

# Closing the Gender Gap in the Field of Economics in Vietnam

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## Abstract

Gender equality is not only the goal, but also a big challenge in the development of nations, especially the developing countries. Vietnam has gained some achievements in the gender equality, but the gender gaps in economic fields still exist and negatively impact on the socio-economic development. This study used the qualitative research methods and found the root causes of the gender gap in economic fields that is the wrong bias about the gender in society and due to the lack of effective policies. Basing on the analysis results of the situation, the study proposed some policy implications directly impacting on the situation of the gender inequity in economic fields, in order to narrow the gender gap in this field of Vietnam.

**Keywords:** Gender; Gender gap; Gender gap in the field of economics; Vietnam; Global gender gap index

## Introduction

Casual observation indicates that countries where women and men have more equal economic opportunities are also the more affluent countries. There seems to be some association between level of development and the role of women in the society. The Gender inequality makes the resource allocation inefficient, increases the wealth gap in society, increases the poverty and social problems such as domestic violence. These things negatively impact on the economic development, constrains the economic growth. Therefore, reducing the gender inequality is the goal of every country.

In Vietnam, the gender inequality is one of the challenges for the socio economic development. The Target of reduction of the gender inequality is always the primary concern and it is institutionalized into the Gender Equality Law, is mainstreamed in the processes of the development of strategies, programs, plans and projects of the socio-economic development. After many years of efforts in the remove of the gender gap, Vietnam has achieved remarkable achievements in reducing the gender gap in various fields such as economics, education, the health care and the political empowerment (Figure 1).

Figure 1 include data in 2015 and 2007, indicated the progress in women's participation in the areas of the socio-economic activities. In the total of female population of Vietnam, the rate of the labor force participation is 79% in 2015 whereas 77% in 2007; the proportion of women are legislators, senior officials, and managers in 2015 was 24% whereas in 2007 only 22%; the proportion of women are professional and technical workers is 53% in 2015 while in 2007 only 51%; Literacy rate of women is 93% (2015) higher than in 2007 (87%).

Thus women were given more power in many fields, as well as be able to enjoy the benefits in the society. However, the gender gap in Vietnam has not decreased, even Vietnam have reached the gender gap index lower than the previous year. In 2007, the gender gap index of Vietnam reached the scores 0.689, but by 2015 this index was only 0.687.

Together with the government of Vietnam in their efforts to decrease the gender gap, many domestic and foreign scientists interest and research on this issue. There are several studies on the issue of the gender gap in Vietnam such as: The research "issue of gender in policies of the comprehensive and macro structural reforms" [1] studied and analyzed the impact of the macroeconomic policies on women by the analysis of the relationship between the reform, the gender equality, the economic development and welfare for women in the 1990s in Vietnam;

The study "Sectoral gender wage gap in Viet Nam" [2] studied the affecting factor on the gender inequality in terms of income by sector on the approach of Appleton (1999); The study, "The Gender inequality in terms of income in Vietnam and some policy implications" [3] analyzed the factors affecting on the gender inequality in the context of integration and globalization ; and research "The Gender inequality in the status of recruitment and promotion in Vietnam" [4] (International Labour Organization, 2015) studied and assessed the extent of discrimination based on the gender in the recruitment, the working conditions and the promotions in Vietnam. After realizing that most of these studies focused on the issues of the gender inequality in the field of income or opportunity to participate in the economic activities, but without any research studying on the issues of the gender equality in the field of economic in Vietnam through indicators on the global gender gap, particularly with the analysis of gender equality issues in the fields of Labour force Participation aspect, Wage equality for similar work, the Earned Income, legislators, senior officials, and managers, professional and technical workers. This is a knowledge gap in the research on the gender equality in Vietnam which researchers need to interest and research. This paper will focus on researching the gender gap in the field of Economics in Vietnam through the gender gap index and its sub-indexes in the fields of economics, in which analyzes the situation of the research issues and propose some policy recommendations in order to reduce the gender gap in the field of economics for Vietnam in the future.

## Research Method and Instruments

### Research method

The Qualitative Research Methods: Using the method of observation, particularly this study carried out the indirectly observation through the assessment reports on the gender gap in Vietnam in order to assess the gender gap in the field of economics.

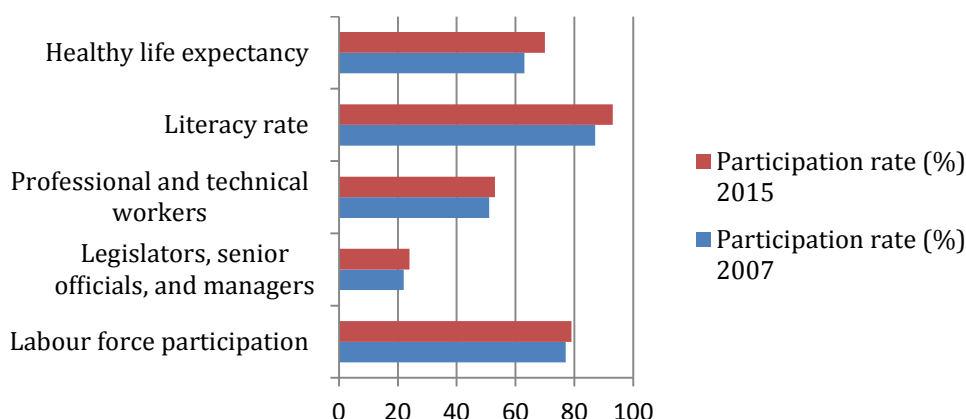
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**Figure 1:** Participation rate of women in the total female population of Vietnam, 2007 and 2015. Source: World Economic Forum, the Global Gender Gap report, 2007, 2015.

comparison and the cross comparison. This method is used by authors to assess the extent of reduction of the gender gap of Vietnam in the period 2010-2015 and compare the gender gap in the economic field between Vietnam and other countries.

The study collected and analyzed the secondary data. These used data were the secondary data in the report "The global gender gap" of WEF and the report "The result of the implementation of the national goals on the gender equality in 2015 and the 2011-2015 of the Government".

### Research Instruments

**The global gender gap index:** The Global Gender Gap Index which was first introduced by the World Economic Forum in 2006, is an index designed to measure gender equality

This index takes the value from 0 to 1. The higher the value is, the narrower the gender gap is. The Global Gender Gap Index examines the gap between men and women in four fundamental categories (sub-indexes): Economic Participation and Opportunity, Educational Attainment, Health and Survival and Political Empowerment.

**Economic participation and opportunity:** This sub-index contains three concepts: the participation gap, the remuneration gap and the advancement gap. The participation gap is captured using the difference between women and men in labour force participation rates. The remuneration gap is captured through a hard data indicator (ratio of estimated female-to-male earned income) and a qualitative indicator gathered through the World Economic Forum's Executive Opinion Survey (wage equality for similar work). Finally, the gap between the advancement of women and men is captured through two hard data statistics (the ratio of women to men among legislators, senior officials and managers, and the ratio of women to men among technical and professional workers).

**Educational attainment:** In this subindex, the gap between women's and men's current access to education is captured through ratios of women to men in primary-, secondary- and tertiary-level education. A longer-term view of the country's ability to educate women and men in equal numbers is captured through the ratio of the female literacy rate to the male literacy rate.

**Health and survival:** This sub-index provides an overview of the differences between women's and men's health through the use of two

indicators. The first is the sex ratio at birth, which aims specifically to capture the phenomenon of "missing women" prevalent in many countries with a strong son preference. Second, we use the gap between women's and men's healthy life expectancy. This measure provides an estimate of the number of years that women and men can expect to live in good health by taking into account the years lost to violence, disease, malnutrition or other relevant factors.

**Political empowerment:** This sub-index measures the gap between men and women at the highest level of political decision-making through the ratio of women to men in minister-level positions and the ratio of women to men in parliamentary positions. In addition, we include the ratio of women to men in terms of years in executive office (prime minister or president) for the last 50 years. A clear drawback in this category is the absence of any indicators capturing differences between the participation of women and men at local levels of government. Should such data become available at a globally comparative level in future years, they will be considered for inclusion in the Index.

In the case of all sub-indexes, the highest possible score is 1 (equality) and the lowest possible score is 0 (inequality), thus binding the scores between inequality and equality benchmarks. An un-weighted average of each sub-index score is used to calculate the overall Global Gender Gap Index score. As in the case of the sub-indexes, this final value ranges between 1 (equality) and 0 (inequality), thus allowing for comparisons relative to ideal standards of equality in addition to relative country rankings. The equality and inequality benchmarks remain fixed across time, allowing the reader to track individual country progress in relation to an ideal standard of equality. Furthermore, the option of roughly interpreting the final Index scores as a percentage value that reveals how a country has reduced its gender gap should help make the Index more intuitively appealing to readers.

## Gender Gap in the World and Vietnam

### The gender gap in the world

The Global Gender Gap report 2015 includes 145 countries. To be included in the Report, a country must have data available for a minimum of 12 indicators out of the 14 that make up the Index (Figure 2).

Figure 2 is a global snapshot of the gender gap in the four sub-indexes. It shows that the 145 countries covered in the Report have

closed almost 96% of the gap in health outcomes between women and men and 95% of the gap in educational attainment. However, the gap between women and men on economic participation and political empowerment remains wide: only 59% of the economic outcomes gap and 23% of the political outcomes gap have been closed [5] (The World Economic Forum, 2016).

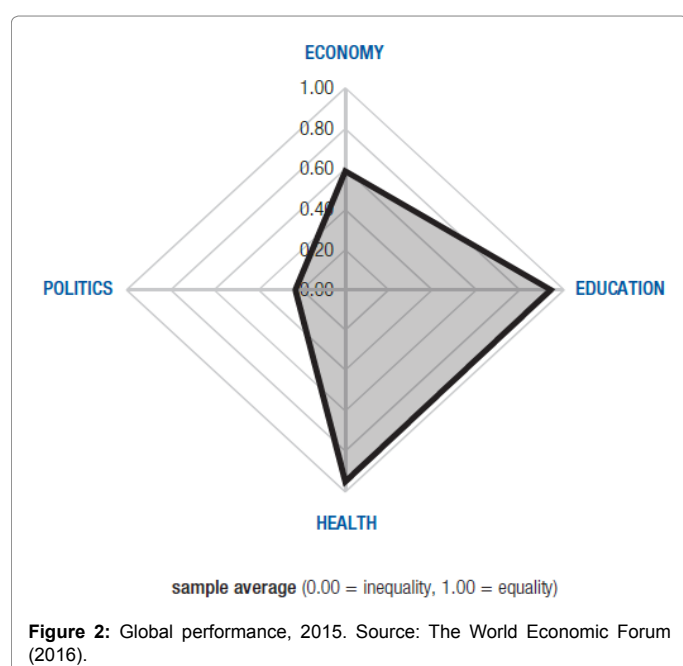
In the report, Global Gender Gap rankings (2015) displays the 2015 index and sub-index rankings, organized from highest to lowest by rank, on the overall index. No country in the world has fully closed the gender gap, but four out of the five Nordic countries and Ireland have closed more than 80% of it. Yemen, the lowest ranking country has closed over 48% of the gender gap.

Table 1 displays the rankings by region of the countries in Asia and the Pacific. In 2015, eight out of the 24 countries from Asia and the Pacific have closed over 70% of the gap, with the Philippines, New Zealand and Australia in the lead. At the bottom end of the rankings, two countries from the region—Iran and Pakistan—have closed less than 60% of the gender gap. Vietnam has ranked No. 83 in the overall rank with a score of 0.687, ranked No. 9 in the ranking of the region of Asia and the Pacific [6-8].

### The gender gap in Vietnam

The issues of the gender equity of Vietnam was studied in the report on the global gender gap from 2007 to the present. Although, there have been significant achievements in closing the gender gap as well as equaling the gender in recent years as the gender gap index ranked 9th in the 24 countries of the Asia and Pacific region, but when comparing to overall other countries studied in the report, the ranking of Vietnam decreased over the years. One reason for this may be due to an increase in the number of countries studied over the years. In addition, the score of gender gap index of Vietnam has fluctuated over the years, particularly, in 2015, the index reached 0.687 (decrease 0.002 points comparing to the index in 2007 and decreased 0.005 points in comparison with 2014), make the ranking of Vietnam decrease [9].

Table 2 shows that in the four fields of the Participation and



Opportunity Economic, the Educational Attainment, the Health and Survival and the Political Empowerment, only the field of the Educational Attainment reached the index scores increasing constantly (in 2015, the score was 0.941 which more 0.049 points than in 2007). The remaining field shows that the gender gap in the field has expanded more in 2015 than in 2007 [10].

### The Gender Gap in the Field of Economics in Vietnam

#### The assessment of the gender gap in the field of economics in Vietnam

According to the report of the WEF on the global gender gap, the Economic Participation and opportunity throughout the period 2011-2015 increased 0.02 points from 0.711 to 0.731. This is mainly due to the relatively strong increase of the index of the Estimated Earned Income (Table 3).

The statistical data also show that, beside the index of the Professional and technical workers reaching the absolute level and the index of Participation Labour force reaching the relatively high level were steadily maintained in period of 2011-2015, other index are changed in the direction of increase. However, Wage Equality for similar work gradually declined during the period, from 0.69 in 2011 to 0.63 in 2015 (decrease 0.06 in whole the period).

According to the report 2014 on the global wages of ILO, the differences in wages between men and women were partly explained by differences in education, experience and the discrimination in the labor market. So which reasons cause the wage gap between men and women in the same job tending to extend. This will be discussed and clarified in the below part of the study (Figures 3 and 4) [11].

The statistical data show that the gender gap in employment barely has been improved in recent years. Women's unemployment rate remained at 2% in both 2013 and 2014 equaling to the unemployment rate of male. In 2015, this rate decreased 0.1 points % comparing to 2014. However, this does not made the gender gap in employment decrease because the rate of non-agricultural employment of women decreased from 67% in 2013 to 45% in 2015, the gap in the non-agricultural employment between men and women increased from 2 points % in 2013 to 10 points% in 2014 and remained at this level in 2015 [12].

Thus, in the period of 2011-2015, Vietnam has gained some achievements in narrowing the gender gap in economic fields such as the gender gap in income decreased significantly, the proportion of female legislators, officials, senior, and managers comparing tends to increase, the unemployment rate for women decreased slightly and no difference compared with the rate of men. However, the gender gap in economic fields of Vietnam is still remain the unresolved limitations as Wage Equality for similar works, the proportion of female legislators,

Country	Overall rank	Overall score	Regional Rank
Philippines	7	0.790	1
New Zealand	10	0.782	2
Singapore	54	0.711	5
Vietnam	83	0.687	9
China	91	0.682	12
Japan	101	0.670	14
Iran, Islamic Rep.	141	0.580	23
Pakistan	144	0.559	24

Source: The World Economic Forum (2016).

**Table 1:** Global Gender Gap Index of countries in the region of Asia and the Pacific, 2015.

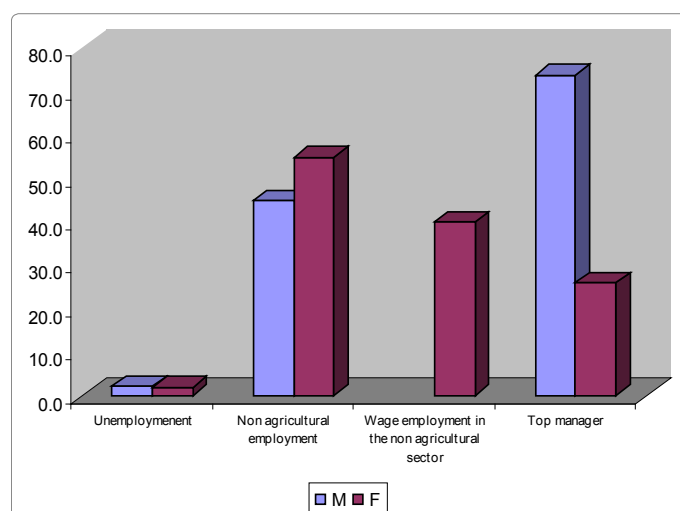
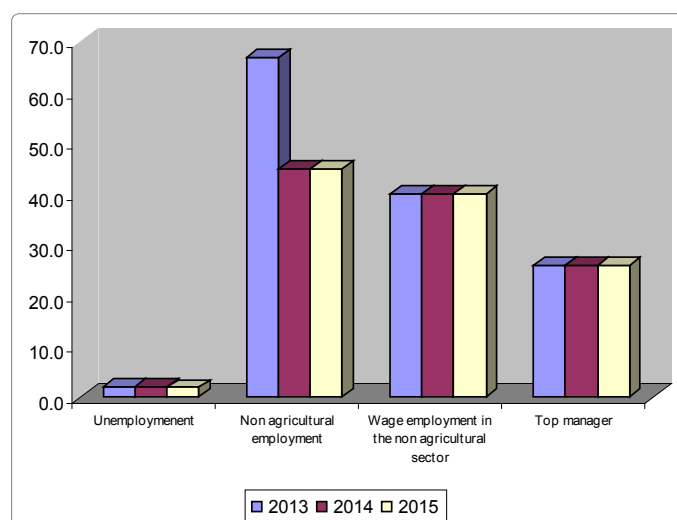
Sample		Index		Economy		Education		Health		Politics	
Year	No. of countries	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
2015	145	83	0.687	41	0.731	114	0.941	139	0.950	88	0.124
2014	142	76	0.692	41	0.726	97	0.972	137	0.944	87	0.124
2013	136	73	0.686	52	0.702	95	0.974	132	0.944	80	0.125
2012	135	66	0.687	44	0.710	95	0.968	130	0.944	78	0.125
2011	135	79	0.673	40	0.711	104	0.926	130	0.946	76	0.111
2010	134	72	0.678	33	0.721	106	0.924	127	0.947	72	0.118
2009	134	71	0.680	25	0.735	108	0.897	97	0.970	72	0.118
2008	130	68	0.678	24	0.729	106	0.894	92	0.970	67	0.118
2007	128	42	0.689	11	0.745	103	0.892	91	0.970	42	0.148
2006	115	-	-	-	-	-	-	-	-	-	-
2006-2015 Change			-0.002		-0.014		0.049		-0.020		-0.024

Source: The World Economic Forum (2016).

**Table 2:** The Global Gender Gap Index and the sub-indexes of Vietnam over the years.

	2011	2012	2013	2014	2015
Economic participation and opportunity	0.711	0.710	0.702	0.726	0.731
Labour force participation	0.92	0.92	0.92	0.92	0.92
Wage equality for similar work	0.69	0.68	0.65	0.63	0.63
Estimated earned income	0.69	0.69	0.69	0.82	0.83
Legislators, senior officials and managers	0.28	0.28	0.28	0.30	0.32
Professional and technical workers	1.00	1.00	1.00	1.00	1.00

Source: The World Economic Forum (2016).

**Table 3:** Economic participation and opportunity in Viet Nam 2011-2015.**Figure 3:** Employment and Leadership in Viet Nam, 2015. Source: The World Economic Forum (2016).**Figure 4:** Employment and Leadership of women in Viet Nam 2013 – 2015. Source: The World Economic Forum.

senior officials and managers is low, the proportion of female employees working in non-agricultural fields is still low, the percentage of female employees holding leadership positions remains low (26% of the number of firms).

### Causes of limitations in closing the gender gap in the economic fields of Vietnam

As analyzed above, the gender gap in economic fields in Vietnam exists mainly in the gap in income, the gender discrimination at work and the intermediate power (the social status and the right to make decision). This gap exists from generation to generation and almost does not improve because of the following main reasons:

First, the thought "respecting men than women" existed with the high appreciation of the position of men has reduced the opportunity to participate in the economic activities of women. Women often have to do on housework in the family which is unpaid work, while men participate in the economic activities and hardly do housework. So most women have to spend time to do jobs without income more than men, therefore women's income is lower than men's. On the other hand, the gender segregation of the labor market make most of women work in the field of agriculture and services, while men concentrate on their work in the fields of industry, construction and services (the higher income sectors) lead to gap in income between men and women [13].

Second, Vietnam currently has only some solutions in the official

sector (the policy solutions, legal regulations) impact on the gender gap in economic fields such as the gender equality laws, mainstreaming of the gender equity in strategies, plans, programs and projects of the socio-economic development. Meanwhile, on the labor market, the unofficial sector as social prejudice or households have not made any significant changes. Therefore, it's difficult to implement these policies and the policies will be inefficient.

Third, the gender gap in economic fields exist in the vicious circle of inequality. The gender inequality in education, health care and the position in political and social sectors becomes the barriers to narrow the gender gaps in the economic fields.

## Conclusion and Policy implications

### Policy implications

Saving time for women through policies promoting the public services for the child care such as the child care services daytime, health care services for children etc.; Improving the infrastructure to save time of doing housework for women.

Eliminating the gap in access to assets and resources of input factors. The Government supports for women in owning assets through laws and reform of credit system in order to enhance the ability of women in accessing credit.

Eliminating the gender discrimination in the active labor market. Implementing the dynamic labor market policies aimed at introducing employment, training and support for women participating and rejoining the labor market, remove the discrimination in the labor laws.

Positively integrating in the international economic to expand the labor market, developing the information system to enhance opportunities for women to acquire knowledge and dispel some gender bias exists in Vietnam, via will narrow the gender gap.

### Conclusions

The Gender Equality is expressed on various aspects of social and economic life, including the economic aspects which are aspects with an important role, with a strong impact on other aspects and also affected by other aspects. To measure the gender inequality in economic aspects, this study used the gender gap index. The study results showed that the

gender gap in economic sectors in Vietnam almost no improvement. In the period 2011-2015, the gender gap fluctuate over the years, but generally in the whole period, the gender gap index rose 0.02 point. In which, the income gap between men and women is significantly improved, but the wage gap between men and women in the same jobs increased.

The study based on analysis of the situation and observations of the gender gap in economic fields has shown the cause of the gender gap in economic fields which are perspectives, the social prejudices about the role of women and men because they make the gender discrimination in the labor market. Therefore, to narrow the gender gap in economic fields in Vietnam, we need to use a combination synchronously the solutions on markets, institutions and policies in the official sector and unofficial sector, to identify the priority objectives to be solved in the context of the scarcity of resource in the developing countries.

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