

Papua New Guinea Women in the Informal Economy

"... Equal participation by women citizens in all political, economic, social and religious activities... particular emphasis in our economic development to be placed on small-scale artisan, service and business activity...freedom of employment and freedom of movement..." PNG Constitutional Goals and Directive Principles.

With National Women's day celebrated last Friday and a workshop at Hideaway Hotel today on business opportunities, including for informal sector and small enterprises, today's INA Focus features an article by John Varey, former CIMC Informal Sector coordinator, on women in the informal economy.

"Son, you must end up in a universe"! Garia expressed her heart's desire for her son. It was around 4 am. She awoke earlier around 2 am to bake kaukau in the hot ashes for breakfast. Simultaneously, she fried scones for the local market to raise money for her son's school fees. Sleep-walking to the fire place, he listened without understanding what she meant "universe", ate breakfast and went off to school.

Twice a week she would fry scones for the rural market operating on Tuesdays and Fridays. Other times, she would harvest kaukau and greens from the garden to sell. During coffee seasons, she would sell 25-40 kg of parchment, also raising pigs for her son's education. She was a typical informal sector participant, actively pursuing labour intensive and time consuming activity.

From her income, she ensured her family's basic needs, including cooking oil, kerosene, salt and soap. Once in a while, rice would be provided to celebrate and no grain would be left behind. She contributed to social obligations, like bride price, compensation, funeral expenses and yet saved for school fees. At the time of her death, she took care of three elderly men, who'd lost their wives and were abandoned by their sons and daughters through urban migration.

Garia was a productive member of the community. She educated the only son from the family of six to pass through to high school. She spoke with pride in the house of men and gained their respect. Unfortunately, she was not around to witness her son graduating from two universities. Her son became of age and understood the wisdom in a nutshell "end up in a universe"...to mean "university", which she couldn't pronounce. Although enterprising, she had no formal education, but had wisdom and understood the social and economic benefits from a university education.

The son came to appreciate the multiple roles women often play simultaneously, including reproductive, productive and socio-cultural, contributing meaningfully to their family, community and national development.

Like many other women, Garia was an entrepreneur. She found a market, worked hard, and succeeded, producing a healthy educated son to contribute to PNG's development. Women like Garia also contribute to the economy. What's more, they tend to spend their earnings not on themselves but on food for their families and children's education, meeting social obligations, paying medical bills, clothing the family and saving for the future. However, working in the informal sector has its pitfalls.

The Informal economy should be seen as a solution rather than a problem. 95% of around 80,000 annual school leavers don't find a formal job. Inadequate formal employment necessitates most of the population making a living outside the regulated economy. These

informal sector participants are innovators, skilled survivalists, and some prosper even in regulated conditions like NCD. Despite the sector's important role in providing livelihoods, its participants rights are, however, often infringed by harassment and restrictions.

The abuse of their legal rights affects women particularly. The INA/CIMC study in 2000, "Reviewing Constraints to Informal Sector Development", found women comprising 63% of informal sector respondents. For the majority of those (69%) the sector was the only source of income, 77% were self-employed with an average of K60.50 per week, catering for an average of 7 people per household in urban PNG. This clearly indicates the high levels of poverty in urban centres, encouraging crime, prostitution and other socially undesirable activities. (A further study is being commissioned by the IFC).

Despite the enormous contribution of women in the informal sector to the overall economy, they face significant obstacles: -

Most women are not there by choice but **lack skills and education**. Many women would like alternatives to baking, selling betelnut and ice blocks, but without access to training, have little choice.

Vocational schools were seen as an avenue for school leavers, but the types of training provided are formal sector oriented, costly and time consuming. With high rates of unemployment for graduates from formal education institutions, let alone vocational graduates, there is a need for more life-skills training, relevant to informal and micro-enterprises. Such practical skills should also be integrated into the curriculum from primary to tertiary levels.

Women in the informal sector have **little or no access to credit** from formal financial institutions, as requirements and procedures favour the formal sector. The informal economy is inadequately reflected in national economic statistics. Appropriate economic policies should provide a conducive environment for a vibrant informal economy to contribute. Finding mechanisms to make banking more accessible to the informal sector would ultimately be in everyone's interests.

The growth of micro-finance is providing banking services and start up capital to groups and individuals in informal businesses. There are various credit schemes for women in the informal sector. A roll-out program of these kinds is needed to extend such services throughout PNG to empower women to contribute to PNG's development.

Those involved in the informal sector, and particularly women, are, by and large, not organised, so **their voices and views are not heard**, and they are rarely involved in governance and policy making processes. There is a need to embrace and semi-formalise the informal sector, even if it means registering enterprises and contributing minimal taxes.

Organising informal sector participants into associations, cooperatives and committees, even at the ward or market levels, will encourage participation in the governance process.

Successive informal sector expos held in NCD have demonstrated the quality of informal sector products displayed. Many products, like pottery, carvings, baskets, bilums and garden produce qualify for international markets. Unfortunately, there are **few mechanisms to link informal sector production to formal domestic or overseas markets**.

There is an urgent need to address standards and quarantine issues and open markets for rural and urban informal sector produce, through market assessments, safe and attractive market facilities, and mobilising sector producers for domestic and overseas markets, thereby providing motivation and a win-win situation for women and other participants.

Restrictive rules do not work given the socio-economic pressures, burdening especially women with family needs at heart. Out of necessity people will defy rules and regulations to survive. This requires understanding by local authorities to ensure our towns are both kept clean and their inhabitants have food on their tables.

Local authorities must review bye-laws to accommodate, not resist, the national informal sector legislation. The *Informal Sector Development and Control Act 2004* was a landmark for the Pacific. Its implementation can contribute to PNG's development, providing employment, generating income, reducing poverty and reducing crime.

The **Way forward** is to understand and appreciate women's contribution in the 'informal sector' to PNG's economy; to remove gender-based hindrances to women's full participation in local economic life, including setting informal sector policies and structures; whilst a more humane economic theory should better reflect informal and redistributive contributions, particularly by women.