

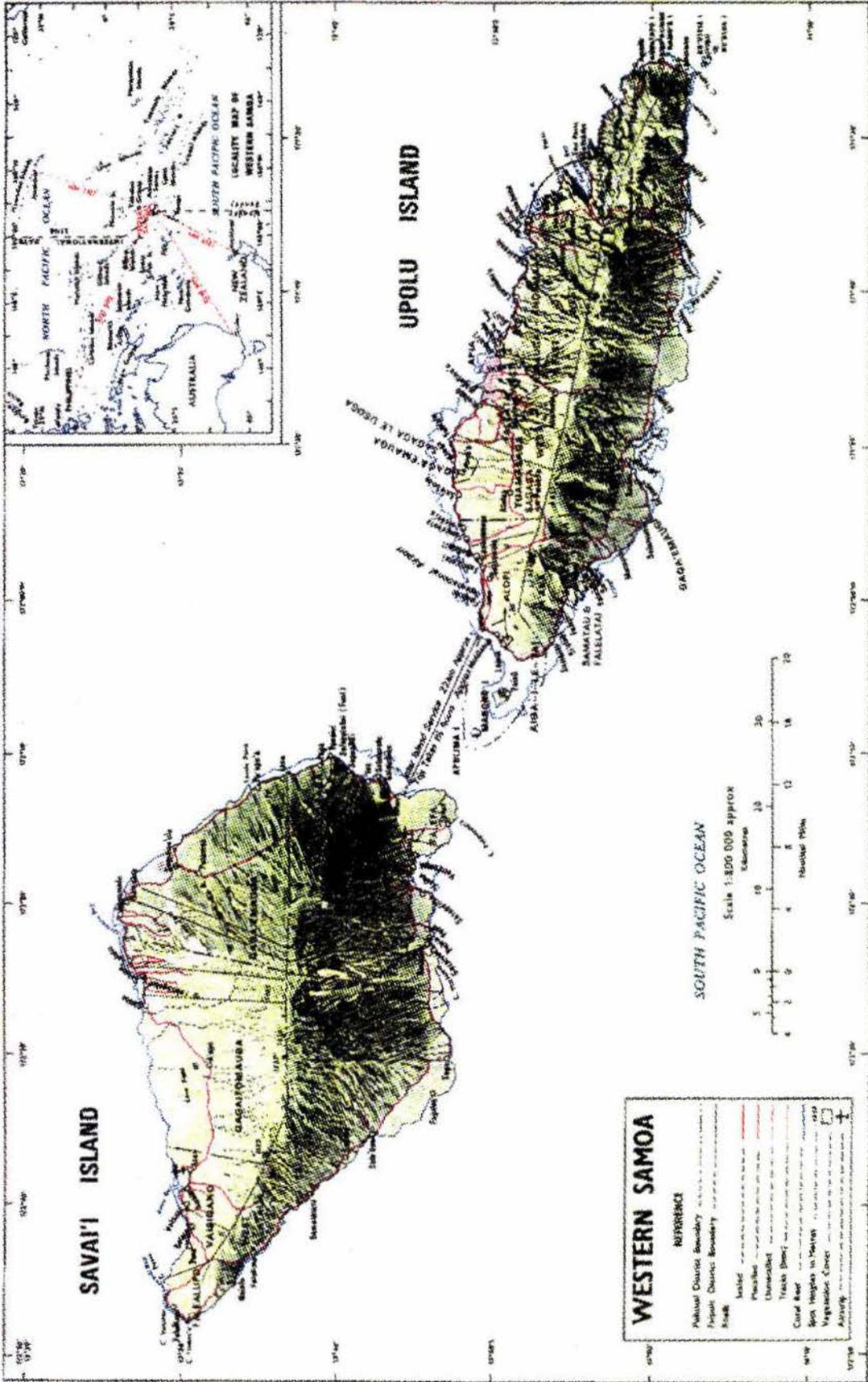
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P I S I N I S I L A I T I T I :  
S A M O A N W O M E N  
A N D T H E  
I N F O R M A L S E C T O R

A thesis presented in fulfilment of  
the requirement for the degree of  
Master of Philosophy  
in Development Studies  
at Massey University

E m m a R e p e k a D u n l o p  
1999

# Western Samoa



**WESTERN SAMOA**

**REFERENCE**

- National District Boundary
- Provincial District Boundary
- Road
- Island
- Prohibited
- Uninhabited
- Trails (Dotted)
- Coast Reef
- Open Mangroves in Mangrove
- Vegetation Cover
- Airway

SOUTH PACIFIC OCEAN

Scale 1:300,000 approx

0 5 10 15 20 25 30 35 40

Miles

Published by the Department of Lands & Survey, New Zealand, under the authority of the Survey-General, Wellington, New Zealand.

EDITION 2 1975

NZPS 27

## ABSTRACT

The informal sector has become an important concept in development theory and practice since its introduction in the early 1970s. The informal sector is the term given to the small economic activities, which involve labour-intensive methods of production and labour. These activities are considered 'informal' because they generally operate outside the legal environment, and therefore largely escape recognition, enumeration, regulation and protection by the Government. Research on the informal sector in the Pacific proposes that informal sector activities are the major means of livelihood security for a significant number of Pacific families today. Further it is unlikely that Pacific Countries will be able to create sufficient paid employment opportunities to meet the growing demands for waged jobs.

To date there has been very little research on Samoa's informal sector activities or the role of the informal sector within the macro-economy. This general lack of recognition of informal sector activities reflects that these activities are traditionally seen as 'women's work' – a way in which women earn 'pin money' to supplement the family budget. Recognition of women's work is a key strategy in women's empowerment – an approach that has become very closely aligned with poverty alleviation strategies in the world. This is a study of Samoan women and the informal sector. This research has two aims: the first is to review the nature and extent of Samoan women's informal sector activities today, and to review the adequacy and effectiveness of the measures in place to support women's activities. Based on these findings, the second aim of this research is to examine the extent to which macro-level recognition and research of the role of the informal sector in the Samoan economy, should be encouraged. Samoan women are the sample group, because women are a very visible part of the informal sector scene today.

The results of the fieldwork show the importance of the informal sector to individual empowerment, household social and economic security, community development and the national economy. Samoan women are predominantly involved in agricultural and agricultural-related activities, thus reinforcing the semi-subsistence economy. Samoan women are also involved in 'multiple economic activities' – a strategy which is used to spread risk over a number of options. The study also found that the money that Samoan women earn in their informal sector activities is vital to the livelihood security of their families. This research concludes with a discussion of the ways in which the informal sector in Samoa can be encouraged and developed.

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*Ou te mafaia mea uma lava i le faamalosi mai o keriso ia te au (Filipi 4:13)*

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*Ia fili i le tai se agava'a*

Let the sea determine the quality of the canoe

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## LIST OF ABBREVIATIONS

BAS	Business Activity Survey
ESHDP	Equitable Sustainable Human Development Program
HDI	Human Development Indicator
ILO	International Labour Organisation
LDC	Least Developed Country
MEA	Multiple Economic Activity
MWA	Ministry of Women's Affairs
NCW	National Council of Women
NGO	Non-government Organisation

PHDR	Pacific Human Development Report
SANGO	Samoa Association on Non-Governmental Organisations
SBEC	Small Business Enterprise Centre
SPC	South Pacific Commission
SHD	Sustainable Human Development
T	Tala: Samoan currency (at the time of the research T1=NZD0.60)
UN	United Nations
UNDP	United Nations Development Program
WIBF	Women in Business Foundation
WOSED	Women's Social and Economic Development Programme
WSCDA	Western Samoa Community Development Association
YWCA	Young Women's Christian Association

## GLOSSARY

<i>aiga</i>	family descent group, extended family
<i>auauma</i>	the daughters of the village
<i>aumaga</i>	the untitled men of the village
<i>faalavelave</i>	a traditional ceremonial exchange or occasion
<i>faamatai</i>	the village groups which work for village good
<i>faasamoa</i>	the Samoan way, according to the Samoan customs and traditions
<i>faletua ma tausi</i>	the in-marrying wives of the village
<i>feagaiga</i>	the sacred covenant between brothers and sisters
<i>feau</i>	business, errand, task
<i>fono</i>	the governing council of the village, made up of village <i>matai</i>
<i>fono o matai</i>	the council of chiefs
<i>ie toga</i>	very finely woven mat (usually called fine mats)
<i>komiti</i>	committee
<i>malae</i>	the central gathering place of a village
<i>mamalu</i>	dignity, honour
<i>matai</i>	a political representative of an <i>aiga</i> , who holds a title, custodian of <i>aiga</i> land
<i>nuu</i>	village
<i>pule</i>	formal political authority
<i>pulenuu</i>	similar to village mayor, liaison between village and national government

# CHAPTER ONE

## THE STUDY

### INTRODUCTION

No matter where you go in Samoa, you cannot miss the small traders. On any day there will be an array of small bright stalls set up along the main Apia roads: 'footpath sellers' will be walking door to door through the business district hawking their goods, and groups of handicraft sellers can be seen waiting outside the businesses with their wares. Even in the villages, sellers walk from house to house selling freshly picked vegetables and sometimes mats and handcrafted goods. Small food stalls have become a very familiar sight at rugby games and other sporting fixtures while in the evenings, youth can be seen toting their heavily scented flower *ulas* around the nightclubs and hotels, hoping for a sale. After the night out, a hot late-night snack is available from the numerous barbecue stalls scattered along the road.

As far back as the 1980s these informal traders have been the subject of literature. For example in his poem *Blue Rain*, Samoan poet Ruperake Petaia (1983) describes a women seller and then draws very subtle links between small trading and poverty:

One day in Apia, I ran  
out of the blue rain  
into the veranda of a large  
department store. On it,  
set up against an expensive  
display window, sat an old woman,  
a vendor, her hands folded  
in a peaceful cross. Before  
her lay her life: three hand  
woven baskets, wooden pairs  
of earrings, and a turtle  
shell ring.

I escaped her accusing  
poverty back into blue rain  
falling.

Petaia's words show some apprehension of the effects the cash economy is having on people's lives and raise questions of whether the family systems will be able to care for family members in these changing times. Informal sector traders are also regularly featured in the Samoan media. These articles link the growing incidence of informal trading very strongly with depressed economic conditions. For example the *Samoan Observer* (March 24, 1994) reported the very significant increase in the number of *ie toga* (fine mats) being sold at the Apia market. The selling of fine mats was notable in itself, because fine mats were never sold in the past – these items played a central role in the customary exchanges. When asked why they were selling *ie toga*, the women sellers said their `families needed cash, because of the loss of family income due to the devastation of taro, the major cash crop by the taro leaf blight'. The sellers also reported that money gained from these sales would be used for school fees, and essential family items. In addition to these articles, the *Samoan Observer* regularly publishes pictures of informal traders, such as children, under blazing headlines such as, 'why aren't these children at school?' and 'is this the only way families can earn cash?' Again, the relationship between cash income and family quality of life is very clearly drawn.

There are a number of striking points about this emerging picture of Samoa's informal sector activities, each of which has implications for national development. First, why are the number and variety of these businesses increasing? Second, why is it that the majority of sellers appear to be women and children?

These questions cannot be answered because there is very little research data on Samoa's informal sector activities or the role of informal sector activities in the macro economy. The informal sector is briefly mentioned in national reports such as *Samoa's Social Policy 2000* (GWS 1995), *Samoa's Country Paper on the Status of Women* (MWA 1996), and *Samoa's Sustainable Human Development Report* (UNDP 1997b). Based on data from national reports, the UNDP estimates that Samoa's informal sector is comprised of 500-600 households. The findings from small case studies suggest women form the majority of those engaged in informal sector activities; that women's participation increases with economic hardship; and that goods traded are diversifying from agricultural-based goods to include imported goods (Fairbairn-Dunlop 1991).

## **The Need for Data**

- 1 The absence of research on Samoa's informal sector suggests this sector is regarded as of little consequence in the national macro-economic picture. This research will argue the vital importance of women's informal sector activities today to family, community and national development. Another consequence of the absence of data is that the<sup>2</sup> needs and constraints informal sector operators' face are not included or addressed in national decision-making.<sup>3</sup> This research is grounded in the belief that policies and programmes cannot be based on unverified assumptions about what women are doing.<sup>4</sup> Data on the nature and extent of women's informal sector activities, are vital to; a) show the value of women's work, and b) as a basis for national planning purposes.

Two inter-related factors contribute to this lack of information on Samoa's informal sector, and set the basis for this thesis. The first relates to traditional concepts of women's work and the changing roles of women in these transition times. The second relates to the concept of the informal sector, which is very new.

## **WOMEN'S ECONOMIC PARTICIPATION**

The lack of data about the informal sector relates to ideas about women - who form the majority of those engaged in the informal sector - and women's roles in changing times. Gender theorists argue the lack of recognition of informal sector activities reflects the fact that these activities are traditionally seen to be 'women's work' and so of lesser value than formal sector activities, which have traditionally been the domain of men, and so of more importance (see for example Bullock 1994:57). This scenario of differentiated roles was based on the ideal of a nuclear family unit in which males were the family 'breadwinner' (main income earner) and women were responsible for the household tasks. If women engaged in informal sector activities at all (such as selling eggs or sewing) this was simply to earn some additional cash to 'purchase luxury goods' or supplement the family budget. It is notable that women's earnings from these perceived 'small' activities were commonly referred to as 'pin money' - i.e monies not essential to the family budget. The customary undervaluing of women's work in this and other ways was reinforced in global concepts of 'value' - generally expressed in economic or monetary related terms such as GNP and GDP and waged labour - and underscored in the data collection methods devised to measure these *paid* activities. The

inability of conventional data methods to account for *unpaid* work – which forms the majority of women’s work - has been argued very compellingly in Marilyn Waring’s expose *Counting for Nothing* (1988). The inability of these measures to account for women’s work is even more apparent in semi-subsistence countries such as Samoa, where a substantial amount of activities take place outside the formal sector and on an unpaid or exchange basis. For example, Samoa’s National Census (1991) listed 81% of the total population of women as ‘economically inactive’. The false picture this gives of women’s activities has been well argued by Fairbairn-Dunlop (1991) and others, and is captured very well by Thomas (1986:22):

(the data)...bear no resemblance to rural realities where young women help with agricultural work and with community based agriculture and social projects and older women spend up to half their daylight hours weaving mats which are an important source of cash as well as a major item in the traditional economy.

Waring’s work, among others, added fuel to the global drive to redefine concepts of what a society values, as well as concepts of work (paid and unpaid) to the emergence of Caroline Moser’s ground-breaking classification of the ‘triple role of women’ (1998) in *reproductive, productive and social binding* activities. Global research is now applying these new definitions to document women’s contribution to economic and social development.

The recognition of women’s work is a key strategy in women’s empowerment. Women’s empowerment is an equity, justice and human rights issue, one of recognising and valuing women’s contribution and a key factor in ‘better’ national planning. Simply put, women’s concerns will not be adequately presented at national forums if women are not there. More recently women’s empowerment has become very closely aligned with poverty alleviation strategies throughout the world, hence the more serious attention to women’s participation in the informal sector. This trend is closely aligned to changes in the ways families are organised today including the increase in women headed households, which are solely responsible for the economic and social welfare of their families.

## THE INFORMAL SECTOR

The concept of the 'informal sector' is relatively new: only very recently has the role of the informal sector within the larger national economic picture been recognised. Instead, informal trading has commonly been regarded as a part-time or stop-gap activity, one which people engage in when they 'need cash' and probably stop when things are going well. The fact that conventional data collection methods cannot adequately account for these 'part-time' activities has resulted in a lack of data, which in turn, has reinforced the view that informal sector activities are of little value in the national economic picture.

The 'informal sector' has become an increasingly important concept in development theory and practice since its introduction in the early 1970s. The focus on the informal sector is a response to the failure of economic-growth focused development models to improve peoples' quality of life. This failure is evidenced in the incidence of human hardship and poverty in developing countries today, increasing income gaps between the rich and the poor, as well as the severe exploitation of natural resources which is a result of the pursuit of economic growth development goals. The global search for alternative development models to 'spread the benefits of development more evenly' and use national resources in a sustainable way, has seen a focus on small scale and sustainable strategies which build on rather than replace the family and community systems. Informal Sector activities fit this criteria of small scale and family based and, not surprisingly, Pacific research is showing the importance of these activities to family security. For example, the *Pacific Human Development Report* (UNDP 1994) proposed informal sector activities to be the major means of livelihood security for a significant number of Pacific families today. Further, that it was highly unlikely that Pacific countries would be able to create sufficient paid employment opportunities to meet the growing demand for waged jobs caused by factors such as increased aspirations and population growth. Finally, the report proposed that the creation of livelihood security options was the main challenge Pacific nations face.

Taking this proposal further, it became clear that research is necessary to show how the informal sector operates in Pacific countries and how these activities contribute to family, community and national development. A critical question is to identify the ways informal sector activities are influenced by and in turn influence national macro economic development. For example, Fukuchi (1998:5) proposes the understanding of

the informal sector is critical both 'analytically and politically'. He writes, 'if one looks only at the formal sector of a developing country economy, this implies the assumption that the economy behaves in a Neo-classical sense... and virtually neglects a vast idiosyncratic region of the economy'. Edwards also emphasises that development initiatives must address the relationship between micro and macro levels. He writes:

... major problems inevitably arise whenever one or the other of the micro/macro levels are considered in isolation ... micro and macro levels exist in symbiosis and have no meaning in isolation from each other (Edwards 1993: 83).

### **PACIFIC RESEARCH ON WOMEN AND THE INFORMAL SECTOR**

Pacific women's NGOs are the key agencies researching women's informal sector activities and the adequacy of the support systems in place to assist women's activities. This research is showing, beyond doubt that women's earnings from informal sector activities are vital to the livelihood security of their families (and community) in these times of rapid social and economic change. This finding is totally at odds with the traditional view that women engaging in these activities are 'supplementing the family income'. Data from these studies is forming the basis for programme planning for women and, has also been instrumental in pushing the 'informal sector' on to the mainstream national economic agenda.

The study of Fiji women traders by the Fiji Association of Women Graduates (FAWG 1994) found 70% of these casual vendors were the *only* income earners in their households. This finding proved the critical importance of Fijian women's earnings from informal sector activities to the family budget. That women vendors estimated they spent 89% of their profits on family expenses (such as school fees) served to reinforce the importance of women's informal sector trading to family quality of life. The FAWG study also found that the number of women casual vendors in Fiji had increased significantly, in line with the depressed economic climate Fiji had been experiencing. FAWG proposed this increase proved that women's informal sector activities were positively related to women's economic vulnerability and, poverty.

Studies on women traders undertaken in the Solomon Islands (ILO/UNDP 1993) and Vanuatu (WBUCRB 1994) confirmed the critical role of women's informal sector activities to family livelihoods today. The findings from these two studies are set out in

Box 1.1 together with the personal profiles of the sample groups, including access to training and support systems. The sample for the Solomon Islands was randomly selected. For the Vanuatu study, this sample was comprised of women engaged in informal trading activities.

**Box 1.1: WOMEN INFORMAL TRADERS - SOLOMON ISLANDS AND VANUATU**

<i>Solomon Islands (1993) sample size 323, randomly selected</i>	
<ul style="list-style-type: none"> <li>▪ Two-thirds of a sample were self-employed at the time of the interviews. Of this 2/3, 75% said they spent 16 hours or more each week on their income-generating ventures.</li> <li>▪ More than one third of the women were sole income providers.</li> <li>▪ Agriculture were the major enterprises - farm gardening (38%) food catering (21%) crafts (15%) and textiles (11%)</li> <li>▪ 40% sold their products directly to consumers at the market, 34% sold from their homes, and 16% from shops.</li> <li>▪ Over 75% had not received any assistance to run their businesses, whether from relatives, banks or other sources.</li> </ul>	
<i>Personal data:</i>	
75% were married (average 5 children) and 25% lived in households of more than seven persons. More than 50% had only a few years of primary school education and almost one-fifth had no formal education at all; 25% were not able to write in any language and almost one-third could not do any calculations (Source: Adapted from ILO/UNDP 1993)	
<i>Vanuatu (1994): sample size 949 market vendors</i>	
The sample was comprised of rural and urban traders from Efate (256 women) Santo (221) Malekula (176) and Ambae (81).	
<ul style="list-style-type: none"> <li>▪ Profits from sales was the major source of household income for 64% of the sample.</li> <li>▪ 89% of these profits was spent on household expenses including food, 37% on school fees.</li> <li>▪ Agricultural goods were the major items sold. However, women did not specialise in any one item but engaged in multiple economic activities (MEA) so spreading their risks over a number of options.</li> </ul>	
<i>Personal Data</i>	
For 73%, the main source of loans to develop their business was from family members; 18% an unstated source, 12% commercial banks and credit unions jointly; and 4% borrowed from the Development Bank 28% had attended a training course. (Source: Adapted from WBUCRBD 1994)	

Source: A Biotechnology Network for Pacific Women (Fairbairn-Dunlop 1998).

A number of important points emerged in these two studies. First, that income from women's informal trade was the *sole* income for more than 33% of the Solomon Island sample and 64% of the Vanuatu group. This is slightly lower than the Fiji report, but still highly significant. Data from the three studies is set out in Table 1.1.

**Table 1.1: THE CONTRIBUTION OF INFORMAL SECTOR EARNINGS TO HOUSEHOLD**

<i>Place of Informal Sector Activity</i>	<i>Only source of cash income for the household</i>
Vanuatu (1994)	65%
FAWG (1993)	70%
Solomon Islands (1993)	More than 33%

Source: Vanuatu (WBUCRB 1994), Fiji (FAWG 1993) and Solomon Islands (ILO/UNDP 1993).

Second, as in the FAWG study, the Vanuatu sample used a high proportion of the income they earned (89%) for family purposes<sup>1</sup>. Third, was the predominance of agricultural goods to women's informal trading activities. This supports Fairbairn-Dunlop (1997) that Pacific women were likely to trade in agricultural goods because: agricultural production (growing through to value added products such as cooking and weaving) fitted well into women's daily family life; these activities did not upset the family production systems, and because these were the skills women knew how to do. Further, Fairbairn-Dunlop proposed that Samoan producers deliberately planted what she termed *triple or multiple use crops* – that is, crops which could be used for family purposes, sold and exchanged. This was a risk spreading strategy. A fourth finding from the Vanuatu study was that these women engaged in multiple economic activities (MEA) rather than one activity. This enabled them to 'spread their risks over a number of options'. For example, one vendor sold cooked food, sewed clothing for sale, raised chickens and collected coconuts for sale.

Despite the importance of women's informal trading activities, neither the Vanuatu nor Solomon Island sample had good access to training and resources, which might help them, develop their activities. Fig 1.1 shows more than half of the Solomon Island sample had very little education and 75% had not received any assistance to run their business, whether from relatives, banks or other sources. The Vanuatu sample had slightly better access to support systems: 28% had attended a training course (unspecified), and 16% had secured a loan from a commercial bank, credit union or Development Bank. These findings are critical.

The 1997 review of the Women's Social and Economic Development Programme (WOSED)<sup>2</sup> also sheds some light on the dynamics of women's informal sector activities. It was found that when WOSED members succeeded with a small trading activity (and were eligible for a second loan), they preferred to use the second loan to start a second small venture rather than 'grow' their first business. This pattern of lateral business development, is at odds with conventional thinking that people will want to build up from a small to a larger, perhaps more formally operated business (MFAT 1997).

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<sup>1</sup> This was not explored in the Solomon Island study.

<sup>2</sup> WOSED is a micro-credit programme run by the Department of Women's Affairs, Fiji .

Whether women's informal trading in agricultural goods affects family food security was the subject of an UNICEF four nation study. There was no clear conclusion that women were in fact selling produce that should have been consumed by their families and, purchasing nutritionally inferior foods for family use (UNICEF 1996). Instead, this study raised the question as to whether the high prices paid for the fresh produce women were selling enabled this group to purchase more nutritious foods for their families. Again this needs study.

As stated, the results of research on women's informal sector activities has helped push the 'informal sector' and 'women traders' onto the Pacific mainstream agendas. For example, the Vanuatu women's study (above) prompted a national study of the informal sector by the Statistics Department of Vanuatu. This national study found the bulk of Vanuatu population is relying on the income generated in the informal sector (Republic of Vanuatu, 1995:1)

These Pacific studies provide a starting point for this study of Samoan women's informal sector activities, the factors influencing these and the support systems women may need to develop their activities.

## **THIS RESEARCH**

The main research assumptions are that the income Samoan women earn in their informal sector activities is vital to the livelihood security of their families today. Further that given this importance, policies and programmes should be in place to support women's activities.

It will be argued that while informal sector activities *may* have been the way Samoan women earned the equivalent of 'pin money' in earlier years, today women's income from informal sector activities has become critical. Changing times, including increased aspirations, the growth of the cash economy, the limited opportunities for waged employment in the formal sector, and changes in the ways families organise. make it highly likely that as in the Fiji, Vanuatu and Solomon Islands, women's income from informal sector activities has become a major or even the sole source of income for many Samoan families today.

This action-based study is in line with the global and regional strategies for women's economic empowerment and Samoa's national frameworks as well (see Table 1.2)

**Table 1.2: GLOBAL, REGIONAL AND NATIONAL FRAMEWORKS FOR THIS STUDY**

<i>Level</i>	<i>Framework</i>
<b>International</b>	United Nations Decade for Women – Nairobi 1985- Global Platform of Action – Beijing 1995
<b>Regional</b>	Pacific Platform for Action – Noumea 1994
<b>National</b>	Woman in Samoa: Policies, Programmes, Development MWA 1997

This research fits the objective of women's economic empowerment which is a key strategy in the *Forward Looking Strategies* (1995) reaffirmed at Beijing in 1995. The Pacific commitment to women's economic empowerment is set in the *Noumea Declaration* and Item Three of the *Pacific Platform of Action for Women*<sup>3</sup> endorsed by the Sixth Conference of Pacific Women in Noumea in 1994 (see Table 1.3).

**Table 1.3: KEY AREAS, PACIFIC PLATFORM FOR WOMEN**

<b>DEVELOPMENT AREAS</b>	
	1. Health
	2. Education and Training
	3. Economic Empowerment
	4. Agriculture and Fishing
	5. Legal and human Rights
	6. Shared Decision-making
	7. Environment
	8. Culture and the Family
	9. Mechanisms to Promote the Advancement of Women
	10. Violence
	11. Peace and Justice
	12. Poverty
	13. Indigenous People's Rights

Source: The Pacific Platform for Action (SPC 1996)

Finally, the research fits the objectives of Samoa's Ministry of Women Affairs (MWA) which is, 'the advancement of the social and economic position of women in Western Samoa' (MWA 1993). More specifically, the research bears directly on Priority Areas

<sup>3</sup> PPA - Pacific Platform of Action.

Two, Three, Four and Five of the MWA Policy paper (see Table 1.4). The research focus of identifying resource systems to support women engaged in informal sector activities relates to Priority Areas Thirteen and Fourteen:

**Table 1.4: THE PRIORITY AREAS FOR SAMOAN WOMEN.**

PRIORITY AREAS	<ol style="list-style-type: none"> <li>1. Culture and tradition</li> <li>2. Data-base on the social and economic position of women</li> <li>3. Women's unpaid work</li> <li>4. Small business development</li> <li>5. Vocational training and employment opportunities</li> <li>6. Health, including access to water</li> <li>7. Violence, including legal literacy</li> <li>8. Pre school services</li> <li>9. Women in public life</li> <li>10. Preparation of Western Samoa's first CEDAW report</li> <li>11. Mechanisms for working with other government departments</li> <li>12. Communication with women</li> <li>13. Training</li> <li>14. Access to finance</li> </ol>
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Source: Women in Western Samoa (MWA 1993).

As such, the findings will be reported back to the Ministry of Women's Affairs and to Samoa's women NGOs for their use.

## **RESEARCH OBJECTIVES**

The primary focus of this research is to review the nature and extent of Samoan women's informal sector activities today. The aim is to document the nature of women's activities, the factors influencing these and the ways these activities contribute to family quality of life, community development and to the national economy generally. Further, to review the adequacy and effectiveness of the measures in place to support women's informal sector activities. Samoan women are the sample group, because women are a very visible part of the informal sector scene today. Both rural and urban women will be studied to identify whether informal sector activities are purely an urban occurrence and, review any linkages between the rural and urban economy.

The data from this research will:

- Show women's contribution to family social and economic security through informal sector activities. Furthermore, show how women's roles are being influenced by changing times.
- Form a national database on Samoan women's informal sector activities, which can be used for planning purposes. As stated, the research fits the Priority Four of the MWA<sup>4</sup> plan of action. The research also fits the goals of the Women in Business Foundation (WIBF)<sup>5</sup> the national NGO which is responsible for implementing Priority Four (MWA above). Both the MWA and WIBF supported the field study.
- Add to the regional picture about women's informal sector work and women's contribution to the economic security of their families (see the *Pacific Platform of Action* 1994). It will also add to the global literature of the informal sector, by presenting a case study of women's informal sector activities in a semi-subsistence Pacific economy.
- Aid the identification of policies and programmes which will support women's informal sector activities.

A secondary aim is that this research about women's informal sector activities will encourage macro-level recognition and research of the role of the informal sector in the Samoan economy today. Research activities will:

- Form the basis for a finer understanding of the contribution of informal sector to national development and the dynamics operating within Samoa's informal sector.
- Raise awareness of the ways these micro level economic activities fit into the larger macro-economic picture and, the need to factor informal sector activities into the national planning and policy framework.

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<sup>4</sup> See Annex 1 for an outline of MWA activities.

- Serve as an awareness raising exercise for national level planners about the role of the informal sector and, how national regulations may impact on this sector.

## **THESIS OUTLINE**

Chapter Two outlines the research strategy and data collection methods used, as well as how the sample villages of Tanugamanono, Siumu and Safotu were chosen. Chapter Three is a review of the global literature on the concept and definitions of the informal sector with special emphasis on the emergence of the informal sector in the Pacific development literature. Chapter Four sets the Samoan context for the fieldwork, highlighting factors which may influence women's informal sector activities today. The women's view of their informal sector activities is outlined in Chapter Five which features the materials from the fieldwork. This chapter outlines the nature of women's activities, the contribution these make to household security, community development, and to the overall national economy of Samoa. Factors affecting women's participation are also outlined. Chapter Six examines the perspectives of the informal sector help by key informants from Government departments and NGOs. The second part of this chapter presents a case study of the Women in Business Foundation, which is the main provider of training and support for women traders. This chapter concludes with an evaluation of the policies and programmes in place to support informal sector activities in Samoa. Chapter Seven draws the conclusion and offers some ideas for future research and programmes.

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<sup>5</sup> See Annex 2 for an outline of WIBF activities.

## CHAPTER TWO

### THE RESEARCH STRATEGY

#### RESEARCH METHODOLOGY

To achieve the research aims, it was decided that the research methodology should be based on the following principles:

- *Women's Views.*

That this study examines women's informal sector activities and so, women should be the main participants in this research. Reports show that too often women have been ignored and/or misrepresented in the research process. Much of the early writing about women's experiences was inaccurate or misrepresented women's view. As a result, planners and policy makers who relied on this data often worked against women's best interests (Evans, 1992). As women are not an undifferentiated category, it was decided that gaining the views of urban and rural women, young and old, women living with the extended family systems and women-headed households for example, would be integral to the research process.

... the notion that the sector is a breeding ground of potential entrepreneurs who lack basic management skills could well lead governments or donor agencies to provide large-scale training programs; whereas the beneficiaries of such programs may not perceive themselves to be so much in need to training as of better access to credit (ILO 1991:21).

- *Action-Oriented*

That this research must be action-based, and provide data which will help identify policies and programmes to support women's informal sector activities. It must be stressed that all throughout this research, on-going discussions on research aims and processes were maintained with the MWA, and women's NGOs such as the WIBF and the NCW. Further that the results of the research should be reported back to these groups, and to the women who participated. These consultations (or partnerships) were vital to help ground the research within the continuing programmes of these institutions,

but also provide legitimacy for the research. Partnerships with these established women's groups also lead to the researcher being invited to participate at many of the community activities generated by these programs. This was extremely valuable.

▪ *Studied in Context*

That actions are influenced by context – be this global, national, community or household. And so, the primary focus of this study is to study Samoan women's experiences in the Samoa context i.e. a semi-subsistence economy where the *faasamoa* ways are strongly observed. Further, that women should be studied as part of the household unit. The literature suggests that a statistical approach to the informal sector should focus on household activities, since enterprise surveys only encompass the upper tiers of the informal sector activities, and exclude traders with no fixed abode, such as street vendors and those who work at home (Charmes 1990, Thomas 1990).

▪ *Qualitative and Quantitative Data*

That numbers data of the number of women involved in informal sector activities is needed to show the extent of the informal sector activities and the contribution these make to family and community development. However, it is just as vital to collect women's opinions about their experiences. To achieve this dual aim, a combination of quantitative and qualitative techniques was chosen for this study. Quantitative methods were chosen because these provide quick, clear results and allowed the gathering of statistical data that could be compared between various study communities. Data gained by the use of qualitative methods gave added meaning to these statistics, through providing an insight into people's attitudes and the meaning of their behaviour (de Vaus 1991:576). McCormack (1989:25) argues that pluralism is maintained in research design that utilises both quantitative and qualitative techniques.

Boesveld (1986) notes that when women's experiences are the object of research, grassroots qualitative methods are the most effective means of data gathering:

(the) behind-the-scenes reality must be uncovered if the voices of the less powerful are to be heard and their viewpoints made known. It goes without saying that information of such a sensitive nature cannot be obtained by using quantitative techniques... qualitative research is required, which takes more time and more intensive contact with the target group (Boesveld et al 1986:31).

## RESEARCH METHOD AND DESIGN

The research process involved interaction across three levels of data collection and analysis:

- First a review of the global literature on the informal sector: concepts and definitions and factors influencing its emergence in development theory. This material will help identify concerns to be addressed, and establish the key questions for this study.
- The second level of study is the national context, more particularly the over-arching constraints and opportunities which influence women's informal sector activities. A main aim in the national data is to capture a sense of the changes taking place in Samoa today and how these impact on women's lives. Both first and second level studies will be based on literature review.
- The third level of study is the fieldwork. This will be in two parts: Part A is fieldwork research undertaken with women. This face-to-face research will include group surveys, individual interviews and participant observation. The aim is to get women's views of their informal sector activities. Part B will comprise of interviews with key informants; a) already engaged in training or support to women's informal sector activities, and b) representatives from national institutions which (according to the literature) should be taking account of the informal sector within their national or macro level policies and programmes.

Several data collection strategies will be combined to cover these three levels of study namely; literature review, group surveys, in-depth interviews and participant observation. This mixture of techniques will yield a broad picture of women's activities and set the basis for a discussion of future actions to support this group. Furthermore, applying a variety of data collection tools adds to the consistency of data by enabling this to be cross-checked through a process of triangulation. Morgan (1993:10) argues that triangulation reduces bias in the data, 'when several methods produce the same results, researchers can be a lot more secure in the validity of their findings'. Table 2.1 provides a summary of the ways the different data collection strategies will be combined.

**Table 2.1: SUMMARY OF THE DATA COLLECTION METHODS.**

<i>TECHNIQUE</i>	<i>RESEARCH PARTICIPANTS</i>	<i>METHOD OF DATA COLLECTION</i>
▪ <b>Village Studies</b>	▪ Women	▪ Survey ▪ Individual Interviews ▪ Participant Observation
▪ <b>Interviews with key informants</b>	▪ NGO officials ▪ Government Officials ▪ Private Sector	▪ Individual Interviews ▪ Participant Observation (WIBF activities) ▪ Statistical Analysis ▪ Survey (WIBF training workshops)
▪ <b>Random town Studies</b>	▪ Door sellers ▪ Street vendors	▪ Survey

### **Village Studies**

- a) *Surveys* undertaken in a women's committee meeting. The main aim of these surveys will be to determine the proportion of women involved in informal sector activities.
- b) *In-depth Interviews* with a self selected sample from Group A, that is women who indicate they are involved in informal sector activities.
- c) *Participant Observation* over a three month period mainly, but not only, in the three study villages.

### **National Studies**

- a) *Interviews* with key informants
  - macro policy advisers, and decision makers
  - those running courses for women
- b) *Participant observation* at events run by these key informants (national and local).

## **PREPARATION OF DATA COLLECTION INSTRUMENTS**

### **Secondary Data Collection**

#### ***The Literature Review***

A review of the global research on the informal sector was undertaken, and the literature on the Pacific experience. The literature review provided an appreciation of the complexity of the informal sector, an understanding of the issues surrounding it, and

assisted the clarification of the research process and design. It was also used to determine the working definition of the 'informal sector' used in this research.

### **Primary Data Collection Instruments**

The main data collection instruments were group surveys, in-depth interviews and participant observation.

#### ***Group Survey Sheet***

Structured interviews (such as the questionnaire) involve asking every research participant the same questions, the idea being to control the input that triggers each informants' responses so that the output can be reliably compared (see Jones 1985:5).

The primary purpose of the group surveys was to gain an idea of the numbers of women engaging in informal sector activities and the range of these activities<sup>6</sup>. A draft set of questions was prepared based on materials from other similar research (see for example the Solomon Islands Study, the Vanuatu Study, Fiji FAWG discussed in Chapter one) and village studies undertaken in Samoa. The MWA and WIBF also added questions they considered important. The survey was deliberately kept short and in its final form consisted of eleven questions. The draft was translated into Samoan and trialed by the researcher with women's groups in the villages of Safune and Lefagaolii (Savaii). This was done in conjunction with the training programs WIBF were running in these villages. The modified survey sheet was again re-checked with MWA staff to ascertain clarity, ease of understanding and the appropriateness of the questions.

#### ***Interview Schedule***

The purpose of the interview is to see the research issue through the eyes of the person being interviewed (Ely 1993:58)

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<sup>6</sup> A copy of the survey is in Annex 3.

The in-depth interview is a conversation in which the researcher encourages the informal to relate, in their own terms, experiences and attitudes that are relevant to the research problem. It provides the opportunity for the researcher to probe deeply, to uncover new clues, to open up new dimensions of a problem and to secure vivid, accurate inclusive accounts that are based on personal experience (Morgen 1994:4).

A brief interview schedule was prepared, again based on the findings of similar studies in women's informal sector activities, but also to probe answers gained in the pilot survey<sup>7</sup>. These questions were trialed (this time with a small group at Tanugamanono) adapted and translated into the Samoan language.

### *Interviews with Key Informants*

The main purpose of the interviews with the key informants was to gauge this groups' perceptions of the informal sector and, of supportive policies and programmes for this sector. A brief list of questions was prepared which included: a) What is your Department's view of the informal sector? b) Is the informal sector included in plans/policies of your Department? c) How are women, as a group, included in the plans/programmes of your department? and, d) Do you have any ideas of how issues of common to the informal sector could be addressed by your department? It was the intention that these views be contrasted with women's perceptions of the policies and programmes they needed, gained in the village studies.

### *Apia Survey*

As an additional part of the field work, a small survey was carried out over a one-month period (May) in Apia mainly to get a feel of who was selling (their age and gender) and what goods were being sold. This survey was at two sites; a) the door sellers coming to one Beach Road office to sell goods (on the second story of the NCW building), and b) the footpath sellers on a 'block' of Beach Road (between Gold Star Building and the Cronin's Pharmacy). For practical purposes, the results from this small survey results are included here (see Table 2.2).

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<sup>7</sup> The interview schedule is in Annex 4.

These results showed females predominated (by 3 to 1); there were a small percentage of school aged sellers, and agricultural goods were the main goods sold. Seen also is that imported goods comprised 30% of goods traded. This is a contrast with the village fieldwork as will be seen in Chapter Five.

**Table 2:2: SUMMARY OF APIA SURVEY**

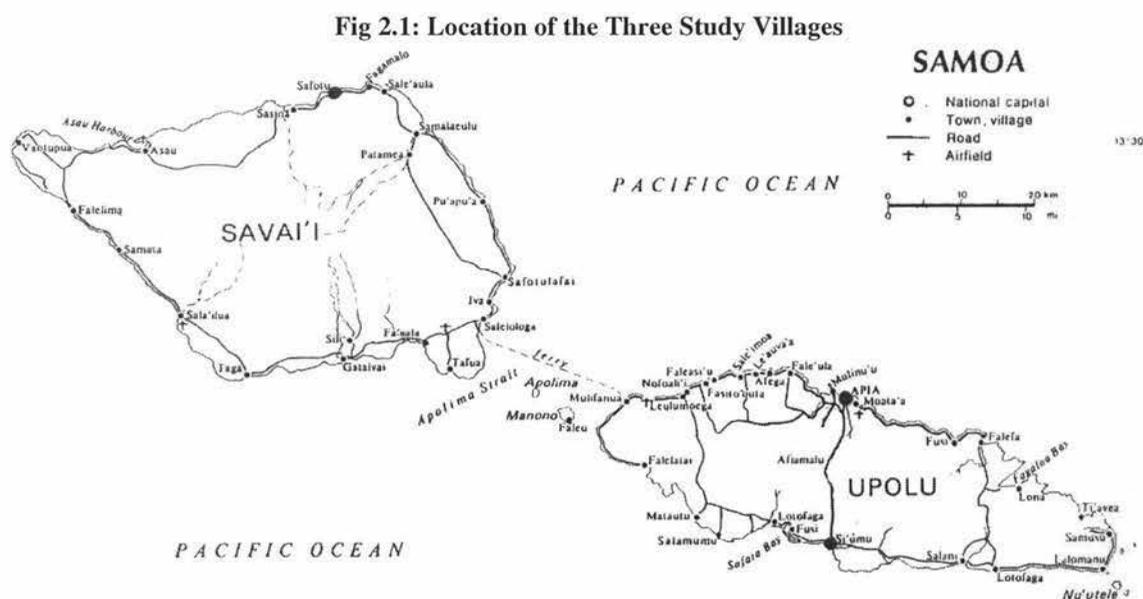
	<i>CATEGORY</i>	<i>STREET-VENDORS</i> ( <i>n=86</i> )		<i>DOOR-TO-DOOR</i> <i>SELLERS</i> ( <i>n=67</i> )	
<b>GENDER</b>	Female	64	75%	48	57%
	Male	22	25%	19	29%
<b>AGE</b>	under 10	2	2%	16	24%
	11-20	17	20%	40	60%
	21-30	25	29%	2	3%
	31-40	16	19%	6	9%
	41-50	15	17%	2	3%
	51+	11	13%	1	1%
<b>GOODS TRADED</b>	Agricultural	31	37%	37	55%
	Handicrafts	15	17%	21	31%
	Imported goods	26	30%	16	24%
	Newspaper	14	16%	0	0%
	Other	0	0%	8	12%

## **THE SAMPLE SELECTION**

### **The Study Villages**

As stated, the sample villages and sample groups were selected in discussions with staff from the MWA, and the women's groups (WIBF, WSCDA and NCW). A number of factors influenced the selection of the study villages. First, it was anticipated that women's participation in informal trade would be influenced by factors such as the degree of modernisation of the villages, the availability of support services and the proximity of the villages to Apia, the commercial and government centre. Another consideration was that women's activities might be influenced by whether or not they had access to training programmes – so an attempt was made to include this variable in the sample selection. Based on these variables, three villages representing urban, peri-urban and rural areas were selected for the field research - the villages of Tanugamanono,

Siumu and Safotu<sup>8</sup>. Each of these villages had been the subject of earlier research, and so there was a possibility of longitudinal comparison should this be of value<sup>9</sup>. These villages are described in greater detail in Annex 5. The location of these villages are shown below in Fig 2.1.



### Village Sample

It was decided that the women's committees would be the first layer of sampling. In order to capture some of the richness of women's community activities, it was decided to include women from women's church fellowship committees as well as village committees in the sample. The sample groups by village and committee are set out in Table 2.3. As seen, these comprised one church women's fellowship and two village women's committees. By training, Siumu had had quite extensive training from Government and NGOs in the last year, Tanugamanono had only just been included in a training programme and the third village Safotu, had had no training programmes in the last year.

<sup>8</sup> The areas were determined according to the classifications of the Western Samoa Department of Statistics.

<sup>9</sup> These villages had been researched in 1990 by Fairbairn-Dunlop

**Table 2.3: CHARACTERISTICS OF THE THREE STUDY VILLAGES**

<i>Village</i>	<i>Location</i>	<i>Committee membership</i>	<i>Training programme</i>	
			<i>Govt</i>	<i>NGO</i>
<b>Tanugamanono</b>	Urban	Church women's committee	No	Staring
<b>Siumu</b>	Peri-urban	Village women's committee	Yes	Yes
<b>Safotu</b>	Rural	Village women's committee	No	No

The women attending the committee meetings formed the survey sample: one woman from each household would be asked to complete the survey. Following this procedure, the number of women sampled at the first meeting in Siumu was 30. Quite by chance, the number participating in the survey at Safotu also numbered 30. So it seemed that 30 should be the appropriate sample size in Tanugamanono as well. In Tanugamanono however, only 25 attended the meeting of the women's committee. So the researcher completed 5 more surveys with other members of the committee (absent on the night) to make up the number to 30. The sample of 10 for the in-depth interviews was drawn from those taking part in the group survey. The sample for the in-depth interview were selected so as to represent a spread of enterprises— i.e not women working as dressmakers or fisher women for example. Table 2.4 shows the sample size by village.

**Table 2.4: THE SAMPLE SIZE FOR SURVEYS AND INTERVIEWS**

<i>Village</i>	<i>Questionnaire</i>	<i>In-depth interview</i>
<b>Tanugamanono</b>	25+5	10
<b>Siumu</b>	30	10
<b>Safotu</b>	30	10
<b>Total</b>	90	30

## **THE FIELD WORK**

### **Introduction to the Village**

A similar strategy was used in each of the three villages. A brief one-page outline of the study was prepared in the Samoan language. Then, working with either a WIBF, MWA, or committee member, the researcher contacted the committee President of the identified group in each village, discussed the research and invited that committee to participate. The President then discussed this with her committee. Each agreed. Next, the researcher worked with the President to decide an appropriate time for the group surveys. It was suggested that rather than call a special meeting for this purpose, the surveys could take

place at a regular meeting of the committee. The Siumu survey was undertaken first, followed by Safotu. Because the researcher resided in Tanugamanono, this village was left last as it was easier to pick up on the women's meetings whenever they occurred in this village<sup>10</sup>.

The contact person for this study in Siumu was Faatonu, the President of the WSCDA, who is also a member of the Siumu Committee. Faatonu arranged contact with the Siumu Committee President. The MWA suggested that Safotu represent the rural village, during our first meeting. The researcher discussed the proposed research with Naitua (who is from Safotu village) on one of Naitua's visits to Apia. While Naitua is not the President of the Safotu women's committee, she is the wife of one of the high chiefs of that village. Naitua returned to Safotu and arranged the visit with the women's committee. In Tanugamanono, the researcher discussed the study with the Pastor's wife and committee members. It was arranged that the survey be conducted as part of the weekly evening meeting of the Tanugamanono CCWS<sup>11</sup> Women's Fellowship.

### **Administering the Survey**

As stated, the survey was administered to the women attending the women's committee meeting, regardless of whether they were involved in the informal sector or not. In each case, the aims and purpose of the study were discussed first, and then the survey sheets were circulated to the group. The confidentiality of answers was stressed. Next, the questions were read out one at a time, leaving time for the members to question and then complete their answers (see Plates 5 and 6). While this was undertaken, the researcher and the President circulated to make sure women understood the questions and to answer any queries. The total time taken for the survey was about one hour. In each case, refreshments followed the completion of the survey, and then the committee meeting would proceed. The researcher provided the refreshments and a small donation. When the results from these 90 survey traders were tabulated, the sample group of 10 from each village was selected for the in-depth interviews.

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<sup>10</sup> The survey was administered in Siumu on May 30<sup>th</sup> 1998, Safotu on June 6<sup>th</sup> 1998 and Tanugamanono on June 17<sup>th</sup> 1998.

<sup>11</sup> CCWS – The Congregational Church of Western Samoa

### **The In-depth Interviews**

The in-depth interviews were carried out in the week following the group survey. The researcher made three visits to Siumu for this purpose. Five of the Siumu interviews were held at the committee house, and the other five at women's homes. It is noteworthy that in each case, the sample group were usually engaged in their informal sector activity during the time of the interview i.e the interview took place while they were making earrings or weaving or selling for example (see Plate 7). In sum, the researcher was able to see the multiple use of women's time, and how women's informal sector activities are carried out parallel to women's other work. In Safotu, Naitua accompanied the researcher on all the interviews. Seven of these were carried out at the women's committee house, and three at the family homes. In Tanugamanono the majority of interviews were carried out at women's homes, and Talaleu (a schoolteacher from the village) accompanied the researcher on each interview. Each of the interviews was of approximately one hours' duration. In the researcher's opinion, the interviews at the women's houses were more relaxed and provided a better exchange of information than those in the committee house.

### **Participant Observation**

Participant observation was carried out by the researcher during the village studies and on other visits the researcher made to the rural villages with the WIBF trainers. More specifically:

- a) National Women's Day at Salelologa
- b) Women in Business Training at the villages of Safune, Lefagaolii, Falalupo-uta, Lano, Gatavai, Tuleia, Vaipua and Sapapalii.

### **Interviews with Key Informants**

Two groups of key informants were selected so as to probe national awareness of the informal sector and provision for women's informal sector activities. These interviews were arranged with the assistance of the MWA.

- a) Those working in key ministries but not involved in women's training. These included the Economic Planning Unit, Department of Inland Revenue, Labour Commission, SBEC and MWA.

- b) WIBF, which is the key provider of training for women’s informal sector activities.

Interviews were also carried out with members of the private sector, including flea-market operators and local businesses. These interviews included questions on the kinds of services available to informal traders and their opinion about the size of the informal sector, the role that it plays and the nature of these activities.

## **ANALYSIS OF DATA AND REPORTING BACK THE RESEARCH**

The data collected during the fieldwork was analysed using the Microsoft Excel package. Following the completion of the research the findings will be reported back to the MWA, WIBF, WSCDA and SANGO. A copy will also be given to the key informants, which can be used for programme and policy planning.

## **THE FIELD RESEARCH TIMETABLE**

The research began in January 1998. The actual fieldwork was conducted in Samoa between April and July 1998. This fieldwork was undertaken in conjunction with MWA, and NGOs [WIBF, SANGO and WSCDA]. During the fieldwork the researcher resided in her home village of Tanugamanono. One week was spent in Safotu conducting the interviews and administering the questionnaire. For Siumu, data collection was carried out over four days, however the researcher commuted to that village daily. In addition to the village studies, three trips were made to Savaii. In May the researcher accompanied the MWA official team to the celebrations of the National Mothers Day at Salealoga. This was a three day celebration. The researcher also accompanied the WIBF trainers to the villages of Safune, Lefagaolii, Falealupo-Uta, Sapapalii, Gatavai, Vaipua and Lano during ‘follow-up visits’ with clients. Each trip was of three days duration, and the researcher and trainers lived in the villages.

**Table 4.5: RESEARCH TIMETABLE**

<i>January – April 1998</i>	<i>Research preparation</i>
<i>April – July 1998</i>	<i>Field research</i>
<i>August 1998—April 1999</i>	<i>Data analysis and writing</i>
<i>April –1999</i>	<i>Return Samoa 2 weeks to confirm some data</i>

## **RESEARCH LIMITATIONS AND HOW THESE WERE ADDRESSED**

### **The Definition of Informal Sector**

As expected, a main question in the early discussions (and confirmed in the pilot) was the meaning of the term 'informal sector' in Samoa and how this meaning could be conveyed in the Samoan language. The researcher's definition (following the review of the literature) was that the informal sector would include all economic activities that women do 'outside' the formal sector to earn some income. The assumption was that these activities would operate at a low level of organisation, and that women would have little or no access to credit, formal education and/or training institutions. Further, that these activities were 'informal' since they generally operated without a business license, are unregistered and therefore, not recorded in official employment statistics. It was found that the term informal sector created difficulties. However, when examples of informal sector activities were given, women understood the concept very well. Finally, agreement was reached that the informal sector be defined as '*small income earning activities... that you don't carry out all the time*'. This then became the understanding of the informal sector used in the research. This is important to note because four small shops were included in this sample. The village shops fitted the criterion of informal sector activity because these shops did not open every day on a regular basis.

### **Language**

The interviews were carried out in Samoan and all the documents relating to the research were in Samoan. Although the researcher is a Samoan speaker, and always had support people accompanying during all phases of the research, there were occasions when the researcher felt that the finer nuances of an answer were not adequately picked up on. Barring this, the researcher is satisfied that the spirit and meaning of the interviews has been accurately captured.

### **Sharing Information**

It may not be so but in the researcher's opinion, a few women were reluctant to divulge information about their activity, especially when it came to questions about income. For example, after a lengthy interview was completed, a woman asked why this information

was required. When assured again that these details would not be shared with other women in the village she replied, ‘...well in that case I make T400 a week rather than T50’ (the amount that she had given me previously).

### **The ‘Irregularity’ of the Informal Sector**

Many of the research questions involved some sort of cumulative record keeping, as for example, time taken in an activity per week, or income over a period of weeks. The sample group found these questions difficult to answer, as few records were kept. When asked how many hours was worked, a common reply was they worked more when they needed money for a particular *faalavelave*. The sample had difficulty in answering how much money they earned as the amount varied greatly, depending on whether the money was ‘needed’. While an answer would be written down (after much debate) it is highly likely that responses about income were not as accurate as it would have been had records been kept. The ‘irregular nature’ of the informal sector economy, inevitably raises difficulties when people try to gauge the actual value of these activities to family and community livelihood security.

### **Administering the Survey**

The pilots proved valuable with regard to the way the survey should be administered. For the pilot study, we (the women's leaders and myself), talked about the study, discussed the survey sheets, and then gave these out to be completed. When these were collected it was found that many sheets were only partially completed. We decided that better information would be gained if the survey questions were worked through as a group, one question at a time. This was done in the survey proper.

## CHAPTER THREE

### THE INFORMAL SECTOR

There is no universally accepted definition for the informal sector. The informal sector has been defined as 'everything that is not part of the formal economy'. Others ask whether the informal sector can be considered 'informal', given that estimates indicate that up to half of the populations of urban regions depend on these activities for their livelihood. The concept has been labelled Eurocentric (based on the assumption that waged labour is the norm), while Bullock (1994:57) proposes that this labelling was used because of the predominance of women in this sector. Whether those involved in this sector would consider their activities to be informal, and/or 'not normal' is another matter of debate.

This chapter is in two sections. The first examines the origins of the 'informal sector' concept, the activities which this concept encompasses and why this sector exists in many developing countries. The second section examines the informal sector in the Pacific. Women's participation in informal sector activities is examined in both sections.

#### THE INFORMAL SECTOR CONCEPT

##### The Development Of The 'Informal Sector' Concept

Reynolds (1969) noted the idea of an 'informal sector', and developed a model comprised of two urban sectors one of which he labelled 'the trade sector'. Reynolds described the trade sector as:

... the multitude of people who one sees thronging the city streets, sidewalks and back alleys in the LDCs<sup>12</sup>: the petty traders, street vendors, coolies and porters, small artisans, messengers, barbers, shoe-shine boys and personal servants (Reynolds 1969:91).

Hart (1971) is credited as the first to use the term 'informal sector' in his research on Ghanaian poor city dwellers. However, the term gained worldwide acceptance through

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<sup>12</sup> LDC: Least Developed countries

its popularisation in the ILO<sup>13</sup> *Employment Policy* and associated *World Employment Program* (1972). This study was based on the review of the unemployment and underemployment brought about by rapid urbanisation in Colombo (1970), Sri Lanka (1971) and Kenya (1972).

The informal sector gained credibility in economic theory as it became increasingly clear that the high rates of population growth and urbanisation in many developing countries was placing extreme pressure on employment options. Simply put, the formal job sector in these countries could not absorb the growing labour force. There were a number of reasons for this situation, including a) the formal sector began producing goods that required relatively capital-intensive technologies so reducing the need for human labour, b) the restructuring of the formal sector resulted in the decentralisation of production through subcontracting and so, there were fewer jobs created in large-scale enterprises, and c) a result of the effects of high rates of natural population growth coupled with rapid urbanisation as people migrated to urban areas in search of waged employment (ILO 1991:8, Charmes 1990:12). The existence of the informal sector was seen to reflect the inability of the agricultural and waged economy sectors to provide adequate incomes or employment opportunities for an excessive labour force - earning opportunities *outside* the formal sector must be created for this group.

The relationship between urban growth and informal sector activities became the subject of debate. It was proposed that urban growth did not result in high open unemployment<sup>14</sup>, but acted as a spur to micro-enterprise development by those unable to find formal sector employment. Seen in this way, the informal sector was a survival strategy for the 'working poor'. An extension of this idea was that the informal sector was a *staging post* for those on their way to the formal sector – a view which was in line with the current modernisation theory.

Mazumdar (1975) proposed that rural migrants who were under-employed in subsistence agriculture were attracted to urban areas by the hope of obtaining waged employment. If this failed, this group then became 'relegated' to the informal sector, which would offer

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<sup>13</sup> ILO: International Labour Organisation

<sup>14</sup> Open unemployment is the term given to those that are unemployed but are seeking work.

subsistence level earning opportunities (see Charmes 1990:10). Based on this assumption, Mazumdar incorporated the informal sector into a model which distinguished two groups of urban migrants; a) *temporary migrants* who sought informal sector employment because they had lower demands and were in great need of money, and b) *definitive migrants* who were looking for jobs in the modern sector but would temporarily accept an open unemployment situation.

The ILO Kenya Report of 1972 has been viewed as the turning point in international thinking and development strategies for rural people and in turn for the informal sector debate (see Van Arkadie *et al* 1978). While current thinking was that the informal sector was a temporary or passing phenomena, the ILO Kenya Report recognised that steps must be taken to address the causal issues relating to the growth of informal sector. Further that these steps must incorporate both programmes and policy measures. Very briefly this ILO report urged third world governments to adopt policies to promote income and employment growth in rural and urban areas and, stressed that the informal sector should be an integral part of government development strategies:

The informal sector provides income-earning opportunities for a large number of people. Though it is often regarded as unproductive and stagnant, we see it as providing a wide range of low-cost, labour intensive, competitive goods and services (ILO 1972:21).

The report stressed a dual approach of employment creation in both urban and rural areas. First, there should be a focus on rural development, with the objective of increasing the incomes of rural communities through building on the economic activities these groups already practised. Strategies were needed to increase labour productivity, stem rural-urban migration and increase food production. Second, employment options must be created through stimulating urban small-scale production and services. The report stressed that because the informal sector was labour intensive, it could absorb a large number of the workforce. In this vein, the informal sector was viewed as a productive way of absorbing a surplus labour force.

### **A Working Definition**

As stated, there is no universally accepted definition of the informal sector. Very broadly, the informal sector has been defined as 'everything that is not part of the formal

economy'. In this 'dualist' or two-sector approach, the formal sector is seen to involve modern technology, capital-intensive methods of production and labour. By way of contrast, the informal sector involves traditional labour-intensive methods of production and labour.

Applying the dualist approach, the ILO Kenya Report (1972) classified informal sector activities by the nature of the *enterprise* carried out. By this definition, informal sector activities were characterised by: ease of entry, reliance on indigenous resources, family ownership of enterprise, small scale of operation, labour intensive methods of production and adapted technology, skills acquired outside the formal school system, and unregulated and competitive markets.

Hart viewed the *individual* activity as being the criterion distinguishing for formal/informal sectors. Hart (1973) classified wage earners in the formal economy, while the self-employed formed the informal sector. However, Hart stressed that individuals worked in many activities and, could work in both the formal and informal sector at the same time. Hart's classification of the informal sector is set out in Table 3.1. As seen, Hart further divides the informal sector into two categories – legitimate activities and illegitimate activities. Hart thus captures Week's view (below) of the potential that the informal sector holds for illegal or nefarious activity.

**Table 3.1: FORMAL AND INFORMAL INCOME OPPORTUNITIES**

1. Formal income opportunities	
(a)	public sector wages;
(b)	private sector wages;
(c)	transfer payments - pensions, unemployment benefits;
2. Informal income opportunities (legitimate):	
(a)	primary and secondary activities - farming, market gardening, building, contractors and associated activities, self employed artisans, shoe-makers, tailors, manufacturers of beers and spirits;
(b)	tertiary enterprises with relatively large capital inputs - housing, transport, utilities, commodity speculation, rentier activities;
(c)	small-scale distribution - market operatives, petty traders, street hawkers, caterers in food and drink, bar attendants, carriers, commission agents and dealers;
(d)	other services - musicians, launderers, shoe-shiners, barbers, night-soil removers, photographers, vehicle repair and other maintenance workers, brokerage and middlemanship, ritual services, magic and medicine;
(e)	private transfer payments - gifts and similar flows of money and goods between persons; borrowing; begging;
3. Informal income opportunities (illegitimate):	
(a)	services - hustlers and spivs in general; receivers of stolen goods: usury, and poncing (pilot boy), smuggling, bribery, political corruption Tammany Hall-style, protection rackets;
(b)	transfers - petty theft, larceny, peculation and embezzlement, confidence tricksters, gambling

Source: Informal Income opportunities and Urban Employment in Ghana (Hart 1973)

Weeks (1975) also focused on the nature of the *enterprise* in his definition. However Weeks saw the fundamental difference between the informal and formal sectors as the relationship of the enterprise to the state:

Basically the formal sector includes government activity itself and those enterprises in the private sector, which are officially recognised, nurtured and regulated by the State... Operations in the informal sector are characterised by the absence of such benefits. Enterprises and individuals operate outside the system of benefits and regulations of government and thus without access to formal credit institutions and sources of transfer of foreign technology. In some countries, many of the economic agents in this sector operate illegally, through pursuing economic activities similar to those in the formal sector. Illegality, then, is not usually a consequence of the nature of the activity but a consequence of official limitation of access to the formal sector (Weeks 1975:3).

Weeks' definition emphasises that the informal sector operates *outside* the benefits and constraints of the formal sector – almost as a separate sub system. In doing so, he highlights the lack of supportive policies or programmes for informal sector activities. The aspect of appropriate support systems is very relevant to this research.

Sethuraman (1981) focussed on the *individuals objectives* as a determining factor in a definition of an informal sector activity. He distinguished informal and small enterprises by the former being motivated primarily by employment creation and the later with profit maximisation (Sethuraman 1981:17). Based on this distinction, Sethuraman defined the informal sector as consisting of:

... small scale units engaged in the production and distribution of goods and services with the primary objective of generating employment and income to their participants, notwithstanding the constraints on capital, both physical and human and knowhow (1981:17).

Santos focused on the *movement of value* between the formal and informal sectors. Santos defined the notion of the formal/informal dichotomy by referring to 'upper' and 'lower' circuits. This circuit theory holds that there is a transfer of value between petty production (who make up the lower circuit) and wage earners, the upper circuit. While there is a downward movement of wages and earnings, the upward movement of surplus

value and manpower is more substantial (Santos, 1979). Table 3.2 outlines the ways in which Santos characterised the upper (formal sector) and lower (informal sector) circuits.

**Table 3.2: CHARACTERISTICS OF THE TWO SECTOR ECONOMY**

<i>Characteristic</i>	<i>Formal Sector</i>	<i>Informal Sector</i>
<b>Technology</b>	Capital intensive	Labour Intensive
<b>Organisation</b>	Bureaucratic	Family based
<b>Capital</b>	Abundant	Scarce
<b>Work Hours</b>	Regular	Irregular
<b>Wages</b>	Normal; regular	Rare; irregular
<b>Inventories</b>	Large; quality	Small, low grade
<b>Prices</b>	Often fixed	Often negotiable
<b>Credit</b>	From banks and similar institutions	Personal; non-bank
<b>Profits</b>	Large on high turnover	Low or small turnover
<b>Client relations</b>	Impersonal	Personal
<b>Fixed costs</b>	Large	Negligible
<b>Publicity</b>	Necessary	Little or none
<b>Re-use of goods</b>	None; wasteful	Frequent recycling
<b>Overhead capital</b>	Indispensable	Dispensable
<b>State aid</b>	Large	Almost none
<b>Foreign dependence</b>	Great, often export-oriented	Small or none

Source: The Shared Space: The Two Circuits of the Urban Economies in Underdeveloped Countries (Santos 1978)

The informal sector can be defined in a diversity of ways: by focussing on the nature of the enterprise, the individual, through to the objective of the individual. This helps to explain why despite the substantial amount of research on the informal sector since its introduction in the early 1970s, there has been no universally accepted definition. The informal sector in this thesis will be used to refer to the small economic activities that people carry out to earn money, which are not carried out all the time. These activities are considered ‘informal’ in that they operate outside the legal environment and therefore largely escape recognition, enumeration, regulation and protection.;

### **Debate On The ‘Informal Sector’ Concept And Definition**

The validity of the ‘informal sector’ concept to describe economic participation, and/or contribution to national development is still widely debated. Criticisms challenge the validity of the ‘informal sector’ as a concept but also as a defining descriptive tool when it comes to describing the different levels of participation within the economy.

### *The Concept*

The first group of criticisms relate to the 'dualist' approach of the formal/informal sector dichotomy. Jenkins (1988) believes the dualist approach over-simplifies the relationship between different economic activities. Missen and Logan (1981:114) argue that rather than the two-division almost opposing cluster, informal sector activities 'represent a continuum of scale and characteristics'. Further, that many informal sector activities are not separate from the formal sector, but are effectively tied to the formal sector through production and consumption. Bromley (1978:1934-5) lists nine shortcomings of the informal-formal sector dichotomy, many of which are applicable to this research:

1. It is a very crude and simple classification, dividing all economic activities into two categories.
2. The informal-formal division is logically inconsistent in that it assumes that several different variables can be used to categorise a given economic activity into formal or informal sectors, and yet no multivariate analysis procedure is used in classifications.
3. By using a dualistic classification and terminology, people may be inclined to assume that the two sectors are essentially separate and independent, when it is more likely that they are in a continuously fluctuating state of interaction and that parts of one sector may be dominated and even created by parts of the other sector.
4. There is a lack of clarity as to what exists as well as the 'formal sector' and the 'informal sector'.
5. The 'informal sector' is often depicted as having a present but no future, precisely by those who advocate help to the 'informal sector'.
6. There is a tendency to confuse neighbourhoods, households, people and activities with enterprises. The informal/formal division is inapplicable to many people as they work in both sectors at different stages in their life cycles, times of the year or even times of the day. It is only the enterprises that can be conveniently classified into one or the other of the two sectors, and extrapolations from classifications of enterprises to descriptions of activities, people, households and neighbourhoods frequently lead to confusion and error.
7. There is a tendency to consider the 'urban informal sector' and 'the urban poor' to be synonymous.

8. It is often mistakenly believed that a single policy prescription can be applied to the whole informal sector.
9. There is a tendency to view the informal sector as exclusively urban.

Items Three and Nine are pertinent to this thesis. It will be argued that there are links between the formal and informal sectors in Samoa. Item Eight is also important, because this thesis will argue that given the diversity of the informal sector, there is no one strategy that will fit all cases. Policies and programmes must reflect peoples needs.

The second group of criticisms relates to the different theoretical perspectives of the informal sector. The Marxists believe that both the concept and definition of the informal sector have ignored the social relations implicit in any transaction. By doing so, research on the informal sector have concentrated on one section of production in isolation from the economy as a whole. In other words, these studies describe the characteristics of the small-scale production, but fail to place these within the context of the whole economy. Forbes writes:

The informal sector concept dwelt on the characteristics of one form of urban production, the analysis of the mode of production drew out the existence of a variety of forms of production – or labour processes- unrestricted by urban or rural boundaries, and integrated in an hierarchical manner into a broader mode of production. Only by viewing the economy as a whole, could the full implications of the perpetuation of the proto-proletariat be realised (Forbes 1981:114).

Marxist theorists see much informal sector research as featuring a conservative ideological framework, which in turn, encourages the view that, ‘...the problems of underdevelopment – poverty and unemployment...- are a consequence of economic structural imbalance and are amenable to treatment through a planning policy conceived within the existing economic, social and political order’ (Moser 1981:115). They hold that studies of the informal sector should examine the structural political economies of developing countries more deeply, in order to develop a more balanced and critical explanation.

The Dependency theory paradigm holds that underdevelopment is a result of external factors (i.e. developing countries are exploited by outside countries), rather than internal factors. Therefore theorists liken the problems of the informal sector to those of the third world, but on a smaller scale. Just as a country's underdevelopment is perpetuated by its subordinate exchange relations with the industrialised economies, so the informal sector can never develop its own dynamic of capital accumulation and growth so long as it co-exists unequally with large-scale capitalist enterprises (Gerry 1987: 100-102). This can be linked to Santos' notion of the shared space, where there is an unequal transfer of value between the upper and lower circuits (the formal and informal sectors).

### ***The Definition***

The main criticisms about the multi-criteria definitions are whether all features must apply at any one time for an activity to be considered part of the informal sector or whether some features will suffice. Charmes (1996:16) sees the shortcomings of most definitions being due to the ambivalence and the heterogeneity of the activities which the concept covers. In his view, some activities do not fit neatly into the characteristics listed in the definitions. For example, while some informal sector activities are considered easy entry others have significant barriers to entry, such as higher capital or skill requirements.

The view that the informal sector is comprised of several different tiers or layers (Thomas 1992: Charmes 1990) is now widely accepted today. An example of this is Field's (1990:69), who views the urban informal sector consists of two distinct groups - the 'easy entry informal sector' and 'upper tier informal sector'.

## **CHANGING VIEWS OF THE ROLE OF THE INFORMAL SECTOR**

The assumption in the early debates of the informal sector, was that it was a *transient* phenomenon, which would disappear as the formal sector grew and absorbed more labour (see Hugon 1990:70). Forbes writes:

The identification of the "informal" sector... was a most perceptive observation, for it opened scholars' eyes to something that had always been there but had tended to be hidden by the assumption that it would gradually disappear, absorbed into the expanding "modern" sector of the economy (1981:113).

This view reflected the prevailing modernisation theories, that third world countries would automatically follow the same pattern of development as that of the more developed countries. Accordingly, as societies became more developed, labour would shift from agricultural activities to the modern sector (Rostow 1965). Viewed from this perspective, the existence of the informal sector was perceived to be an obstacle to development - a pocket of underemployment that needed to be reduced in order for countries to progress (Gibson and Kelly 1994, Portes *et al* 1989). Subsequently, policy-makers had difficulty acknowledging or addressing the needs of the informal sector, because this served as an uncomfortable reminder that something was wrong with their development strategies (ILO 1991:15). Policy-makers tended to either; a) ignore the informal sector in the hope that it would disappear, or b) harass those engaged in informal sector activities because these were considered to be inaeesthetic, insanitary and a place of social or political unrest (ILO 1991:15). Ley (1987) captures the dilemma that the continued existence of the informal sector posed for policy makers, ‘...if the promotion and stimulation of the informal sector is a task to undertaken by government and their agencies on behalf of the urban poor, it is idealistic to expect them to legislate against their own economic and class interests (Gerry 1987:111).

The social and economic effects of the global economic crisis of the 1980s, and the ensuing structural adjustment policies have helped bring about a new perception of the informal sector emerge. In this view, the informal sector is now seen to be the key to livelihood security in both developed and developing nations. Not only that, but there has been an increased recognition of the potential of the informal sector to offset the more negative effects of adjustment measures (Portes *et al* 1989, Lubell and Zarour 1990). For example, it has been seen that those affected by the downsizing of the public sector – traditionally the major employer in developing nations – have had little alternative but to engage in informal sector activities to earn an income. It has become clear that in times of scarce resources and high unemployment, the informal sector can no longer be ignored. Attitudes to the informal sector have changed quite drastically from calls to reduce informal sector activities, to calls for strategies to develop this sector.

Today, the informal sector is viewed as a key poverty alleviation strategy (Maldonado 1995, Lubell and Zarour 1990, Jatoba 1986, Oberai 1975). It is a vital means of employment in every developing country, particularly for countries that have no formal

welfare system. Estimates indicate that the informal sector comprises between 20-60% of urban non-agricultural employment in developing countries (Charmes 1990:17)<sup>15</sup>. Furthermore, the ILO estimates total informal sector employment in the developing world is in the order of 300 million (ILO 1991:11). What is more, development theorists argue that the creation of employment opportunities will occur in the informal rather than the formal sector.

In most third world countries, labour force growth will continue to accelerate over the next 20 years, whilst the relative share of agricultural employment will continue to decline. These trends, together with low job creation rates in the modern and public sectors in recent years, lead inevitably to the conclusion that the task of containing the increase in unemployment and absorbing a substantial share of the labour market entrants lies in the informal sector (Charmes 1990:21).

Further, research is showing it is much cheaper to create employment creation in the informal sector than to create a formal sector job. As far back as 1987, Amin (1987:619) estimated the creation of employment in the informal sector required only a fraction of the investment required to create a job in the modern sector. In 1989 Iglesias, the President of the Inter-American Development Bank wrote that:

...\$1,000 invested in a productive micro enterprise can generate one job, that \$400 invested in a service micro-enterprise can guarantee another, while \$10,000 must be invested in a formal sector manufacturing firm to accomplish the same thing'

Finally, it is proposed that informal sector activities increase at a rate faster than formal sector employment. For example, Table 3.3 shows the rate of growth of the informal sector in Latin America during the years 1980-85 was 6.8% compared with a rate of 3.2% for formal sector employment. In sub-Saharan Africa, the formal sector absorbed 6% of the new entrants to the labour force in the years 1980-85, as compared with an increase of 75% in the informal sector (ILO, 1993:10).

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<sup>15</sup> Charmes believes this wide margin indicates that an underdeveloped country generally has a larger informal sector.

**Table 3.3: ANNUAL GROWTH RATES OF THE LABOUR FORCE IN LATIN AMERICA, 1980-1985.**

<i>Country</i>	<i>Total</i>	<i>Non-agricultural employment</i>	<i>Unemployment</i>	<i>Informal Employment</i>	<i>Formal Employment</i>
<b>Latin America</b>		3.3	8.1	6.8	3.2
<b>Argentina</b>	0.8	0.5	21.8	3.2	-0.2
<b>Brazil</b>	4.0	4.3	-0.8	9.3	2.6
<b>Chile</b>	1.2	1.2	9.5	1.2	-1.6
<b>Colombia</b>	2.5	3.3	11.6	5.4	2.3
<b>Mexico</b>	3.0	3.6	6.6	8.4	1.9
<b>Peru</b>	1.8	0.9	18.5	6.5	-1.3
<b>Venezuela</b>	2.1	1.7	20.4	2.2	1.5

Source: A Critical Review of Concepts, Definitions and Studies in the Informal Sector (Charmes 1990).

Very clearly today, the informal sector, however this is defined, is a key strategy in poverty alleviation and in the development of sustainable livelihoods.

## **WOMEN AND THE INFORMAL SECTOR**

Global data show women to be major players in informal sector activities in most countries of the developing world. According to ILO (1991:7)

Women account for more than a third of the total informal sector employment and more than half of women's total employment is in the informal sector (ILO 1991:7).

Women's high rate of participation in the informal sector is often contrasted with women's low level of employment in the formal sector. For example, the Self Employed Women's Association (SEWA) of India estimates women constitute 60% of the self-employed population while Government statistics place female employment at only 6% (Rose 1992:17). In her study of Lusaka, Bardouille found that 94% of the women interviewed were engaged in petty trading activities, (mainly in the retailing of food and related items). However these women were, 'consistently excluded from the national census on economic activities' (1981:29). A United Nations Study (1995:39) found Bolivian women constituted 50% of the workers in the urban informal sector compared to 20% of the formal sector workers in 1988. Further, in urban areas of Botswana nearly 50% of the women employed in 1984 were working in the informal sector, compared to 10% of men. Similar findings were reported for Lima, where during the 1980s more than

80% of the economically active women worked in the informal sector, and finally estimates are that 94% of the street vendors in Nigeria are women (UN 1995:39)<sup>16</sup>.

Women's predominance in informal sector activities is the result of many inter-related factors. First, are structural reasons such as women's lack of access to training and resources. In this view, women's concentration in lowest paid employment directly relates to women's low level of formal schooling compared with males, their limited skills and lack of access to capital and other support systems (UN 1995:40). Second, is the view that women are concentrated in lower level employment because they suffer discrimination women face in the formal sector. A third group of opinions is that women say they prefer informal sector activities to paid employment because these activities can be done while women fulfil their family obligations. That is, the flexibility and irregular nature of the informal sector enables women to fit their informal sector activities around their reproduction and community managing roles. A fourth group sees women's increased participation in the informal sector activities as directly related to changing family structures and in particular, the increase in women headed households where, women have sole or major responsibility for family economic security. In this view women are the group most adversely affected by the structural adjustment policies (see UN 1995:39). Finally, data shows that like the women in Fiji, Solomon Islands and Vanuatu (see Chapter One) women all over the world use the income generated from their informal sector activities for family purposes. Folbre (1988) has proposed that women spent much larger portions of their income on the household compared to men, even if they do not have an equal claim to resources or control over their produce.

## **STRATEGIES TO ASSIST INFORMAL TRADERS**

The way the informal sector is defined, influences the strategies identified to assist the informal sector. This aside common issues include; the type of policies and programmes, macro and micro level intervention, and addressing the diversity of the informal sector.

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<sup>16</sup> UN: United Nations Organisation.

## **Policies and Programmes**

Policies and programmes go hand in hand. Both policies and programmes are necessary to support the informal sector create more jobs, generate higher incomes, and provide better conditions and more protection for those involved in this sector. If applied separately, these policy and program measures, would produce only marginal results (UNDP 1997a). A targeted approach focusing on alleviating the worst aspects of poverty, without attempting to remove the constraints which impede its development, or to change the policy environment in which it exists, will have limited success (ILO 1991)

## **Macro Level and Micro Level Intervention**

The main macro-level constraints to informal sector activities are: inadequate state regulations and bureaucratic intervention, the lack of access to credit and training institutions is a major constraint at the micro-level. Taking the example of credit, conventional banks:

... bar most small clients by their administrative procedures and requirements for security and collateral; they often intimidate poor and first time borrowers: they are expensive for the poor in their processing time and the many visits needed to access funds; they are often located in town and have little effective reach into rural areas; they can not deal with the lack of collateral and low savings capacity of micro-enterprise operators; and the credit they provide is not suite to the needs of the poor, being either too much or on short term rates that require too fast a repayment (Yeoman Ward in UNDP 1997a: 34-35).

When implementing policy and programs to facilitate the growth of the informal sector, the major question is whether Governments should intervene and reform the legal framework, or leave the current legal framework in place? Paul Hugon notes:

The authorities are caught between the two stools of liberalism and interventionism. They seek to codify, standardise and legalise activities that escape their control, pay no taxes, fail to meet elementary standards of safety and hygiene, and compete with formal industrial systems ... At the same time they are well aware that shanty towns, unlicensed businesses and salvage operations will spring up again on the urban fringe, and that these play an essential regulatory role. Too much standardisation would destroy positive forces and add to the economic and social crisis (Hugon 1990:80).

Macro-level policies are needed, in conjunction with programmes at the micro level.

## Addressing the Diversity

There is no single programme blueprint that can assist all of the ‘tiers’ that are found within the informal sector, at one time. Policy and programs need to take account of the considerable diversity within this sector. For example, Tokman (1990:109) found that the Lima street-vendors were more concerned with job security (they needed a place to sell their goods), whereas the small shop workers were more concerned with protection (because their wages were not guaranteed by law, they lacked access to social security and they had difficulty joining a trade union). The idea that the informal sector is made up of different tiers, which have different needs and requirements, is demonstrated in Table 3.4.

**Table 3.4: POLICY AND INTERVENTION**

<i>Tiers</i>	<i>Type of Policy and intervention</i>
<b>Viable micro-enterprises, which appear to have potential for growth and employment creation</b>	Promotional measures to assist their growth and development, to develop their access to markets and to improve their productivity
<b>Small activities performed on an individual basis, such as street vending. Little potential</b>	the aim of policy support should be to improve the welfare of the individuals involved, and their access to more productive employment, rather than to develop these activities they perform

Source: Adapted from the Dilemma of the Informal Sector (ILO 1991).

## THE INFORMAL SECTOR IN THE PACIFIC

The belief that the communal family systems are ensuring that the basic needs of all family members are met, is still strongly held in Pacific countries. Agriculture provides the main source of livelihood, and all families have access to land through the family systems. Informal trading is practised: however the view is that these activities are small scale, engaged in through choice, and in some cases these are viewed as bordering on the ‘uncultural’, i.e. goods are being sold that should be shared.

Despite these beliefs, it is very clear that Pacific countries are experiencing the same trends of population growth, urbanisation, and increased aspirations as other developing nations (see above). Further, that the low level of economic growth most Pacific countries are experiencing make it highly unlikely that sufficient formal sector

employment can be created to meet the growing demand for a cash income. For example, Fiji, Kiribati, Solomon Islands and Vanuatu experienced a negative growth in per capita income during the 1980s and this would have been the case for Tonga and Samoa as well had it not been for large-scale migration (UNDP 1994:11). The introduction of structural adjustment policies in Pacific countries such as the downsizing of the public sector has exacerbated this situation. The traditionally large numbers employed in the public sector in Pacific countries is seen in Table 3.5 as is the disastrous effects of downsizing in the Cook Islands (downsizing saw the public sector reduced from 59% in 1993 to 15% in 1996) and in RMI.

**Table 3.5: PUBLIC SECTOR EMPLOYMENT, VARIOUS YEARS**

<i>Country</i>	<i>Year</i>	<i>Paid employees working in public sector (%)</i>
<b>Cook Islands</b>	1993	59 (1996: 15%)
<b>Fiji</b>	1992	15
<b>Kiribati</b>	1989	70
<b>RMI</b>	1988	34 (1995:25)
<b>FSM</b>	1994	46
<b>Palau</b>	1996	38
<b>Samoa</b>	1994	20
<b>Solomon Islands</b>	1993	48
<b>Tonga</b>	1992	17
<b>Tuvalu</b>	1992	69

Source: Samoa's Sustainable Human Development Report (UNDP 1997b).

The full economic and social effects of downsizing have yet to be acknowledged: most notably, what options are there for these families to earn cash income they need.

The UNDP estimated that in 1991 there were 370,000 formal sector jobs in the whole region to cater for an economically active population of 1.8 million (UNDP 1994:16). In other words, only 20% of the economically active population in 1991 found waged employment in the formal sector. This situation is not likely to change in the immediate future. For example even accounting for the structural economic reforms which are expected to increase the formal sector employment to 498,000 jobs in 2010<sup>17</sup>, it is estimated that 75% of Papua New Guinea's projected labour force in that year will be without wage employment (UNDP 1994:17). This and other such data heightens the urgency of creating livelihood security options.

<sup>17</sup> These are the estimates proposed by the World Bank.

Issues facing formal sector employment in Pacific countries:

- Regular waged employment is often led by the government, which has little potential for growth.
- The formal education system is often perceived as a means of securing wage employment as it prepares school-leavers for employment in the formal sector.
- The employment opportunities in the formal sector have been outpaced by a rapid growth in the size of the labour force (UNDP 1994:16)

Two Pacific reports emphasise the role of the informal sector to address the need for income-earning options. The PHDR (1994) highlighted the great disparities in income and quality of life emerging in Pacific countries today. This report presents data to show the high rates of illiteracy, reduced access to quality education, declines in health standards alongside an alarming increase in lifestyle diseases, unemployment and under employment, and evidence of incipient poverty and all the adverse issues associated with poverty. In the reports view:

The reality ... is that even with substantial improvement in economic growth, the burden of absorbing the majority of the labour force in most Pacific countries will fall on the subsistence and informal sectors of the economy (UNDP 1994:17).

This was followed by a second United Nations publication *Sustainable Livelihoods: Promoting Informal Sector Growth in Pacific Island Countries* (1997a), which focussed very specifically on clarifying the nature of the Pacific informal sector systems. Estimates from this report of the numbers engaged in the informal sector are set out in Table 3.6

**Table 3.6: FORMAL AND INFORMAL EMPLOYMENT IN THE PACIFIC REGION - 1980s**

Country	Potential labour force	Economically active	Formal employment	% of economically active	Informal employment	% of economically active
Vanuatu 1989	79,638	65,400	17,000	26	48,400	74
Sol Is 1976	92,716	92,700	16,400	18	73,400	82
1986	150,300	136,200	24,000	18	105,700	82
Samoa 1986	83,776	45,500	18,100	40	27,400	60
1991	93,600	47,900	18,900	40	29,000	60
Fiji 1986	446,220	241,200	89,000	37	152,200	63
Kiribati 1990	57,900	32,600	11,200	34	21,400	66
Tonga 1986	67,300	25,600	11,600	44	14,000	56

Source: Sustainable Livelihoods (UNDP 1997a).

As seen, the numbers were very high in all countries, but particularly in the Solomon Islands where an estimated 82% of the economically active population depended on informal employment for their livelihood - or four in every five people. This report stated that, 'the only way to meet Pacific islanders aspirations and to counter poverty is to stimulate informal sector growth and increase the opportunities for self-employment (UNDP 1997a:iii). This report also set out the key constraints facing the informal sector, which are listed in Table 3.7.

**Table 3.7: CONSTRAINTS TO INFORMAL SECTOR ACTIVITY**

<ul style="list-style-type: none"> <li>▪ The General Business Environment</li> <li>▪ Access to Resources <ul style="list-style-type: none"> <li>Land and other natural resources,</li> <li>The shortage of Entrepreneurs,</li> <li>The restricted spread of new processes and technology</li> <li>Finance</li> </ul> </li> <li>▪ Markets</li> <li>▪ The Legal Environment <ul style="list-style-type: none"> <li>Licensing and registration</li> <li>Regulation of premises</li> <li>Labour Laws</li> <li>Taxes</li> </ul> </li> </ul>
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Source: Adapted from Sustainable Livelihoods (UNDP 1997a).

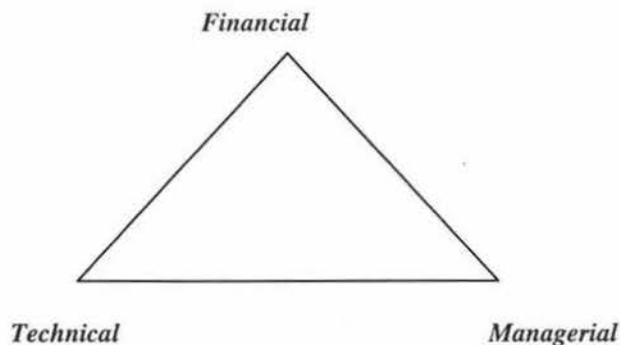
These constraints form the basis for strategy development. It is significant that this list includes both programmes and policy issues. Further that the policy environment is broken down into business and legal environment. This indicates that informal sector activities are being seen in the light of the total national macro economic framework rather than solely the micro-framework.

### **Strategies to Support Pacific Women traders**

Very little provision is made in policies or institutional practices to support this group, despite the fact that these activities are critical to family, community and national development, and given the depressed economic conditions it is likely that the informal and subsistence sectors will increase. What implications does this have for loan availability, agricultural extension or the loan enterprise policy environment? (Fairbarn-Dunlop in ESHDP/UNDP, 1996:4).

Support for Pacific women traders has focussed on programmes, with less awareness of the need for supportive policies. Three major programme strategies can be identified. In the 1980s the major programme drive was to increase the availability of small loans for women traders. The subsequent failure of the many small women's micro-credit schemes set up in these years was attributed to women's lack of business skills and acumen to make their venture 'work' (see SPC 1996). In the 1990s period, business training was combined with the micro-credit availability. The major innovative programme here was the Women's Social and Economic Development programme (WOSED) introduced by the Ministry of Women's Affairs, Fiji. WOSED was an adaptation of the Grameen group model to the Pacific situation. The programme objective was 'that credit and/or savings were the catalyst that will enable women to develop resources to effect change and thereby contribute to the fulfilment of their personal and family development' (MFAT 1997). The programme was based on the premise of group training, group security for loans, group pressure to repay loans and group support to each other through the business development period. A review of WOSED (MFAT 1997) showed reasonably good returns from this new approach. However, a finding was that while training and access to loans were valued, women also needed new ideas, and in particular new technology so they could consolidate their informal sector activities. As reported by one WOSED member 'we can't all grow cabbages'. Based on this review, Fairbairn-Dunlop (1997) proposed women traders triple needs to be credit, training and technological support in Fig 3.1.

**Fig 3.1: SUPPORT FOR WOMEN TRADERS**



Source: Gender, Culture and Sustainable Development (Fairbairn-Dunlop 1997).

Women's access to technology; a) reduces women's workload, b) widens the income-generating opportunities available to women, and c) produces a more marketable product.

Not only that, the new emphasis on technology to women and women's knowledge into technology development and research. Ecowomen Inc (1996) is a Pacific example of promoting women and technology, through its coconut oil and river *pandanus* projects.

## **SUMMARY**

This chapter has shown that there is no universal definition of the 'informal sector'. Despite this, there is agreement on some common characteristics of informal sector. These include ease of entry, unregulated and competitive markets, reliance on indigenous resources, family ownership of enterprises, small-scale of operation, labour intensive and adapted technology, and skills acquired outside the formal school system. Although the informal sector is often used to denote the economic activities of the poor and the underemployed, some traders are involved in the informal sector voluntarily i.e they prefer to work in the informal sector. However the informal sector is defined, global research is showing the growing importance of this economy, in particular to women. General estimates place the size of the informal sector in the order of 300 million people.

This is the same in the Pacific region, where statistical data is showing the importance of informal sector trade to the livelihood security of many Pacific households. This is largely because the formal sector can not meet the demands of a rapidly growing labour force. The PHDR (UNDP 1994) estimated that in 1991, 80% of the economically active population were involved in the informal sector. The importance of the informal sector to many Pacific island households was illustrated further in a 1997 report, which stated that the only way to meet Pacific Islanders' aspirations was to stimulate informal sector growth, (UNDP 1997a). This report suggested that more attention be given to programmes designed to remove the constraints of; the general business environment, limited access to resources, limited markets, as well as policy to address the legal environment.

This research examines the nature of women's participation in the informal sector, in a semi-subsistence economy such as Samoa. The questions that have been raised by the literature review, which will be answered in Chapters Five, Six and Seven of this thesis are:

- Is the Samoan informal sector 'small scale' and of little importance to the household budget let alone the macro-economic framework?
- How does the informal sector in Samoa operate and what are its needs?
- Has informal trading become a major coping strategy for Samoan families (and women) as it has in other developing nations (Thomas 1992, Omari 1989)?
- Does the level of informal trading relate to downturns in national economies (Charmes 1990, Gerry 1987)?
- Is informal trading only an urban reality in Samoa, and is there some interplay between rural and urban sectors?
- Why are women the major players in informal sector trading in Samoa?
- Are there cultural factors influencing women's informal sector activities?

## CHAPTER FOUR

### THE SAMOA CONTEXT

The concept of informal sector arose in research and observations about the effects of urbanisation and population growth in developing nations. As such, the informal sector has been perceived by many to be mainly an urban occurrence and, policies and programmes have been identified to support this urban phenomenon. By way of contrast, Samoa is a small semi-subsistence economy and the extended family systems are strongly upheld. While Samoa is experiencing urban growth, there is considerable interplay between urban and rural families. How will these factors influence women's informal sector activities? This chapter sets the national context for women's informal sector activities, and highlights factors which will influence women's experiences in these times of rapid social and economic change.

#### BACKGROUND

##### History

Samoa is believed to be the cradle of Polynesia, the island of Savaii being the legendary island of Hawaiki the home of the Polynesians who later settled the Pacific. First European contact is attributed to a Dutch explorer Roggeveen (1722) while sailors, whalers and beachcombers were the first Europeans to settle. The arrival of Christian missionaries in the early 1800s saw the rapid spread of Christian ideals as well as literacy, through the establishment of mission schools, the documentation of the Samoan language, and the translation of the Bible into the Samoa language. Christian ideals were very quickly integrated into the *faasamoa*<sup>18</sup> and are an integral part of daily life today, as seen in Samoa's independence motto *Faavae i le Atua o Samoa* - Samoa is founded on God. Under the Treaty of Berlin (1889) Samoa was divided, the Eastern islands being placed under the United States of America where they remain today, and the Western islands becoming a German protectorate. On the outbreak of World War 1 (1914), the New Zealand forces occupied Samoa and instituted a military administration. In 1920,

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<sup>18</sup> *faasamoa* - the Samoan ways.

New Zealand was granted a League of Nations Mandate to administer Samoa, and this continued until Samoa became a United Nations Trust territory in 1948. In 1962, Western Samoa became the first Pacific State to achieve political independence. By a constitutional amendment in 1997, the nation became *Samoa*. The country's strong association with New Zealand continues today, and is seen in political, social and economic ties, more specifically in aid assistance, educational scholarships trade ties and favourable migration quotas. An estimated 70,000 Samoan born Samoans live in New Zealand, and migrant remittances play a substantial role in the Samoan economy.

### **The Land and Infrastructure**

Samoa consists of two main islands - Upolu and Savaii and five smaller islands, and covers a total land area of 2830 square kilometres. The land and the sea are Samoa's main resources: there are no known minerals, and distance from major trade routes makes industrial expansion unlikely. Samoa's natural resource base is very fragile: 43% of land is classified as arable, and only 13% of this is classified as moderate to high fertility soils. (State of Environment Report 1993:7) The shifting subsistence agriculture practised in customary times gave these soils time to regenerate. However, increased cash cropping is seeing reduced fallow periods today, with resulting soil depletion. Samoa's location makes her very vulnerable to natural disasters, such as cyclones. For example the estimated damages to infrastructure, housing and agriculture by cyclones Ofa (1990) and Val (1991) was \$T600 million, while the loss of production in the months following the cyclone was estimated to be 2% of GDP for the whole year (UNDP 1997b:page).

Samoa's physical compactness makes communications relatively easy. Furthermore, the government's aim to ensure that all Samoans enjoy the same quality of life has seen the equitable spread of infrastructural developments, through rural and urban areas. For example, the islands of Upolu and Savaii are linked by regular air and sea transport, tar sealed roads link most villages and families in even the most remote villages have access to piped water, electricity and telephone communications. These modern infrastructures provide speedy and reliable links between rural and urban families, and the means for marketing produce as well.

## Demography

Samoa's population in the 1991 census was 161,298, 47% of which were females and 52.5% were males. While the natural population growth rate is high, the annual population growth rate is a low 0.5%, due to high rates of out-migration (Department of Statistics 1991:6). Samoa's population is very young. Fig 4.1 shows 41% of the population are under the age of 15, 53% are aged between 15 to 59 years and there is 6% in the 60 years plus age group (Department of Statistics 1991:18). The large school age and elderly age groups results in high dependency ratios, which in turn bring added pressures on the economically active population.

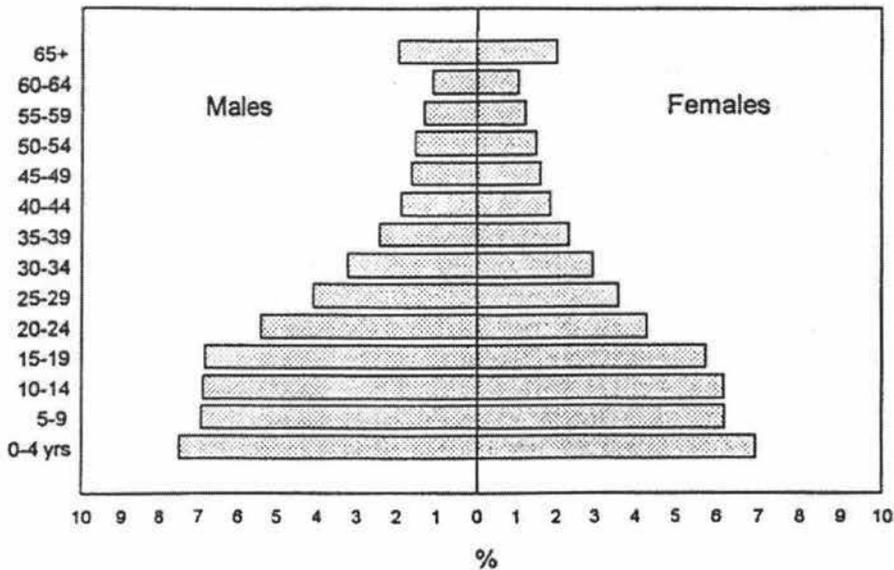


FIG 4.1 : Age-sex structure of the Samoan population, 1991  
(Percentage of total population)

While the extended family is the norm (and the heart of the *faasamoa*), anecdotal reports indicate significant numbers of families operate as nuclear units on a day to day basis, coming together as extended families on special occasions such as *faalavelave*<sup>19</sup>. The marked increase in the number of women headed households is another indication of changes in the ways families organise. Table 4.1 shows the number of households headed by women increased from 13% in 1986 to 17% in 1991. Fifty-two percent of the total number of female headed households were widowed, 60% of these were aged 55 years and over, and this group were more likely to live in Upolu than Savaii.

<sup>19</sup> *faalavelave* – a traditional ceremonial exchange or occasion.

**Table 4.1: HOUSEHOLD HEADS BY GENDER 1986-1991 CENSUS**

<i>Marital Status</i>	<i>1986</i>		<i>1991</i>	
	<i>No</i>	<i>%</i>	<i>No</i>	<i>%</i>
▪ <b>Male</b>	20431	87.5	18,498	63.3
▪ <b>Female</b>	2915	12.5	3,697	16.7

Source: Population Census 1986 and 1991 (Department of Statistics 1991).

The increase in women headed households in Samoa is important to this study - global data shows women headed households to be the group most vulnerable to the effects of depressed economic conditions and poverty, and so it can be predicted that this group will participate in informal sector activities.

Almost three-quarters of Samoa population live on the island of Upolu, and the remainder on the larger island of Savaii. Marked urban drift has resulted in a significant increase in the population of Apia the administrative and commercial capital of Samoa, and surrounding villages. Apia's population increased at an annual rate of 1% per annum in the five year intercensal period, North West Upolu by 0.5%, while Savaii numbers declined by 0.7% (Department of Statistics 1991). Today almost 35% of the population live in Apia and, Apia is showing some effects of rapid urbanisation, including overcrowding, pollution, unemployment and emerging poverty, and pressure on basic services. Law and order issues are also arising as urban migrants find themselves living outside the strong social structures of their rural village for the first time. The search for waged employment and/or a cash income which, it is believed cannot be found in rural areas, is a major factor in urban drift.

Apia urban area has become the major centre for a bustling diversity of informal sector activities: early morning buses and pickups from rural areas are overflowing with staple crops and other goods; sellers (and buyers) crowd the Produce Market and the newly-upgraded Flea Market, door-to-door sellers follow their daily routes through the Government and private offices and footpath sellers line the roads, hoping for a sale.

## GOVERNMENT SYSTEMS

### National Government

Samoa's Government systems combine both traditional and democratic forms. A system of *matai* suffrage was introduced at Independence, whereby only *matai*<sup>20</sup> could stand for parliament and only *matai* could vote. This principal was based on the *faasamoa* norms that *matai* are selected by and speak for the whole *aiga*<sup>21</sup>. A national plebiscite in 1990 saw the introduction of universal suffrage for everybody over the age of 18 years. However the idea that only *matai* can stand for election remains unchanged. Since it is customary that *matai* are male, it has been argued that this situation limits the participation of women in national decision-making forums, and that of untitled males as well. †

A *pulenuu* committee (established in 1978) is the major institution linking the Government and the village. The *pulenuu* are the equivalent of village mayors. Each village *fono*<sup>22</sup> elects a representative to the *pulenuu* committee for a three-year term. Development issues discussed at Government level are relayed to the *pulenuu*, and then on to the village *fono* for discussion. In 1998 the *pulenuu* comprised 224 members, of which one was a woman.

### Family Systems

The extended families are the major organisational unit in the *faasamoa*. The family social systems are characterised by the customary division of roles, the sharing of goods and services and, the value of the family land as the source of family security and family identity as well. Each of these three factors influences women's informal sector activities in some way.

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<sup>20</sup> *matai* – family chief

<sup>21</sup> *aiga* - family

<sup>22</sup> *fono* - council

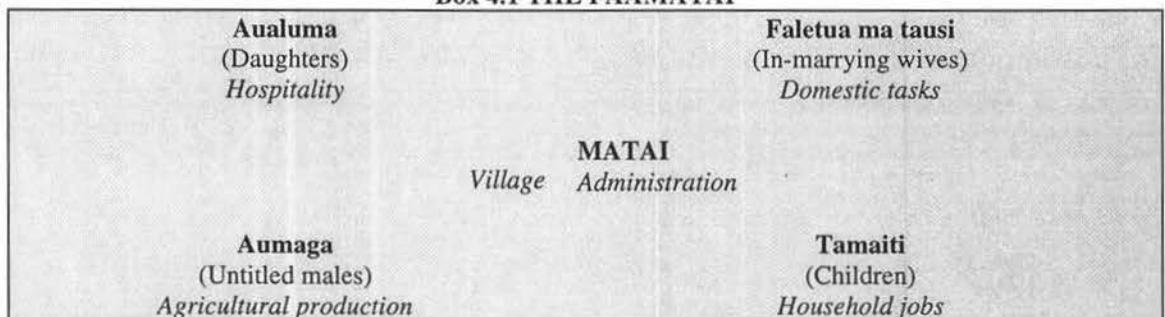
### **Family Roles**

Every one has a role in the *faasamoa* family systems. These roles are based on the application of a conceptual division, which separates sisters (sacred) from brothers (secular) and the relationship of complementarity between these two groups. The presence of both sacred and secular elements is necessary in any venture. The general division of roles is set out in Box 4.1. At the centre of the *faamatai* is the family chief who:

...serves as a kind of family patriarch who must promote family unity and prestige, administer all family lands, settles disputes amongst kinsmen, and promote religious participation, and represent the family as its political spokesman in the village fono (Holmes, 1974:22).

The *aumaga* are the village workforce responsible for carrying out the tasks necessary for the survival of the village. The two status groups for female are the *auluma* and the *faletua ma taus*. The *auluma* are the highest status group in the village, whose state of chastity is firmly guarded by their brothers. By way of contrast, the *faletua ma taus*, are considered to be the lowest status group in the village because they have lost their chastity through marriage. Wives have no rights in their husband's village and must serve their husbands family just as he does. Should a marriage break up, it is the expectation that wives return to their natal village where they can assume their natal rights (see Fairbairn-Dunlop 1991, Schoeffel 1980)

**Box 4.1 THE FAAMATAI**



Source: Women, Education and Development: Western Samoa (Fairbairn-Dunlop 1991).

While all family heirs (male and female) have equal rights to family resources - to be the family chief, to participate in family decision-making and to the family land, a brothers' responsibility for his sisters meant that sisters had no need to activate their rights. For

example, sisters did not need family lands because their brothers would see to their economic and food needs. Nor was it common for sisters to become chiefs. Reports indicate these gendered roles were reinforced and extended in the early contact period by administrators and missionaries who for example taught males the agricultural skills (economic) and females the home-making skills such as sewing and cooking, cleaning and home gardening (see Fairbairn-Dunlop 1991, Schoeffel 1980). As reported, males were also given the leadership roles in the emerging national administrative systems.

Case studies are showing that women's roles are broadening in response to changing social and economic conditions. For example Samoan women are engaged in cash cropping today, and women hold key management posts in the public service and private sector (Ainuu 1994, Fairbairn-Dunlop 1991). Despite these and other changes, the traditional role divisions are still publicly upheld.

### ***The Sharing of Resources***

In the *faasamoa*, status is achieved in the giving not the accumulation of goods, as noted in this National Report:

In the Samoan custom it is rare for an individual to accumulate wealth. Instead people are expected to give money, goods and service to meet the social obligations of their families. The family chief is responsible to distribute these items on behalf of the family. These may be given to the church, the villages for local activities, or used to support the family on special occasions such as weddings and funerals (National Food and Nutrition Paper 1992).

Reciprocity is seen in the daily sharing of goods and labour but more visibly in the public exchanges of fine mats, goods, and cash at *faalavelave* such as funerals, weddings, and church openings. The sharing of goods ensured family members basic needs were met and also brought the assurance of future support should this be needed. Reciprocity has been likened to a form of 'social' savings (see Fairbairn-Dunlop 1991, O'Meara, 1991), a kind of social security system. However, reciprocity is seen to be a burden by some (see Shadrake, 1996).

Undoubtedly there is an ambivalent attitude to informal sellers. Wages for labour in the formal sector is accepted as 'right', as is payment for goods in respect to commercial businesses. However, this attitude does not carry over to the informal sector traders. The attitude is still that informal sector traders are selling goods which they should be giving away - as a form of communal sharing. Women engaged in the informal sector (sell goods, sew for friends or family for example) are sometimes referred to in a derogatory manner as '*ai tupe* - they eat cash (pers comm. Fairbairn-Dunlop 1998). It is clear that informal sector activities are perceived to be women's work. For example, Fairbairn-Dunlop (1991) found that while males liked to deal in the business of exporting goods, they preferred to leave the small marketing of goods to their wives. In turn, the wives reported that males did not like selling goods in this way, and were likely to sell at very low prices or give goods away!

### ***Family land - Identity and Security***

There is a saying that Samoa is like a fish that has been divided: all families know their land and, the family *matai* titles relate to that land. Over 80% of land is held in customary tenure for the use of family members (Table 4.2).

**Table 4.2: LAND OWNERSHIP**

<i>Type</i>	<i>Upolu (ha)</i>	<i>Savaii (ha)</i>	<i>TOTAL</i>
<b>Customary</b>	76266 (27%)	153490 (54%)	81%
<b>Government</b>	19758 (07%)	10626 (04%)	11%
<b>WSTEC</b>	9499 (03%)	4476 (02%)	55
<b>Freehold</b>	7800 (03%)	1037 (a)	3%
<b>TOTAL</b>	113223 (40%)	169629 (60%)	100

Source: Sustainable Human Development Report (UNDP 1998b).

Increased cash cropping and population growth is seeing increased pressure on land today. Land disputes are increasing, and have become a major source of family unrest today. Further, case study materials show women have experienced difficulty accessing land for agricultural programmes (see Simi 1993; Fairbairn-Dunlop 1987). The availability of land for production will influence women's informal sector activities if these are agriculturally based.

## The Village Institutions

Samoan villages operate as semi-autonomous polities under the leadership of the two major village institutions, the *fono* and the women's committee. Every family is represented on these two institutions. The division of village responsibilities closely follows the *faamatai* divisions. For example, the *fono* are responsible for village development and law and order. The Village Fono Act (1990) legalised the authority of the village *fono* to exercise powers in accordance with the custom and usage of their villages. The decisions of the village *fono* are binding and sanctions can be severe. By way of contrast, the women's committees are responsible for the health and welfare of the village. Activities include; organising the monthly health clinics run by the district nurses, monitoring household sanitation and hygiene standards, encouraging families to grow crops such as vegetables and gardens, and, fundraising for village assets such as health centres and pre-schools. Women's committee programmes have broadened considerably from a 'reproductive' focus in early days to include income generation training and women's empowerment as well – i.e. programmes today follow Moser's triple role for women. It is critical to note that the programmes run by the women's committees are the only chance that many women and girls have for further education today,

Village contribution to village development is a key factor in the standard of village amenities and services. For example, the New Zealand Administration set up a partnership system by which if a village wanted an asset (such as a school) the village would provide the land and build the asset, and the Government would provide the technical expertise (the teachers) to run the asset. This system continues today. The implications of this shared system, is that village families contribute a considerable amount of cash, goods and time to maintain community facilities. For example, time allocation studies in three villages showed women spent almost a third of their time in community development activities (for the village, church or family) and the remainder in reproductive and income earning activities (Fairbairn-Dunlop 1991:209). Again, this reinforces Moser's theory of women's triple role - that women's (and families) duties stretch beyond the family to include responsibility for community development.

## THE ECONOMY

Samoa's social and economic picture has been described as 'atypical' and, reflecting a situation of 'subsistence affluence'. Favourable aid policies, migration (and remittances this brings) and the contribution of the family systems have helped sustain very high levels of health and education (and material goods) without the corresponding levels of economic development needed to maintain these levels of development unaided. In fact, Samoa has all the characteristics of what has been termed a MIRAB economy<sup>23</sup>. Samoa's atypical development pattern is well seen in her being classified as a LDC on the one hand, but registering a global ranking of 84 out of 160 countries in the Human Development Index ratings (HDI). Samoa's HDI ranking is 8 out of 13 Pacific Nations (UNDP 1994:22). Samoa's Sustainable Human Development Report (UNDP 1997b) predicts that the failure to maintain social and economic balances will become more critical as the influence of the cash economy widens and, should the subsistence support systems weaken.

Two inter-related points about the national economic picture must be stressed, each of which establish the context for the development of the informal sector. The first is the continuing vitality and viability of Samoa's semi-subsistence systems. Data shows that agriculture is still the largest contributor to the economy in terms of employment, production and exports. Further, that smallholders are the main producers. Estimates are that agriculture is the source of livelihood security for over 70% of the population and accounts for more than 50% of the GDP and more than 80% of exports (Fairbairn Pacific Consultants 1994:1-2). These family based systems play a strong supporting role to the urban sector. They are the support systems which shield families from the worse effects of development, ensure basic needs are met. Protecting these systems is critical. Second, is that very few families live solely by subsistence means today – cash is needed for essential family items such as kerosene, school fees, nails and modern medicines as well as for luxury goods such as soaps and toothpaste, and more recently cars and television. Despite these growing aspirations, there are few cash earning options in the formal economy, as will be seen. Simply put, the Samoan economy is not growing at a rate sufficient to create jobs for those presently seeking employment, nor for the almost 4,000 annual school leavers. The current downsizing of the public sector also impacts

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<sup>23</sup> MIRAB: an economy dependent on migration, remittances, aid and bureaucracy (see Bertram and Watters 1984).

adversely on employment options. As a reaction against this and other adjustment policies, there were a series of national protest marches in Samoa through 1998 drawing attention to depressed economic conditions, rising costs and, grassroots people's inability to make ends meet financially. National reports now highlight the growing income gaps, and emerging evidence of increased poverty and hardship (see UNDP 1997b).

### The Economic Picture

Sectoral contributions to GDP (Table 4.3) show the importance of agriculture forestry and fishing to Samoa. However, agricultural production has been declining, as a result of factors such as; competition on world markets, the effects of Cyclones Val (1991) and Ofa (1991), and the devastation to the major cash crop taro, by the taro leaf blight (1995). These declines have been offset by significant growth in the secondary sector (from 24.8 to 39.1) and in the tertiary sector (from 33.7 to 40.5). Tourism showed a marked increase in 1993, employing over 11,000 people and contributed 25% of GDP (World Bank 1994).

**Table 4.3: SECTORAL CONTRIBUTION TO GDP 1990,1993,1996**  
(in millions of Tala)

	1990	1993	1996
<b>PRIMARY SECTOR</b>	58.5	58.4	52.5
▪ Agriculture, forestry, fishing	22.4	24.9	18.2
▪ Subsistence	36.1	34.0	34.3
<b>SECONDARY SECTOR</b>	24.8	28.0	39.1
▪ Manufacturing	15.7	15.0	26.0
▪ Electricity	5.4	7.2	9.3
▪ Construction	3.6	5.7	3.8
<b>TERTIARY SECTOR</b>	33.7	31.8	40.5
▪ Distribution, restaurants	14.6	12.1	16.5
▪ Transportation	6.3	9.1	9.5
▪ Other services	12.8	13.6	14.5
▪ Government	16.9	17.4	15.1
<b>Real GDP Factor cost (constant 1982 prices)</b>	133.9	135.6	147.2

Source: IMF Estimates (Treasury Department 1998).

To stabilise the economy (and encourage employment) the Samoa Government is placing heavy emphasis on incentives to encourage private sector development. A major success

was the opening of the Yazaki automotive parts industry (1991) which employs over 3000 and contributes to the economy through taxes, services and electricity for example. The World Bank notes the 'reliance on private investment projects as long term sources of employment has to be approached with caution' (1993:vi and 15).<sup>24</sup>

Samoa has also introduced stabilisation package aimed at increasing confidence in the economy and establishing systems for more efficient and effective economic development. Key points in Samoa's reform package are promoting investment, financial sector liberalisation and public sector reform<sup>25</sup>. The downsizing of the public sector (by 20%) was critical, given Government spent the equivalent of 40% of its 1993-4 expenditure on public sector wages (UNDP 1997b:78) but as stated has implications for employment. Private sector growth is being promoted through the relaxation of duties and tariffs, exemption from lodging a VAGST return for businesses earning under T52000 annual, and, the raising of the tax-free threshold from T6000 to T8000 (both effective from January 1999). Aid and remittances are the other major contributors to the Samoan economy. Table 4.4 shows the aid data.

**Table 4.4: FINANCIAL OPERATIONS OF GOVERNMENT (IN TALA MILLION)**

<i>Item</i>	<i>1992/3</i>	<i>1993/4</i>	<i>1994/5</i>	<i>1995/6</i>	<i>1996/7</i>
<b>Revenue &amp; Grants</b>	184.8	178.2	217.4	254.4	236.2
<b>Revenue</b>	138.3	143.7	145.0	165.9	166.2
<b>Tax</b>	106.3	111.9	108.9	122.8	136.1
<b>Non tax</b>	32.1	31.8	36.1	43.1	31.2
<b>External Grants</b>	46.4	34.5	72.4	88.5	69.9
<b>Expenditure &amp; net lending</b>	251.5	216.9	251.4	246.1	234.7
<b>Current</b>	128.5	139.2	112.5	133.2	150.3
<b>Development</b>	114.9	71.3	83.6	100.9	79.4
<b>Net lending</b>	8.1	6.4	55.3	12.0	5.0
<b>Overall surplus/deficit</b>	66.7	-38.7	-34.0	8.3	1.5
<b>Financing</b>	66.9	38.9	34.0	-8.3	-1.5
<b>External financing (net)</b>	43.5	39.6	12.2	5.3	2.7
<b>Domestic</b>	23.4	-0.7	21.8	-13.8	-4.2

<sup>24</sup> Yazaki announced plans to downsize in April 1998 (Newsline, 19<sup>th</sup> April 1998).

<sup>25</sup> Refer to table in Annex 6.

Samoa's remittance rates are amongst the highest in the world: during 1984 to 1989 increased at an average rate of 13% per annum, totalling more than the revenue generated from export and aid combined (refer to Table 4.5).

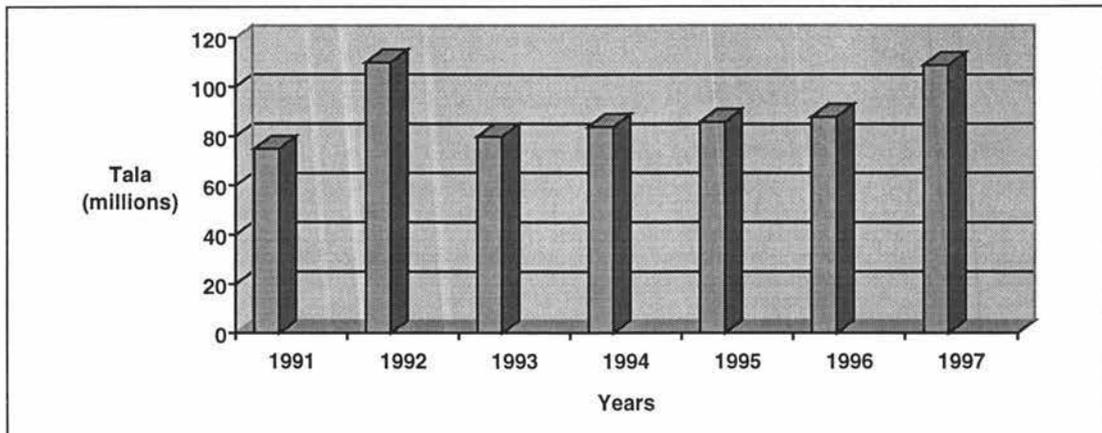
**Table 4.5: REMITTANCES AS A PERCENT OF EXPORTS, IMPORTS AND TRADE DEFICIT**

<i>YEAR</i>	<i>EXPORTS</i>	<i>IMPORTS</i>	<i>TRADE DEFICIT</i>
1970	42.6	14.8	22.6
1975	115.2	25.2	32.2
1980	112.6	30.3	41.1
1985	146.6	46.1	67.2
1989	296.6	49.6	59.6

Source: Ahlberg (1991) in Samoa's Sustainable Human Development report (UNDP 1997b)

Estimates put remittances through official channels at 40% of GDP, with money entering the country by unofficial channels believed to represent an additional 33% (UNDP 1997b: 11). In 1996, a total of T88 million was remitted through official channels while in 1998 remittances were equivalent to 50% of the costs of imports. Graph 4.2 shows the contribution of remittances to the economy.

**Graph 4.2. REMITTANCES BETWEEN 1991-1997**



Source: Strengthening the Partnership – A Statement of Economic Strategy (Treasury Department 1998a).

Estimates are that every Samoan household receives an average of T5000 from remittances annually. However, Fairbairn-Dunlop (1993:215) found remittances were not evenly spread by family, or by village, reinforcing that remittances play a significant role in the increasing income gaps noted between families today. Other research shows that remittances help to support high consumption patterns (Fairbairn 1997:1) and that it,

'...undermines local initiative and, cultivate a dependency mentality among people' (UNICEF 1996:10)<sup>26</sup>. The sustainability of development, which is reliant on remittances is also questionable. Research shows levels of remittances relate to economic conditions in the host country and, that long-time and second generation migrants are less likely to remit at high levels (UNDP 1997b). The extent to which Samoan remittances include goods intended for on-sale is a subject for research<sup>27</sup>.

## EMPLOYMENT, UNEMPLOYMENT AND UNDEREMPLOYMENT

As stated, Samoa's economic growth has not been at a rate sufficient to provide employment for those presently seeking work or, the large group of school leavers entering the labour market each year. Creating income-earning opportunities has become a key issue, as is the need to teach the skills and attitudes which will enable people to identify and take up these options.

The 1991 national census classified almost 60% of the population aged 15 years and over as 'economically active'. The economically active group was comprised of 32% women and men made up the remaining 68%. Of this economically active group, 98% were employed, with the majority (almost 63% for males and 67% for females) employed in agriculture, forestry and fisheries (Table 4.6).

**Table 4.6: EMPLOYED POPULATION BY ACTIVITY STATUS BY SEX (1991).**

<i>Activity Status</i>	<i>Female (number)</i>	<i>Female (%)</i>	<i>Male (number)</i>	<i>Male (%)</i>
<b>Work primarily to earn money</b>	6205	35	11760	31
<b>Have paid job, but not at work</b>	143	1	450	1
<b>Work primarily in subsistence</b>	11186	63	25506	67
<b>Religious worker</b>	193	1	524	1
<b>TOTAL</b>	17727	100	32240	100

Source: Census of Population and Housing (Department of Statistics 1991).

<sup>26</sup> This idea is reiterated in the Samoa Observer Editorial, on 29 January 1999.

<sup>27</sup> Of interest to this study, are the findings that remittances to Tonga now include 'goods' intended for sale at the flea markets. These goods are considered more advantageous than remitted money, because they can be sold over a period of time (hence income is spread over a longer period) and, the money earned is substantially greater than the cost of these goods to the senders (Brown and Connell, 1993:17).

## **Agriculture**

As stated, an estimated 70% of the population depend on agriculture for their livelihood (Department of Agriculture 1989). While agriculture has traditionally been the work of males, a shortage of labour as against increased cash needs has resulted in women and children doing more cash-cropping today (Fairbairn-Dunlop 1987)

## **Waged Employment**

The Department of Labour's Quarterly Employment Survey for the second quarter of 1994 estimated a total workforce of 11453. Samoa's employment pattern shows;

- a) Government is the major employer.
- b) Women comprise a third of those in waged employment. There are more women at the lower levels of public service than males, while the reverse occurs at higher levels. This is unusual.
- c) An estimated 90% of paid employment is Apia-based, despite government and private sector attempts to decentralise.
- d) There is a shortage of professional expertise in the workforce largely, but not only, due to migration (UNDP 1997b:78).

Research shows waged employment is not evenly spread by family, or by village (Fairbairn-Dunlop 1991:169). As with remittances, the availability of waged employment contributes to the very visible and increasing disparities in family income today.

## **Small Business**

The Business Activity Survey listed almost 2700 registered businesses, which employed 7643 people (Treasury Department 1996:25). Of this number, 74% were sole trader businesses, 16% were companies and 4% were partnerships. The majority of businesses were small, with 60% employing fewer than six people. Data show women play a major role in family business and in their own business today and, almost a third of the business license issued to women were in retail and wholesale selling (Treasury Department 1996:25). The cost of a business license at the time of the study was T200 for the financial year and the legal requirement was that one license must be held for each activity. No distinction is made between the large commercial businesses and petty

trading: the fee is the same regardless of the size of business. Traders can also operate under a *hawkers license*, which costs T15 and is valid for one day.

### **Unemployment**

Unemployment is difficult to measure in Samoa because of the assumption that those who do not secure a waged job will return to the rural areas and work the land. Using the definition of unemployment as persons who did not have jobs and were looking for work, the 1991 census showed that 3.2% of females and 1.5% of males were looking for work at the time of the census. Other studies suggest there are higher numbers of people (particularly youth) seeking employment. For example, the Apia Urban Youth Study (GWS 1997) found almost 25% of the sample of 15,000 were not working nor studying full time at the time of the study

### **The Informal Sector**

Samoa's informal sector is believed to comprise between 500-600 households, and to be increasing at a rate of 10% per year (UNDP 1997b:80). Case studies show women makeup almost 90% of the traders at the food, handicraft and flea markets, while a study of footpath sellers found 75% of these were women, and many of these were children (Social Policy 2000 1995). Reports show many of these informal sector activities have the potential for expansion. Further, that many of Samoa's most successful enterprises (Aggie Greys and Chan Mows for example) had their beginnings in very small informal ventures, so providing a model for others engaged in informal sector activities to emulate (Fairbairn-Dunlop 1996).

## **SOCIAL INDICATORS**

Samoa's high levels of education and health reflect the long years of Government and community partnerships to provide basic facilities in every village. Literacy rates are estimated at 98% (Department of Statistics 1991). Further, as shown in Table 4.7 education is almost universal, with women's participation equalling males at primary school, and being significantly higher at secondary school<sup>28</sup>. Women's educational participation is at odds with global data.

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<sup>28</sup> This socio-economic data are presented in greater detail in Annex 7.

**Table 4.7: SCHOOL ATTENDANCE RATES 1986-1995**

	1986		1991		1994		1995	
	F	M	F	M	F	M	F	M
<b>Primary (5-14)</b>	99.4	91.9	88.7	87.0	85.5	82.9	85.2	82.9
<b>Secondary(15-19)</b>	51.9	47.7	49.2	47.9	72.1	57.2	73.9	65.4
<b>Tertiary (20+)</b>	N.D	N.D	2.1	2.9	2.9	4.7	2.8	5.1

Source: Education Department Data (unpublished 1997).

There are concerns that there has been some slippage in education and health standards are slipping in recent years, and that these directly relate to depressed national economic conditions. Very briefly, the depressed economic conditions that Samoa has experienced in recent years has; reduced government budgets for health and education, impacted on community ability to raise sufficient funds to maintain rural schools to a good standard, and resulted in parents keeping children from school due to work the family land because families do not have sufficient funds for school fees.

**Table 4.8: KEY HEALTH INDICATORS**

<i>Indicator</i>	<i>Earlier Data</i>	<i>Latest Data 1995</i>	<i>Global Average</i>
Access to health Services (1992)	100%	100%	64%
Access to Sanitation (1981)	92%	100%	
Access to Safe Water (1990)	85%		68%
Doctors per population			3780
▪ National	1:2755		
▪ Apia	1:953		
▪ Rural	1:13526		
Nurses per population			
▪ Rural	1:1251		
▪ Urban	1:353		
Life Expectancy Rate (at birth)	62.6	63.1	64.7
▪ Male		63.5	
▪ Female		63.5	
Maternal Mortality/1000 births	0.4	0.7	3.7
Infant Mortality/100 live births	33	10.5	67
Under Five Mortality	51	35	101
Underweight Children (0-5yr)	17%		35%

Source: Adapted from Social Impacts of Economic Reforms - Table 10 and 12 (Fairbairn-Dunlop and Associates 1998).

The key health indicators are set out in Table 4.8. Health standards are at risk, but this time to what have been termed 'diseases of affluence'. While the incidence of infectious diseases has declined in Samoa, diseases associated with changing lifestyles are more prevalent today. For example, while two of the top three causes of admission to hospital

are infectious diseases, virtually all the leading causes of in-patient deaths are non-communicable diseases. Further, diseases relating to excess, such as substance abuse (liver diseases) and obesity have become the leading causes of morbidity and mortality today. Estimates of malnutrition ranged from approximately 6% in Savaii to nearly 17% in Apia. Nutrition-related diseases can reflect a lack of knowledge about nutrition. At the same time, these diseases can also be linked to economic needs. For example a study of the family background of malnourished children at the Nutrition Department of the National Hospital, showed the major number were from Apia families that did not have land for gardens (subsistence) and had few waged workers. Further, that a significant number were women solo parents (see Adams and Sio 1997)

### **Factors Which May Influence Women's Informal Sector Activities**

This national review has listed several factors which may affect Samoan women's participation in informal sector activities. These include:

- Samoan women's triple role within the family semi-subsistence systems. This suggests that women's informal sector activities will be carried out around the family home, and within the family systems and using goods available.
- The increase in the number of women-headed households suggests that an increasing number of women may be engaging in informal sector employment.
- Shortage of waged jobs and the need for cash. The discussion has highlighted that informal sector activities are a main means of earning cash today, and also that Samoan males prefer not to undertake these activities. It is likely that women's participation in informal sector will increase.
- Access to land and other natural resources will be an issue for women traders.
- Educational levels also will influence women's participation. Data shows the high levels of women's education. There is no national record of non-formal training courses for women by topic, by area, or by participation.

- Government regulations are another constraint with many small businesses not generating enough income to pay for a license, due to the small volume of goods traded. Further, if women engage in more than one enterprise (i.e. multiple economic activities – such as sewing, selling cakes), it is probably not economically feasible for them to pay for a Business License for each activity. For example, one day the researcher kept track of a woman selling goods outside the Carruthers Department Store. She had paid \$15 for a hawkers license for the day. At the beginning of the day, she started had 6 bottles of coconut oil, 8 packs of batteries and 2 packets of rubber bands. At 4.30pm, when she closed her stall she had sold only 2 bottles of oil and 1 pack of batteries.

## **SUMMARY**

The chapter has shown that Samoa's economic performance has not grown at a rate to match employment demands. The semi- subsistence economy is still the main source of livelihood for 70% of Samoan families and all family members have access to land through the family systems. The family systems provide a strong safety net for family members. However, Samoa is becoming increasingly integrated into the cash economy – no one lives purely by subsistence means today. Further, as agricultural prices fall, people are starting to move to Apia in search of waged employment. It is clear that Samoa's waged sector is unlikely to expand at a sufficient rate to provide jobs for those presently unemployed (or underemployed) nor those 4000 annual school leavers. This has not been a problem in the past as people have always had the family subsistence systems to return to. However, today people are choosing to stay in Apia.

The national data indicates a decline in health and education standards as a result of depressed economic conditions again, highlighting the need for a cash income today. Factors which may influence women's ability to engage in informal sector activities have been outlined. First, attention has been drawn to the increase in the number of households headed by women, and the social and economic implications of this. This may lead to an increase in women's informal sector activities. Second, that small trading is regarded as 'not good culturally' and, that Samoan males are reluctant to engage in these activities leaving these, instead for women to carry out.

Finally, it is clear that income-generating options are needed, and hopefully activities that will not undermine the strengths of the traditional subsistence sector – maintain the safety net. Government is promoting business development, privatisation from top level. Is 'business development – a wide concept – looking at informal sector growth? Informal sector is a viable option in these times of rapid social and economic changes.



PLATE 1: A Street-Vendor in Apia (outside the *Maota o Tina*).



PLATE 2: Selling Coconuts (Convent Street).



PLATE 3: Trading at the Salealoga Wharf (Savaii).

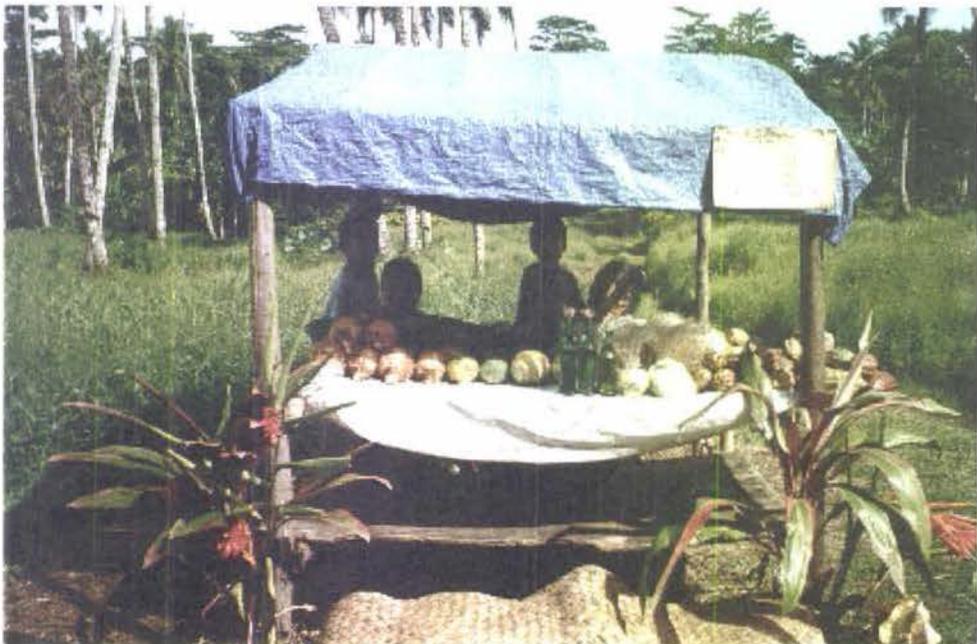


PLATE 4: A Roadstall Selling Agricultural Produce (Cross Island Road).



PLATE 5: Filling out the Survey (Safotu).



PLATE 6: The Siumu Women's Committee Filling out the Survey



PLATE 7: An Informal Trader in Siumu After the Interview



PLATE 8: Selling mats in Apia (outside the *Maota o Tina*)



PLATE 9: WIBF Trainers During an *ie-toga* Workshop (Tanugamanono).



PLATE 10: A WIBF Workshop in Tanugamanono.



PLATE 11: Making Jewellery – A WIBF Workshop in Safune.



PLATE 12: Coconut Oil Production using Direct Micro-Expelling.

# **CHAPTER FIVE**

## **WOMEN'S PARTICIPATION IN THE**

### **INFORMAL SECTOR**

This chapter presents the findings from the field research. As stated a two-stage process was used to collect this data. First a question-survey was administered to a sample of 30 women from each of the three study villages. Seventy-one women of the total sample of 90 said they were engaged in an informal sector activity. This group of 71 women then completed the survey about their activities. The data from the survey is set out in Part One. Second, ten women from each of the three villages were selected for in-depth interviews, about their informal sector activities. This data is set out in Part Two, which includes a profile of the women. This chapter concludes with Part Three, which is an analysis of the experiences of women-headed households extracted from the larger sample.

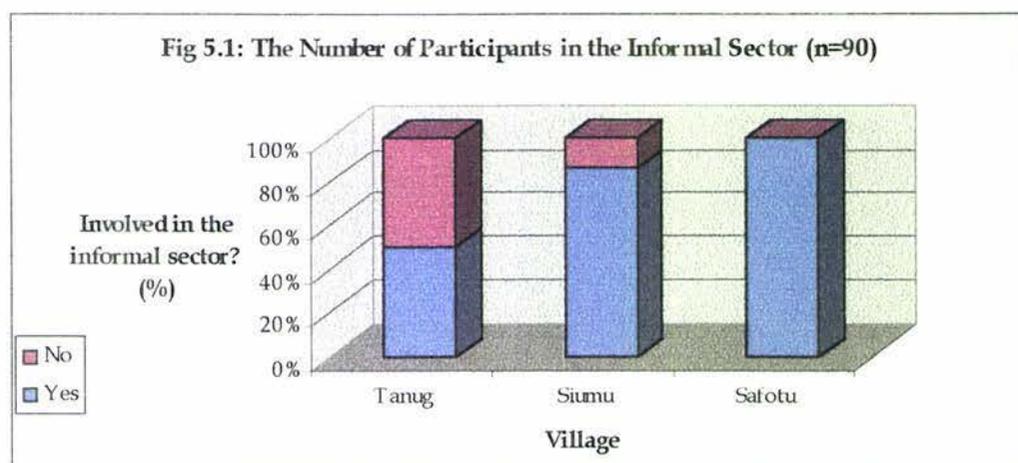
#### **PART ONE: THE SURVEY OF WOMEN'S PARTICIPATION**

##### **Women's Participation in the Informal Sector**

###### *The Proportion of Women Involved in the Informal Sector*

A total of 90 women from the three sample villages participated in this survey. The responses showed that 79% (or 71 women) were involved in informal sector trading. This represents roughly 4 out of every 5 women, which is a substantial proportion. As shown in Fig 5.1, this high proportion of informal traders represented women from urban, peri-urban and rural villages, a finding which indicates that rural as well as urban women are exploring cash earning options today. This contrasts with the literature, which implies that informal sector trade is mainly an urban phenomenon. There were variations by village: with all 30 women in Safotu, 26 women in Siumu, and only 15 women in Tanugamanono involved in informal sector activity. The lower level of involvement in the urban village of Tanugamanono could reflect the greater opportunities this group have for waged employment in Apia. The high participation of Safotu women was somewhat

surprising. This finding reinforces the view that rural economies (i.e. Safotu) may be relying quite heavily on informal sector activities for cash income today. This warrants further research.



Nineteen women (63%) said they did not undertake any informal trading at all. The major reason given for non participation was ‘lack of time’ which was mentioned 13 times, 3 women said they had no capital to start an informal sector trade, 2 women cited ‘no labour’ as their main reason, and 1 woman chose the ‘other’ category. This group stopped the survey at this point, and so the sample size for the remainder of the questions was reduced to 71.

### ***Type of Informal Sector Activity (n 71)***

The respondents listed their three main income-earning options. One hundred and thirty nine responses were listed, and are tabled in 5.1. These responses highlighted very clearly the vital importance of agriculture and agriculture-related activities to women’s informal trading. Table 5.1 shows agriculture was listed 62 times (45% of responses), and handicraft activities were listed 36 times (26% of responses). Livestock (7%) and fishing (7%) were also rated highly. It is notable that imported goods did not feature at all in goods sold. This is a contrast with the findings of the Apia survey carried out during the early stages of this research (Table 2.2), and also with research on the flea markets in Tonga (see Brown and Connell 1993).

The importance of agriculture to Samoan women’s informal sector trading parallels the findings from the Vanuatu Report (WBUCRBD 1994) and the Solomon Islands Report

(ILO/UNDP 1993) on the informal sector. Further the importance of agriculture confirms the likelihood that Samoan women's informal trading activities are being carried out within the ambit of the family units and in turn, that these women will enjoy the social and economic support of the family.

**Table 5.1: THE 'MULTIPLE ECONOMIC ACTIVITIES' IN THE INFORMAL SECTOR  
(n:71 women)**

	<i>Tanugamano</i>	<i>Siunu</i>	<i>Safotu</i>	<i>TOTAL</i>
<b>Agriculture</b>	8	24	30	62
<b>Handicraft</b>	12	15	9	36
<b>Fishing</b>	0	5	5	10
<b>Livestock</b>	3	6	1	10
<b>Small store</b>	1	1	2	4
<b>Cooking</b>	1	2	3	6
<b>Seam-stress</b>	5	1	0	6
<b>Other</b>	2	1	2	5
<b>TOTAL</b>	32	55	52	139

While agriculture was prominent, it was also clear that this group did not rely on any one activity for income-generation. One woman said she wove and sold mats, sold cooked food, and did sewing when there was a need for this. Other women shared this view. This multiplicity of economic activities is in line with the Vanuatu findings (WBUCRBD 1994), which propose that women traders are engaged in multiple economic activities (MEA). These MEA are referred to as a 'risk-spreading strategy' and also a way of gaining optimum use of the variety of resources available.

### *Frequency of Activity*

The frequency of women's trading was explored to see the amount of time women spent in these activities, and to serve as an 'indicator' of women who might be interested in developing their informal sector activities into a small business. For example, women who traded regularly and/or because they wanted to trade, could be a group willing to develop their enterprise.

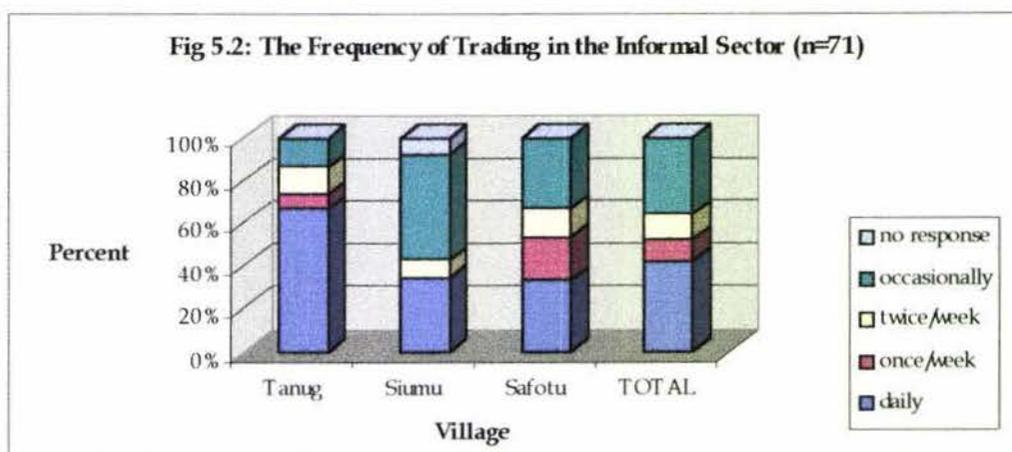
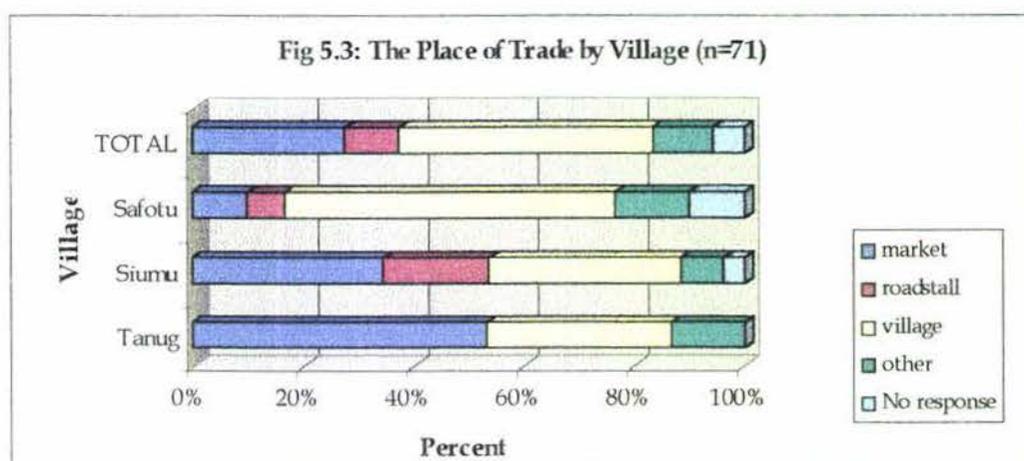


Fig 5.2 shows that 41% of women said they traded ‘daily’, and 35% ‘traded every now and then’. There were interesting differences by village. For example, 67% of the women from the urban village of Tanugamanono said they traded ‘daily’. This was almost double the number of ‘daily’ traders in the other two villages of Siumu (33%) and Safotu (35%). In contrast, 50% of the Siumu sample and 33% of the Safotu group traded ‘every now and then’. The high frequency of informal sector activities by the Tanugamanono women reflects this village’s close proximity to the Apia market. On the other hand, this could indicate that Tanugamanono families are becoming more fully integrated into the cash economy; have less access to land to grow crops for subsistence purposes and are trading more often because their families are dependant on income from informal sector activities. By way of contrast, the Siumu and Safotu group may trade ‘every now and then’ because they have sufficient access to land and sea resources to meet their food needs.

### ***Place of Trading***

The majority of this group traded within the village (45%), followed by the market (28%), other (11%), roadstalls (10%) and 6% left the question unanswered. There were large variations by village. The majority of the Tanugamanono sample (53%) traded at the market, while the majority of women in Safotu (60%) trading within the village. The main place of informal trading for Siumu women was a mixture of the market place and within the village. These variations in the place of trade by village can be seen in Fig 5.3. Again these reflect market opportunities.



### *Income from Informal Sector Activities*

It is always difficult to assess the reliability of responses to questions about income, often people deflate or inflate their responses in the interests of privacy. Also when working out profits, people do not deduct sufficient costs involved in an activity from the monies received. Thus there are reservations about the information in Table 5.2. Only 57 of the 71 women answered the questions about income. Of those that did answer this question, the majority (58%) said they earned under T50 per week, from their informal sector activities, 26% that they earned between T51-T100 per week, and the remaining 26% said they earned more than T100 per week. All told, those reporting they earned under T100 made up 84% of responses. By village, the women in Tanugamanono earned more money from their informal sector activities than the women from the other two villages.

**Table 5.2: THE AMOUNT OF INCOME-GENERATED FROM THE INFORMAL SECTOR**

	<i>Tanugamanono</i>	<i>Siumu</i>	<i>Safotu</i>	<i>TOTAL</i>
<b>under T50</b>	1	10	18	29
<b>T51-T100</b>	5	3	7	15
<b>T101-T250</b>	4	2	2	8
<b>T251-T400</b>	3	1	0	4
<b>T401-T650</b>	1	0	0	1
<b>T651-T800</b>	0	0	1	1
<b>T801-T950</b>	0	0	0	0
<b>T951+</b>	1	0	0	1
<b>No answer</b>	0	10	2	12

Very briefly the main survey findings were:

- Roughly 4 out of every 5 women were engaged in informal trading at the time of the study. This is a significant finding – especially if this number was replicated at national level.
- Rural women in particular, were engaging in informal trading activities. Again this has implications for policy and support programmes for this group.
- Women from the urban village were more likely to trade ‘daily’, while those in the two rural villages were more likely to trade ‘every now and then’.
- Agriculture was the predominant informal sector enterprise, and women engaged in multiple economic activity (MEA) rather than focus on one activity.
- 84% of the sample earned less than T100 per week from their informal sector activity. The women in the urban village earned more than those women in the two rural villages.

## **PART TWO: RESULTS OF THE IN-DEPTH INTERVIEWS**

Ten women from each of the three villages were interviewed, making a total sample size of 30 women for the in-depth interviews. These women selected their main informal sector activity, and then answered questions relating to this activity. This section is set out as; a) a profile of the women traders, b) the informal trading activities engaged in by this sample group, c) the operation of the activity, d) the income gained and how this was spent, and e) women’s satisfaction with their informal sector activities.

### **Profile of the Women Traders**

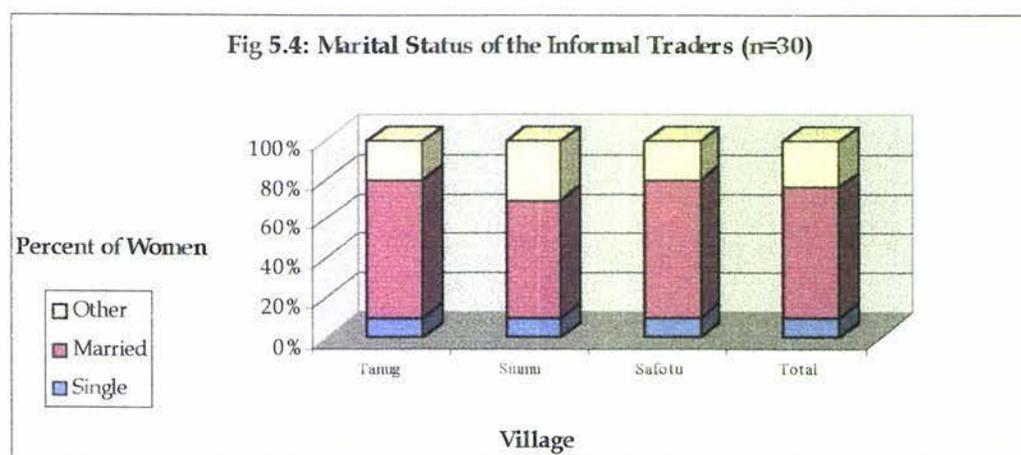
#### ***Age and Marital Status***

The ages of these women ranged between 32 and 73 years, with 43% of the sample being over 60 years old (see Table 5.3). The sample group thus contrasts with national data, which shows 41% of women are aged under 25 years old and 40% in the 50 plus category (Department of Statistics 1991:18). The high representation of women over 60 years in the sample is reflective of the sample selection, rather than a special characteristic of informal sector traders.

Table 5.3: THE AGES OF THE WOMEN TRADERS (n=30).

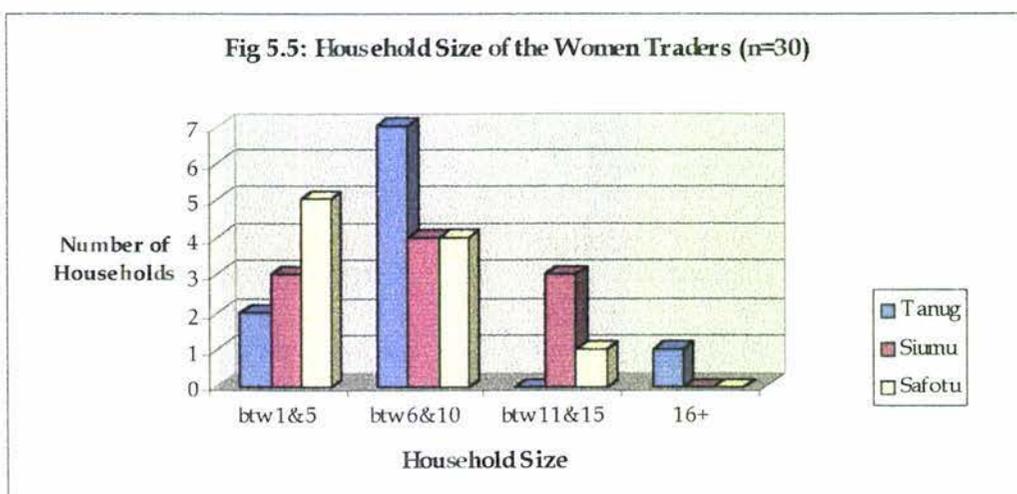
Village	30-34	35-39	40-45	46-49	50-54	55-59	60+
Tanugamanono	2	2	0	0	1	1	4
Siumu	0	1	2	1	2	2	2
Safotu	2	2	1	1	0	0	4
<b>TOTAL</b>	4	5	3	2	3	3	10

At the time of the interview 10% of the women were single, 67% were married, and the remaining 23% were categorised as ‘other’, i.e. these women were either divorced or widowed (Fig 5.4). However, the national data shows that 36% of Samoan women are single, 54% are married and 10% are either widowed, separated or divorced (Department of Statistics 1991:20). The contrast between the national data on marital status and the data collected from the interview is an effect of the sample selection. It can be predicted that this group of women-headed households may have a strong need to engage in income earning ventures such as the informal sector.

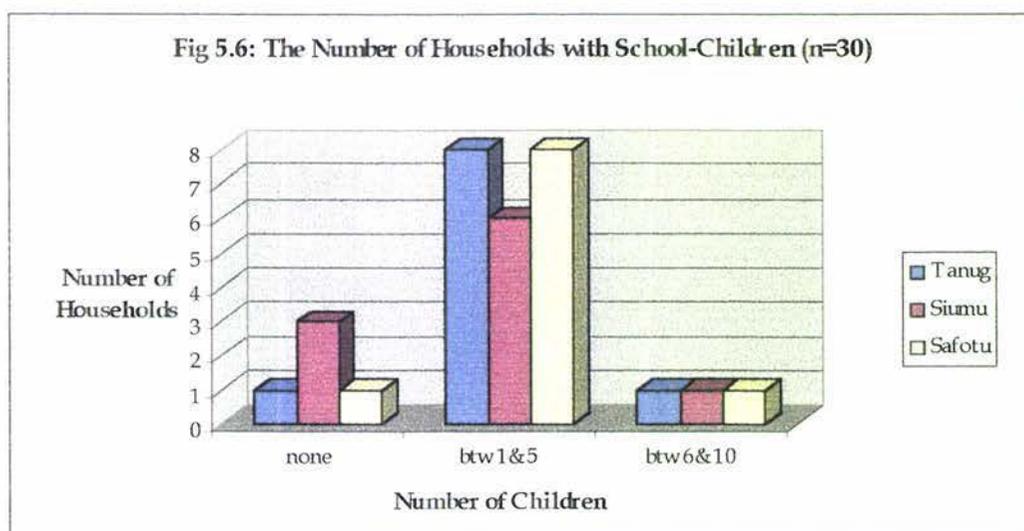


### *Household Size and Composition*

Fifty percent of the women traders were from households of between 6 to 10 people (Fig 5.5). Tanugamanono women had the largest households (the majority of women were from households with 6-10 people), while household sizes in Safotu were the smallest (majority of women from households with 1-5 people).



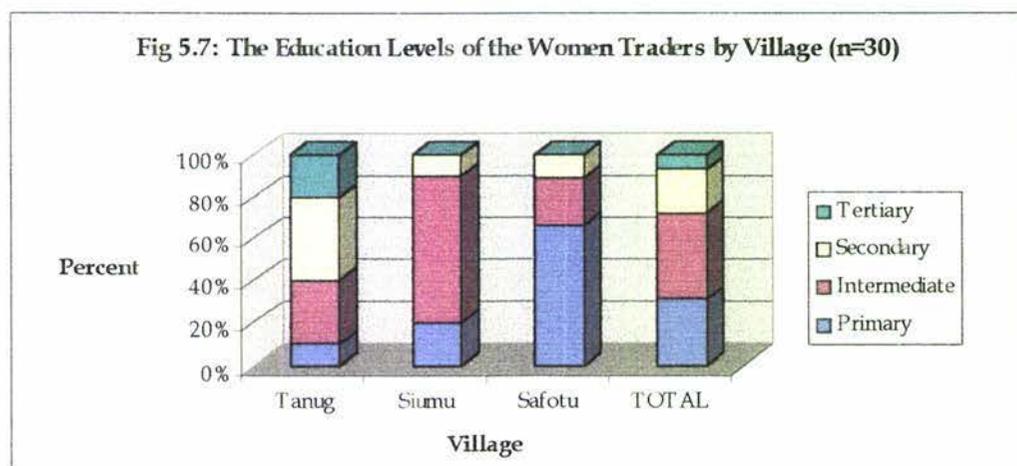
There was school aged children in 83% of the households: 73% had fewer than five school children at school, while 10% had more than five school children in their household. The remaining 17% did not have any children at school. There was little difference in the number of school children per household between the three villages (Fig 5.6).



### ***Level of Formal Education***

Seventy percent of the sample women had completed their schooling at intermediate level (or 14 years old), while the remaining 30% had attended secondary high school or higher. This data is significantly lower than national estimates which show 70% of all women as receiving some secondary education, and 2% some tertiary education (Education Department 1997). The educational level of the sample supports the view that it may be

correct that those with less formal education are likely to engage in informal sector activity (see ILO 1972). The educational levels of the Tanugamanono sample was higher than the other two villages, which may reflect the larger number of training options and training establishments in the Apia area (Fig 5.7).



### *Employment History*

Sixty-seven percent (20 women) of this sample group had held a waged job at some time in the past. There was little difference by village: 70% of Tanugamanono women, 60% Siumu women and 70% of Safotu women had held a paid job. Of the 20 women who had previously been employed in the formal sector: 7 women had worked in stores/factories, 5 women had been teachers, 4 women had worked in offices and 4 had been employed in other occupations. The reasons for these women leaving formal employment are set in Table 5.4.

**Table 5.4: REASONS FOR LEAVING WAGED EMPLOYMENT**

	<i>Tanugamanono (%)</i>	<i>Siumu (%)</i>	<i>Safotu (%)</i>
<b>Retired</b>	20	30	-
<b>Family responsibilities</b>	30	10	70
<b>Made redundant</b>	-	10	-
<b>Other</b>	20	10	-
<b>Not Applicable</b>	30	40	30

As seen in Table 5.4, retirement was the major reason given in Siumu, while for Tanugamanono and Safotu the majority of women had given up their paid employment for ‘family responsibilities’.

There was little correlation between this group’s former waged jobs and the informal sector activities they now pursued. Only one of the 19 women previously employed was now engaged in a similar line of work (this was the dressmaker). This implies that these women have had to learn new skills for their informal sector ventures.

### *Other Sources of Household Income*

Women commented briefly on ‘other’ sources of income their households received. This information gave some indication of the amount of reliance these families would place on income from informal sector trading.

### *Waged employment*

Table 5.5 sets out the number of households which had a waged earner, at the time of the interview. As seen in the table, the total is very high for all three villages, particularly when contrasted with data from Fairbairn-Dunlop's 1991 research in the same three villages (1991:169). The smaller sample size in this research could explain these large variations.

**Table 5.5: NUMBER OF HOUSEHOLDS WITH A WAGED EARNER**

	<i>Tanugamanono</i>	<i>Siumu</i>	<i>Safotu</i>	<i>AVERAGE</i>
<b>1998</b>	100%	90%	90%	93%
<b>1991</b>	87%	37%	33%	52%

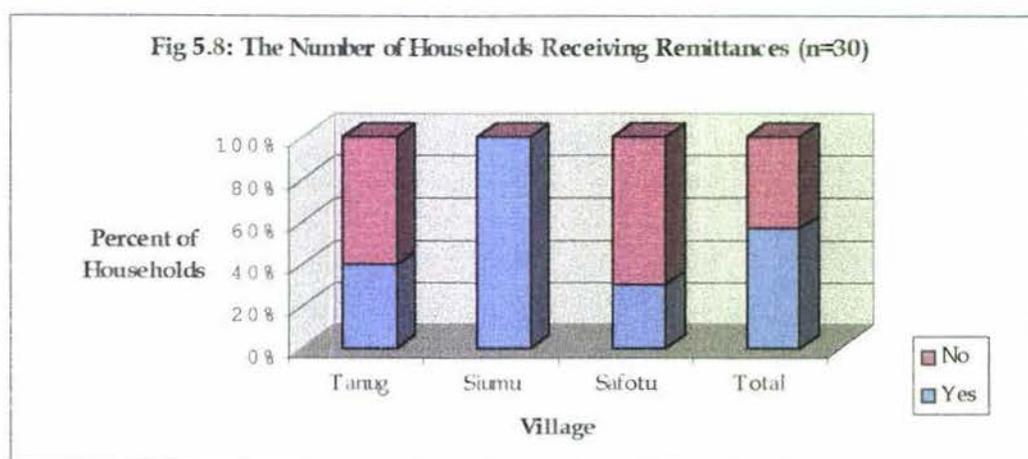
### *Agriculture*

Cash cropping was not a major income earner for this group of families: with only 3% (one household) being engaged in cash cropping. Of the other women, agriculture figured as follows: 54% produced for household use only; 20% produced for the household but ‘might sell some surplus’; while 23% did not grow agricultural goods at all.

When asked why cash cropping agriculture was not practised, 52% said their families ‘had no time’ due to other commitments, 28% said that they had ‘no access or insufficient amount of land’, 10% gave ‘no labour’ due to migration as a response, and the remaining 10% gave ‘other’. This last category was not explored further.

### *Remittances*

Sixty percent of the respondents said their households received remittances on a regular basis. However, there were quite large differences by village. As seen in Fig 5.8 every household in Siumu received remittances, while only 30% of Safotu, and 40% of Tanugamanono households received remittances.

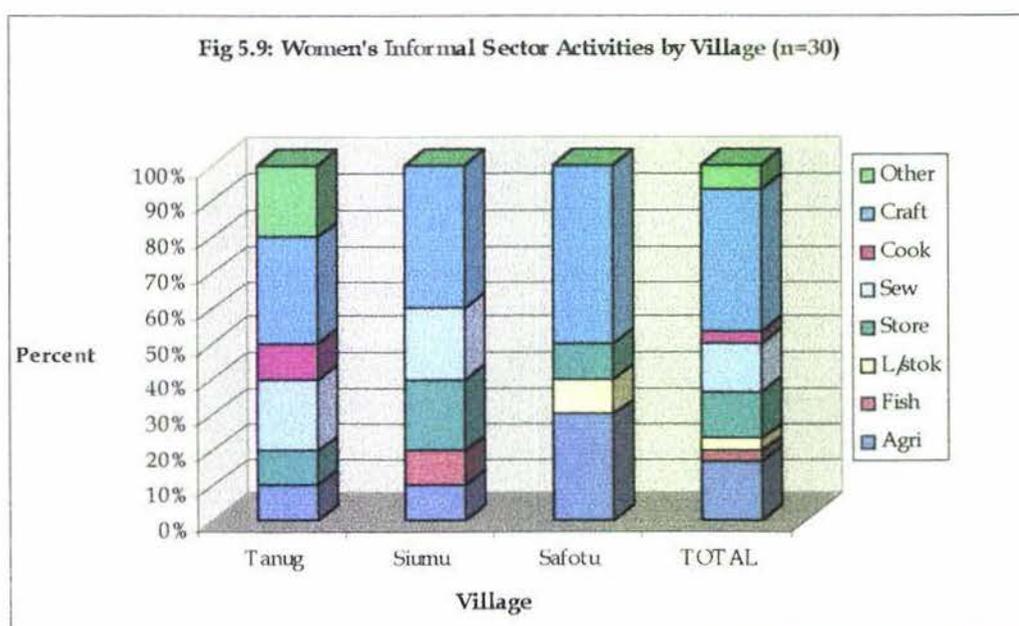


Briefly the background profile of the sample group was:

- The women were aged between 32 and 73 years.
- 67% of the women were married.
- 83% of the women came from households with school children.
- Only 30% of the women had attended secondary school or higher: this figure being much lower than national estimates.
- 67% of the women had previously been employed in the formal sector, with the majority of women leaving due to ‘family responsibilities’.
- 93% of women came from households which had a waged earner.
- Cash cropping was not the norm for these women.
- 60% of the women received remittances on a regular basis.

## Informal Trading Activities

The major informal sector activities of these women are set out in Fig 5.9. As shown, the majority of the sample listed agriculture-related activities as their major informal sector activity. Fourteen women (43%) listed handicrafts as their main activity<sup>29</sup> and four women (13%) listed agricultural production. Agriculture tasks were broken down as coconut collection for sale (3 women) and producing vegetables for sale (1 woman). The activities of the remaining 12 women were: small stores<sup>30</sup> (4), sewing (3), bakery (1), livestock (1), fishing (1), and two ‘service’ ventures [traditional *fofoa*<sup>31</sup> (1) and cleaning on a request basis (1)].



The importance of agriculture suggests that Samoan women’s informal trading activities are being carried out within the ambit of the family smallholder production units, and in turn that these women will enjoy the social and economic supports this would represent. Another strength of these activities is that they are ‘multiple purpose activities’ i.e. they

<sup>29</sup> The handicraft category represented mats, rings and jewellery.

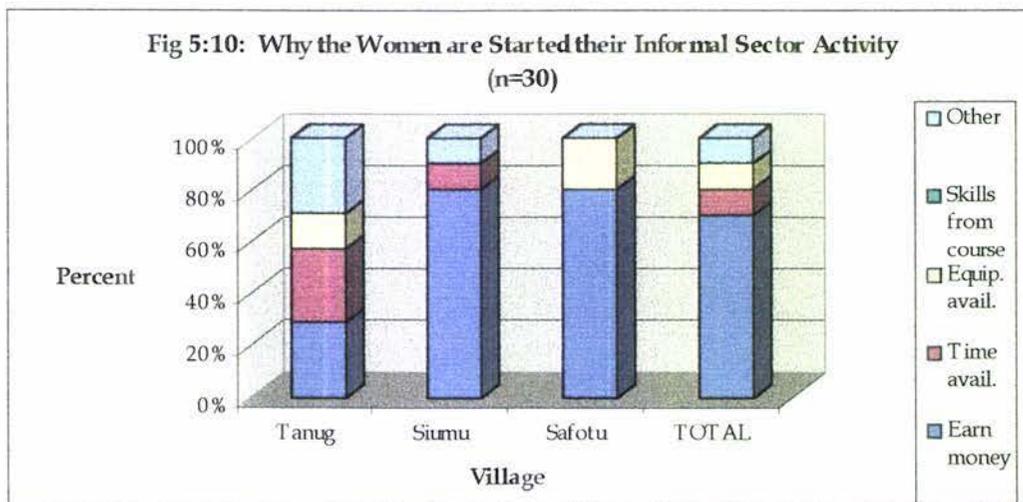
<sup>30</sup> The four small stores sold small goods such as biscuits, drinks, soap, and cigarettes, which they purchased in Apia.

<sup>31</sup> The *fofoa* was included as an informal sector activity after very careful consideration. It is not usual to take cash payment for *fofoa*. Instead, appreciation of these God-given talents, was usually shown through the giving of a small gift - such as produce for example or a fine mat. However, it is becoming more common for the *fofoa* to receive small amounts of cash to be presented for these services and so the *fofoa* was included.

can be used for the household, sold or exchanged. This risk sharing strategy adopted by the women in this study confirms the literature (Fairbairn-Dunlop 1997).

### *Why Engage in the Informal Sector?*

The majority of the women (53%) had been involved in some kind of informal sector activity for more than ten years. Not surprisingly, ‘the need for cash’ was the major reason given by 70% (21 women) for engaging in informal sector activities (see Fig 5.10). A common comment was ‘we need this money to improve the standard of living (development) of our families’. Ten percent (or 3 women) indicated the ‘wise use of time and resources’ as a prime motivator. One woman had started her small enterprise because, ‘we had the equipment and so I did not want to waste the opportunity’. The flexible nature of informal sector activities was another reason. One said she preferred informal sector trading (to a waged job) because she was able to do these while ‘working around my other activities (responsibilities)’. Other comments reinforced this view that women valued the *part-time* nature of these activities, because they could ‘work their own hours, and look after their children as well’.



Seventy-three percent (22 women) said their family encouraged their informal sector activities. This implies that firstly these families value this income. Secondly, that the income gained will be used for family purposes and thirdly, that these women can rely on family support for their trading activities.

### *Skills for Informal sector Activities*

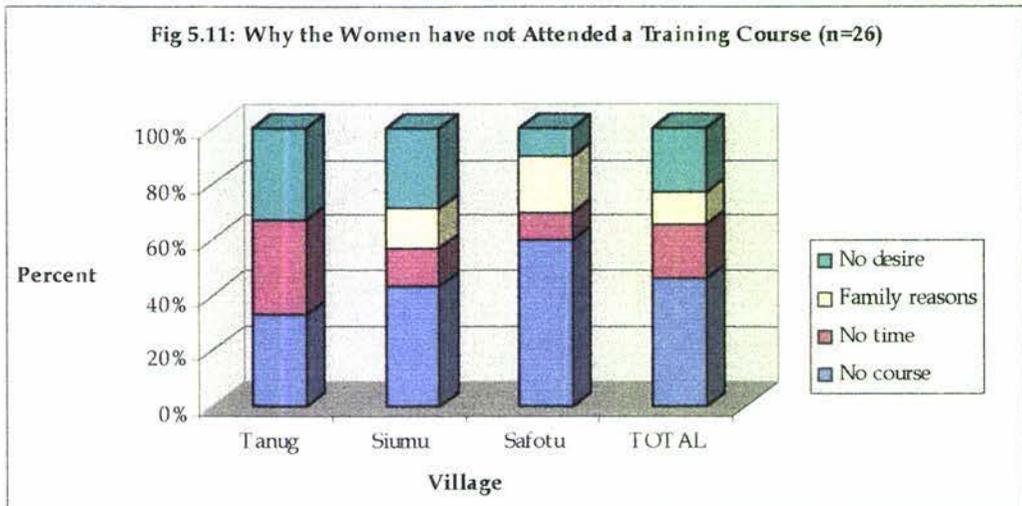
The literature on the informal sector proposes these activities are 'easy to start' because they do not require high-level skills, and that people with 'less' education can do well here. This may be true. At the same time, women's level of education and training influences both their choice of income generating options, as well as the level of efficiency of their operation. Further the lack of education or training must influence women's ability to grow their enterprise and bridge the gap from informal sector trading through to small business should they wish to do so.

As noted above, 70% of this sample had completed their schooling at intermediate level (or 14 years old) and, this was much lower than national average. As stated also, while two-thirds of the sample had been employed previously, only one of these women was now engaged in a similar line of work. It is clear that this group of informal traders would benefit from training.

**Table 5.6: WHERE THE INFORMAL SECTOR TRADERS GAINED THEIR SKILLS**

	<i>Tanugamanono</i>	<i>Siumu</i>	<i>Safotu</i>	<i>TOTAL</i>
<b>Family</b>	7	6	7	20
<b>Women's Committee</b>	2	1	3	6
<b>Training</b>	1	3	0	4
<b>Other</b>	0	0	0	0

This sample group of 30 had not enjoyed good access to training in the past year. Eighty-seven percent (26 women) said they had had 'no specific training' for their informal sector activity. Rather these women had gained the skills and knowledge through their family networks or from the women's committee (Table 5.7). Of the small number (13% or 4 women) who had attended a training course, three were from Tanugamanono and one from Siumu. None of the Safotu sample had attended a training course in the last year. Given the proportion of Safotu women engaged in informal sector training (see Fig 5.1) this warrants further research. By training agency, three had attended handicraft workshops run by the WIBF and the fourth woman had attended training on how to establish a fishing micro-enterprise. This had been organised by a Government department.



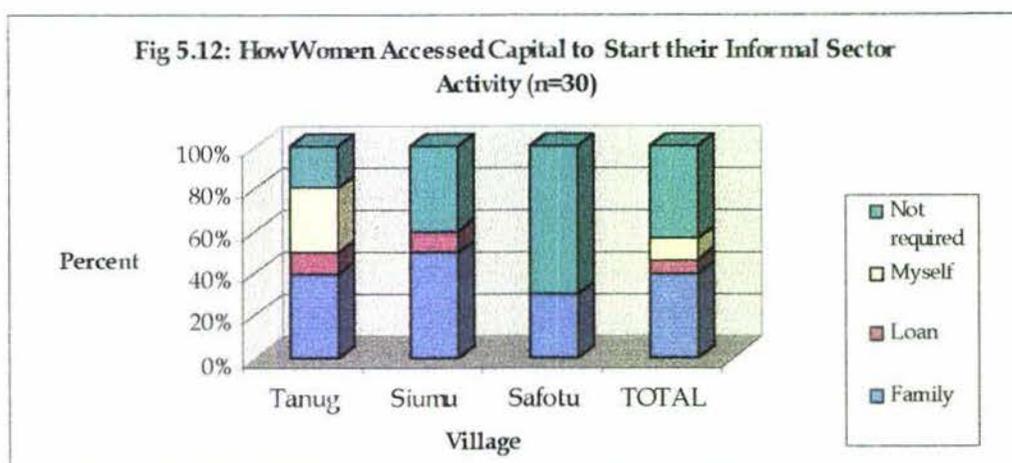
Of the 26 women who had not attended training, 12 said no course had been available. ‘No time for training because of other responsibilities’ was stated by 5 women and 3 women gave family reasons for not attending. By village, the majority of Tanugamanono women said they had ‘no time’ to attend training. The remaining 6 women said they had no desire to attend a training course (see Fig 5.11). Twelve women said they wanted training to ‘help us run our businesses better’.

***Capital to Start the Venture***

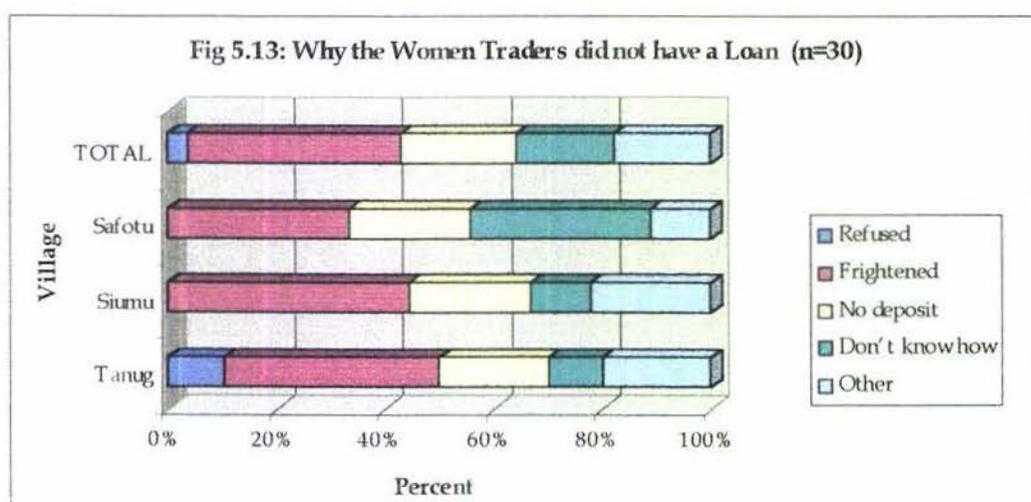
Access to finance is listed as a common barrier to the development or expansion of women’s informal sector activity. Fig 5.12 shows the ways this group found their starting capital varied according to the activity.

Forty-three percent (13 women) said they had not needed monetary capital to start because they had ‘just used the resources they had’ such as *laufala* for mat weaving, or collected the *popo* already growing for sale. Forty percent (12 women) had received monetary starter capital from their family and 10% (3 women) used funds from their private savings. Two women had received this capital from an outside agency – i.e. one as a loan and one as part of a training programme she had attended. These two loans were for T100 and borrowed from micro-credit schemes<sup>32</sup>.

<sup>32</sup> These micro-credit schemes are discussed in Chapter 6.



Only one woman had tried to get a loan from a commercial bank, but she had not been successful. The perceptions that women have about going to a bank for a loan were reviewed. Answers showed women were not comfortable with or suffered a lack of information about ways of accessing loans through the banks (see Fig 5.13). The most frequently cited reason for not borrowing (37%) was fear of not being able to repay the loan. The second, was that the women did not have the collateral to secure a loan (20%). The third, was knowledge about how to access a loan (17%). These findings suggest that commercial banks may not be providing adequate information and services to small businesses, which is in line with the literature on the informal sector.



Eleven percent (2 women) had a loan, both of which were for T100. The remaining women said they had not taken out a loan because they were frightened to loan from the bank. It appears that the commercial banks do not provide adequate services to small and

informal businesses, which is also in line with much of the literature on the informal sector.

### *Labour Support*

Ninety percent of the sample carried out their informal sector trade themselves. Three employed other people to help them ‘sometimes’. Only one of these helpers was paid in cash however: the other two were family members and so, ‘we don’t pay them because the money we make is going back to the family’. It is clear that this assistance was regarded as a family duty.

### **Operation of the Informal Sector Activity**

#### *Time*

Not one of this group kept a systematic record of the hours spent in informal sector activities. However they were able to give an estimate of the hours they worked each week (see Table 5.).

**Table 5.7: ESTIMATED TIME SPENT IN THE INFORMAL SECTOR EACH WEEK (n=30)**

<i>Number of Hours</i>	<i>Tanugamanono</i>	<i>Siumu</i>	<i>Safotu</i>	<i>TOTAL</i>
<b>under 15</b>	0	4	3	7
<b>16-25</b>	0	2	6	8
<b>26-45</b>	4	1	0	5
<b>46-55</b>	1	2	0	3
<b>55+</b>	5	1	1	7
<b>TOTAL</b>	10	10	10	30

As reported 50% of the women estimated they worked 25 hours per week in their activity. The Tanugamanono women worked the longest hours, which was expected given the previous data that this group was more likely to work every day. The women working more than 40 hours a week were those who ran small informal village shops. These appeared to open ‘on request’. Record keeping of time worked was difficult because women’s hours of work varied according to demand. One woman said:

I usually sew for 5 hours a day. But when the *faalavelave* comes, like a funeral or the *lotu tamaiti*, it goes up to maybe 8 hours a day.

Further, women's informal sector activities were usually carried out alongside or in addition to their other family work so it was difficult to estimate time by activity. For example, a shop owner said that when her store was open at the front, she would be at the back (the house) doing her housework or weaving a mat.

Even so, some system of record keeping could be devised to account for these diversities in time, and time worked. It is clear that these women did not make a habit of keeping records nor did they appear to value the need for records – that is, that labour expended in a business was a cost, and a variable in the pricing of goods (see below). The *hows* and *whys* of record keeping are a key training priority.

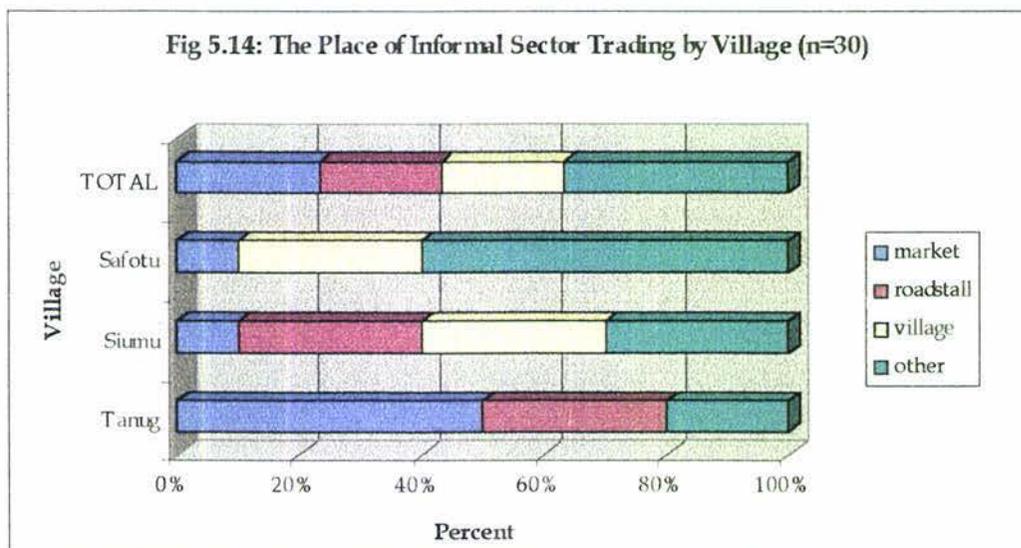
### ***Place of Activity***

The place of activity varied according to the type of activity. For the 'sellers', 23% sold their products at the market, 23% at a roadstall while 17% traded their goods within the village (Fig 5.14). Thirty-seven percent chose the 'other' option as their place of trading. Fifty percent of the Tanugamanono sample sold at the market: compared to only 10% of the Siumu and Safotu women. This is not surprising, as both villages are approximately half an hour's drive from their nearest market and so face distance, transport and cost constraints. The Siumu women mainly sold their goods within the village (50%), while 60% of the Safotu women relied on selling to 'others'. This 'other' option comprised of the collection of goods by an outside agency (or middleman). The two main collecting agencies were a) the trucks from the Copra Mill or Coconut Cream Factory which collected *popo*<sup>33</sup> from Siumu and Safotu villages, and b) the tourist resorts, which purchased mats and handicraft products from villages and often pre-ordered specific goods. An example of this is Stevenson's Hotel at Manase, which purchases goods from the Safotu women.

In the case of the service providers, the place of work was usually the house. The *fofoa* (traditional healer) preferred to do the *fofoa* at her own house. However, if the sick could not be moved, she would go to their house to provide this care. The housegirl was picked up by those people wanting her services when they required these.

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<sup>33</sup> *popo* - coconuts



### *Transport.*

Women said the availability and access of transport was the major factor affecting their ability to trade outside their villages. Most women depended on public transport to move their goods. The women in Safotu reported that for them to transport their goods to the Salealoga market, involved a 40-minute bus trip, which cost T1, plus T2 for the goods. They considered this quite expensive given that only a small amount of goods were moved at any one time.

### *Pricing Products and Services.*

The ways in which women priced their goods reflected a mixture of, 'realistic' pricing, estimates, and the '*alofa o le tagata*' or the *faasamoa* communal norms. These are set out in Table 5.8.

**Table 5.8: HOW WOMEN PRICE THEIR GOODS AND SERVICES (n= 30)**

	<i>Tanugamanono</i>	<i>Siumu</i>	<i>Safotu</i>	<i>TOTAL</i>
Outside agency	0	4	8	12
Faasamoa	5	3	0	8
Set Pricing	5	3	2	10

For the majority of women (40%) the prices were set by an outside agency, i.e. a purchasing company or business. For example, the copra mill purchased *popo* at T14.00 per 100 nuts and the Tourist companies purchased floor mats (*papa*) at T10 per mat. There was little negotiation of these prices.

Twenty-seven percent (9 women) said their prices were influenced by the *faasamoa*. The opinion of this group was, 'it is improper to ask for money at the conclusion of a service'. Instead, this group 'waited for a donation'. For example, the dressmaker displayed a list of sewing prices very prominently at her house. These charges varied by the type of garment. Despite this list, she relied on the '*alofa o le tagata*' (the love of the people) to decide how much they paid for a completed garment. Another woman said, 'they (the buyers) pay me what they think is a good price'.

The influence of the *faasamoa* on a business transaction in this and other ways was completely unpredictable and not necessarily to the sellers' disadvantage. For example, one woman reported that if less money was given now, this might be made up in other ways, or in the future (e.g. cultural exchanges, service at a later time). In another example, women said they received 'more money for their services than the prices they would have set', because buyers perceive that, 'giving anything less could be like an insult'. The influence of 'cultural factors' on business such as this needs research.

In the researcher's opinion, 9 women were making an effort to price their goods realistically. Five of these were the women running the small village stores and bakery. This group set their prices according to the prevailing wholesale prices or the prices set by the delivery trucks. The woman running the small cookery in Tanugamanono set prices according to the ingredients used. The remaining four women were trying to set their own price levels on their goods. For example, one of the ring makers charged T10 for a ring with a five-letter name engraved on it. In her estimation, the ring was priced at T3, the design cost T2 and it cost T1 for each letter. However despite this 'business-like approach', she was observed walking through the flea market selling these rings to vendors for under T5 each i.e. she would still 'sell for what ever we can get'. Similarly the woman selling vegetables set a price for her produce, but then lowered these so as to secure a likely sale.

Pricing is a skill which needs training. Take the case of *fala papa* or sleeping mats: on average, the women reported that it took up to a day and a half to weave one mat. This was in addition to the time spent growing the *laufala*, drying this and preparing it for weaving. These mats are usually sold for T10 each.

### *Record Keeping*

Four women kept records of their informal sector activities, which they said was for 'tax purposes'. These four were the owners of the small village shops. One said that she had learnt how to do this during a course, while the other three said they women had taught themselves. All of the women stated that keeping these records takes a lot of time.

### **Income Generated and How Income in Used**

This group of women had great difficulty in answering every question relating to income earned. Again this related to; a) a lack of record keeping, b) practical issues such as, 'income varies so much from week to week', c) whether women worked on a 'daily' basis or 'every now and then', and d) a wish for privacy. But more, this question raised the issue about how this group were estimating 'income earned'. It was clear that many women did not deduct the costs incurred (labour/resources) from income received for an activity. These factors should be borne in mind when interpreting the following data.

**Table 5.9: ESTIMATES OF THE MAXIMUM AND MINIMUM WEEKLY AMOUNT OF MONEY IN THE INFORMAL SECTOR ACTIVITY (n= 30).**

	<i>Amount</i>	<i>Tanugamanono</i>	<i>Siumu</i>	<i>Safotu</i>	<i>Total</i>
<b>LARGEST AMOUNT</b>	Under T50	0	0	4	4
	T51-T100	1	2	3	6
	T101-T250	3	2	1	6
	T251-T400	1	2	0	3
	T401-T650	3	1	2	6
	T651-T800	0	0	0	0
	T801-T950	0	0	0	0
	T951	2	3	0	5
<b>SMALLEST AMOUNT</b>	Under T50	4	2	7	13
	T51-T100	1	3	1	5
	T101-T250	3	2	2	7
	T251-T400	0	1	0	1
	T401-T650	0	0	0	0
	T651-T800	1	1	0	2
	T801-T950	0	0	0	0
	T951	1	1	0	2

To get some indication of the potential income women could earn in their informal sector activities, women were asked to estimate the amount of money they earned, ‘when they are doing a lot of trading’, and ‘when trading was not so good’. As seen in Table 5.9 when trading was good, women said they could earn up to T951. One woman said, ‘I can make as much as T2000 in a week if I work hard’. On the other hand, in the weeks when women did not trade as much, the majority of women (43%) earned under T50.

These estimates indicate a number of important points. Firstly, it shows these women are generating/capable of generating a significant amount of income through their informal sector activities. Second, this group of women are playing an important role in family, community and national development. Thirdly, it may be that these women are earning more from their informal sector activities than the minimum weekly wage set by the Samoan Government, which is T1.25 per hour. A quick estimate based on these responses suggest that 77% of this sample are earning more than T1.25 per hour for their actual hours worked. This warrants further research. However if this is so, then this is a clear indication of the national economic importance of informal sector activities. This data suggests that promotion of this sector should be a priority in national economic policy.

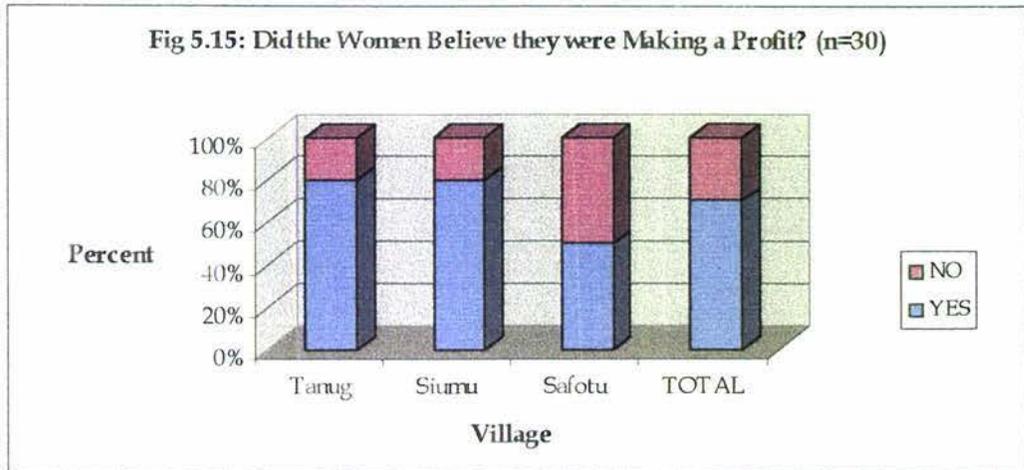
The respondents estimated how much the income they earned in informal trading contributed to the total household income. This is shown in Table 5.10.

**Table 5.10: THE CONTRIBUTION OF THE INFORMAL SECTOR TO THE TOTAL HOUSEHOLD INCOME (n= 30)**

	<i>Tonugamano</i>	<i>Siumu</i>	<i>Safotu</i>	<i>TOTAL</i>
5%	0	0	0	0
10%	0	0	0	0
25%	2	1	3	6
50%	3	1	2	6
75%	5	2	4	11
100%	0	6	1	7

The replies showed that for 7 women (24% of the sample) income from informal sales was the family’s sole income, for 11 women (36%), this income from informal sales contributed 75% of household income, and 6 women (20%) estimated their earnings contributed 50% to household income. The remaining 6 women said the money from

their informal sector activities contributed less than 50% of family income. Overall 80% of the women estimated that their income from their informal sector activity was the main contribution to total household income. There was little variation by village.

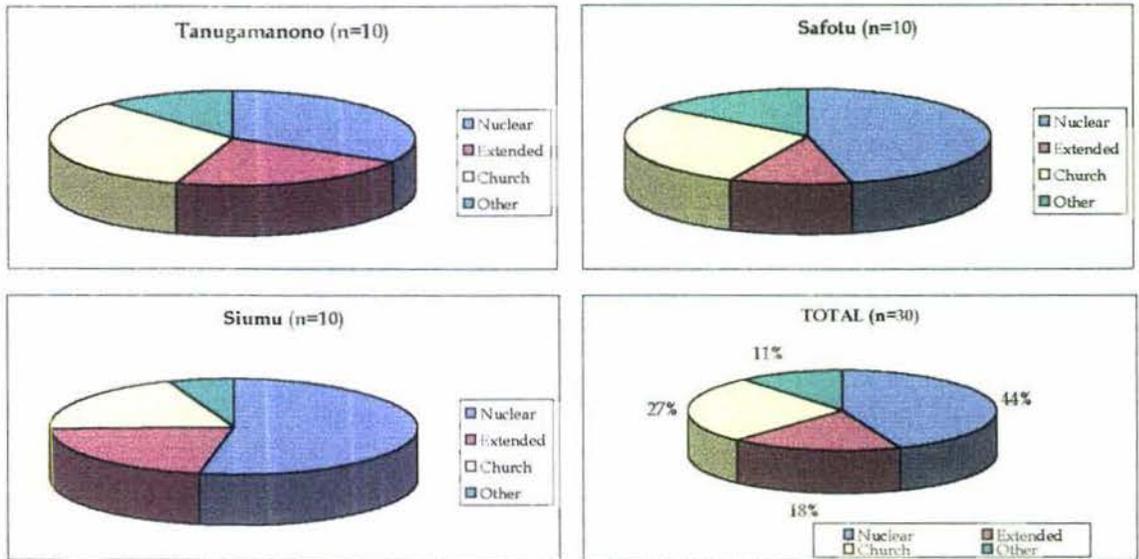


Seventy-three percent of the sample group believed that they were making a profit from their trading (Fig 5.15). However they were unable to convincingly argue this belief. The attitude seemed to be that ‘any’ money that is made is a profit. How these women (and other informal sector operators) work out their profit and the factors they ‘count’ when setting a price for their goods (see pricing above) needs further research and, training as well.

### ***How Women use this Income***

The global literature shows that when women earn income, this is usually spent on the family. This was confirmed in this study (see Fig 5.16). The respondents listed three ways they spent their earnings (n= 270 responses). The responses showed the majority of women (44%) used the income generated in the informal sector for family needs, 27% used this income for tithes at church, 18% spent this money on the ‘extended family’ under which *faalavelave* are categorised, and the remaining 11% used it for ‘other’ purposes. There was little variation by village.

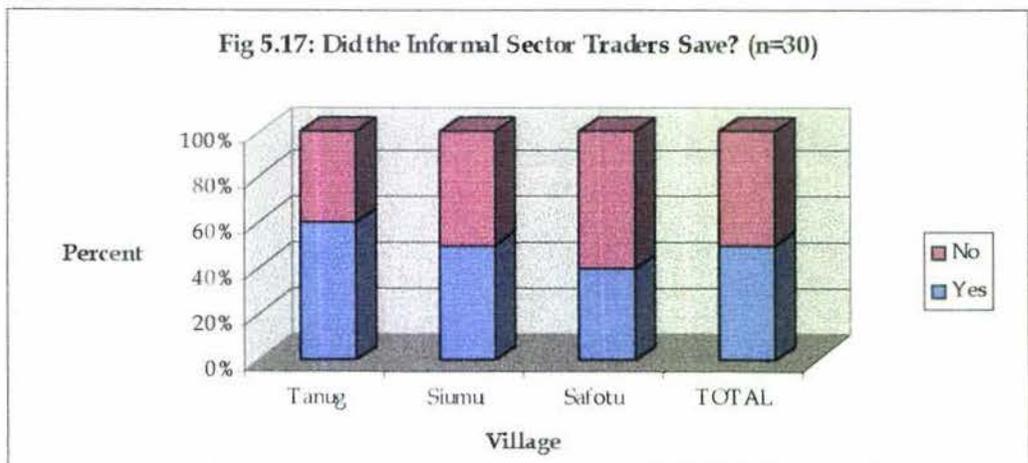
**Fig 5.16: HOW THE WOMEN USE THEIR INCOME (n=30)**



These data show very clearly that these women used their monies for family purposes, and for community development purposes. In sum, the income generated in the informal sector enabled this group to fulfil their family and community obligations i.e. the church, the women’s committee.

Fifty percent of the women said they saved a ‘portion’ of the money they earned. One remarked, ‘even if it is only T10 I will still put it away’. Tanugamanono had the highest proportion of savers (see Fig 5.17). Fifty-three percent said they invested some income back into their micro-enterprise. It was not determined how this was done.

**Fig 5.17: Did the Informal Sector Traders Save? (n=30)**



### **Satisfaction with their Informal Sector Activities**

Fifty-three percent of this group said they were satisfied with their activity. They said they gained real satisfaction from their informal sector activities. Further while the increase in income these activities realised was important, so too was the security these women gained in knowing they could generate such an income. This security brought a feeling of being in control. One woman commented, 'I do all my weaving and make many mats. I like to get some money so I can be the boss of it'.

The responses reinforce that trading in the informal sector empowers women; a) their work is recognised for the cash contribution it yields to the household and community, and b) women have some control over what they produce and how and when they sold this. Whether and what level of control women have over the monies were used is another issue for research.

When asked if 'given the chance would they like to develop their informal activity?', 22 women (73%) were happy with the way their micro-enterprise was running at the time of the interview. They were 'comfortable' and 'preferred' this level of operation, because they were able to look after their children and do their *feaus*<sup>34</sup>. The remaining 8 women (27%) were keenly interested in developing their business. This group also said they would like to do 'something else' rather than do the same activity that many of the other women were doing. This was not surprising given the dominance of handicraft and agricultural production. This predominance suggests that there will be competition between the informal sector operators. This request for new technology and ideas, reinforces the women's need for research and training in new and diversified technology and micro-enterprises, which could help informal sector operators diversify their activities.

### **Factors Affecting Women's Participation in the Informal Sector**

Women's need for loans, training, and transport to support their informal sector activities has been discussed above. To recap, women's educational level impacts on their ability to secure waged employment or, to operate an informal sector activity. As shown also,

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<sup>34</sup> *feaus* - household jobs, errands, takes.

the educational level of the sample women was much lower than the national average for Samoa. Moreover only 23% (4 women) had attended a training workshop. With regard to credit availability, a significant number of the women sampled felt disadvantaged by banking practices. As stated, of the women respondents who had needed capital to establish and/or develop their informal sector activity, 83% had obtained this from family or used savings from a previous job (see Fig 5.12).

In response to the question about constraints they faced, 47% of the sample listed those shown in Table 5.11.

**Table 5.11: THE FACTORS AFFECTING PARTICIPATION IN THE INFORMAL SECTOR**

<i>Type of Constraint</i>	<i>Tanigamitono</i>	<i>Niama</i>	<i>Safota</i>	<i>TOTAL</i>
<b>Lack of Diversification of Activity</b>	1	3	5	9
<b>Aikalafu</b>	1	2	1	4
<b>Leftovers</b>	1	0	0	1
<b>TOTAL</b>	3	5	6	14

Table 5.11 shows very clearly the desire for ‘new’ ideas and technology to enable women to diversify their formal sector activity. Nine women (65%) gave answers that showed, ‘everybody was doing the same activity’. The predominance of agriculture and handicraft enterprises (see Table 5.1) inevitably resulted in competition amongst the women producing the same products. They said they had problems, ‘because many other women in the village produce the same goods’. One said:

How can I get any money when the women in this village and the next village all make mats? I need a talent to do something different so I get money for the family.

Low prices was another issue. One woman said:

The prices that they (the coconut mill) give us are so low but we have to accept them. We can not take them to a market overseas by ourselves, so we have to take their price.

The small amount of money received from their trading, acted as a disincentive to develop their informal sector activity.

I say a price but then I have to drop it or else they’ll [the buyer] go somewhere else. Its so hard to get the rewards, when everybody is doing the same activity

The women agreed that information about potential markets was difficult to come by. What little information was available from the Government was filtered through the formal channels and in their opinion 'we are lucky if it gets to us'.

### *Aikalafu*

The second constraint highlighted by the women was *aikalafu*, where people purchase goods or services in credit. The main sufferers here, were the shop owners. While one shop owner preferred to be paid in cash, she allowed some people to pay in agricultural goods 'if this is all they have'. Another shop owner put a T20 limit on the amount of credit a family could run up. She said the other women in her village were angry with her because she placed this limit although her small shop was doing quite well. In her view:

They always want to *aikalafu*. That's good but sometimes it gets too much. I can't go to the businesses in Apia and *aikalafu* off them to buy for my shop. I need money so that I can restock my shop.

### *Leftovers*

The problem with leftover produce was that it was perishable. One woman who sold mats said she would prefer not to trade in perishable goods 'if she could help it' She said:

I can store the *ie-toga* until I am able to sell it... not like the vegetables, you have to sell them otherwise they go bad.

Women selling perishable goods said they often lowered their prices to get a sale. Sometimes they gave away the leftovers, or they would take these home to use.

## **PART THREE: WOMEN-HEADED HOUSEHOLDS**

Global literature indicates that women headed households are the group most adversely affected by the social and economic changes, that are taking place today. Samoa's census data has shown that the number of women headed households in Samoa has increased

from 13% in 1986 to 17% in 1991. Anecdotal reports also suggest that women are choosing not to return to their natal village on the break up of a marriage – so in effect this group are starting to rely on their own financial resources.

Seven of the interview sample group of 30 indicated they were the household head. The responses from this group were extracted from the total sample to provide the following information. The data is presented in box form for ease (see Box 5.1).

#### Box 5.1: DATA ON WOMEN HEADED HOUSEHOLDS

##### THE SAMPLE (7 women)

- 86% women were from households of 6-10 people.
- 43% of the women had school children in their households.
- 86% women received remittances.
- 2 women had attended secondary school, while the remaining 5 had stopped at Intermediate level.

##### ENTEPRISE

- By enterprise: 3 women ran stores, 2 were involved in handicrafts, 1 woman collected *popo* and 1 was a *fofoa*.
- 43% women said they grew crops for household use.
- For 71% of the women, earning money was the main purpose for participating in the informal sector.
- 2 women traded with others in the village, 3 traded by 'other' means (i.e sold to middlemen), 1 sold from her house and the other at the market.
- None of the women had a loan or had attended a training workshop.
- There was a great variation in the money earned by this group, with some women doing very well and others earning as little as T40 and T60.
- 2 women were the sole income providers for their households, 4 women contributed 75% and 1 woman contributed 25% of the total income of their household. Overall 86% of the women were the main contributors to their household.
- 57% of the women said they saved a portion of their income.
- 3 women (42%) said they invested some money back into their business.
- 57% of the women believed they were making a profit.
- 71% of the women were happy with the way in which their informal sector activity was operating at the time of the study. They did not want to expand their activity.

The informal sector activities of this group of women-headed households covered both trades and services. As the data shows, the main reason these women were involved in the informal sector was 'to earn money'. The income these women earned from the informal sector varied greatly, depending on their 'need' to earn money. For 86% of the women in this group, these earnings represented the main contribution to the total income of their households. This group of women had had little access to formal education and training. Generally speaking, the responses of the women-headed households did not differ greatly from the larger sample: the data showing that it is not only the women-headed households that are at risk.

## SUMMARY

The field work data showed very compellingly the significance of women's informal sector activities to family economic security and in turn, to community and national development. Seventy-nine percent of the total sample (roughly 4 out of 5 women) was engaged in some type of informal sector activity. This proportion is significant if replicated on the national scale. Furthermore, informal sector activities were vital to both rural and women. In fact, it could be said that the informal sector activities were *more* vital to rural women. As shown, 100% of Safotu women said they participated in the informal sector, compared with 50% of the women in Tanugamanono. This finding indicates that Samoa's rural economies are becoming more integrated into the urban cash economy. This is in contrast with global literature, which has treated the informal sector largely as an urban occurrence. This finding highlights that supportive programmes and policy for informal sector activity must be promoted both in rural as well as urban areas.

Not only does the data show the informal sector is significant 'numerically' (i.e the numbers engaged here), the amounts of income women could generate in these activities, and the proportion of family budget this represented reinforce the significant contribution of informal sector activities in the national economic picture. 80% of the sample said that their earning from the informal sector activity was the major source of income for the family. Further, 44% of the women used their income earned for family purposes, 27% for church purposes, and 18% on the extended family. This reinforces that women's earnings benefitted the family and the community, and hence national development. Whether or not this importance is recognised in national policy and in progress will be reviewed in Chapter Six. Finally, the empowering elements of informal sector trading must be stressed. This group of women were very happy with what they were achieving.

Agriculture and agricultural related goods were the major goods traded. On the one hand this was extremely positive. It confirms the value of informal sector activities in that these are taking place within the security of the family support systems, using the knowledge that women learn informally and the resources women have access to. In sum, these activities are not competing with or eroding the family semi-subsistence systems which provide the basic support for all Samoan families. At the same time, the similarity of agricultural activities exacerbated a degree of competition between these traders. Not surprisingly, a major request by this group was for new ideas and

technology so as to diversify their income generation activities. Nine of the 14 women who highlighted factors affecting their ability to participate in the informal sector, felt that 'lack of diversity' was their main constraints. Training programmes (more specifically in record-keeping, pricing and calculating profit) and loans availability were other supports this group identified to support their activity.

It is interesting that only one of this group wanted to formalise her enterprise and move out of the informal sector - as is the expectation in the global literature. Most of the sample groups were in fact engaged in multiple economic activities, thus supporting the data from the Vanuatu Report (WBUCRBD 1994) and Fiji's WOSD Report (MFAT 1997) outlined in Chapter One. This point emphasises that the informal sector may not 'go away'. Instead, the informal sector may consolidate as women branch out into multiple economic activities. From this point of view, policies and programmes to support the informal sector in its present form are needed.

Having looked at the nature of women's activities in the informal sector, and the factors influencing their activities, from the perspective of the women traders, the following chapter examines the perception of the 'informal sector' that national planners and key women's groups have, and examines the extent to which these perceptions match the traders themselves.

## CHAPTER SIX

### SUPPORT FOR INFORMAL TRADERS

Chapter Five presented women's views about their informal sector activities. This showed very clearly the value of women's informal sector activities to these women, their families and to community development. Shown also was women's need for new ideas (and technology) which would enable them to diversify their activities. Training and credit were other constraints mentioned by this group, but not as strongly as the need for new ideas.

This chapter explores views of the informal sector held by key informants from institutions responsible for making national policy and programme decision-making, which affect the informal sector, both Government Departments and NGOs. As outlined in Chapter Four, the development literature emphasises that micro-level activities (such as informal sector activities) play an integral role in the macro-economy. Further, global research highlights the need for both policy and programmes to support informal sector activities. In Samoa, the major programmes for women have been run by women's NGOs – such as the NCW and the YWCA and church women's groups, the MWA (since 1991) and now the WIBF. It is proposed that there is little national recognition of the contribution of the informal sector to livelihood security in Samoa's macro level planning.

This chapter is in three sections:

- Part 1 is the interviews with key informants from Government and quasi-government departments.
- Part 2 is a case study of WIBF, the NGO providing business-training programmes for women.
- Part 3 is an evaluation of how these groups' policies and programmes are meeting women's needs as identified in Chapter Five.

## **PART A: THE VIEWS OF THE KEY INFORMANTS**

The key informants represented the Economic Planning Unit, Inland Revenue Department, Labour Commission, Small Business Enterprise Centre<sup>35</sup> and MWA<sup>36</sup>. One spokesperson was interviewed in each department, which was usually, but not always, the Director of the Department.

### **The Economic Planning Department**

Two interviews were held with the representative from the Economic Planning Department (EPD)<sup>37</sup>. The first interview was spent clarifying what the informal sector was. In the EPD representative's view there was little distinction between the informal sector and the subsistence economy, in fact, 'the informal sector is the semi-subsistence economy in a different guise'. He believed the informal sector had replaced the rural economy. In his view, the difference between the two sectors was that whereas in the past people gave away more of their produce, now people were beginning to trade a larger proportion of their produce. In this vein, the representative proposed that the informal sector was declining in size, as the need for money was becoming increasingly important. He believed that there was no need for services specifically targeted towards the informal sector, because 'it is essentially the semi-subsistence sector, which in the past has managed on the *faasamoa* ideals'.

In the second interview, the representative wanted to know more about the informal sector i.e., how it was defined and what it entailed. It seemed that at the time of the first meeting, the representative (and by implication the EPD) had not given much consideration to the informal sector. Once we had established a 'working definition' the representative commented, that the increase in cost-recovery measures was associated with Samoa becoming increasingly monetised. Further, the increase in the need for money he said was reflected by the need for work that is remunerated. In his opinion, 'the cyclones were a blessing in disguise. Previously people had a laid-back approach to work but now they have to work'. He added that this 'need to work' was being reinforced by the user-pays policies the Samoan Government is introducing as part of its

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<sup>35</sup> SBEC is included here because this is a quasi Government institution.

<sup>36</sup> The MWA does not carry out business training; but has delegated this to the WIBF.

<sup>37</sup> The first interview was held on June 26<sup>th</sup> 1998, and the second was on June 29<sup>th</sup> 1998.

economic reform package. These reforms are necessary, the representative believed because the Government does not have the resources to provide the range of services that it has in the past. He saw that Samoan families would feel the consequences of these reforms, with the gap between the rich and the poor rising in the immediate future as these reforms reduce the amount of disposable money that people have. This would increase the pressure on the household for money. In his view, people would turn to any opportunity to earn money, which would largely be found in the informal sector.

This interview suggests that the Economic Planning Unit does not have a clear vision of the actual and/or potential contribution of the informal sector to family livelihood security, nor its spin-offs in terms of community and national development. The *National Economic Strategy* (1995) is focussing on business development strategy. However, there appears less awareness of the range of activities which come under the rubric of business development, and in turn, the different services and policies that might be needed to support these differences. The interview materials indicate the Economic Planning Unit is focussing on macro level strategies, with less understanding of the relationship and contribution of micro economic strategies to the macro picture

### **Inland Revenue Department**

The Inland Revenue Department (IRD)<sup>38</sup> sees the informal sector as operating 'outside' the legal business environment, a finding which is in line with the global literature. In their view, informal traders do not generate revenue directly for the Government. However, the informal sector traders are not completely 'outside' Government regulation. There are two sets of government fees payable by those engaging in business activity. The first of these is the *business license*. All businesses in Samoa are required to hold one business licence for each taxable activity. All businesses pay the same fee regardless of size of business - this includes street vendors and door to door traders. The business license was T200 per year in 1998, and increased to T350 in 1999. The penalty for not adhering to this law is a T500 penalty for each day of trading without a license. The second fee payable by those involved in a trading activity is the *hawkers license* which costs T15 and is valid for one day of trading.

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<sup>38</sup> The interview with the IRD was held on June 17<sup>th</sup> 1998.

In other discussions (see Chapter Four), informal traders had said they did not mind paying a license fee, but thought it very unfair that small traders paid the same amount as the large department stores, which had a much larger volume of trade. This view was put to the IRD representative. She acknowledged the existence of this opinion, but stated that at this point in time, the present system was 'equitable' and realistically this was the only way many of the smaller businesses made a contribution to the economy. She said:

The Business License is viewed as a method of equality. All traders should pay to trade and therefore every trader is required by law to pay some sort of license.

The IRD was not really interested in how the informal traders carried out their businesses (i.e. what they trade, where they operate and when they carry out their trade). The IRD was only concerned that all traders, whether they are in the formal or informal sector, operate with a business license.

### **The Labour Commission**

The Labour Commission representative showed a very sound understanding of the role of the informal sector within Samoa's wider economic framework and, a keen interest in the results of this research, which in his opinion would increase the understanding of the way the Samoan informal sector operated<sup>39</sup>. He said the main objective of the Labour Commission was to develop jobs in the formal sector. In fulfilling this role, the Labour Commission had recognised the vital contribution which informal sector trading makes to employment creation. The Informal Sector is critical, the representative said, 'because the formal sector can not provide enough employment opportunities'. In his view, informal sector trading created employment. He referred to the increase in the number of business license applications, which in his opinion indicated; a) that Samoans are becoming more business oriented, and b) a national trend of people moving from the informal to the formal economy as they raised more capital, or for other reasons.

The Labour Department's understanding of the actual and potential role of the informal sector was reinforced in other comments made (note: these are not prioritised). First, that informal sector activities are a vital means to livelihood security:

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<sup>39</sup> The interview with the Labour Commission was held on June 18<sup>th</sup> 1998.

We must encourage the growth of the informal sector. I am 100% in favour of it. The Government is concerned with sustainable development. If the informal sector is discouraged, many people will be left with no source of livelihood.

Second, the informal sector activities forge strong links between sector rural and urban areas:

The informal sector makes great use of resources and capabilities... It [roadstalls] enables people from outer villages to buy without having to come into Apia, therefore they are providing a good service.

Third, that the informal sector provides the opportunity for people 'to work rather than be dependent on remittances for money'. The representative noted the change in the use of remittances today. He noted that in the past most of the remittances monies were used for *faalavelave* but now, 'this is being used as the start-up capital for small businesses'. His opinion was that this was preferable, 'as it enables people to generate an income'. In his opinion, almost 60% of the small businesses in Samoa were financed through remittances. Fourth, the Labour Commission saw the informal sector as a training ground - a place where people could learn entrepreneurial skills which they could then apply in any sector, from the semi-subsistence through to the formal sector. Finally, it was emphasised that the informal sector *did* contribute to the Government, but in an indirect way. This was through the payment of business licences and also because the money earned by informal traders is spent in the formal economy, which in turn generates VAGST for the Government. With regard to the business license, the Labour Commission representative believed that it is fair that all businesses pay the same amount for a business license irrespective of the size and type of undertaking. In his view, this was evened out by the larger businesses contributing more to the total economic development of Samoa through taxes, VAGST and employment.

Overall, this interview showed the Labour Commission's very clear understanding of the role of the informal sector to family and national development. It was further noted that the Labour Commission is planning a review of the informal sector, to be carried out in 1999. This is in conjunction with the MWA.

## The Small Business Enterprise Centre (SBEC)

SBEC was established in 1991 to encourage the development of sustainable small businesses<sup>40</sup>. SBEC offers; practical business skill training in how to manage a small business, a support and a networking service for its clients and a channel into a loans service actioned through the Commercial Bank. While SBEC's services are open to both men and women, SBEC has a target participation rate of 60% for women and the Director was quick to point out that, 'this is often exceeded'. SBEC targets low-income groups. For example in order to enable more equitable access to training, the fee for SBEC training courses is based on a client's earnings. Table 6.1 outlines the criteria which SBEC uses to determine fee-paying clients. SBEC estimates that 90% of its training and follow-up visits are non-paying.

**Table 6.1: SBEC's FEE-PAYING STRUCTURE**

<i>Type of Client</i>	<i>Earnings per week</i>	<i>Asset Base</i>
<b>Non-paying client</b>	Under T200	Under T20,000
<b>Half-paying clients</b>	Earn between T200 and T500	Between T20,000 - T50,000
<b>Full paying client</b>	Earn over T500	Over T50,000

SBEC also facilitates a small business loan scheme (SBLs) to the graduates of its business courses. These are accessed through the commercial banks thereby aligning this scheme with the banks and encouraging experience in accessing commercial loans. SBEC provides a letter to the bank, as evidence of the completion of the business course. The decision to grant the loan or not rests with the bank and the loan is subject to all normal bank lending criteria and procedures.

The Director held very strong views about the role of the informal sector. He said, 'the informal sector and small businesses are the backbone of the economy, with the importance of these groups increasing with depressed economic conditions'. Recognising this importance, SBEC's 1998/1999-business plan is to spread SBEC business training courses to rural areas so as to 'develop the skills of the rural entrepreneurs'. The SBEC Director listed some constraints to small business development which SBEC are trying to address in their training programmes. The biggest constraint was what SBEC termed the *copycat* mentality of many entrepreneurs. This is where people set themselves up in the same business, selling an identical product, and often in the same locality. The Director

<sup>40</sup> This interview was held on June 19<sup>th</sup> 1998.

believes it is critical to identify alternative income-earning opportunities outside of the 'typical' enterprises in Samoa [this matches women's views raised in Chapter Five]. To address this need, SBEC training begins with encouragement to clients to identify *several* income-earning opportunities. For example:

We say to the small entrepreneur, 'you already have a shop'. The entrepreneur knows that they already have the market so expanding the shop more will not be any more profitable. So we encourage them to do something else, like opening up a billiards saloon and getting their *aiga* to run it. By doing this, the entrepreneur is able to attract two markets.

Second, SBEC training 'tries to reconcile traditional values with capitalist business practise'. In the Director's view, 'the *faasamoa* is not as much of a constraint to business development as it is made out to be'. SBEC incorporates a cultural component in its their training programmes so that entrepreneurs are aware of the issues, and equipped with the skills to address these. The Director said:

An entrepreneur can do both business and fulfil their cultural obligations. A good entrepreneur is one that is able to juggle their business with the *faasamoa* ideals. We try to teach them (the clients) how to carry out their business and the *faasamoa*.

### **The Ministry of Women's Affairs (MWA)**

The MWA is placed in this section, because the Ministry no longer run the business training courses<sup>41</sup>. This responsibility has been delegated to the WIBF, so enabling the MWA to focus on programme development in other areas.

The MWA Director sees the informal sector as fitting under MWA Programme Area Four of 'small business development' (see Chapter One). In her view, 'the directive of the Ministry is to help these (informal sector) women increase their economic position'. She stressed the threefold importance of the informal sector, to the women themselves, their families as well as national development. Further, she stressed that women's informal trade has increased in recent years:

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<sup>41</sup> Quotes in this section were taken from a series of interviews over the duration of the fieldwork.

The economy is the same over the last 10 years because the cyclones and taro blight have affected any economic growth. People are now interested in getting into activities that earn money, because the subsistence sector can not meet all their needs. The role of the informal sector has increased because of this.

The MWA is committed to increasing the number of training programs for women:

Women do not enjoy the same benefits in training and technology opportunities. When there is a course, the head of the *aiga* attends. This is usually a man. We target women, and so women should get the information first-hand. The MWA's small business program focuses on identifying 'alternative' income-generating options for women. These alternatives are developed through training and information sharing. The MWA also makes credit assistance available to support small training activities get started.

To assist small traders, the MWA had introduced a credit scheme in 1991 based on guidelines adapted from the Development Bank of Western Samoa. The range of loans was from T50 to T500. No collateral was required to secure a loan; instead, two guarantors were needed. Women from Upolu repaid their loans at the MWA office in Apia, while Savaii women made loan repayments at the *Manuata Ao* committee house at Salealoga. Repayment rates for these loans were low. With UNDP support, the MWA had also introduced a small loan scheme based on the Grameen model in 1995, known as WESAP. The women trained under this scheme are now working as training officers with the WIBF.

### **Some Comments About Key Informant Interviews**

These interviews revealed a wide range of perceptions of the role of the informal sector in the national economy - from very little awareness, through to the very strong statement that, 'informal sector and small businesses are the backbone of the economy'. These differences in understanding could reflect the persistence of traditional perceptions about what is 'economic activity' or, the difficulties in defining informal sector activities (see Chapter Three). However, the differing views expressed by department representatives point to a lack of communication between Government departments on these issues. Further, these different views highlight that Samoa does not yet have a concerted national view or strategy with regard to the informal sector. As a result, it can be predicted that there will be an absence of supports for 'informal sector traders'. Further is the

likelihood that national policies and practices may adversely impact on informal sector traders.

## **PART B: THE WOMEN IN BUSINESS FOUNDATION**

The material in this section is from interviews with key informants from the WIBF, discussions with WIBF trainers, participant observation at village training carried out by the WIBF trainers and, discussions with women attending this training.

WIBF was founded in 1991 by a group of small business women who believed they were unable to get the business assistance they needed through the traditional channels. In the early days, this NGO focussed on providing venues for women traders, such as market days. In the last 4 years, the focus of the WIBF has changed to business training, credit and technological support for women in business. Generous aid has enabled the WIBF to establish a well-equipped office, and fund a staff of eight [comprised of three administrative staff and five trainers]. The WIBF has developed considerable expertise in women's business training; has a well established resource room, and networks with regional women's organisations such as Ecowoman, and international training and donor agencies. The WIBF operates under a Board.

The WIBF view informal trading activities as 'crucial to the maintenance of many Samoan households'. Informal sector trading is particularly appropriate in Samoa because 'women's informal sector activities are likely to be done around the homestead and in addition to women's other activities'. Also women are able to use family resources for these activities. Bearing this in mind, the focus of WIBF programmes is to identify income-generation and small business opportunities for women that can be carried out around the homestead, using resources found within the village environment. Further, realising that women have little time available to attend training workshops, WIBF tries to conduct workshops in villages (rather than in Apia), and combines training with on the ground support for women. The three foci of the WIBF program are training, credit and technology.

### **Training Programmes**

The WIBF teaches income earning options that build on the skills Samoan women already have, such as handicraft skills. Side by side with this, the WIBF target 'business awareness'. The aim is to take women through the whole production to sale process -

from how to produce, to business skills of pricing and costing goods, budgeting, reinvesting profits and marketing strategies. In effect, the WIBF teach Samoan women how to add value to their products. For example, women have been making the 'traditional' long style shell necklaces for years, by threading hundreds of shells onto one band. However these necklaces were not selling very well and what is more, it was getting hard find the shells. The WIBF training for this group, focussed on different styles of jewellery to reflect new fashion trends and which would use natural resources (shells) more sparingly. Women learnt to use just a few shells and thread these attractively on sinnet and tapa strands. Next, this group was shown ways of packaging their crafts attractively into gift sets of matching earring and necklaces.

The *ie toga* workshops (Box 6.1) are another example of encouragement to women to apply a new approach to an 'old' product. Given the cultural importance of fine mats and their use in exchanges, this is a slightly more controversial case than the necklaces.

**Box 6.1: THE IE TOGA WORKSHOPS**

It has been noted that there had been a deterioration in the quality of fine mats, with some women using a very large weave so as to 'get the job done quickly'. At the same time, an increasing number of fine mats were being sold at the market. The WIBF decided to encourage women to use the finer weave for mat weaving again and, that given the demand for mats by women living in town areas (and overseas) mat weaving could become a good income earning activity. The WIBF has now become the 'middleman' between producers and buyers. For example, town buyers may request an *ie-toga* of a particular size. The WIBF then works out how many weaving hours will be required to make that mat and how much material will be needed. This sale is then contracted out to the mat weavers, who are paid a weekly wage (based on these estimates) by the WIBF while producing the mat. The production of mats for sale is encouraging a whole new production behaviour in *ie toga*. At the same time, women are relearning the skills of making the fine mat.

The WIBF provides back-up support after training workshops. Following training, WIBF trainers visit each of their project villages on a monthly basis, until satisfied that these women have gained the skill. This visit is also used to monitor the project and evaluate the quality of the products. A WIBF trainer commented, 'monitoring and evaluating the project is a monotonous job, but one that needs to be done if we are to be successful'

## Credit

The WIBF has a small loans scheme. Loans are restricted to T500 over a one-year period. Like the MWA loan (above), no collateral is required for these loans but two guarantors must sign the application form. Loan applications are considered at the monthly meeting of the WIBF members. A flat rate of 10% is charged on the full amount of the loan, and repayments are made either at the WIBF office in Apia, or to the trainers during a workshop or when they visit. Unlike the other small micro-credit schemes listed above, the WIBF loans do not *have* to be used for business purposes. This is noteworthy. Table 6.2 sets out the three micro-credit schemes for Samoan women as described in this chapter, by target group and funding agency.

**Table 6.2: MICRO-CREDIT SCHEMES FOR WOMEN IN SAMOA**

<i>Agency</i>	<i>Scheme</i>	<i>Date Started</i>	<i>Target Group</i>	<i>Funding Agency</i>
<b>WIBF</b>	Revolving Loan Scheme	1994	Poor rural and urban women	NZODA
<b>MWA</b>	Small Loan Scheme	1991	Poor rural and urban women	NZODA Samoan Government
<b>SBEC</b>	Small Business Loan Scheme	1991	Business women (Graduates of SBEC)	NZODA

The WIBF see irregularities in loan repayments as linked to the irregularities of informal sector trading. In their view, women trading ‘every now and then’ for a particular purpose, are unable to make regular loan repayments when they are not earning money on a regular basis.

## Technology

Recognising the need for diversification of enterprises, the WIBF has extended its training programs to promote technology that is ‘sustainable’. New technology introduced in the last two years includes bee keeping and coconut oil production by the direct micro-expelling methods.

### *Direct Micro Expelling for Coconut Oil*

This process for oil production is set out in Box 6.2 below.

### **Box 6.2: COCONUT OIL PRODUCTION USING DIRECT MICRO-EXPELLING**

Direct Micro-exPELLing (DME) is a method of coconut oil production which was developed, 'as a way of empowering local people to get the maximum use of a viable ongoing resource' (pers comm. Ethrington June 10<sup>th</sup> 1998). The DME enables women to produce an economically viable product using coconuts – which are an abundant resource. In the WIBF view, the DME enables women to be self-reliant as they do not have to rely on the trucks to take their *popo*, but can use the DME press to produce their own oil. The DME technology was first trialed in Fiji, and brought to Samoa by the Ecowoman Inc Network. The total production time from the husking of the coconuts until oil is produced is 90 minutes. The WIBF conduct the training in DME, and monitor the progress of the oil production until such time as women show they are using the machine efficiently and running their oil production 'like a business'. The women participating in the DME programme were chosen according to financial need. However the WIBF found this was not efficient and so machines have been moved to the trainers villages where 'it is easier to monitor and use these machines effectively'.

The women using the DME say this is a better alternative to 'copra' making as the results are immediate. As the DME was being installed, one commented, 'we used to do copra but too little money. Now I will be able to look after my family better. It looks like hard work but the benefits are immediate, unlike copra where you have to wait'. Some women complain that the DME requires too much work, because once the drier is lit, the women must work continuously until all the coconuts have been used. However the WIBF believe that the total production time of the DME is far less than producing copra, and the rewards far outweigh it

WIBF have found an Australian buyer for the oil. The first order exported in July 1998 was small but has the potential to increase substantially. In the opinion of the WIBF, the major challenge will be to make sure the producers keep producing oil regularly so that orders can be met. WIBF is also trying to secure local markets. They believe the domestic market is the best option for selling the coconut oil, but first is the need to change the consumer preference for imported oil (see Plate 12 and Annex 8).

### ***Beekeeping***

Technical expertise for this project is provided by FAO and, WIBF provide the equipment for the training. Following the training, women are given the chance to use the WIBF's beehives, however these remain the property of the WIBF until the women prove they are using this technology effectively. Women who are seen (by the trainers) to be hardworking and who have the most business potential, are given five hives. Others are given one hive, with the option to increase these at a later date. The WIBF monitor the hives on a regular basis. The WIBF are looking for world markets for the honey products.

## Training Constraints Identified by WIBF

The WIBF see the following major constraints to women's business activities:

- Teaching women traders to reinvest money back into their business. In the WIBF's view, this is problematic as women are often faced with the unforeseen cost of *faalavelave*. The opinion of one trainer was that 'while women always have good intentions [of reinvesting], *faalavelave* always come up and so the money goes there instead'. Another said:

We have to re-educate women to reinvest money back into their business. Women spend the money as soon as they earn it. Remittances have meant that the women don't have to be responsible. But we can't depend on remittances as an option.

- Regularity of trading. A trainer's comment was 'our women work only when they really need money, like when school fees are due, or to start weaving only when the *faalavelave* comes'. The WIBF is trying to teach women the importance of working when they have the time and not only when there is a need, so that when the *faalavelave* come, the *ie toga* are already finished. In their view, women should not only think about *ie toga* when there is a *faalavelave*, but should 'always have a mat in progress'.
- Awareness of market needs. The trainers stress that women must 'take pride in your work. If you take the time and make your handicrafts nicely, then you'll get a good price'. Further, they advise women that in order to reach a wider market and gain higher prices, women's goods have to be seen to be safe and reliable. For example, 'if women are selling at barbecue stalls at rugby games and festivals, they must ensure that the surroundings are clean and well presented'

## WIBF Capacity

The success of the WIBF in targeting training to rural women is undoubted. Their success in providing training for rural women has resulted in a huge demand on their services (and networks) by government and donor agencies. This increased demand is testing the administrative and training capacity of this small group of very dedicated women. Table 6.3 gives a description of WIBF programmes while Table 6.4 shows the very large and varied portfolio of WIBF programmes at the time of the research. As stated, WIBF had a staff of eight women.

**Table 6.3: WIBF PROGRAMMES 1997-1998**

<i>Project/Program</i>	<i>Description</i>	<i>Donor</i>	<i>Duration</i>	<i>Donor Contribution</i>
<b>FINANCE</b>				
<b>WIBF Financing Micro-enterprise. Savings Mobilisation Project</b>	Working with Disadvantaged women	UNDP UNIFEM	Oct 98-Sept 99	T24,757
<b>TRAINING</b>				
<b>5 model-coconut oil businesses</b>	Purchase/install DME press in 5 villages	Canada Fund	1996-	T36,345
<b>Training for rural coconut oil production</b>	Training to women and young people for business development	Canada Fund	2 years Jan 97-Dec 98	T2,469
<b>4 coconut oil projects for rural areas</b>	Assist in establishing 4 small coconut oil processing businesses	Canada Fund	Feb. 98	T52,930
<b>Paper making</b>		NZODA	Proposed	NZ\$19,136
<b>Biscuit production</b>	Establish small business production for youth	Canada Fund		T19,454
<b>Beekeeping project</b>	100 hives Establish 10 beekeeping businesses in rural areas	Canada Fund		T57,079

Source: Country Profile on Women and Development – Samoa (Fairbairn-Dunlop 1998)

**Table 6.4: THE WIBF STAFF AND SERVICES (1998)**

<i>WIBF</i>	<i>WIBF Workshops/Projects</i>
<ul style="list-style-type: none"> <li>▪ Administration Level(3 women)</li> <li>▪ Trainers (5 women)</li> <li>▪ Casual trainers brought in for particular workshop</li> </ul>	<ul style="list-style-type: none"> <li>▪ Handicraft</li> <li>▪ Business Awareness</li> <li>▪ Ie-toga</li> <li>▪ Beekeeping</li> <li>▪ Coconut Oil Production</li> <li>▪ Securing markets for oil products</li> <li>▪ Biscuit making</li> <li>▪ Paper making</li> <li>▪ Loan schemes</li> </ul>

Given the importance of the income from informal sector activities to women in rural areas in particular, training must be accessible to women. The WIBF may not have

sufficient capacity to meet the potential demand, at this time. WIBF's drive to keep up with its heavy training programme is leading to shortfalls in other areas. For example, the WIBF does not have a database on the number and spread of training by project, or the number of women attending the programs. These records were being kept informally. However, these records had not been collated into a final form nor, evaluated. Second, the WIBF is generating employment for women and, is teaching large groups of women new skills and ideas. This is unquestioned. However, a proper cost benefit analysis of this technology being promoted, has not been carried out. For example, is it correct that the DME method provides more income (for less labour) than women would gain selling coconuts to the copra mill?

### **PART C: DO SERVICES MATCH WOMEN'S NEEDS?**

The discussion in Chapter Three proposed the need for national policies and programmes to support the informal sector. Parts One and Two of this chapter have shown very clearly that there are no policy initiatives being undertaken by any of the key Government or NGO groups for the informal sector. As a result, the focus of this section will be on the informal sector. This is an important research finding. This section focus on the appropriateness, relevance and availability of the programmes for women discussed.

#### **Are These Programmes Appropriate?**

Both SBEC and WIBF stressed that they must make their programmes 'appropriate' to the Samoan situation. The SBEC programmes combine *faalavelave* with business skills training. The WIBF have a different approach. This group focuses on training in enterprises which 'fit' the Samoan context of what women already do and, which do not undermine the customary ways or systems. The appropriateness of promoting the production of *ie toga* for sale does raise the issue of cultural appropriateness however.

#### **Are These Programmes Relevant?**

Chapter Five showed women needed business skills training, to develop their informal sector activities. The WIBF and SBEC courses both provide this training.

### **Are These Programmes providing New technology?**

Both SBEC and WIBF are exploring new options and new technology for women traders. This is in line with women's identification of their need for new ideas expressed in Chapter Five.

### **Are These Programmes Accessible?**

There appears to be some disparity in women's access to training. For example at the time of the fieldwork, there were no training opportunities for women in Safotu, Siumu women had considerable access to NGO and Government training, while NGO workshops were just beginning in Tanugamanono (see Table 6.5)

**Table 6.5: WIBF TRAINING PROGRAMS BY STUDY VILLAGE (JULY 1998)**

<i>Village</i>	<i>WIBF programs</i>
<b>Tanugamanono</b>	<ul style="list-style-type: none"><li>▪ ie toga training</li><li>▪ Handicraft workshop</li></ul>
<b>Siumu</b>	<ul style="list-style-type: none"><li>▪ ie toga training</li><li>▪ handicraft workshop</li><li>▪ coconut oil production</li><li>▪ bee keeping</li><li>▪ biscuit making</li></ul>
<b>Safotu</b>	<ul style="list-style-type: none"><li>▪ [none]</li></ul>

Training for rural women and, low income groups is a priority, particularly given the research findings that the rural village (Safotu) which contained the highest proportion of informal traders, had no access to training initiatives, in the past year. Both the WIBF and SBEC are targeting rural women and, the SBEC is targeting low income-groups. However, this may not be sufficient to meet the demand.

Given the importance of the income from informal sector activities to rural areas in particular, availability of training is a major issue. The WIBF's group of five trainers may not have the capacity to provide services to meet the potential demand. Capacity building of WIBF may be necessary and/or establishment of rural sub-groups to facilitate the spread of training programmes for women.

**Table 6.7: NUMBER OF PARTICIPANTS AT TRAINING WORKSHOPS  
(ATTENDED BY RESEARCHER)**

	<i>Village</i>	<i>Type of Workshop</i>	<i>Number of Trainers</i>	<i>Number of Women</i>
<b>1</b>	Safune	Handicraft/Business	5	10
	Lefagaolii	Handicraft/Business	5	8
	Falealupo-tai	Handicraft/Business	5	6
<b>2</b>	Gatavai	Consultation	4	2
	Tuleia	Consultation	4	2
	Vaipua	Handicraft/Consultations	4	1
		Monitor DME	4	1
<b>3</b>	Lano	DME training	4	1
	Sapapalii	Handicraft/Business	4	8
<b>4</b>	Tanugamanono	Handicraft/ie toga	5	12

Another issue which warrants further research, is women's use (or valuing) of training opportunities. The researcher accompanied three WIBF training trips to Savaii. Table 6.6 list of attendance at these workshops shows that the WIBF trainers were providing a service for very few women. The major reasons given by the women for non attendance at workshops was an 'unexpected *faalavelave*'. Yet no effort had been made to contact the WIBF so that training could be postponed. It was also noted that a significant number of participants were late to training, and some did not bring their equipment. Again this affected the effectiveness of the training programme. While this may have been disappointing, one of the trainers said, 'success is even a couple of ladies selling handicrafts on a regular basis'. It may be that this training was not viewed as a high priority for this group. Again this warrants further research.

## **SUMMARY**

As stated, the interviews with the key informants revealed a wide range of perceptions of the role of the informal sector in the national economy - from very little awareness, through to the very strong statement that, 'informal sector and small businesses are the backbone of the economy'. These differences in understanding could reflect the persistence of traditional perceptions about what is 'economic activity' or the difficulties in defining informal sector activities (see Chapter Two). However the differing views expressed by departments suggests a lack of communication between Government departments on these issues. Further, these different views highlight that Samoa does not

yet have a national view or strategy with regard to the informal sector. As a result, it can be predicted that there will be an absence of supports for 'informal sector traders'. Further is the likelihood that national policies and practices may adversely impact on informal sector traders. This warrants further research.

While there was little evidence of policy support for the informal sector, there are a growing number of training programmes for Samoa's women traders. The case study showed the WIBF strategy of combining business training, the availability of small loans, and access to new ideas and technology. This strategy directly matches women's needs as expressed in Chapter Five. The WIBF training also adapts to the Samoan context by building on the basic skills that women already have and using the resources readily available to women.

Access to training however is an issue to be addressed. There may not be a sufficient number of training courses to match the potential demand for these, nor is training evenly spread by village. As stated, the rural villages with the most women engaged in informal sector activity, had not had any training opportunities in the last year. The selection of target groups is another issue which needs closer study. The under-valuing of the training opportunities by some rural villages, raises questions of whether this group really need this training (did this group have alternative income sources and so the training could have been held in another more needy village) or was this group satisfied with the present level of activities.

Finally, Chapter Six has shown the huge task which one small organisation is trying to fulfil. In its present capacity, the WIBF has no option but to restrict the number of villages where it works. Firstly, there is a need for training programmes in rural areas – the establishment of a series of sub-training networks through rural villages for example. Second, a review of the way present policies impact on the informal sector, and a review of policies which may be needed to support the informal sector is a priority.

## CHAPTER SEVEN

### THE WAY FORWARD

#### INTRODUCTION

Since the 'informal sector' concept was first introduced into the development discussion in the early 1970s, a substantial amount of research has been carried out. While this research has contributed to a broader understanding of the informal sector, it has not provided a universally accepted definition. The 'informal sector' used in this research was defined as the *economic activities that women do 'outside' the formal sector to earn some income, which are not carried out all the time.*

This study has shown a significant number of Samoan women engage in informal sector activities: 79% (or approximately four in five) of the sample group of 90 were engaged in informal sector activities. This is significant if this level of involvement is replicated on the national scale. It showed that this micro-level informal sector, is a significant sector in the macro-level picture. What is clear, is that the extent and value of informal sector trading should be acknowledged in macro-level planning. What is more, the numbers of women engaged in informal sector activities in the rural and peri-urban villages was significantly higher than in the urban village. This finding emphasises the spread of the cash economy to rural areas today, and the likelihood of change to these rural systems which have always supported the urban economy.

The second major finding was the *amount* of income earned by these women and, the way this was used. This is summed up by one woman in the informal sector who said, 'our family can now afford to buy the things we need like the soap, sugar and kerosene'. These women were engaged in these activities 'to earn money for their families' and for 60% of the women, their earnings from the informal sector represented the main contribution to household income. Further, the range of reported weekly earnings was vast, from T50 to T2000 per week, and varied according to the sellers 'need' to earn money. As reported, 44% of women's income was spent on the nuclear family, closely followed by the church (27%) and extended family (18%). It is clear that women's

earnings from informal sector activities are a key factor in family budgets today: the quality of life of these families would be much less without this contribution. This is in line with the findings from other Pacific research in Fiji (MFAT 1997, FAWG 1994), Vanuatu (WBUDRC 1994) and the Solomon Islands (ILO/UNDP 1993).

These informal sector activities are undoubtedly women's response to increased aspirations, and family need. As stated, national economic growth has not expanded at a rate sufficient to provide employment for those presently seeking work, or the 4000 school leavers entering the labour force each year. Simply put, no family lives purely by subsistence means today and yet there are very few cash earning options. In this situation, women's informal sector activities are a very viable and vital safety mechanism for families today, these could even be described as women's 'coping' mechanism as seen in the global literature. Taken from this perspective, it can be predicted that women's informal sector activities will increase or stabilise rather than decline, as was the development assumption. The informal sector will become a permanent feature on the Samoan economic landscape. Further, while women's informal sector activities will increase, these will not continue in their present form, i.e. these women did not want to 'grow' their business or move into the formal sector, instead they preferred to start a second or third smaller business activity. This lateral pattern of development is an effective risk sharing strategy.

More research is needed as to why it is Samoan women who are responding to the family need for income by engaging in informal sector activities, rather than males. The customary norms of women and men's work, and the belief that 'informal' selling is somehow less cultural or less dignified than commercial selling, may be factors here. However, it may be that these women are at the workface of a production system, which is backed by males. This warrants further research.

It is clear that there is a lack of national recognition by Government Departments of the economic importance of this sector, or that these micro level activities are an integral part of the macro-economic picture. Only one Government Department interviewed appeared to see this importance. The idea that macro and micro levels can not be examined in isolation was noted in Chapter One. This relationship between macro and micro level was reinforced in this research: women's informal sector participation increases with depressed economic conditions and that the introduction of the user-pays system at the

macro level, is likely to lead to increased pressure on the household at the micro-level and result in women spending more time in the informal sector.

Women's NGOs are the major agency supporting programmes for this group. The study of WIBF showed their resources to be stretched. This in turn, affects WIBF's capacity to deliver its programme. Access to training and supports are an issue particularly for women in rural areas. For example, Safotu which had the most women engaged in informal activities had no programmes, in the study year. Instead these women gained their skills and knowledge informally, through family networks and from the women's committees. These women also relied on family and/or private savings to establish and develop their activity. This sample wanted access to ideas and skills to diversify their activity. The fact that many were engaged in the same type of activity, resulted in competition and low prices for their goods and services. The absence of the understanding for the need for policy support was also noted.

## **THE ADVANTAGES OF INFORMAL SECTOR ACTIVITIES IN SAMOA'S SEMI-SUBSISTENCE SOCIETY**

It is clear that the informal sector has become an integral part of Samoa's family production systems. What are its advantages in maintaining family livelihood security today?

### **Within the Family Systems**

The major advantages of informal sector activities are that they are done within the ambit of women's traditional roles – so these activities support the customary systems which have always protected family members. For example informal sector activities:

#### ***Fit Samoan Women's 'Triple Roles'***

Samoan women's triple role in reproductive, productive and community activities was reinforced in the research findings. This sample 'preferred' informal sector activities (to a waged job) because they could earn income for their family whilst at the same time carrying out their family responsibilities. (This would not have been possible with a waged job). For the 23% of women who were solo parents especially, the chance to earn cash while fulfilling family responsibilities was critical. Women also spent a substantial

amount of the income they earned to fulfil their community role (27% on church tithes and 18% on extended family needs). Being able to generate an income is important for women. Being able to do so from within their traditional roles is equally important.

### ***Uses the Skills and Resources that Women Already Have***

The literature portrays the informal sector as the 'easy' option for income generation, because people need less skill or capital for these activities. This seemed to be true for this sample. For example, the educational levels of the sample were lower than the national averages. One said:

I am doing what I have always known to do. My mother taught me how to weave and before that her mother taught her how. I sit and watch my mother and keep practising until I have it right'.

Furthermore, this sample used the materials they had easy access to around their homes (agricultural goods) for their enterprise and, the family systems to gain the capital they needed to start a venture.

### ***Reinforces Household Security***

#### ***By Spreading 'Risks' Over a Number of Options***

The small nature of the informal sector enterprise, meant these women did not concentrate on producing large amounts of one specific type of goods but spread their income generation options over a range of activities. This effectively reduced the risks, which might occur if they specialised. The majority of the sample engaged in 'multiple economic activities' (MEA)

#### ***The Multiple Use Goods***

Agriculture and agricultural related goods were the major informal sector activities. As stated, these 'multiple use goods' (Fairbairn-Dunlop 1996) such as mats, and produce and pancakes, could either be used by the family, sold or exchanged for *faalavelave*. The focus on multiple use goods again helped reduce women's vulnerability to the vagaries of the market. One woman said, 'I sit here and weave my *ie toga* for my *aiga* in Apia. I don't get any money, but when I need money I give them a ring'. Another example of the multiple use of goods occurred at one of the village shops where the small trader extended credit (*aikalafu*). Although she preferred these debts to be paid in cash, she said she accepted payment with other goods (agricultural produce and mats) if this were necessary.

## **Changing Systems**

At the same time, almost 30% (9) of the women wanted new ideas and technology so as to diversify their informal trading activity away from agriculture and handicraft production. As reported, many women doing the same activities heightened competition and resulted in low sales. Too great a change in the activities here, such as an emphasis on imported goods, could impact on the security of the family systems.

## **THE BENEFITS OF INFORMAL SECTOR ACTIVITIES**

The contribution of the informal sector has not been recognised at macro-level. This is a critical step. Some of the cross level benefits include:

### **Individual Empowerment**

These women gained great personal satisfaction from their informal sector activities. While the overall increase in income was important, so too was the security of generating such an income. Informal sector trade was empowering this group because firstly their work could be recognised for its contribution to the household, and secondly women had control over what they produced and how and when they sold this.

### **Household Security**

The research clearly demonstrated that women's informal sector activities now play a key role in the family budget – these were not a way women make 'pin money'. As stated the informal sector was the major source of household income for 60% of the women. Further, 44% of the income women generated was used by the women for 'family needs'

### **Community Development**

The informal sector activities of this group contributed to 'community development' through creating opportunities to earn money, which was used in village projects for the church and community. Another example of the way the informal sector contributes to 'community development' occurred in Siumu where, to meet the costs of decorating the health clinic, the women's committee were running monthly Bingo nights. It was expected that committee members provide the prizes for these nights, such as one dozen laundry soap, six dozen eggs, one 10lb box of biscuits, one 5lb box of mutton flaps and/or

two boxes of chicken pieces. The Siumu sample said they used the money from their informal sector activities to purchase these prizes.

## **National Development**

These informal sector activities supported national development by creating employment opportunities, acting as a bridge to the formal economy, containing urban drift and by reinforcing the semi-subsistence sector. Each of these are looked at in turn:

### ***Creates Employment and Cash Earning Options***

The limited opportunity for waged employment is a critical development issue facing Samoa (see Chapter Three). Informal sector activities are providing cash earning opportunities for 79% of this sample, in the three villages. Further, this is the *only* way this group could earn a cash income. So, the informal sector is providing employment for a group of people who might otherwise be unemployed. These informal sector activities are contributing to the livelihood security of this group, and also to the upskilling of the national labour force.

### ***A Bridge to the Formal Economy – Through Lateral Growth***

Government economic reforms emphasise that economic growth will be led by the private sector. The informal sector is contributing to the realisation of this national goal by acting as a stepping stone to enterprise development - a 'staging post' where people learn and practise their business skills until such time as their business can translate into the formal economy (see Chapter Two). However, it is significant that these women did not perceive growth to be in terms of size of enterprise: over half of the sample was satisfied with the level of their enterprise, and its informal nature. Of the 14 women that wanted to develop their informal sector activity, only one wanted to formalise her trade: the others wanted to expand their activity but remain in the informal sector. This showed a preference for the 'lateral development' of women's activities, already noted in Chapter Two, and has implications for the type of supportive policies and programmes devised to support this sector.

### ***May Contain Urban Drift and Increase Self-Reliance***

Apia is showing some of the incipient effects of urbanisation including overcrowding, pollution, emerging poverty and increasing rates of crime. The research finding that 100% of rural women and 87% of those in a peri-urban village were involved in the informal sector suggests that by creating employment opportunities in rural areas, the informal sector could stem the urban drift.

### ***Reinforces the Semi-Subsistence Sector***

The semi-subsistence sector has been termed the 'backbone of the economy' and, the Samoan Government gives priority to developing enterprises that do not endanger the subsistence systems. Women's informal sector activities fit squarely within the family systems (see above)

## **THE WAY FORWARD.**

This study is but a glimpse of the rich diversity of Samoa's informal sector. Any supportive policies or programmes for this sector must be designed in such a way so as to assist the development of the informal sector, without impinging on its autonomy, diversity or women's ability to identify gaps and initiate enterprises to fill those gaps. Such a strategy must:

- a) Address the diversity of the informal sector.
- b) Incorporate a programmes and policy approach.
- c) Capitalise on the strengths of NGO and Government agencies and private sector.

### **Addressing the Diversity of Informal Sector**

Samoa's informal sector is comprised of many tiers of activities each - of which may require a different strategy. Simply put, one strategy will not fit all cases. Those micro enterprises that have the potential for growth and employment creation (be these rural or urban) will need a different strategy to the street hawkers for example. The different tiers of the informal sector and some examples of the type of support workers in these tiers may need are summarised in Table 7.1.

Support policies and programmes must also take account of the ‘irregularity’ of informal sector trading. This will entail identifying the main purpose of the activity - is this to generate income to meet a specific need (such as *faalavelave*), or is the intention to start a small enterprise on a regular basis?

**Table7.1: THE INFORMAL SECTOR TIERS IN SAMOA**

<i>Tier</i>	<i>Informal Sector Activity</i>	<i>Characteristics of the Activity</i>	<i>Assistance that is most useful</i>
<b>1</b>	<ul style="list-style-type: none"> <li>▪ Hawkers</li> <li>▪ Street Vendors</li> <li>▪ Village Subsistence workers</li> </ul>	<p>These are easy-entry activities, which operate outside the law (i.e. trade without a license) Trading hours are usually irregular. These activities operate at the basic level of enterprise</p>	<p>Community based Programmes that provide basic services, which will improve the general welfare of these traders.</p>
<b>2</b>	Micro-enterprises	<p>Women with viable on-going enterprise and some skills. Usually operate with a business license and pay rent.</p>	<p>Group program to develop small informal association of busies owners, community credit schemes etc.</p>
<b>3</b>	Larger Informal Sector Enterprises	<p>Entrepreneurs with skills, flexibility and market knowledge.</p>	<p>Individual program and innovative bank-run credit services</p>

### **Policy and Programmes go Hand in Hand**

A development strategy for the informal sector must include programmes and policies as well. The research has shown Samoa is good at programmes, and not so good at policies. Expecting informal sector to comply with the same rules as formal sector may have the effect of marginalising this group even further and diminish its capacity. Government policies need to be examined for any bias, which may work against the informal sector, so increasing the chances of perpetuating poverty, low productivity and marginalisation of a large sector of the population. New policies may also need to be devised. Policy changes should be minimal, because the whole concept of the informal sector is that it is ‘informal’. Subjecting the informal sector to too much legislation will constrain its nature, and thus be counterproductive in terms of employment creation. The overarching consideration is for the informal sector not to become ‘over-regulated’. This research recommends that Government undertake a study on the informal sector in Samoa, to identify the measures that will achieve this balance.

## Who Best to Deliver Such Support?

Government programmes and policies have tended to focus on the formal sector. This research has demonstrated that NGOs programmes are very effective, however these may need assistance to extend their services to more women, particularly in rural villages. Capacity building out-reach and access to technology and market support are critical. A cross-sectional approach will ensure a more dynamic investment in the informal sector development. This approach will combine the strengths of Government and NGO and private sector.

I conclude with some comments from the women:

My small business means that I don't have to leave to village to work. I can work at home, look after the children and do the *feaus*.

I am now able to earn money for food, the children's school fees and uniforms...we [our household] don't have to *aisi*<sup>42</sup> off our relatives in Apia or in New Zealand.

It hard with so many of us doing the same activity...but every little money helps to look after and take care of the family.

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<sup>42</sup> *aisi* – to beg, borrow.

## **LIST OF ANNEXES**

1. The Objectives of the Ministry of Women's Affairs (MWA)
2. The Objectives of the Women in Business Foundation (WIBF)
3. An English copy of the Questionnaire
4. An English copy of the Interview
5. The Description of the Study Villages
6. A Summary of the Economic Reforms in Samoa
7. Basic Economic and Social Statistics of Samoa
8. DME

## Organisation of the Ministry of Women's Affairs

The Ministry of Women's Affairs has its own Minister, Secretary, Advisory Committee and staff.

The Secretary for Women's Affairs is responsible directly to the Minister.

The Advisory Committee is made up of representatives from the Health, Agriculture, Education, Foreign Affairs, and Internal Affairs Departments. There are eight representatives from women's organisations on the Advisory Committee.

The staff of the Ministry of Women's Affairs is divided into two sections:

### *Programmes and Training Unit*

This unit is responsible for programme and project activities, training, and information dissemination.

### *Research and Administration Unit*

This unit is responsible for all research, data collection, and administration work.



## MINISTRY OF WOMEN'S AFFAIRS

Box 872  
3rd floor  
Government Building  
Apia  
WESTERN SAMOA

Telephone 22 421



## Ministry of Women's Affairs

Western Samoa

March 1995



## What is the Ministry of Women's Affairs?

The Ministry of Women's Affairs is a government department. It was established under Section 4 of the Ministry of Women's Affairs Act, which was passed by Parliament in 1990.

## What are the functions of the Ministry?

The Ministry has many functions, which include services to women and policy work.

Specific functions include:

- co-ordinating programme and project activities for women;
- providing or co-ordinating training;
- advising the government on women's issues;
- co-ordinating the activities of government and non-government organisations involved in women's affairs;
- establishing a data base on women which can be used for planning and programmes;
- co-ordinating, encouraging and promoting the work of women and women's committees, such as those involved in health care, village and district sanitation, childcare, handicrafts, and domestic and community gardens;
- working to ensure better conditions of employment for women in both the public and private sectors.

## What types of programmes are implemented by the Ministry?

On-going programmes of the Ministry include:

- the weekly radio programme and quarterly newsletter on the activities of the Ministry
- training organisations and individual women;
- a Home Economics Training Programme;
- a credit scheme;
- promotion of the planting of raw materials for arts and crafts production;
- vegetable garden projects;
- a flower garden project.

## What are the priorities of the Ministry?

Some of the priorities of the Ministry of Women's Affairs include:

- expanding economic opportunities for women;
- disseminating information to women;
- establishing a database on women;
- reviewing legislation for indications of discrimination against women;
- working with other departments on policies and programmes;
- promoting the Ministry, and fostering women's confidence in the Ministry.

## Policy and Programme Development Project 1994 - 1997

One of the major activities of the Ministry of Women's Affairs is the Policy and Programme Development Project. This Project is running between 1994 and 1997.

The objective of the Project is:

the social and economic advancement of women in Western Samoa.

The Project aims to:

- increase community participation in the identification of appropriate income generating activities;
- increase information dissemination to women;
- increase data collection and analysis;
- increase training programmes for women;
- increase collaboration with other government departments;
- increase contact with women in the community;
- increase staff training and development.



ANNEX 2 Women in Business Foundation Outline

**TECHNOLOGY**



- Coconut Oil Production
- Soap Making
- Beekeeping
- Paper Making

**TRADE**



- Marketing
- Product Development
- Overseas Market Searches
- Micro-Credit
- Bookkeeping
- Research
- Planning
- Market Days
- Packaging

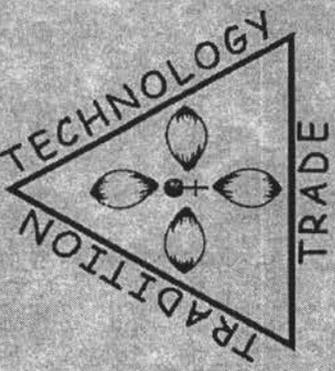
**TRADITION**



- Elei Printing
- Tapa Making
- Weaving
- Sewing
- Flower Arranging
- Jewelry Design



*Wearing women together with technology, trade and tradition.*



**Women in Business Foundation & Ofaga o Tomai**

**Women in Business Foundation & Ofaga o Tomai**

Post Office Box 51  
Apia, Western Samoa  
tel/fax 685.21959

## Women in Business Foundation & Ofaga o Tomai

The Women in Business Foundation (WIBF) was founded as a non-governmental organisation in 1990 by seven women with the vision of involving women in business activities. The main objectives of the WIBF are to promote and advocate women's interest in business, stimulate and support small/micro business initiatives, facilitate and nurture cooperative action between various community groups and to act as both an advisory and training source for urban and rural village women.

Ofaga o Tomai is a business development programme funded by NZODA and managed by WIBF. Ofaga o Tomai is a "nest" of skills and talents molded together by a business training team. These trainers have tailored their presentations specifically for the rural village woman. Learning in this programme is encouraged through both theory and practice of business concepts.

Women in Business and Ofaga o Tomai have joined together to better address the needs of village level enterprise. The programmes developed by WIBF focus on utilising resources which exist in the village setting. The Ofaga o Tomai trainers not only further develop the programmes, but also provide on-going follow up training and support. The Ofaga trainers are also skilled in many areas of traditional craft and are helping to preserve Samoan tradition by sharing their skills.

Together Women in Business and the Ofaga o Tomai Trainers hope to help change the face of village enterprise in Western Samoa.



### We work to build a secure future for...

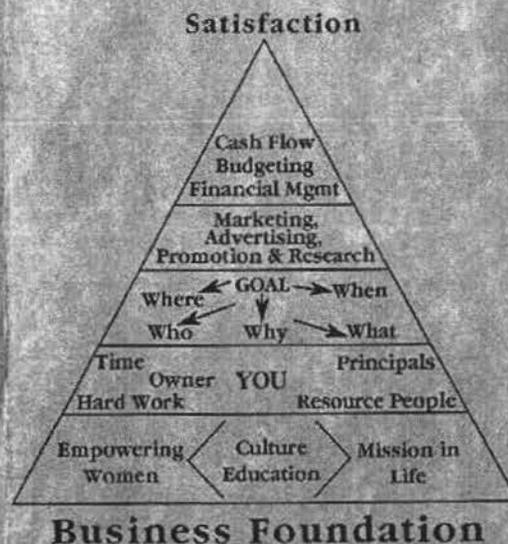
- Individuals,
- Women's Committees,
- Church Groups,
- Youth Groups,
- Families
- & our country -  
SAMOA AS A WHOLE.

### Projects are aimed to...

- Empower
- Decrease Reliance on Remittances
- Create Income Generating Ideas
- Differentiate Business Ideas

## BUSINESS PYRAMID

The Trainers use the Business Pyramid as a framework for their lessons. The aim of this approach is to allow those being trained to see the connection between the self, environment and the business as a whole. The Pyramid is as a basic map for the development of Samoan village based businesses.



**ANNEX 3:**  
**Survey of Women's Economic Contribution to the Household**

**HOUSEHOLD**

Age \_\_\_\_\_

Marital Status     Single  
                           Married  
                           Other

How many people in your household? \_\_\_\_\_

How many school children in your household? \_\_\_\_\_

---

**INCOME GENERATION ACTIVITIES**

1. Sometimes we need extra money. Have you done anything to earn money in the last month? YES/NO

If yes, what are the 3 BEST money-earning options for you?

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_

If no, why did you not? \_\_\_\_\_

---

2. How often do you do these activities?

- Everyday                       Once a week
- Once every two weeks       Every now and then

3. What is the average money you can earn from these activities each week?

\$ \_\_\_\_\_ per week

4. In your opinion, what percentage of the total household income does this money you make represent?

- 5%                                       10%
- 25%                                    50%
- 75%                                    100%

5. How many hours per week do you spend on these income-generating activities?  
\_\_\_\_\_ hours per week

6. Where do you sell your goods?

- Market                                       On the side of the road
- To others in the village               Other

7. What are the three main things that you spend this money on?

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_

8. Do you save any of this money? YES/NO

9. Do you have any problems carrying out this activity?  
\_\_\_\_\_

10. What services/training could help you with your income-generation activities?  
\_\_\_\_\_

## ANNEX 4: In-depth Interviews of Women's Informal Trading Activities (April 1998)

### HOUSEHOLD

Number of Interview \_\_\_\_\_  
Age of respondent \_\_\_\_\_  
Marital Status \_\_\_\_\_  
Nos. of people in the household \_\_\_\_\_  
    Males \_\_\_\_\_  
    Females \_\_\_\_\_  
People from household living overseas YES/NO \_\_\_\_\_  
Education (level of education/school) \_\_\_\_\_

### WAGED EMPLOYMENT

1. How many people in your household have a waged job? \_\_\_\_\_  
2. What type of employment is this? \_\_\_\_\_  
3. How much money does your family earn from waged employment per week? \_\_\_\_\_  
4. Have you had a waged job before? \_\_\_\_\_  
a) What did you do? \_\_\_\_\_  
b) How much did you earn? \_\_\_\_\_  
c) Why did you leave? \_\_\_\_\_  
5. Does your household receive remittances? \_\_\_\_\_

### INFORMAL TRADING ACTIVITIES

6. What activities have you done to earn cash?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. Is agriculture prominent in your household? YES/NO

If it is not, why is this? \_\_\_\_\_  
\_\_\_\_\_

### MAJOR ACTIVITY

8. What is the main money-earning activity that you do? \_\_\_\_\_

9. What did you start this activity? \_\_\_\_\_

10. How long have you been doing this activity? \_\_\_\_\_

11. How much time do you spend on this activity? \_\_\_\_\_

▪ Are there any other jobs that you do in addition to this activity? \_\_\_\_\_

13. Where do you carry out your activity? \_\_\_\_\_

14. If away from home, how do you transport your goods? \_\_\_\_\_

15. Do you have any problems selling your produce/product? \_\_\_\_\_

### ACCESS TO CAPITAL

16. Where did you get the money to start this activity?

\_\_\_\_\_ Myself (Savings)                      \_\_\_\_\_ Family (Remittances)  
\_\_\_\_\_ Banks                                      \_\_\_\_\_ Credit Union  
\_\_\_\_\_ Other

17. If you borrowed have borrowed money. If so how much is the loan? \_\_\_\_\_

18. If you do not have a loan, why is this?

- |   |   |
|---|---|
| <input type="checkbox"/> Banks denied loan  | <input type="checkbox"/> No deposit             |
| <input type="checkbox"/> Frightened of loan | <input type="checkbox"/> Have not needed a loan |
| <input type="checkbox"/> Don't know how to  | <input type="checkbox"/> Other                  |

- |                                  |                                     |
|----------------------------------|-------------------------------------|
| <input type="checkbox"/> MWA     | <input type="checkbox"/> WIBF       |
| <input type="checkbox"/> NCW     | <input type="checkbox"/> Government |
| <input type="checkbox"/> Village | <input type="checkbox"/> Other      |

---

**INCOME-GENERATED FROM INFORMAL TRADING ACTIVITY**

19. Income per week

a) Largest amount \_\_\_\_\_

b) Smallest amount \_\_\_\_\_

b) What type of training was it?

- |  |   |
|--|---|
| <input type="checkbox"/> Leadership training | <input type="checkbox"/> Business awareness |
| <input type="checkbox"/> Handicrafts         | <input type="checkbox"/> Other              |

20. In your opinion, what percentage of the household total income, does the money you make represent?

- |                              |                               |
|------------------------------|-------------------------------|
| <input type="checkbox"/> 5%  | <input type="checkbox"/> 10%  |
| <input type="checkbox"/> 25% | <input type="checkbox"/> 50%  |
| <input type="checkbox"/> 75% | <input type="checkbox"/> 100% |

21. What do you spend this money on?

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_

22. Do you save any of this money? YES/NO

23. Do you invest any of this money in your business? YES/NO

24. Are you making a profit? YES/NO

---

**TRAINING**

24. Have you been on a training course in the last year? YES/NO

26. If you have been on a training, who organised it?

c) Does this training help with your business? YES/NO

27. If you have not been on a course, why not?

- |   |                                  |
|---|----------------------------------|
| <input type="checkbox"/> No course          | <input type="checkbox"/> No time |
| <input type="checkbox"/> No space on course | <input type="checkbox"/> Family  |
| <input type="checkbox"/> No money           | <input type="checkbox"/> Other   |

28. What services/training could help you with your income-generation activities? \_\_\_\_\_

\_\_\_\_\_

29. If given the chance, would you do this activity full-time? Are you happy keeping your activity like this? \_\_\_\_\_

\_\_\_\_\_

30. Any further comments? \_\_\_\_\_

\_\_\_\_\_

## ANNEX 5 Profile of the Study Village

### TANUGAMANONO

Tanugamanono is an inland village, located within the Apia district. It is one of the few urban villages that still recognises the *pule* of the matai. The population size of Tanugamanono is relatively large, with 1300 people enumerated at the 1991 Census. Being located within Apia, the village has a limited land area, and this is reflected in the land being well-used. The houses are built close together, and while there are household vegetable gardens, there is little room to grow staple food crops. Tanugamanono has no coconut belt land and no recognised forest areas. As a result, there is a shortage of coconuts and fuels and the village can not expand its boundaries by clearing forested areas.

The village plantation lands are located at Afiamalu, which was allocated to Tanugamanono by the Government in the 1970s, in exchange for land in the village, which is now the national electricity plant. Access to Afiamalu is difficult, and few people use it. Tanugamanono has a village school but many children attend the Government schools, which are located close by, in the Malifa compound. The National Hospital is sited one block away from the village. Tanugamanono has a small village shop but most people shop in Apia.

The *fono* house and the church are located at the front of the village beside the *malae* (the village green). The *malae* is the hub of much village activity. Houses are mainly located behind the *malae* and are accessed through three roads, which run from the Cross Island Road to the back of the village.

### SIUMU (Siumu Sasae)

Siumu is located on the Southern coast of Upolu, and has been divided into two smaller villages (Siumu Sisifo and Siumu Sasae) by the Cross Island Road. The population of Siumu Sasae was 450 at the last national census (1991). Siumu is predominantly a fishing, cattle and coconut village. The cross-island road has made Apia more accessible, and enables a lot of agricultural produce to be transported to Apia to trade.

Most of the land is held under customary ownership, with the exception of three acres of freehold land belonging to the church. Traditionally the centre of the village was

located by the sea, however the centre of the villages has moved up to the main road, to be closer to transport routes and infrastructure such as water and electricity which follow the main road. This movement inland from coastal sites is taking place in many Samoan villages today. There is plenty of land for development Siumu, and this is seen in the houses being built further apart from each other.

The Women's *komiti* building is located on the main road and is the social centre of the village. This *komiti* is very strong, with about ninety women. WIBF has a strong presence in Siumu in the way of handicraft, ie-toga, honeybees and coconut oil production workshops.

### **SAFOTU**

Safotu is a rural village located on the northern coast of Savaii. It has a long history as a centre of traditional political activity in old Samoa. While the village covers a significant area of land (from the mountains at the centre of Savaii to the coast), much of this is unusable due to the lava lands.

There are three distinct land use zones in Safotu: the household, the coconut belt and further out the plantation lands. People access land through approaching the village *matai*, who are the custodians of customary land.

Houses are located on the thin strip of flat coastal land, by the sea. Many of these houses are unused, because the owners have migrated to Apia or overseas. However these houses represent these families. Safotu has a population of 1142, with 687 women (Internal Affairs 1996).

## ANNEX 6 Basic National Data

### Basic National Data

Total population of Samoa	161,298	1991	1991 census
Estimated population	167,000	1997	1998 World Bank
Total GDP (millions US \$)	87.6	1985	World Bank 1988
	155.0	1995	
	175.5	1996	
GDP average annual growth%	-1.3	1975-85	World Bank 1998
	9.6	1995	
	5.6	1996	
GNP per capita (US \$)	1,200	1996	World Bank, 1998
GNP per capita average annual growth%	8.9	1995	World Bank 1998
	4.5	1996	
Average annual rate of inflation %	1.7	1993	WHO 3 <sup>rd</sup> Review of Health Strat 1997
	18.4	1994	
	1	1995	
	7	1996	
Public Expenditure on:			
• Education	11.28% budget	1997/8	SES Bulletin
• Health	8.17% budget	1997/8	SES Bulletin
• Defense	Not budget item		
Average annual growth of population (%)	2.3% p. a	1991	1991 Census
Net population growth rate (%)	0.4% - 1% p.a. since 1976	1991	Signif out-migrat
Urban population	35%	1991	1991 Census
Rural population	65%		World Bank 1998
Apia population	20% est 60,000		
Male/female distribution	Little difference in sex distri by r/urb		
Urban population annual growth rate	Crude migr rate of 1% each year to Apia		1991 Census: 22
Ethnic group	98% Polynesian	1991	
Language of education	Bilingual Policy. Samoan is the language of instruction for Years 1-6 schooling and English is a subject. This is reversed at year 7.		National Policy and Education Dept Reports
Life expectancy at birth	<i>Male</i> 63.5	<i>Female</i> 65.5	1991
Life expectancy at birth	68	68	1996
Doctors/per 10,000 pop	3.3		1992
	3.1		1994
	2.9		1996
Nurse/per 10,000 pop	23.2		1992
	21.8		1994
	21.6		1996
Maternal mortality rate/ '000 live birth	1.0		1992
	0.8		1995
	0.6		1996
			DOH Annual Rep 1995/6

Live Births attended by tr health personnel (%)	79.5 77.6 78.0	1992 1995 1996	DOH Annual Rep 1995/6		
Birth delivered by TBA (%)	20.5 22.4 22.0	1992 1995 1996	DOH Annual Rep 1995/6		
Infant mortality rate/000 live births	25.0 25.7 19.0	1992 1995 1996	DOH Annual Rep 1995/6		
Under-five mortality rate/,000 live births	35 39 27.4	1987 1991 1996	World Bank 1998		
Contraceptive prevalence	14.4 21.7 30.0 42.2	1988 1991 1994 1996	Family Welfare Centre Ann Rep 1995/6		
Total fertility rate (%)	4.26 Unchanged	1991 1996	1991 Census World Bank 1998		
Singulate mean age of marriage.					
• Males	28	1991	1991 Census		
• Females	24	1991			
Adult literacy	98%	1993	World Bank 1998		
• Male	N.D.				
• Female	ND				
Primary school enrolment ratio	83.3%	1993	World Bank		
% of female	47.4% 47.9% 48.1%	1996 1997 1998	Ed Dept		
Percentage of grade 1 enrolment reaching final grade of primary school m/f					
Secondary school enrolment % female					
▪ Junior secondary	51.1%	1998	Ed Dept		
▪ Senior Secondary	49.2%	1998	Ed Dept		
Percentage of drop out in pr school (net)	15%	1994	World Bank and Education Dept		
Economically active** as % of total pop	60%	1991	1991 Census		
Male waged labour %	68%				
Female waged labour %	32%				
Percentage of labour force in	Total	M	F	1991	1991 Census
• Agriculture	63%	67	73		
• Industry		4	8		
• Services		29	19		
Unemployment***	3%	1.5	3	1991	1991 Census

Note Fairbairn Dunlop and Associates (1996)

\* Many concepts used in economic statistics are difficult to apply in semi-subsistence economies

\*\* 'Economically active' is defined as a person who has worked for one hour or more in the production of economic goods and services in the last week. In 1991, women who classified themselves initially as housewives were asked a special set of questions. As a result, it was discovered that a significant number of women were involved in subsistence agriculture or household economic activities, and should clearly also be classified as economically active. For this reason, the 1991 data are not strictly comparable with those from earlier census.

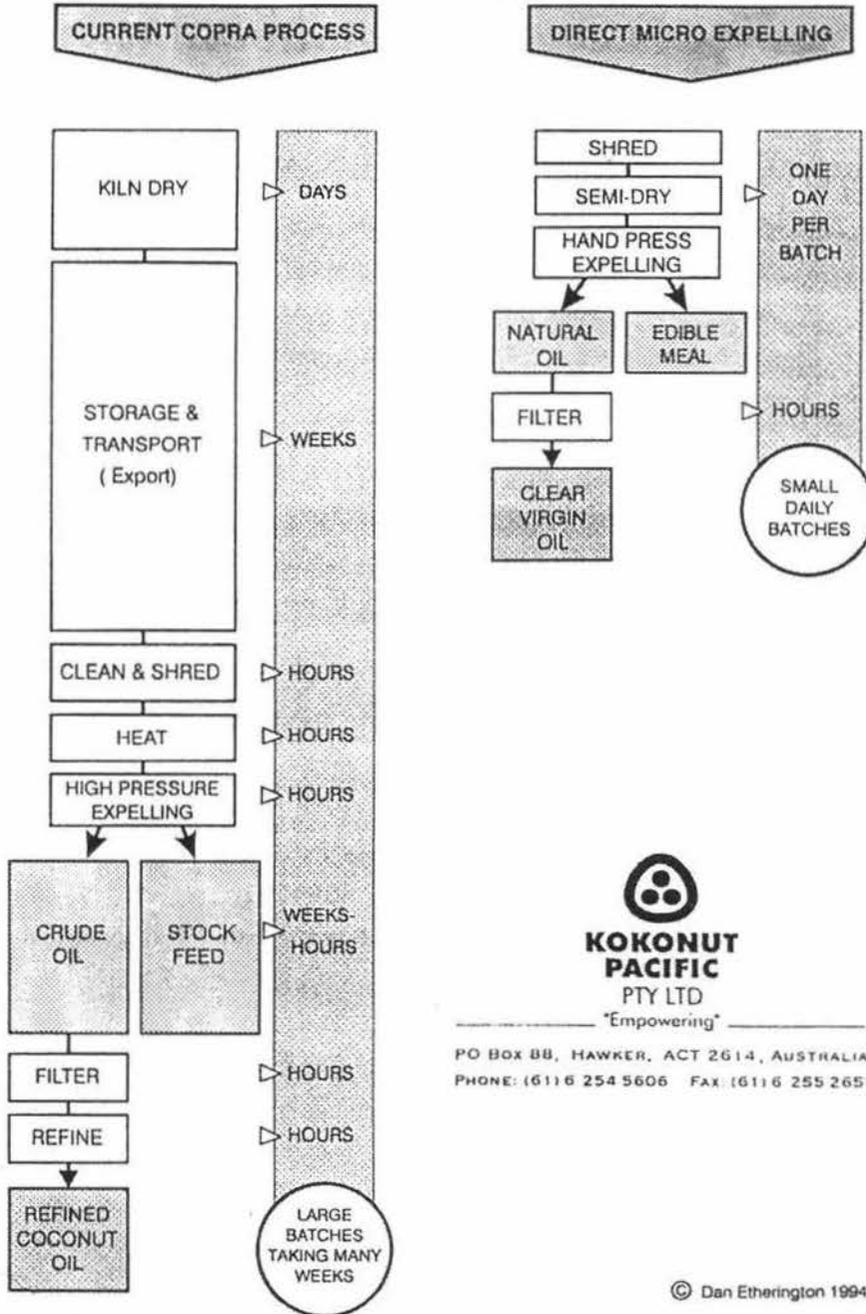
\*\*\* Unemployment is defined as those who are actively seeking work, available for work and not otherwise engaged in subsistence employment. A decrease in wage employment may not necessarily result in unemployment, as people may turn to fishing, food gathering or other agrarian pursuits (Census, 1991:33)

## ANNEX 7 The Key Points in Samoa's Reform Package

<p><b>PROMOTING INVESTMENT</b></p>	<ul style="list-style-type: none"> <li>▪ Stronger domestic and overseas investment required to underpin growth in the economy and to broaden and deepen the productive base of the country</li> <li>▪ National Investment Policy Statement approved by Government to provide investors with clear guidance about procedures and priorities</li> <li>▪ Economic policy stance directed towards building an efficient competitive economy which will enhance the attractiveness of Samoa</li> <li>▪ Open, efficient and transparent investment procedures</li> <li>▪ Incentives available for investment in priority areas</li> <li>▪ Trade and Investment Promotion Unit created to assist to facilitate local and overseas investment</li> <li>▪ Ongoing review of procedures to further improve investment and encourage higher levels of investment</li> </ul>
<p><b>FINANCIAL SECTOR LIBERALISATION</b></p>	<ul style="list-style-type: none"> <li>▪ Remove interest rate controls</li> <li>▪ relax ceilings on commercial bank lending</li> <li>▪ Remove liquid asset rations</li> <li>▪ Issue/auction Central Bank of Samoa and/or Treasury securities to manage monetary aggregates</li> <li>▪ Establish forward foreign exchange market</li> <li>▪ Improve financial intermediation and domestic resources mobilisation</li> </ul>
<p><b>PUBLIC SECTOR REFORM</b></p>	<ul style="list-style-type: none"> <li>▪ Strengthen the Partnership between the public and private sector</li> <li>▪ Redefinition of the role and responsibility of the public sector</li> <li>▪ Prioritisation and focussing of Government Services</li> <li>▪ Corporatisation/privatisation programmes to reduce Government's direct involvement in commercial enterprise activities</li> <li>▪ Improve efficiency and equality of services</li> <li>▪ Refinement of performance budget system</li> <li>▪ Improve Government accounting to support delegations of financial controls and devolved personal management functions to line departments</li> <li>▪ Further development of strategic/corporate planning in line departments</li> <li>▪ Contracting out of Services</li> </ul>

Source: The Social Impacts of Economic Reforms (Fairbairn-Dunlop and Associates 1998)

COCONUT OIL PRODUCTION METHODS



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