labor market than women. This partly explains why female unemployment rate is slightly higher than men. As of 1997, unemployment rate for women was recorded at 8.5 percent while that of men was 7.6 percent (NSCB, 1997).

Moreover, while women increasingly participate in the labor market, they still comprise the majority of the country's unpaid family workers. Men constitute majority of the waged and salaried workers, including own-account workers. Since majority of the country's unpaid workers are women, they do not receive wages or income that would make them economically at par with men. Also, most female unpaid family workers are found in home-based industries and in family-run farms and businesses (NCRFW and ADB, 1995)

### **III. GENDER TYPING OF OCCUPATIONS**

Apart from the relatively low female LFPR as compared to that of males, the continuing gender-typing of occupations is also observed in the Philippines. Existing data on the occupations or jobs held by men and women support the claim on the continuing gender-typing of occupations.

#### **A. By major industry group**

Table 3 shows the percentage of employed women by major industry group. It shows that apart from (a) wholesale and

retail trade; and (b) community, social and personal services, all other industry groups are male-dominated. This unbalanced composition of workforce has not changed much from 1986 to 1994.

**Table 3. Percentage of Employed Women  
by Major Industry Group (in %)**

Major Industry	1986	1995
Agriculture, Fishery and Forestry	26.4	24.9
Mining and Quarrying	6.0	5.9
Manufacturing	50.3	46.12
Electricity, Gas and Water	12.9	18.0
Construction	.95	1.8
Wholesale and Retail Trade	66.2	66.3
Transportation, Storage and Comm.	3.6	4.1
Financing, Insurance, etc.	35.6	40
Community, Social and Personal Services	55.5	56.3

Source: *Philippine Statistical Yearbook, 1995*, NSCB

Among the major industry groups, manufacturing shows a relatively equal participation of men and women in terms of percentage employed. As of 1995, manufacturing accounts for 13 percent of women's employment and 8.6 percent of men's employment (PSY, 1995). However, the nature of women's participation in the manufacturing sector needs to be further examined in view of the growing concern on the issue of continued women's subordination in the sector.

A study by Chant and McIlwaine (1995) on women's participation in the manufacturing sector in the Philippines,

particularly in the Mactan Export Processing Zone and in Cebu City, reveals that while women largely comprised the workforce in these firms, gender stereotyping of jobs/activities exists. Women tend to be heavily concentrated on labor-intensive sections such as (a) assembly, (b) post-assembly or finishing, and (c) administration while men are engaged in more skilled jobs. These labor-intensive jobs are perceived to be suitable to women because these are relatively light tasks. Moreover, there is the perception that women, compared to men, are more patient and possess a high level of concentration which enable them to carry out monotonous and repetitive tasks. These perceptions, coupled with the cultural norms that condition women into accepting subordinate positions in male-dominated society, intensify the continuing existence of gender stereotyping in manufacturing industries.

### **B. By major occupational categories**

Table 4 shows the number and percent of male and female employed by major occupational groups. The table shows that employed women are concentrated in selected occupations such as (a) Sales, (b) Professional/Technical, and (c) Clerical. This means that more women are employed than men in these types of occupations which are largely characterized by lighter work in offices, retail trade, domestic help and recreation (NCRFW and ADB, 1995).

In particular, women dominate the Professional category because a number of women teachers and nurses belong to the said category. Likewise, 65 percent of women in the professional category and 35 percent of female clerks are employed in the government. These types of occupations, though considered professional jobs, receive the lowest pay in the

salary structure in the Philippines. On the other hand, most men work as either (a) production and related workers; (b) agricultural, fishing and forestry workers; or (c) administrative, executive and managerial workers.

**Table 4. Employed Persons by Sex and Major Occupational Categories: 1988 and 1994 (in thousands except percent)**

Major Occup'l. Group	1988			Female		1994			Female	
	Total	No.	%	No.	%	Total	No.	%	No.	%
Professional, Technical and related workers	1199	446	37.2	753	62.8	1366	476	34.8	891	65.2
Administrative, executive and managerial workers	171	128	74.8	43	25.1	358	250	69.8	108	30.17
Clerical workers	899	411	45.7	489	54.3	1033	464	44.9	570	55.1
Sales workers	2867	962	33.5	1904	66.4	3446	1070	31.0	2375	68.9
Agri., animal husbandry and forestry workers, Fishermen and hunters	9798	7307	74.5	2491	25.4	11112	8327	74.9	2785	25.1
Production and related workers, transport, etc	4619	3625	78.5	994	21.5	5493	4382	79.8	1111	20.2

Source: NCRFW and ADB, 1995.

From 1988 to 1994, women's employment share in the professional, technical and related workers, as well as in the Clerical and Sales workers groups, had further increased while that of men in the said occupational groups had slightly declined. Women are increasingly visible in the administrative, managerial and executive workers category, from 25.1 percent in 1988 to 30.17 percent in 1994.

The table shows that over time, as economic development takes place, it continues to intensify the concentration of women into traditionally female occupations, which compared to jobs dominated by men, are lowly paid. Consequently, this



continuing gender segregation of occupation results in earnings differential between men and women.

### **C. Relative Earnings Gap**

There are two theoretical explanations provided in the literature on relative earnings gap: (a) difference in individual endowments derived from the human capital theory, and (b) discrimination in occupational attainment. Both theoretical explanations can be applied in the Philippine case.

As immersed in a male-dominated culture, women in the Philippines were historically trained to specialize in domestic work and men with market work. The strong influence of this traditional division of labor is largely seen even in the types of human capital endowments that women acquire. Even if both men and women in the Philippines have equal educational access and opportunities, women graduates are often found in the fields of education and soft sciences — fields in line with their traditional roles. As such, women appear to be less qualified when applying for jobs which require technical and specialized skills. This case points to differences in individual endowments which result in earnings gap as women tend to occupy jobs in sales, clerical and services categories which receive lower pay, and are often considered an extension of what they do at home.

However, there are also cases where men and women are equally qualified for a so-called “male job”, but employers tend to employ men rather than women because of cultural stereotypes. Also, employers tend to hire men particularly for high positions because men can devote much time to work since they are not expected to perform work at home. Again, this points to a case wherein women’s economic opportunities are hampered by the fact that they do have to perform

most of the household tasks. Indeed, there is a need to heighten men's awareness of "shared responsibilities" in household work.

Apart from the human capital theory, earnings gap may also be caused by discrimination in occupational attainment. One aspect of discrimination in occupational attainment is the existence of gender occupational segregation evident in the Philippine case as earlier discussed. There seems to be a notion of "male" and "female" jobs arising from the traditional thinking that women are bound to do first and foremost domestic work while men get paid production work. Table 5 shows the average earnings of workers by sex and major occupational categories based on the 1988 and 1992 Labor Force Survey of NSO.

**Table 5. Average Earnings of Workers by Sex and Major Occupational Categories**

Major occup'l. group	Average Earnings					
	1988			1992		
	Male	Female	F. as % M	Male	Female	F. as % M
Professional, technical and related work	3044	4044	132.8%	4771	6671	139.8%
Administrative, executive and managerial work	13434	2837	21%	15809	3857	24.3%
Clerical work	2456	2838	115%	4073	4677	114%
Sales	1891	1947	102%	2929	3435	117%
Services	2043	1171	57.3%	3614	2048	56.6%
Agricultural, animal husbandry, forestry, fishing, etc.	1586	142	8.9%	2543	259	10%
Production, transportation equipment and related work	3250	488	15.0%	5556	1629	29.3%
Others	1603	164	10%	17364	1269	7%
<b>Total average earnings</b>	<b>2238</b>	<b>896</b>	<b>40%</b>	<b>3692</b>	<b>1734</b>	<b>46.9%</b>

Source: 1988 and 1992 Labor Force Survey, NSO (3rd quarter rounds) as used in NCRFW and ADB, 1995.

In general, women's average earnings are less than that of men except in occupational categories where women dominate. Unfortunately, earnings disparity between men and women is greater in male-dominated jobs. In the agriculture, forestry and fishing category for example, women's average earnings are only 10 percent of what men earn. One possible explanation for this is the existence of several unpaid women family workers in this occupational category.

The same observation is also found in occupational categories such as (a) administrative, executive and managerial work; (b) agriculture, etc., and (c) production related work wherein women's earnings do not even reach a quarter of men's earnings. This is because women, even if found in these occupational groups, tend to occupy positions/jobs which are at the lowest rung of the wage hierarchy.

On the other hand, female dominated occupations also provide higher average earnings for women. However, the disparity is not so large compared to male-dominated jobs. As such, it is argued that disparity in earnings negatively affect women more than men.

#### **IV. CONCLUSIONS**

The foregoing analysis of women's economic participation in the country reveals some important points in assessing the nature of gender economic inequality.

First, women's labor force participation rate has increased over time, albeit slowly, but still far from being at par with male labor force participation. While the trend shows that female LFPR is increasing, females however suffer from gender stereotyping of jobs—both in terms of occupational category and industry groups. A clear result is that women occupy the bottom rung of the occupational wage hierarchy

while men continue to dominate the highest-paying positions. As such, the quality of women's participation in the labor market seems not to have improved at all.

Second, the existence of gender occupational segregation greatly contributes to disparity in incomes between men and women. In almost all of the occupational categories, women earn less than men, except in occupations that are dominated by women such as sales and clerical works which relatively are lowly paid. This, in turn, obviously affects their economic position as they receive relatively low earnings compared to men.

From an economic perspective then, there exists a substantial gender inequality in the Philippines as shown by the quality of women's participation in the labor market, i.e., characterized by gender occupational segregation and earnings disparity. This reality implies that women are marginalised in terms of participation in the economic sphere, which makes them relatively worse off than men. It implies that the past growth did not necessarily improve the economic position of women because such economic growth did not change the employment structure, which was observed to have been biased against women. Hence, the economic growth that the country had attained over the years seemed not to have significantly improved the gender inequality, specifically in the realm of economic participation.

## **V. WHAT NEEDS TO BE DONE: BREAKING THE CHAIN OF GENDER INEQUALITY**

This paper shows that in terms of economic participation, women are posting some gains but still are far behind men. While it is very difficult to forward policy measures to address the issue of economic gender inequality, it should not constrain us from advocating some concerns that may

lead to a more equal participation of women and men in development.

The main argument in this paper is that economic position of women would improve with economic growth only if growth enables them to actively participate in the labor market and their participation provides them with increased incomes to make them more self-reliant and economically independent. As such, economic growth should foster economic opportunities for women—opportunities that would open new doors for them—opportunities that would not perpetuate the existing women’s marginalisation in the economic realm of development. One crucial concern in realizing these opportunities is the understanding, particularly on the part of the males, that reproductive tasks such as household chores should be a shared responsibility and should not hamper the rights of women in participating actively and equally in the labor market.

Monsod (1994) once claimed that women can be considered as the backbone of the economy. However, their contributions are often undervalued if not unrecognized. Such being the case, she argued that there is a need to “break the chain” of gender inequality. In doing so, each and every sector of society should unite towards this common goal of providing equal opportunities to both sexes through concrete actions.

One measure that could be undertaken for example, is to ensure that investment goes to activities that would provide big returns in terms of improving the capabilities of women to participate in the economic sector. An investment, for example, in the education of women would provide them with greater opportunities to seek paid employment. Moreover, activities that aim to enhance capabilities of women to undertake jobs that are not considered “traditional” or exten-

sions of their reproductive tasks should be encouraged. These efforts should also be coupled with a strong advocacy in eradicating gender discrimination in the labor market to ensure that women's capabilities and contributions are equally recognized and compensated.

It is never too late to break the chain of gender inequality.

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