

Summary of IFUW online discussion
Women and Employment:
Working in a Globalized World
2 – 26 February, 2009

In the last IFUW online discussion, aspects of the theme “Women & Employment: working in a globalized world” covered personal experiences on the labour market (week 1), the existence of informal economy and what this looks like in different countries and aspects such as: child labour, unpaid labour, illegal and criminal activities (week 2) and possible solutions in order to create a more fair system of globalization (week 3).

Work is central to people’s well-being. In addition to providing income, work can pave the way for broader social and economic advancement, and for strengthening individuals, their families and their communities. Also, work should be an avenue for personal advancement and leadership and therefore should involve decision making. Women and economic independence is an issue of concern to IFUW, as shown by its inclusion in the IFUW Study and Action Programme (Strategic Priority No. 4: www.ifuw.org/programme/). Furthermore, IFUW’s advocacy team works with the International Labour Organisation (ILO), to help develop better working conditions for women and men. This discussion is also inspired by the workshop on ‘Globalization & its Effects on the Lives of Individuals’ as presented by Young Members in Perth, Australia (2004).

First week of the discussion: Your experiences in the labour market

Many of the participants of this discussion work/ed as teachers as this makes it easy to combine work and caring. Others are self-employed, started their own businesses for the same reason (and to be able to work in the field of their preference). Reading all your experiences (again in order to draft this summary) made me realise that you are all empowered women and excellent role models!

Second week of the discussion: Formal and Informal Economy

It seems that the most important distinction between formal and informal economy - according to ILO definition - is that the formal economy implies the acknowledgement and protection by law, labour rights, access to medical care, retirement pensions, social protection and representation, in short: decent work (more information: www.ilo.org). This means that for the social economic and legal position of the workers it is better to be part of the formal economy. Governments benefit from a situation in which most workers are part of the formal economy : more income (tax revenues) and because it provides governmental organisations with a more realistic view on the working conditions of workers, which helps them to develop proper social economic policies.

The formal and informal economy are somehow linked together - this what we learn from the discussion. The informal economy is essential for formal economies around the world. They only difference is their proportion as compared to the formal economy. All countries have to deal with the informal economy (like e.g. domestic help, gardening, babysitting). In some cases, most of all in developing countries, the informal economy is much bigger (and important) than the formal economy. Working in the informal economy can help people to survive, to earn a living to feed their family, send children to school.

It seems that most of all women are engaged in the informal economy. For example in Malaysia: most women start (small scale) businesses at home, such as catering meals for events and babysitting to earn their income. In some cases the formal economy depends on the informal sector on the supply of materials and so forth. And in countries with weak labour laws, even workers who work for a formal institution/organization are informally employed, as casual labour is cheaper. So it

seems that the definition of ILO on formal and informal economy needs some fine tuning!

Informal work can become part of the formal economy. This suggests a process of (ongoing) transformation and intervention of governments, businesses and NGOs. For example, in the USA, street vending is now recognised as part of the formal economy and vendors are registered and pay taxes. In South Africa, domestic workers are now protected by law/regulations that include minimum wages, working hours etc.

Another example of a profession in the informal economy that is now in transition to become part of the formal economy is domestic work, such as cleaning, cooking and taking care of kids (baby sitting) and gardening in the Netherlands. In India, there is now less child labour thanks to governmental action. On the other hand, in Australia, thanks to the introduction of a General Sales Tax some years ago, the growth of the informal economy was encouraged as people try to minimise their income.

Informal economy includes both legal and illegal activities; crime, trafficking, drugs and money laundering. Despite the fact that parts of the economy will remain informal (due to the illegal criminal aspects) it is important to distinguish elements of the informal economy, especially as this type of economy is huge in most of developing countries.

There will always be parts of the economy that are informal as the informal sector is an adaptation to fill what governments should offer but has not done, depending on the (changing) needs of people. Also no formal economy would succeed without the smaller workers (in the informal sector) who indirectly produce or make small economic systems function.

In short, the formal and informal economy complement each other. That is why governments should pay attention as well to the informal economy as it could be that today's economic problems are rooted back to our failure to see the needs of the informal sector. The informal sector can be regarded upon as an opportunity for future business people to acquire entrepreneurial skills. Progress in the economy will highly depend on the aptitude of people for acquiring knowledge. This informal sector emerges as a knowledge receptor, where competitive conditions prevail leading to enterprise. As such the informal sector offers a challenge to women as there are traditionally more women active within the informal sector!

Another issue arising from the discussion is the invisibility of unpaid (e.g. volunteers) work and traditional women's work (home making) within the Gross National Product (GNP). To gain a proper view on the total amount of economic activities of a country, it would be best to (somehow) include unpaid and women's traditional work. Statistics of governments not always reflect the true picture of its economy as they do not include the effects of the informal economy into the total picture. This is the question of how to value care taking & homemaking.

Third week of the discussion: How can we create a more fair system of globalization?

Suggestions

- Education (life long learning) especially related to employment and career opportunities;
- Inform people on their rights so that they will be involved in themselves in the fight to have their rights recognized and protected in the formal economy;
- Empower and encourage workers in the informal economy by providing facilities needed for them to enhance their work, such as education, professional training, (and fighting all forms of illiteracy);
- Minimum wages (all over the world);
- Fair pricing of essential commodities;

- More use of principals of micro loans (micro finance, so that people can start their own businesses and by doing so earn a living to support for their families);
- Make sure that UN conventions /agreements on this subject are ratified and domesticated (implemented) in your country;
- Governments should invest in the informal economy as it is in many countries often an important sector for the economy. By investing in it, it can evolve gradually into the formal economy;
- Research on the effects of migrants for economies, as in many countries the input of (illegal) (im)migrants is vital. This includes recognition of immigrants as they contribute usually a lot to the economy of the countries they are working in;
- Visualize the effects of care taking and traditional women's work (including unpaid volunteers work and homemaking) in terms of economic value. This makes it easier to incorporate it within a country's GNP;
- More use of the principle of C2C (cradle to cradle / garbage = food), for example: In Rwanda collecting household waste helps women whose husbands were killed in the genocide to earn a living. This waste (potato and banana peels) is dried and made into briquettes for cooking. These briquettes are cheaper than the traditional charcoal and it reduces cutting trees around the cities;
- Promote affordable childcare in all countries as this helps women out of poverty and into careers and taxpayers;
- Develop Food programmes especially in developing countries: agriculture and distribution of food.

Recommendations

- Draft an example of a letter on advocacy concerning aspects of Decent Work and post it on the IFUW website. NFAs members can use this to write to their governmental organisations to ask to ratify the UN treaties and /or to implement these treaties once they are signed;
- The role of the father regarding education seems to be important, especially for girls who are the first generation to go to university /college. This might be an interesting topic for a workshop /seminar or parallel session during the IFUW conference Mexico;
- Fine tuning the definition of ILO on formal / informal economy;
- Visualize the effects of care taking and traditional women's work (including unpaid volunteers work and homemaking) in terms of economic value. This makes it easier to incorporate it within a country's GNP. This might be an interesting subject for IFUW (working group / seminar/workshop);
- Investigate implementation of the principle of C2C (cradle to cradle / garbage = food). It can result in new jobs and it reduces cutting trees;
- Encourage researching the effects of migrants for economies, as in many countries the input of migrants is very important for the informal economy. This includes recognition of immigrants as they contribute usually a lot to the economy of the countries they are working in;
- Educate /train / empower and encourage workers in the informal economy by providing facilities needed for them to enhance their work.

Marion Minis, Moderator, Netherlands, March 12, 2009