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SESSION 1

ECONOMIC EMPOWERMENT OF WOMEN

The briefing paper, prepared by the Australian Agency for International Development, Pacific Islands Forum Secretariat and the Secretariat of the Pacific Community with inputs from the International Labour Organisation, New Zealand Aid Programme and United Nations Women, discusses the role of women in Forum Island Countries and highlights some examples of policy responses to achieve increased opportunities for women to participate in the formal labour market and as entrepreneurs. For discussion.

BRIEFING PAPER

ECONOMIC EMPOWERMENT OF WOMEN

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Purpose

This paper discusses the role of women in Forum Island Countries (FICs) and highlights some examples of policy responses to achieve increased opportunities for women to participate in the formal labour market and as entrepreneurs.

Background

2. In the 2011 Waiheke Declaration, Forum Leaders affirmed the importance of the private sector in helping realise the region's potential, and pledged to foster an environment that supports increased investment, productive activity and a strengthened private sector. They committed specifically to increase opportunities for women to participate in the formal labour market and as entrepreneurs. This is one aspect of increasing women's economic empowerment.

3. Forum Economic Ministers, at their 2010 meeting, agreed to the need for ensuring that the important role of women in economic development of member countries is fully considered and integrated into economic strategies.

4. Women's economic empowerment was highlighted as one of the critical areas of concern under the Revised Pacific Platform for Action on Advancement of Women and Gender Equality 2005-2015¹. It is about increasing women's participation, and influence over economic decisions that affect their own lives and society. Women's economic empowerment can be achieved through: equal access to and control over critical economic resources; gaining the skills to use economic resources; and equal access to economic opportunities.

5. The 2011 Pacific Regional Millennium Development Goals (MDGs) Tracking Report showed that "across the majority of countries, governments have done little to raise the economic participation of women, with civil society organisations (CSOs) and the private sector taking the lead".²

¹ Adopted by Pacific Island Countries and Territories at the 9th Triennial Conference of Pacific Women held in Fiji in 2005 and is a regional charter for advancing gender equality and women's progress that is reviewed every three years.

² Pacific Islands Forum Secretariat, 2011, *Pacific Regional MDGs Tracking Report*, p. 25.

Issues

6. The cost of misallocating women's skills and talent is large (and rising). In Asia, this cost is estimated at up to \$47 billion every year.³ The World Bank⁴ estimates that the elimination of barriers that prevent women from participating more fully in certain sectors or occupations could increase labour productivity by as much as 25 per cent in some countries. The Food and Agriculture Organisation estimates that equalising access to productive resources between men and women could increase agricultural output by as much as 2.5 – 4 per cent.⁵

7. Evidence from a range of countries shows that increasing the share of household income controlled by women, either through their own earnings or through cash transfers, changes spending in ways that benefit women.⁶ A similar outcome occurs when women have greater ability to influence a county's economic resources.

Women in the Pacific Economy

8. The 2012 Women's Economic Opportunity Index published by the Economist Intelligence Unit attempts to provide a global comparison of women's economic opportunities.⁷ The Index defines women's economic opportunity as a set of laws, regulations, practices, customs and attitudes that allow women to participate in the workforce under conditions roughly equal to those of men, whether as wage-earning employees or as owners of a business. As such participating countries in the index were assessed across five categories: labour policy and practice; access to finance; education and training; women's legal and social status; and general business environment. The Pacific ranks poorly in this global index of 128 countries with most FICs ranked in the bottom 25 per cent.

9. A study found that in some Pacific countries, 70 per cent of male employees spent between 50 to 80 percent of their fortnightly wages on alcohol and kava.⁸ In contrast, women's incomes finance the purchase of food, school fees and other household needs. This is a reflection of entrenched behaviours that dictate decisions regarding the use of income.

10. Violence against women and sexual harassment also significantly limit women's participation in the economies of the Pacific, and this has been recognised in the 2009 Forum Communiqué. Following this, the Pacific Islands Forum Reference Group to Address Sexual and Gender Based Violence (SGBV) was established in 2010 to guide implementation of the Forum's 2009 mandate from Forum Leaders. The Reference

³ World Bank, 2012, *World Development Report 2012: Gender Equity and Development*.

⁴ World Bank, 2012, *World Development Report 2012: Gender Equity and Development*.

⁵ Food and Agriculture Organization, 2010, *Gender Dimensions of Agricultural and Rural Employment: Differentiated Pathways out of Poverty. Status, Trends and Gaps*, International Fund for Agricultural Development and International Labour Office.

⁶ World Bank, 2012, *World Development Report 2012: Gender Equity and Development*.

⁷ Funding support from the New Zealand Aid Programme saw six (6) FICs included in this index for the first time.

⁸ World Bank Group, 2010, *Gender and Investment Climate Reform Country Report: Papua New Guinea and Vanuatu*.

Group is mandated to raise awareness on SGBV and its impact on the Pacific and has since conducted several national consultations with member countries. The Reference Group also supports and guides efforts to meet Forum Leaders' commitment to the issue and to ensure all individuals have equal protection of the law and equal access to justice. Determining a policy response to violence is beyond the scope of Economic Ministers, however, they are in a position to act as champions and encourage safe work environments whether in the informal, formal and/ or public sectors.

11. Despite increases in the level of women's education in the FICs, there remains a gap between women and men's human capital endowments that exacerbates gender gaps in income from employment and entrepreneurial activity. Several FICs are below the developing country average for gender parity in primary, secondary and tertiary education. However, in Fiji, there are more women in higher education than men.⁹ Financial literacy continues to be low among women, undermining women's ability to engage in economic and entrepreneurial activity. Even in countries where financial literacy and micro-finance training has been provided, opportunities to apply skills and availability of credit to explore income generation projects has been limited.

Employment

12. The Pacific region's economy depends largely on agriculture, fishery and tourism sectors that have been identified as the region's sources of comparative advantage. From the sparse data available, it would appear that the share of women's employment in agriculture varies across the Pacific from as low as 3 per cent to as high as 84 percent.¹⁰ Agricultural activities, however, often rely on women's labour in subsistence production and resource management.

13. Women make critical contributions to the household and national economy with their involvement in multiple activities that support and sustain their livelihoods – subsistence farming, cash cropping, fishing, production of handicrafts and small scale businesses. While the general business environment in FICs is improving, ensuring secure property rights and access to financial services (including credit), remain issues for women.

14. Excluding the agricultural sector, approximately twice as many men as women are in paid employment. Cook Islands and Niue account for more than 50 per cent of women employment in the non-agricultural sector, and this is reflected in the strong leadership roles taken by women in the countries' respective Chambers of Commerce. In Melanesia, women occupy only a third of jobs within the formal economy, and males typically earn 20 – 50 per cent more than women.¹¹ Industries of critical importance in Melanesia such as mining, logging and fishing generally provide more opportunities for males.

⁹ Fiji National Strategic Human Resources Plan, 2011-2015, Fijian Ministry of Strategic Planning, National Development & Statistics

¹⁰ FAO, 2005, *Rural women and food security in Asia and the Pacific: Prospects and Paradoxes*, FAO Regional Office for Asia and the Pacific, <http://www.fao.org/docrep/008/af348e/af348e06.htm>.

¹¹ Statistics drawn from a number of sources, citations on request.

15. Temporary labour mobility is a prominent feature of the Pacific economy, which also affects women's economic empowerment. Men tend to be favoured in employment schemes due to the often physically demanding nature of the jobs available, particularly for seafarers and seasonal agricultural work. However, migration related to labour mobility can also be a contributing factor in new and emerging gendered relations within societies as it offers women the opportunity to enter the global work force. In addition, they also can also benefit from repatriated remittances and therefore invest in economic opportunities appropriately. This can help towards reduction of poverty and improvement in health and education standards of the children. In the context of migration, the time and labour burden of care falls on the shoulders of the family members left behind, which are usually women.

16. Women are also discriminated against in labour legislation in a number of Pacific countries, although several¹² are in the process of review. Ratification and harmonisation of national laws with international labour standards on non-discrimination¹³ will ensure that women have legal support for full participation in the economic sphere. Papua New Guinea has drafted a new Industrial Relations Bill with strong provisions to prevent discrimination in employment or occupation, including obligations of employers to take steps to eliminate discrimination and harassment in the workplace.

17. There are challenges associated with informal rules and discriminatory beliefs that may not be easily overcome through legislation without undergoing formal litigation. Employers may hold beliefs about women's productivity or suitability as workers which relegate women to lower skilled and remunerated positions. Innovative approaches for improving women's opportunities in the labour market need to be explored to overcome discriminatory beliefs. Labour legislation drafted from a human rights and gender perspective should be explored vigorously by FICs. Alongside this, sector wide advocacy and awareness on the role of women in the economic sphere is critical to overcome discriminatory beliefs.

Entrepreneurial Activity

18. In many countries, women continue to face challenges entering formal business and systems. Limited opportunities for land ownership and traditional systems where men determine the use of land for economic purposes restricts women's ability to create land-based enterprises or to raise capital for enterprise development. Studies have shown that when women lack security of land tenure, they have lower access to credit and inputs, resulting in less efficient land use and reduced yields.¹⁴ Secured transactions reform enacted in a number of countries in the region including PNG, Solomon Islands and Palau should increase access to credit, including for women. Specific initiatives supporting women's economic empowerment should be shared throughout the region.

¹² Kiribati, Papua New Guinea, Samoa, Tonga, Tuvalu, Vanuatu

¹³ ILO conventions: C100: Equal Remuneration Convention, C111: Discrimination (Employment and Occupation) Convention, C156: Workers with Family Responsibilities Convention, C183, Maternity Protection Conventions, 2000

¹⁴ World Bank, 2012, *World Development Report 2012: Gender Equity and Development*.

19. While there are few laws or business regulations that discriminate against women entrepreneurs in the Pacific, easier access to government business services such as licensing and registration, including through e-commerce, can minimise the need for women to spend time away from families securing the appropriate permissions to engage in formal enterprise.

20. Women are disproportionately responsible for the sale of small-scale agricultural produce at FIC marketplaces. The majority of market traders are women, and they work long hours in conditions that they describe as inadequate, unsanitary, hazardous and unsafe.¹⁵ Economic factors including poor financial literacy, limited access to credit and a lack of market information reduce women's abilities to sell their produce at the best price and effectively manage their earnings.

21. Other sectors such as ICT, garment and tourism employ sizeable women workers. While these industries contribute to women's economic empowerment, long hours, low wages and the lack of employment protection is synonymous to industries stereotypically female oriented. Given the differences in sector specific operations, policy makers need to ensure legislation and policies promote and protect women's economic and human rights.

Examples of Policy Responses

22. Determining the appropriate policy response for increasing women's economic empowerment requires consideration of the impacts of individual policies on both men and women and ensuring that those changes are implemented – through legislation and enforcement of that legislation. The following provide examples of gender considered policy options:

- Women's role as the primary carer and other household responsibilities, limits the time available to devote to economic opportunities – be they formal employment, or entrepreneurial activities. Policy focus can be placed on activities that provide women with time efficiencies – particularly childcare and community infrastructure. Public provision of childcare has been shown to increase the number of hours worked by women as well as increasing women's participation in formal employment. Childcare is also an effective way to provide a range of development services to children such as healthcare and immunisation, nutrition and education. These services reduce risks to illness and vulnerability to poverty;
- Provision of improved water, sanitation and electricity has health benefits and allows women more time to engage in economic activity. Evidence from rural South Africa has shown that electrification increases women's labour force participation by 9 per cent.¹⁶ Improved community infrastructure can dramatically decrease the amount of time women spend on household activities. For example,

¹⁵ UNWomen, 2011, *Pacific Markets and Market Vendors: Evidence, Data and Knowledge in Pacific Island Countries*.

¹⁶ World Bank, 2012, *World Development Report 2012: Gender Equity and Development*.

better road access to marketplaces shortens the time women must travel to reach markets, providing them with more time for family responsibilities or activities to increase economic returns from their produce;

- Labour market policies that combine training, placements and other support to help women enter under-represented professions can increase women's employment and earnings. Incentives can be provided to employers to hire women in non-traditional areas, and to trade unions to include gender equality issues as part of social dialogue. Targeted training and other skills support for women can help to reduce under-representation of women in sectors where wages may be higher and can address education gaps. One of the Pacific Plan's initiatives is the Australia-Pacific Technical College, which aims to expand the number of skilled workers in the region. Its performance assessment takes into account access of under-represented groups including women and, therefore, has the potential to contribute to improving other educational and training institutions approaches; and
- Support for women's enterprise networks through national private sector organisations creates support systems where gendered networks might restrict promotion or greater participation of women. Women's enterprise networks also improve women's participation in policymaking, ensuring their views are represented more effectively in policy debates. Avenues of communication between policymakers and these networks need to be opened.

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