

# Key Human Resource Development Issues for Women in the APEC Region

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## Introduction

As we rang in the New Year last December one of my female colleagues remarked that the next millennium will belong to women. We are now six months into this next millennium and if we are to truly ensure that it belongs to us, we are going to need to make some concerted efforts to make some changes. While there are many heartening trends and interesting developments that could help bring this about, there are also some equally daunting challenges.

However, never being one to turn away from a good fight, what I would like to share with you today is a summary of some of the particular challenges that face women in the APEC region in terms of Human Resource Development. I will also be reviewing the key HRD recommendations the WLN has made over the past five years and assessing the progress the WLN has made in terms of influencing APEC policies, programs and projects on HRD-related issues. In addition, given the incredible impact that the telecommunications revolution is having on all of our lives, I will take a quick look at some of the HRD issues facing women related to e-commerce.

## New Definitions of Work

I recently had the privilege of being asked to facilitate a workshop for the Radcliffe Public Policy Center at Harvard University on key issues of mutual concern between activists who work on behalf of women in the informal sector and academics who produce research related to the same field. Radcliffe, through the global action research network known as WIEGO (Women in Informal Employment: Globalizing and Organizing), brought together some of the top scholars and most vocal and effective activists in this field from all over the world. The results of their dialogue are highly relevant to what we have to discuss today.

At the center of their discussion was a series of observations about the ways in which a large number of the world's women earn an income are changing and about how our institutions and laws also need to change to reflect our new economic reality. They talked about how traditionally work is defined as meaning full time employment working for one employer. Most worker initiatives also still focus on the support of employment in the formal sector which is waged and where there is far more likely to

be some degree of regulation and labour standards, even if they are not well enforced. The underlying assumption has been that the informal sector in most economies will gradually generate increased formal sector employment if we could only just put in place the right policies and support the right kind of growth environment.

The reality is actually quite different. Rather than decreasing as more economies industrialize, the informal sector appears to be growing. This is significant as women predominate in the informal sector worldwide. Working conditions there are not ones that any of us would seek either for ourselves or for our daughters nor are they conditions that we wish to perpetuate for others. They include precarious sources of income, long working hours, little or no legal protection related to the workplace. legal restrictions and harassment, especially for street vendors, low incomes, and usurious rates of interest for business loans.

## Home-workers

Another trend is that the differences between the formal and informal sectors are beginning to blur in both developed and developing economies. One impact of globalization has been the outsourcing of production components to wherever the labour costs are cheapest. In turn, this has generated an increase in the number of female workers who do piece work in their homes. It has also had the impact of passing onto women workers many of the production costs that were formerly the responsibility of the employer. These include the cost of sick and maternity leave, health, disability and life insurance and all the costs associated in ensuring that the worker is employed in a safe environment. The result has been considerable savings for the companies involved and an increase in the number of workers who do not have access to basic benefits and social security and who work in unsafe conditions. It is also highly isolated work where there is no contact with other workers and limited possibilities for worker organization. In essence, the home worker employee has moved from the margins of formal employment to the fringes of informal employment.

## The Need for Multiple Sources of Income

The female workers who depend upon home-based production frequently do not make enough money from the piece work they do for one company to support themselves and their families. The work is also often seasonal in nature. Consequently, a large number of female workers have to seek income from more than one source in order to survive. Thus we can no longer talk about the typical worker as coming from the formal sector nor can we assume that most female workers have access to employment or a salary. Instead, what we find is a pattern where growing numbers of women are piecing together an income from multiple sources.

In these circumstances it is difficult to classify any one person as belonging to just one particular sector. They may spend one day a week selling cottage crafts in the local market, another day per week selling food on the street and two days a week doing

piece work in their homes for a large company. Depending upon the season and where they live, they may also be engaged in some form of agricultural production, either on their own account or as an agricultural labourer. They may also even have part-time waged work. This means that they straddle many different sectors within the labour market.

Because their work is fragmented it is hard to track and classify the type of work they do, particularly as much of it takes place outside the formal sector setting. This trend means that we can no longer define work in the traditional terms of employment within the formal sector for one employer. Instead we need to look at concepts such as earning an income or a livelihood'.

We also need to take another look at how we define work altogether and at how we collect labour statistics. Most Labour Market Information Systems and censuses have not been designed to take workers who have multiple sources of income within a mixture of the formal and informal sectors into account. We also need to continue to push for the collection of sex-disaggregated data as both empirical evidence and the data that is available show that women make up a disproportionate number of the workers who work under these conditions.

## Control Over Work Processes

One way to redefine the world in which women work, regardless of their sources of income, is to look at the different aspects of control they have over their work environment and processes. Guy Standing from the ILO speaks of there being seven different types of control related to work. These include control over self, over labour, the means of production, raw materials, over output, the proceeds of their output, and over skill reproduction. Renana Jhabvala, of the Self Employed Women's Association in India, observed that we also need to add control over markets, prices and institutions to this redefinition of work in the formal and informal sectors.

An analysis of the different aspects of control is also a critical part of the gender analysis process. It will be essential to ensure that our national governments and academic institutions include a gender spin on future labour market research and trends. The specific challenge that faces academics within the WLN, the APEC Study Centres and at the national level is to provide us with the research tools and quantitative and qualitative information that will help us determine the strategic inputs needed to support women workers. Our task is to work with academe, government and labour organizations to develop a research agenda that reflects the reality of the majority of the world's working women.

## Women Owned Micro and Small Enterprises as Engines of Growth

Part of this research needs to examine the underlying assumptions behind public sector policy initiatives to support private sector growth. Current thinking is that the high end of informal sector employment just requires a few additional supports from

the public sector or changes in market conditions to make the transition to formal sector status. It is also assumed that the formal sector is much more productive than the informal sector and that the formal sector is the primary source of innovation and growth within any given national economy. Again we need to take another look at how we define productivity, as well as track all of the sources of innovation, not just the ones in the formal sector.

Within the informal sector there is a predominance of women and family-owned microenterprises that produce low levels of income in return for long hours of work. However, if we look at the cost of labour as being cheap and at the generally low amount of funds invested in these micro-enterprises, the rate of return may no longer seem to be so unproductive. Their businesses may appear undercapitalized, but many of them also service micro niche markets for which there is not a great demand for capital expansion.

They could benefit, however, from access to affordable credit to bring down the costs of production and to allow them to expand their businesses if that is what their goals are. The greatest weakness of women-owned micro-enterprises in the informal sector is that so many of them have to focus on day to day survival, making it difficult for them to do any kind of long term planning or growth management. These observations are not intended to romanticize the role of the informal sector. Working conditions there remain difficult and challenging at best, however, neither should we ignore its importance in terms of contributing to the overall economic growth and stability of our economies.

There are also many small enterprises in the informal sector, the majority of which have under ten employees. If we look at the role of small enterprises in our economies we find that they are frequently the source of a great deal of innovation - regardless of whether or not they are based in the informal or formal sectors. Small enterprises are also the source of significant amounts of employment in many APEC economies and depending upon the economy, anywhere from one-third to 45% of them are owned by women.

## Policy and Program Support for Micro-enterprise Growth

It is becoming increasingly important that we need to look at the real relationship between women-owned micro-enterprises and small enterprises and determine what inputs and supports women need to be able to grow their micro-enterprises to the small enterprise level, if that is what they wish to do. This means putting a much greater emphasis on supports and policies to support informal sector enterprises.

At the WIEGO Dialogue, Pat Horn, a Labour Activist from South Africa pointed out that in many economies it is illegal for street vendors to sell their goods without a permit. However, when the laws are enforced, a street vendor without a permit is often treated in exactly the same way as a criminal who has stolen something. When she compared the situation of women street vendors with those of male street vendors, she found that the women street vendors were less able to either pay for the

necessary permits or for the bribes or protection required to prevent them from being arrested. She also found that the majority of informal sector workers would actually prefer for there to be some degree of regulation in their sector and to pay taxes. In general, they have found that the cost of their remaining informal is much higher than it would be if they did pay taxes and were included in the formal sector. The cost of exclusion is high.

## E-commerce and the Informal Sector

The women who work in the informal sector want to be connected. They want to be able to make more money to support themselves and their families and they do not want to be left behind in the technological revolution that the Internet has created. There are already well known examples of women-owned informal sector micro-enterprises taking advantage of the new technologies available today. One of the most famous of these is that of village women in Bangladesh obtaining loans from the Grameen Bank to purchase a cell phone and renting out air time to other villagers one phone call at a time. One spinoff from this innovative use of wireless technology has been increased access to communications at the village level. Another has been the generation of a series of informal sector tea shops operated by the women's husbands to service the cell phone customers while they wait for their turn to use the phone.

What this example brings home is the fact that we cannot assume that just because many women in the informal sector have low levels of education, they cannot make effective use of technological innovation. The Internet can be a great equalizer when used creatively. Another case in point is that of a goat farmer in Ethiopia who has put pictures of her goats up on a website. She markets this website to immigrant Ethiopian communities in North America. The potential customers browse the site, select a specific goat for purchase and then the farmer arranges for that goat to be sent to the village of the customer's relatives for religious festivals. There is no end to the innovation that can happen within even the most rural and isolated communities if women are given adequate access to the Internet and the skills needed to make use of it.

However, women workers and business owners will be left even further behind if a concerted effort is not made to ensure that they are included in the technological revolution. So far the most intensive use of the Internet is by young, well educated urban-based males. Nonetheless women still represent the next large market for the telecommunications sector to tap if they wish to continue their market expansion. To take advantage of this market, the designers of telecommunications products will need to take several things into account.

1. Women use technology differently than men do. For women it is a tool that allows them to accomplish a task. The faster they can accomplish that task, the more satisfied they will be with the product and the more useful that product will be to them. They are generally not interested in the technology itself as a toy or status item. In addition, once they are familiar with how to use a piece of equipment, they no longer regard it as technology... but as a common tool much like the telephone.

2. Due to their multiple economic and domestic roles and their frequent need to have multiple sources of income, women have less time than men to spend upgrading their skills to allow them to be able to use the Internet effectively within a business context. Therefore any kind of skills upgrading and training programs designed for women need to take these time limitations into account. It is particularly critical to push for basic computer literacy to be included from the primary level onwards and to ensure that girls are encouraged to become computer literate.
3. Women are concentrated in the service sector and most e-commerce programs are geared exclusively towards the retail industry. Therefore, there is a need to rethink how service-oriented micro and small enterprises owned by women can take advantage of the opportunities for market expansion afforded by e-commerce and to develop service sector e-commerce initiatives.
4. In rural areas in many APEC economies, for women to gain access to the Internet they will need public access to the equipment. It will, therefore, be necessary for governments and/or the private sector to locate computer terminals and Internet access points in facilities such as schools, post offices, community centers, public libraries or even franchised shop. It will also be critical that the women feel safe using these facilities and that a system is put in place to ensure that women have equitable access to these facilities with the men in the community.
5. The predominant language of the Internet is English. Women's lower access to education is likely to contribute to a gender imbalance in terms of women's and men's access to the Internet in the future. This means that there is an urgent need to continue to focus on the provision of basic education up to the grade nine level for girls and boys, and to take additional measures to ensure that girls stay in school. It also means that there is a need to adapt Internet programming to the local language and environment of the economies concerned.
6. Internet technologies are making it possible for growing numbers of workers to telecommute or work from a home-based office. More women than men are taking advantage of this change as it affords them a degree of flexibility that they find attractive, particularly if they have to juggle family and work responsibilities. However, current studies also show that teleworkers tend to work longer hours and that the cost of safety within the workplace is passed onto the worker. It also increases the isolation of women who are living in an abusive situation.
7. Women have less access to credit than do men to purchase computer equipment and to pay for Internet access. The government of Mauritius has recognized this fact as well as the importance of having a highly computer literate labour force and has put policies in place that make it possible for women to obtain low-interest loans to purchase computers. National governments in the APEC region also need to look at creative ways of working with the banking, computer and telecommunications sectors to facilitate women's access to the new technologies.

## Relationship of HRD Issues to WLN and APEC Actions

This quick overview of some of the key trends within the world of work affecting women workers and micro and small business owners gives us just an inkling of the immensity of the tasks ahead of us. The WLN has dealt with many of these issues over the past five years by making recommendations related to specific HRD issues and has presented these directly to the SME or Trade Ministers as well as to our Economic Leaders. Unfortunately to date not that many of our HRD recommendations have made that much of an impact. (Refer to summary in Appendix One) Consequently, perhaps it is time to take a look at an alternative process for influencing policy at both the national and multilateral levels.

In today's increasingly economic world, numbers talk. Therefore let us call upon our academic and civil society colleagues to take the lead in developing a joint strategy to document the trends that we have already identified as being important and to back up these statistics with creative policy suggestions and inputs. Let's develop program initiatives at a regional level to support the development and growth of women owned micro and small enterprises and call upon our private sector colleagues to rise to the challenge by funding new collaborative relationships between the private sector and the community. Let's look at the feasibility of developing project proposals to submit to the different APEC Working Groups and lobby our respective governments to fund these projects. Let's look for logical allies within existing networks of women leaders such as WIEGO and The International Alliance and let's mobilize our resources in such a way as to make an optimum impact. In 1996, the WLN issued our original Call to Action, in 1997 we spoke of moving from Action to Implementation, in 1998 of forming Dynamic Partnership and in 1999 of Women's Contribution to Economic Prosperity.

This year let's take the opportunity that the Brunei WLN Organizing Committee has provided us to meet and develop a series of critical projects to support women owned micro and small enterprises at both the informal and formal sector level. This means conducting the research needed to back up our claims about labour market trends. It means getting our issues put on the agenda for the upcoming HRD Ministerial Meeting in September 2001 in Japan, as well as the First Tourism Ministerial Meeting being held in Seoul, Korea this July as well as targeting the next Education Ministerial Meeting plus all related Working, Group meetings, the CEO Summit and the Economic Leaders Meeting. It means presenting the results of our research and our policy and program recommendations at these meetings as well as at other relevant APEC events.

We also need to lobby our governments to get WLN representatives included on all key APEC delegations in each of our economies and to get our government and private sector companies to fund projects we design in collaboration with the Working Groups. It also means taking on the responsibility for monitoring APEC's progress in implementing their own HRD recommendations, particularly those related to women and to hold both APEC and our national governments accountable for their public commitments in this regard.

Finally it means establishing priority for action in both the immediate future and coming up with a longer term strategy for ensuring that the HRD issues affecting women workers and micro and small business owners get the funding and attention

that they need. Of necessity, these will have to include initiatives to redefine how work is regarded and to examine how public policy can support the continuum of work options between the informal and formal sectors. It will also need to include concrete measures to increase worker protection and safety nets for workers in both the informal and formal sectors and to begin a process in which the two sectors begin to be treated in a more standardized and equitable fashion. It means recognizing and documenting the role of the informal sector as an economic engine and source of innovation and growth that supports millions of people as opposed to a liability. It also means finding innovative ways to ensure that women workers and micro and small business owners get access to the skills and infrastructure that they need to access the Internet and compete on a global basis. If a goat farmer in Ethiopia can market to North America, then just imagine what else women could do with access to the right resources.