



# World Chronicle

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## **“Women, Work, and Poverty”**

A report published by the UN Development Fund for Women (UNIFEM) argues that women are more likely to be poor, more likely to work for little or no money, and less likely to have access to health benefits than men. The root cause of this imbalance may be the fact that many women do not enjoy the benefits of formal employment.

Why are so many women employed in the so-called “informal economy”? Who is in charge of collecting reliable data to measure the economic contributions of women? Is formal employment for the millions of women who are currently working in the informal sector economically viable, or is it a recipe for inflation and public debt? These are just some of the questions addressed in this lively World Chronicle interview with Noeleen Heyzer, Executive Director of UNIFEM.

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**ANNOUNCER:** From the United Nations in New York, an interview programme on major global issues. This is **World Chronicle**. And here is the host of today's **World Chronicle**.

**WILLIAMS:** Hello, I'm Mary Alice WILLIAMS. Women have entered the work force in great numbers in the last ten years but their position in the global marketplace of labor is still precarious. Around the world, women are more likely to be poor; more likely to work for little or no money, and less likely to have access to health benefits than men. These are some of the conclusions of a report entitled: 'Women, Work, and Poverty'. The study is published by UNIFEM (UNITED NATIONS DEVELOPMENT FUND FOR WOMEN), and I am pleased to welcome back as our guest UNIFEM's Executive Director, Noeleen Heyzer. Welcome to **World Chronicle**.

According to your report, an astounding number of women work informally rather than what's called the formal economy. Let's define that. What is informal labor?

**HEYZER:** Basically, it means work that does not allow women to get out of poverty. It is work without any protection; it's work at the lower end of the labor hierarchy. So that's what .....

**WILLIAMS:** Is cottage industry work working from home?

**HEYZER:** It is home-based work; it is casual work; it is street vendors. It is basically the kind of work where you have high risk at work.

**WILLIAMS:** Joining us here in the studio today are Oyiza Adaba of Africa Independent Television and Betsy Pisik of The Washington Times. Betsy...

**PISIK:** Your report makes it clear that these dangers and the downfalls of this labor are almost inescapable. According to the report, something like 50 – 80 percent of all women that are employed outside the agricultural sector in the developing countries are informal workers. Can you explain why that is? I mean is it just that these women just have no opportunities in the formal sector?

**HEYZER:** Well, there are basically four reasons why you find concentration of women in the informal sector. Basically, if you look at who are the people who still have less access to education, to skills, to information, to political power; it's women and girls. Secondly, it's really also the repressive family structures. In many countries of the world, women are not allowed to own property. They are not allowed to move as freely as they like. And thirdly, it is what I call gender-blind policies and biases. There are still many governments that make a political kind of

decision-making in the economic sphere based on male as head of the household, that do not invest in areas where women are working. But fourthly, it is also the labor market. It's really the market-forces where you have a highly- segmented labor market, and you still find women being concentrated at the lower end of those labor markets. But also very poor market access for women's goods and services. So that's our major concern as well.

**ADABA:** Are there specific mechanisms in place to give the informal working women a voice in the policy-making process. I mean I can hear the formal working women already saying: "You know, I am here, and I can't even be heard." So what are the odds for the informal working women to be heard?

**HEYZER:** You know, what is extremely important is to realize is that there are lobbies and there are ways of organizing so that your voice can be heard. And what we have been able to do is to strengthen the organization of informal sector workers, be they street-vendors; be they home-based workers; be they casual workers in the agricultural sector. And the whole purpose here is to make sure that through their voice and through that kind of representation, you can address some of the existing constraints.

**WILLIAMS:** Are you talking about labor unions?

**HEYZER:** Yes and no, because one of the problems with the informal sector workers is that they are not even recognized by labor unions as workers. For many years, we had to organize them and get labor unions to recognize them as workers so that they can be seen as part of their organized labor work force. And this has taken a lot of doing. What we want through that organization ....some of it can be in terms of co-operative; in terms of solidarity groups or self-employed women's groups. What we try to do here is to make sure that they have access to labor markets; that they do have access to services; that they are able to change policies. And both at the local level as well as at the national level.

**PISIK:** We are talking about the kinds of jobs here that are, I think, very difficult to unionize or even recognize. I mean on the legal side, there is selling of small things like candy and herbs. There is sewing at home, trash-picking, foreign exchange, I mean, and not to mention, the vast world of the not quite legal services and merchandise. How would you advocate that these women either join together to get a voice or somehow force other structures to recognize them, whether it is the government, or family, or legal innovation?

**HEYZER:** Well, actually we have had a lot of successes. For example, the self-employed women's groups and association in India that represent over 700 thousand home-

based workers. They manage to organize themselves; in order to make changes in terms of even health insurance for home-based workers. The same way you have home-net, that we, as a women's fund, have been actually organizing and funding, so that there is a whole network of home-based workers around the world today. The same way with the women who are working as kind of domestic workers. What we have enabled to do is to get them into associations and to bring sending and receiving countries together, so that there are better protection. In fact, I am very happy to say, for example, like in Jordan, we were able to bring the Government of Philippines with the Government of Jordan, and they have some of the better model contracts for domestic workers. So, change is possible. I think what we wanted to say is that even though it is extremely difficult for many of these women to work themselves out of poverty, if we invest in certain changes; in certain ways of organizing, change is possible.

**ADABA:** And the report says that 60 % of women are informal workers and that is even outside agriculture. So why is education being halted at the primary school level because education is clearly a big part of this. Why is it being halted at primary school level in most of the developing countries, and what is UNIFEM doing about that?

**HEYZER:** Well, we don't have a comparative advantage there because we have other groups working on that; but at the same time, it is extremely important to advocate for women's education and skill-formation because what we are finding today in a globalizing economy is that there are more opportunities for women who are educated and who have access to skills and skill-formation, and that there is an opportunity, in fact, to move women up the value scale, and what we have been doing is trying to invest in skill-formation, for example, a partnership with the Cisco group, for example, has been to train women in information technology so that they have access to new and emerging markets, and new and emerging labor structures. And that is so extremely important. So, investment not just in formal education; but also in vocational education and skill-formation. That is the way to go.

**WILLIAMS:** Some argue that formalizing employment for women, giving more workers access to benefits will certainly make life better for some but would lead to unemployment for others by bringing up the cost of labor. Do you buy that argument?

**HEYZER:** You know, Mary Alice, I think about that very often, and I have to say that it is not about the cost of labor; it's about profits and is about economic governance. It is about how wealth is being generated all down the value chain, and what has happened is the fact that those who produce in the production chain at the bottom are not getting the reward for their

labor at the level that they should. Instead, there is a concentration of wealth at the very top. If we even, even if we were to take into account the issue of economic governance and reduce economic corruption at the very top, that itself will make their share and the kind of distribution of wealth much better.

**PISIK:** What has UNIFEM done to work with governments to recognize or improve the lives for these informal workers?

**HEYZER:** We have done a lot with governments. Firstly, it is almost like working at two ends: One is the organization of women workers; but at the same time, it is really opening up policies basis for these workers at the governmental level. For example, one very good example would be in terms of government accountability to their sector – How do you ensure that when you make choices in terms of patterns of economic growth, you don't overlook the fact that most of your home-based workers have got to be attended too in terms of health insurance; in terms of support. In terms of your investing in local economy, you can't just invest in the larger local firms but you also need to take into account the smaller women's businesses; in terms of taxation policies; in terms of credit; in terms of opening up financial markets; in terms of even providing basic services because if you have good water systems, good transportation systems, good rights to land. If you change your laws so that they are no more laws that kind of would act against women, you will find that women have greater access to economic participation.

**ADABA:** With factors such as religion and culture to consider, would you say that women, and it's not a trick question by the way, would you say that women should be paid for their work in the household, and if yes, who should pay them and how?

**HEYZER:** Well, you know the thing is that why you have such a high concentration of women in the informal sector, it is also because of their unpaid work. And when you have a situation where healthcare systems break down because countries are not able to invest in their healthcare system, or you have a situation of high cases of say the kind of HIV - AIDS, you find that women are brought out and they become the healthcare system. And therefore, their unpaid labor or their unpaid work becomes their "absorptor". They absorb the fact that governments are not investing in your social sectors, and this is extremely important to take into account, and to invest in women so that their work would be recognized and you do not have the situation of under-evaluation of women's work.

**WILLIAMS:** How do you even count them? One of the fundamental arguments in this report is that labor data is based on formal employment. So no one; in fact, not policy-makers, not journalists, not even the United Nations has any adequate way of measuring the economic contributions of women. Will this be a key for you in the future, measuring them?

**HEYZER:** Data – evidence - based information is so important to change policies because we can go around, making our arguments; but unless you have very solid evidence in terms of data, we are not going to get changes. One of the things is to look at is how work is being defined? One, I won't tell you the country but a very good example is, there was a country working on the census, and it was taking labor-forced data, and what came out was that in the agricultural sector, women were found to be working at 28 percent of the labor-forced participation of the agricultural sector. And everybody who knows that country well know that that is impossible. So when we discovered what went wrong, we discovered that when they were looking at work, they defined it as formal sector work. Eight hours in a specific place; yet, in an agricultural setting what you have would be casual workers, seasonal workers, people who have a multiplicity of work that will look at different jobs at different times that will combine jobs in different ways, and all that work was not counted. So the way in which we look at work and the continuum of work, the totality of women's work, would be extremely important to count.

**WILLIAMS:** This is **World Chronicle**. Our guest is Noleen Heyzer of United Nations Development Fund for Women (UNIFEM). We are talking about the problems of women working outside the formal structures of employment. Here is a report about a project in Indonesia that tries to help street vendors.

### **VIDEO ROLL-IN**

AUDIO IN .....

### NARRATION

The sun has not yet risen over Indonesia's capital, Jakarta. In these cramped living quarters, however, a group of women is already hard at work.

They are making 'jamu' – traditional herbal drinks that Indonesians use to overcome all sorts of ailments, from colds to rheumatism.

It's a small-scale business that keeps hundreds of low-income women from joining the ranks of the poor – thanks in part to international grants from the UN Development Programme

(UNDP) and Yayasan Bhara, a local community group. All this activity is the result of a project that directly addresses the employment needs of families in the crowded neighbourhoods in Jakarta and other Indonesian cities.

The help comes in the form of giving women easy access to cheap credit, says Ibu Warni, whose earnings from making and selling 'jamu' complement her husband's modest income as a fruit vendor.

WARNI: (in Bahasa Indonesia)

"Before I would always have to borrow money from my neighbours and from moneylenders, but now it's easier for me to get credit. It's a great help for our families."

NARRATION

The programme also helps the women to develop better business practices – on ensuring hygiene, buying supplies in bulk, and basic accounting.

NARRATION

But keeping up the physical strength to sell 'jamu' on the city streets, day after day, year after year, can be very difficult.

With this problem in mind, the programme has expanded to include training in the provision of acupressure massage. This traditional form of therapy is popular throughout the country. It's another skill that can be used to bring in some money, says Ibu Sumiato, who – after 10 years of selling 'jamu' – is now ready to diversify her trade.

SUMIATO: (in Bahasa Indonesia)

"When I'm out selling 'jamu' now I can practice this extra skill on the customers when they complain of aches and pains. And it makes them better, so they say come back again tomorrow!"

NARRATION

Apart from the opportunity to earn extra income, the training helps the Jamu vendors to stick together during hard times. These women can forget, if even for a moment, the hardships that have brought them here in the first place.

....AUDIO OUT

**WILLIAMS:** We have just seen a programme that is working nicely for a few dozen people in Indonesia, a country of 240 million. In that context, it seems a drop in the bucket. Is there anyway of expanding this model, of transporting what you have learnt to other sectors?"

**HEYZER:** You know Mary Alice, Indonesia is a very interesting country because up to the early part of the 90's, it was seen as a model of poverty eradication and reduction by the World Bank. Then came the financial crisis in 1997, and within 6 months, 10 years of hard work to reduce poverty was wiped out, and millions of people fell into poverty.

**WILLIAMS:** Most of them women?

**HEYZER:** A lot of them were women. But at the same time, what this means is that why was there a financial crisis? It was because of capital flow short-term speculative capital flow. So we have to have international accountability so that there is no speculation on countries' foreign exchange, and also on the kind of short term speculative flow. In other words, "jobless growth" if you like - speculative growth. And that on the one side is extremely important to understand. But the other side is that even when the country is recovering, which is what it is doing now, the people who have fallen into poverty need not necessarily be the ones to recover from that poverty. So you have all these income-generating programmes to help them. Well, this is not sufficient because what you need is a very stable economic strategy, responsibility, and accountability both at the international level as well as at the governmental level.

**PISIK:** What sort of role, if any, do you see for multinational corporations and other large players. I mean you have mentioned the World Bank and they have got plenty of detractors as well as supporters. But how do you see the corporate structure for this? It seems like the other end of the possible spectrum for ....

**HEYZER:** You know luckily, there are many corporate sectors now that are trying to become more socially responsible, and in fact, they are trying to make changes down the whole productive chain. And one very good example I am working with them now is the Calvert Investment Fund, where you have, it is worth about \$10 billion- it is one of the largest investment fund in America, and what we are trying to do is to invest what we call "Fight Women's Principles". First of all, to close all gender gaps; in terms of income, and that is so extremely important, so that you women need not work at a different income level than men in

whatever jobs they are employed in. Secondly, it is to ensure that there are safe and healthy working conditions everywhere. Thirdly is that, this would fall all the way down the productive chain, to the home-based workers, to the cottage industries, to your industrial kind of outworkers. Secondly is to have the right kind of people and your boards, women who are able to make these kind of choices and finally what you do with your marketing strategy – How do you ensure that you have adequate marketing as well.

**PISIK:** Just to clarify that Calvert is an investment fund, so you are saying that the companies they invest in should...

**HEYZER:** What it means is that a company that takes this investment fund makes a commitment that as good business, they would adopt these practices. So in other words, they would change corporate practice. Well, it is very easy to say. I mean what I am saying is that this in a sense is a code of conduct; but what we need is verification, is a social audit whether such practices actually happening at the ground level.

**PISIK:** Just to follow up on that, the UN has the Global Compact, and, I am sure, there are others besides Calvert. Do you have a sense yet of whether this is actually making impact on the ground where it needs to?

**HEYZER:** You know what it means is that at the end of the day, it is not enough to have governments or workers' organizations or civil society or the multilateral system to take on this agenda of poverty eradication and trying to create a world that is also pure. What it means is that the private sector corporations also have to take greater responsibility in the kinds of jobs that they generate.

**ADABA:** There would appear to be an overlap, in my opinion anyway, amongst the UN agencies handling women affairs. UNIFEM, for example, UNDP, UNFPA. Now these are agencies, that, in one way or the other, you know; have to deal with issues concerning women. How closely do you work with all the other agencies, to ensure that there is no overlap and there is no conflict of interest, so to speak?

**HEYZER:** You know, changing a world that is safer for women and that will help women realize that human rights take a lot of players; no one player is powerful enough, so we all need to be there together. In fact, I was just talking about the UN organizations; but they themselves, we ourselves, working as one UN family are each in our areas of comparative advantages. We haven't even reached a stage where we can deliver for women in a world that is breaking apart. I am talking about women who are coming out of conflict zones. Much of the

work that UNIFEM has been working on, we have been looking at ending violence against women, we are looking at giving/providing women economic security and rights by making that women get into the peace tables, that they are involved with the political shaping of their countries. We are trying to reverse HIV-AIDS. These are big agendas for change. So all of us who are working together very much.

**WILLIAMS:** A moment ago, you were quite diplomatic in not mentioning the International Monetary Fund by name. Are they and the World Bank listening to you?

**HEYZER:** You know the thing is that they have made a lot of mistakes, and they have to learn from their mistakes. What they need to do is, for example, they are talking about greater engagement. Luckily, all of them have agreed. I mean there is an international community that has agreed that what we need to do if we want to invest in development is to invest in the Millennium Development Goals. So, in the sense, you have a consensus. So, they are listening..

**WILLIAMS:** But isn't that a more-focussed and a growing economy containing inflation and not necessarily helping women who are at the underpinning of any economy?

**HEYZER:** This is precisely the problem. There are a number of biases that still have got to be removed. One is the commoditization bias, which tries to basically create commodities out of public services, like healthcare, water, and so on. And it is extremely important that we do not allow that to happen if we want to reduce poverty because once you introduce user fees, it is extremely difficult for women who are poor to access these services.

**PISIK:** I think there are some lessons for the developed world as well. You've mentioned repeatedly that the informal sector is absorbing a lot of the roles that perhaps society should be playing or providing. In a way, it's as though, it's taking the pressure off government, to provide equally; or if not equally, to provide opportunity for all people, and if that's true, do you see progress?

**HEYZER:** You know the thing with looking at the economy is that, PISIK, is that many people see the monetized economy, and they do not see, and this is why it is so invisible, the invisible part of the economy, the informal economy on which the formal economy sits. And in fact, the formal economy will not be able to function the way it's functioning unless you have all the servicing at very low cost, and what we are trying to do is get visibility so that when decisions are made, you see this as a valuable, productive sector, and not something that you take for granted.

**ADABA:** Since Beijing, there has been a overall decline in extreme poverty, so says the report; especially with Asia and Latin America leading in the forefront. What is happening in Sub-Saharan Africa?

**HEYZER:** Well, if worldwide poverty has been reduced is mainly because of China and India. But in Sub-Saharan Africa, it is increasing. Poverty is increasing for many reasons: Firstly, it is because of HIV-AIDS; it's because of the wars. But there is also because of lack of market access. Africa is still very much an agricultural-based economy in many ways, and the poor commodity pricing, lack of access to markets, the whole existence of agricultural cut subsidies prevent Africa's economy from revitalizing itself. And therefore, that is so extremely important to address; but at the same time, we need to ensure that there are new opportunities for Africa being part of the critical stakeholder when it comes to information technology, making sure that you don't have to start from scratch. That you can learn very quickly from good practices, and also the inter-linkages; in terms of south-south partnerships to make this happen.

**WILLIAMS:** Huge part of the agendas of United Nations coming up this summit focussing on the Millennium Development Goals. Thank you for being with us, and in this edition of **World Chronicle**, our guest has been Noeleen Heyzer of the United Nations Development Fund for Women (UNIFEM). She was interviewed by Oyiza Adaba of Africa Independent Television and Betsy Pisik of The Washington Times. I am Mary Alice Williams, inviting you to be with us for the next edition of **World Chronicle**.

**ANNOUNCER:** Electronic transcripts of this programme may be obtained free of charge by contacting World Chronicle at the address on your screen:

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