Gender Assessment

FP071: Scaling Up Energy Efficiency for Industrial Enterprises in Vietnam

Vietnam | WBG | GCF/B.19/22/Rev.02

30 April 2018
Vietnam: Green Climate Fund Proposal
Scaling Up Energy Efficiency in Vietnam’s Industrial Sector

A Gender Action Plan

I. Background

The World Bank (the Bank) has agreed with the Government of Vietnam (GoV) to adopt a holistic approach to scaling up energy efficiency (EE) in the high-energy intensive industrial sector aiming to unlock the huge potential for energy savings and greenhouse gas (GHG) emission reductions. The proposed Scaling up Energy Efficiency for Industrial Enterprises in Vietnam (“the Project”) will substantially contribute to achieving Vietnam’s Nationally Determined Contribution (NDC); i.e. 25% GHG emission reduction compared to the Business-As-Usual scenario with international support, under the Paris Agreement.

Overall, the Project comprises an integrated package of credit risk mitigation, technical assistance and capacity building activities together with a parallel IBRD credit line (IBRD Loan) to various stakeholders from public entities to local financial institutions and industrial enterprises. This will reduce EE investment market barriers, such as lack of access to finance and capacity of stakeholders, high project risk perceptions, and the existence of an insufficient policy and regulatory framework that governs EE in the industrial sector.

The Project comprises two interrelated and closely coordinated components complemented by a parallel IBRD Loan operation:

- Component 1: US$78 million GCF Risk Sharing Facility (GCF-RSF)
- Component 2: US$10 million World Bank and GCF Technical Assistance (WB/GCF-TA)

Complementing IBRD Loan:


The joint implementation of these two components and the IBRD Loan will promote a market-driven approach to industrial energy efficiency and opening up the commercial lending market to local banks and non-bank financial institutions developing a new EE product line. With financial and technical support from the World Bank and the GCF, the Project and the IBRD Loan will mobilize approximately US$ 407.3 million of EE investments, supporting over 100 industrial companies to reduce energy consumption and generate about 120 MtCO2eq of GHG emission reductions over the lifetime of the investments. Ultimately, the Project will contribute to a paradigm shift in the nascent EE market, by providing know how and experience and by strengthening of capacity and creating an enabling environment for local financial institutions and industrial enterprises to scale up investments in energy efficiency.

II. Gender analysis
This analysis examines the different rights, roles, needs and opportunities of both women and men, boys and girls and the relations between them in Vietnam, with strong emphasis on economic opportunities in the industrial sector. The analysis would be used to identify opportunities and entry points for promoting gender inequality under the project and thus to inform the actions that are presented in Section 3 of this plan. The analysis would be focused on five key questions: What is the context? Who does what? Who has what? Who decides? And who benefits?

2.1. The context

Viet Nam signed the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) in 1979 and ratified it in 1981. In 2000, Viet Nam signed the United Nations Millennium Declaration and committed to achieve the Millennium Development Goals (MDGs) which includes a major goal to promote gender equality and women’s empowerment. In 2006, the National Assembly passed the first ever Law on Gender Equality (LGE), which promotes gender equality in all fields of social and family life. The legal framework for gender equality was strengthened by the passing of the Law on Domestic Violence Prevention and Control in 2007. Besides these laws, the Government also has a strategy on gender equality for 2011-2020, program on gender equality for 2016-2020 and a national action plan on domestic violence prevention and control for 2014-2020. There are other laws that target specific gender equality issues or contain provisions related to gender equality. The Land Law 2013 makes it compulsory to have both husband’s and wife’s names on land use certificates and house ownership documents. The Family and Marriage Law upholds the principle of equality in ownership and inheritance in case of divorce and death. The Law on the Election to the National Assembly and People’s Councils stipulates that at least 35% of candidates must be women. The State Budget Law indicates that one of the principles of state budget management is to ensure budget allocation for gender equality objectives.

The National Strategy for Gender Equality 2011-2020 sets as target that “by 2020, substantive equality between men and women is ensured in opportunity, participation and benefits in the political, economic, cultural and social domains, contributing to fast and sustainable national development”. The Strategy focuses on: promoting women’s political participation and leadership; narrowing gender gaps in the economic domains; raising the education level of women; promoting gender equality in access to healthcare services; promoting gender equality in and through media and communication; ensuring gender equality in family life; and strengthening institutional capacity of the Government to effectively promote gender equality. Especially, Decree 34/2016/ND-CP, dated which provides guidance to implement the existing Law on the Issuance of Legal Normative Documents, stipulates that an assessment of gender impacts, if any, be conducted on a basis of analysis and anticipation of socio-economic impacts relating to opportunities, conditions, implementation capacity, and enjoyment of benefits for both men and women in preparing a proposed legal normative documents.

However, even when gender-equal laws have been put in place, entrenched inequalities, discriminatory social norms as well as dominant patterns of economic development, which of which are presented below, can undermine their implementation and positive impact” (UN Women, 2016).

2.2. Who does what?
From a gender and care responsibility perspective, the Viet Nam model of social welfare is characterized by limited public support for care services and rigid gender norms that still assign primary responsibility for care provision to women within the private sphere of the household (UN Women, 2016). A more ‘modern’ perception regarding housework as a shared responsibility between wives and husbands remains a minority’s view in the context of strong traditional gender norms that consider a propensity for domestic and care work as “an important defining feature of the ‘ideal wife’” (Thu and Efroymson, 2008: 13). Research conducted by ActionAid with a sample of 495 women and 330 men in nine cities/provinces in Vietnam found that on average, women spend over 5 hours (314 minutes) every day on unpaid care work at household level and within the society, which is more than 2 hours (125 minutes) more than men.¹ The intra-household unequal division of labor between men and women constitutes a considerable brake on women’s labor participation and returns to livelihoods, constraining their opportunities for training, networking, and promotion.

The participating IEs will come from different energy-intensive industries. Many of them are considered ‘men-intensive’, such as manufacturers of cement, iron, steel, pulp and paper, while others are women-intensive, such as food-processing factories. In Vietnam, women’s participation in the labor force is lower than men’s. The ratio for men was 82.5 percent in 2014, while it was only 73.3 percent for women.² There is quite a clear occupational segregation in Vietnam: female workers dominate in sectors like paid domestic services, education and training, hotels and restaurants, human health and social work, while male workers dominate in sectors like construction, transport and storage, electricity, gas, steam and hot water supply, mining and quarrying.³ This pattern was also observed in the social assessment conducted by the project. In three companies surveyed, the proportion of female staffs ranged from 10 percent in the Vietnam Construction Materials Co., Ltd to 41 percent in the Vietnam Paper Corporation. No women work in the energy units in all three companies. The banking sector is more gender balanced, with women accounting for 53 percent of all workers in the sector. The persistence of occupational segregation is usually attributed to several factors: gender differences in education and training; discrimination; the unequal distribution of unpaid work; and deeply ingrained stereotypes about gender differences in aptitudes. The occupational segregation may be negatively affected by gender stereotypes perpetuated through school textbooks and traditional ideas of jobs suited to women, e.g. service sector jobs like nursing, child care, community-based work. At school, girls tend to take only those subjects which are linked to traditional ideas of women’s role in society. Therefore, women’s participation in the labor market is slanted towards ‘soft’ social sectors, and away from ‘hard’ areas such as industrial development and business. (WB, 2010: 35). All these factors severely restrict women’s participation in many industrial sector and are constraints to the development of a skilled and empowered female workforce. It demonstrates that more effective and innovative ways are needed to address continuing and pervasive gender stereotypes about ‘suitable’ occupations for women and girls.

The project will support the growth of a new market of industrial energy efficiency in Vietnam. Therefore, sectors delivering energy efficiency-related goods and services, such as manufacturers of efficient industrial equipment, will find more business opportunities from the expansion of the

¹ ActionAid, 2016. “Make a House Become a Home”
³ UN Women, 2016.
market. In these sectors, increased employment is expected to bring positive economic co-benefit to the society. Examples from across the globe point to the fact that women have used clean/renewable energy to increase profits and efficiency in their informal sector enterprises, and proven themselves capable of operating and also constructing clean energy technologies/solutions on their own when provided with appropriate training and support. It is important that more women have more opportunities for employment, as well as to lead and manage sectors delivering energy efficiency-related goods and services. The Government needs to put greater effort into facilitating women’s access to a wider variety of decent jobs, with particular attention to enabling disadvantaged women to acquire the necessary skills and productive resources for entering non-traditional sectors. This recommendation was also put forward in earlier country gender assessments (CGAs), which stress the importance of encouraging women’s participation in training in scientific, engineering and technical fields. Both CGAs point to the highly gender-stereotyped vocational training on offer in Viet Nam and its failure to prepare women to pursue a wider range of labor market opportunities. Other measures may include awareness raising activities for managers and HR people on the benefits of diversity in the labor force and the value of female workers to corporate performance.

2.3. **Who has what?**

The evidence suggests that access to assets has a gendered dimension; and various inequalities in the country affects the security and extent of women’s access to assets versus men’s. Disparities in access to assets, in turn, determine whether and to what extent women are able to realize their economic opportunities on an equal footing with men. Two kinds of assets are relevant to an analysis of economic opportunities. External assets or the factors of production, such as land, labor and credit. Internal assets of the entrepreneur itself, i.e. vocational and business skills, freedom from time poverty and human capital.

Female laborers have more limited opportunities to access to quality employment. The aspects of the quality of employment refers to vulnerability, informal employment, earning gaps and working conditions. LFS data show that in 2014, 68 percent of women workers were in vulnerable employment compared with less than 57 percent of men workers. In addition, the rate of informal employment seems extremely high, and with almost equal shares for men and women: 81 per cent of female workers and 82 per cent of male workers are in informal employment. It is not only the totality of own-account workers and unpaid family workers (i.e. the employed classified as ‘vulnerable’) that has no social insurance, but also about half of all wage workers. The proportion of women in vulnerable employment is higher than that of men, but the proportion of wage workers without social insurance is substantially higher among men (58 percent) than among women (39 percent). Furthermore, the gender earning gap has widened over the last decade and this applies to both wage workers and the self-employed. The gender earning gap is partly explained by the fact that women tend to cluster in low-paid occupations. Overall, female workers earn about 10% per month less than male workers. In the energy sector (electricity, gas, steam and hot water supply), women earn 85 percent of what men earn. The banking sector is one of

---

4 ILO defines workers in vulnerable employment as the sum of own-account workers and unpaid family workers.

5 ILO officially defines informal employment as that without social insurance.
Studies have indicated that the characteristics of women-led business, many of which are small, also constrain access to finance. The inflexibility of traditional financial institutions in adapting to the needs of small businesses was also highlighted as a major barrier by women entrepreneurs in Vietnam (IFC 2006; WB 2010). Consequently, in Vietnam, women business owners are more likely to use informal sources of finance, while getting a bank loan is generally only feasible for large businesses (IFC 2006; WB 2010). However, it is not only the case that banks are unwilling to lend to smaller businesses, but also smaller businesses are unable to meet the conditions of bank credit. Women entrepreneurs are often unaware of their rights, or the various options for credit available to their businesses. More research is needed to determine whether informational deficits are relatively more severe for women, and to understand impacts of these deficits on their credit-seeking behaviour.

Vietnamese women have less access to quality vocational and technical training, which can be even more important than formal education in reducing occupational segregation. Viet Nam has made significant progress in reducing the gender gap in formal education but as far as Technical and Vocational Education and Training (TVET) is concerned, in 2014 only 16 per cent of the female workforce and 21 per cent of the male workforce had some kind of technical qualification. It is of concern that data from various rounds of the VHLSS suggest that since 2004, the share of the employed population with technical qualifications has fallen for women while it has risen for men (Rodgers, 2015). This is a cause for concern given the emphasis placed on technical training in the Government’s workforce development strategy and among donors. Of serious concern is also that the distributions in fields of study still show marked gender patterns. According to Viet Nam’s data from United Nations Educational, Scientific and Cultural Organization (UNESCO, 2015), among students enrolled in tertiary education, men are considerably more likely to specialize in engineering, manufacturing, construction, and services, while women are more likely to specialize in social sciences, education, humanities and the arts. No significant change can be observed between 2008 and 2013. This gender segregation in the field of study can be further reinforced by discriminatory practices in the labor markets such as those described in ILO Vietnam (March 2015). Women are more likely to work in the informal sector due to their unequal household and family responsibilities, as informal employment often allows them to work from home. Where women are confined to low-skills jobs in the informal sector, they are unlikely to be able to gain access to opportunities for quality vocational and technical training. Moreover, time constraints is another important barrier.

Secure and equitable access to assets, human, financial and technical, is a crucial determinants of economic empowerment for women. To address formal and cultural inequities in access to assets, it is important to Improve the environment for, and access to, targeted vocational and business training to nurture human capital of budding women entrepreneurs. Furthermore, improve on-the-job training prospects providing fiscal and other incentives for enterprises to provide training to women employees.

2.4. Who decides?

---

6 UN Women, 2016.
The World Bank’s 2016 Systematic Country Diagnostic (SCD) identifies a lack of women in leadership positions in business and particularly government and political spheres as one of three key gender concerns. According to this diagnostic, while substantial numbers of women are employed in wage jobs, few are in management positions. In the 2015 Enterprise Survey, just 22% of firms reported that they have a female top manager (compared to an average of 27% across EAP countries.). According to a recent survey on small and medium-sized enterprises (SMEs) of all sizes, the number of SMEs led by women in Viet Nam accounts for 25%. Findings from a recent ILO Vietnam study on gender-based discrimination in recruitment and promotion practices confirm these observations (ILO Vietnam, 2015). More specifically, the ILO review finds that up to 83 per cent of management job postings indicating a gender preference required male applicants. All of the director posts were exclusively for men and a similar bias was found across other management positions such as ‘managers’ and ‘supervisors’, where 78 and 87 per cent of job advertisements, respectively, only accepted male candidates. The findings of this review thus suggests that these practices are still widespread despite contravening the law that stipulates that job advertisements should avoid any mention of gender.

Women tend to have less opportunities and time compared to men to engage in business development. Time constraints that it is harder for women to attend trade fairs, make new contacts (ADB 2008), properly manage and develop their business and to navigate complex procedures, due to the tension between their reproductive and productive roles (their traditional role as care givers for the young and the elderly). More informal networking may also be more difficult for women, due to cultural norms and family responsibilities. Although data on these kinds of ‘soft’ cultural barriers to women entrepreneurs participating in networking and developing their business is not available. The SCD calls for measures to boost the participation of women in leadership positions in both the public and private sectors, including childcare support, training opportunities, and eliminating gender discrimination in the retirement age.

There is no exact data indicating the number of SMEs in Viet Nam, but a rough estimate indicates that SMEs account for 97% of the total number and contribute to about 40% of the GDP. The large percentage of SMEs in Viet Nam points to the fact that this is an important industry/market segment that could be tapped in terms of the sustainable energy portfolio. As also reported, rising energy and material prices are leading to higher production and distribution costs which erode enterprise competitiveness and profitability among a majority of these SMEs, including those owned/led by women. Reducing energy waste or using alternative, renewable sources of energy can considerably lower enterprise spending.

2.5. Who benefits?

Both men and women who work for industrial enterprises and live around their areas will benefit from EE investments, such as avoidance and reduction of local pollutants, noise and dust. The benefit derives from increased life expectancy and reduced mortality that comes from a reduction in local toxic pollutants. However, the rate of male or female employees who benefit directly from the shift from EE technologies may vary depending the type of participating industries. Many of the energy-intensive industries, such as manufacturing of cement, iron, steel, pulp and paper, employ more men than women, while some energy-intensive industries, such as food processing, hire more women than men. The project recognizes different vulnerabilities of women and men as a consequence of both direct or indirect impacts of the project. Some of these vulnerabilities
have been analyzed in various sections above. The project will develop specific response strategies for each target groups during the design, formation, and implementation of the project.

Furthermore, Industrial Enterprises (IEs) and Participating Financial Institutions (PFIs) will be accessible to the project’s aware-raising activities on gender awareness and responsiveness in their relevant operations. The participating government agencies will benefit from the relevant TA and capacity building activities to supported to develop the relevant EE regulatory framework, standards and guidelines, have limited awareness of the linkages between gender and EE sub-projects, particularly in relation to their specific working domains.

III. The Gender Action Plan

This plan presents key impacts, outcomes and output statements which are informed by the gender analysis in Section 1 and mirrors the project outputs in order to address key gender gaps and contribute to greater equality between men and women through the project activities. Each output will be followed by associated gender-responsive activities with gender-performance indicators and targets, timeline, and responsibilities. Many activities in this plan can be incorporated in other outputs under Component 3 of the project on technical assistance and capacity building, as noted in the budget column of the matrix below.
REFERENCES


