Women in the Informal Sector
The Samoan Experience

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The informal sector in the developed and developing world has grown in size and social-economic importance since the discovery of the sector in the 1970s. Women feature prominently in the informal economy whether it is street commerce, domestic work or sub-contract work in the home or within women’s groups or organisations. In Samoa, these home based female workers comprise one of the largest groups of the informal workforce whose income have provided an alternative albeit sustainable livelihood for many of the rural and urban Samoan families. This work is only a small step to documenting the economic contributions by Samoan women to enhancing the wellbeing of their families.

INTRODUCTION

The informal sector is an important and growing sector of economic activity in the developed and developing countries. Women feature prominently in the informal economy be it in street commerce, domestic work or sub-contract work in the home or in women’s groups/organisations. Although the informal sector may provide initial opportunities for women with low education and skills levels to earn income, these women tend to have even less access to education and skill upgrading opportunities than those in the formal labour market. In addition to low income levels, other obstacles are heavy time commitments, inadequate information and the lack of suitable programmes tailored to their needs.

In Samoa, home based workers (weavers, house keepers, babysitters and care givers) and food vendors are two of the largest groups of the informal workforce, with home based workers the more numerous and food vendors the more visible. Home based workers are defined in this study as those women who work in and from the home utilising their skills such as weaving mats to earn income such as the weavers in the falelalaga (group of mat weavers). Housekeepers, baby sitters and caregivers are women who work for other people in their homes and are paid a weekly wage. Much of the income that women earn in this sector remains unaccounted for in official statistics. If the magnitude of women’s ‘invisible’ earnings were to be fully enumerated, both the share of women and the share of informal workers in the workforce would increase and so as the proportionate share of informal sector earnings on the country’s gross domestic product.

This implies a strong correlation between informal sector work/earnings and poverty reduction in the rural and urban setting. The informal sector is proposed in this research as a means to develop Least Developed Countries (LDCs) ‘productive capacities’ defined as LDCs productive resources, entrepreneurial capabilities and production linkages that determine the capacity of a country to produce goods and services and enable it grow and develop (UNCTAD 2006). Efforts to reduce poverty require public and private support of the entrepreneurial capabilities of women involved.
in the informal sector. A similar view is expressed by the Economic and Social Commission for Asia and the Pacific 2006 for the need to enhance productivity and incomes in the informal sector to tackle the problem of poverty.

On the problem of poverty, it is difficult to separate any discussion of the informal sector without reference to poverty issues, the two seem to be interlinked. Almost 80 per cent of published work focus on the informal sector’s role in poverty alleviation. Poverty simply defined is deprivation from resources (physical, economic, social) which are needed to achieve a sustainable lifestyle (Harvey 1990). It is multidimensional in its causes and manifestations such as “the lack of income and productive resources sufficient to ensure a sustainable livelihood” (United Nations Platform for action 1995).

The objectives of this research exercise however, are threefold. Firstly, is to assess women’s contribution to the household income through their participation in the informal sector. Secondly, is to quantify their earnings to determine the impact of income earned on the women’s self-confidence, empowerment, and their productive and reproductive roles. And thirdly, to substantiate and/or refute claims in the development literature about the role of the informal sector in poverty alleviation.

**INFORMAL SECTOR: A Definition**

The concept of the informal sector emerged in the 1970s when it was first discovered in Africa (Hart 1970) and defined and used in this research as that part of the economy understood to be outside the world of regular, stable and protected employment and of legally regulated enterprises. In the conceptual framework, the informal economy is viewed as comprising of informal employment (without secure contracts, worker benefits or social protection) both inside and outside informal enterprises. Over the years, other authors have provided various definitions of the informal sector in accordance with their own empirical studies. The ‘enterprise approach’ formulated and commonly used by the ILO states that the informal sector is directly linked to poverty where informal economic activities mainly ensure the survival of poor population who pay high social risks in order to meet basic consumption needs (Thomas 1992). In the Latin American context, the informal sector is a manifestation of poverty, not an outbreak of free enterprise (Cardosso 1997). Dunlop (2003) defines the informal sector in Samoa as the gap between ‘paid’ and ‘unpaid’ work where the former is perceived as male domain of crucial importance to national development. Similar definitions emphasise the distinction between men and women, where the ‘public’ sphere be it the labour market and politics is the domain of men and the ‘private’ sphere which is the confines of the home and the processes of reproduction and child rearing becomes women specific (Beneria and Sen 1981). An appropriate definition for the informal sector in Samoa that reflects both the cultural, gender segmentation and dual nature of the economy is best expressed in a statement by the International Labour Organization as “a refuge for the unemployed and a quick fix solution to employment creation in the private arena” (ILO 1995). It is not always easy to define the ‘informal sector’ and the definition has undergone some considerable change since the coining of the phrase by Hart in 1970. More recently it has been argued that the informal sector should be viewed as a process of income generation in an unregulated legal and social environment and considered as a product of several factors and processes some of which are as follows:

- History of colonial exploitation and the consequent lack of capital in most underdeveloped countries,
- Inappropriate and short sighted development policies of the state,
- Economic mismanagement including outright theft of public assets as well as other corrupt practices of authorities,
• Poorly informed policies and mismanagement by international financial Institutions,
• Rigid structural adjustment policies of a one-size-fits-all variety in several Economies,
• The gender division of labour in the economy and society at large and,
• The ideas and practices of capitalism.

It is important to point out in the beginning that these variables have impacted on the nature of the informal sector with varying intensity across the developing world. It is outside the scope of this research to analyse these factors and processes but suffice to say that they have a bearing on the historical evolution and current state of the informal sector in the developing world and Samoa.

This research work aims to put into perspective the social-economic significance of the informal sector in small fragile states of which Samoa is a case in point. While there are many different viewpoints where one can make observations regarding the informal sector, Hansenne (1991:1) best sums it up in the following observations:

The informal sector can be viewed in a positive way as a provider of employment and incomes to millions of people who would otherwise lack the means of survival. It can be viewed more negatively as a whole segment of society that escaped regulation and protection. It can be romanticized as a breeding ground of entrepreneurship which could flourish if only it were not encumbered with a network of unnecessary regulation and bureaucracy. It can be condemned as a vast sea of backwardness, poverty, crime and unsanitary conditions. Or it can simply be ignored.

WHY STUDY THE INFORMAL SECTOR?

There are a number of social and economic explanations for undertaking a survey on the informal sector. Firstly, the informal sector was traditionally viewed as a transitional phenomenon but has recently come to be accepted as a more permanent phenomenon in less developed economies (Bekkers and Stoffers 1995). Recent evidence suggest that the informal sector did not contract following economic reforms in Africa, Latin America, Asia and seems to be the case in the Pacific as well (Todaro 1987). In fact it is heralded as one way to enlarge and enhance choices and opportunities in the urban areas and presumably so in the rural areas. The informal sector is a response strategy by women in low income households to cope with their poor living standards and the urgent need to survive within any given circumstances. Secondly, the informal sector is posited here as an alternative form of livelihood for Samoan women given the global shift of labour to Asia and Latin America and the slow growth in the local formal labour market makes it all the more attractive to participate. Thirdly, the informal sector worker generally contributes to the Gross Domestic Product (GDP) over and beyond the minimum wage, and productivity in the sector is much higher than average per capita Gross National Product (GNP) in the economy (Charmes 1990). Fourthly, there is a desperate need for data and essential information for governments to use in formulating policies and programmes to promote decent work conditions and protect women workers in the informal sector. Given the unreliability of national census data on women's economic activities and the large gap between supply and demand of statistical information on the informal sector, this form of micro level survey serves to supplement and or close this data void. In this respect, any form of research about the informal sector serves as an evidence based tool for policy-making.
METHODOLOGY

Three methodological tools were employed in the study:

1. A literature review to provide a conceptual framework for the analysis of the data collected through the survey.
2. A focus group discussions where open ended questions were used to elicit information on issues that would not have been covered in the questionnaires.
3. Questionnaire interviews using structured and semi-structured questions were conducted with the women research subjects. All questionnaires were pretested.

The research centres on women engaged in fine mat weaving, food and vegetable vending, and care giving (elderly care, baby sitting and housekeeping). A total of 38 women ranging from ages 18 to 74 participated in this survey. Interviews were conducted over a period of three weeks. A questionnaire with closed and open ended questions was administered following the informal interviews. Fine mat weaving, a cultural practice and one of the 'nafa a tama/itai Samoa' (roles of Samoan women) has been turned into an income earning activity and is considered as part of the informal economy categorised as home based work for women. A sample of 20 women weavers were interviewed. Food and vegetable vendors (a total of 10) who have become a common sight on the streets of Apia make up the second group of women surveyed. It is important to note that women vendors as discussed herein represent a fraction of those involved in 'street vending' which is a large and diverse activity that ranges from high-income vendors who operate flea markets to low-income vendors who sell food and vegetables on the streets. Paid domestic helpers (a total of eight) represent the third sub-group of home-based workers referred to in this report as 'caregivers' who work for low wages without secure contracts and benefits.

Women who participated in this research were selected at random. Group (1) women weavers who are rural based, group (2) food and vegetable vendors (rural and urban based) and group (3) the caregivers are urban based so as to give a wider cross section of women involvement in the informal economy. Women in group 2 were selected from those who set up temporary stalls in front of Carruthers, Bartley and Siaosi stores in Apia from Mondays to Saturdays and Sundays. Women weavers were interviewed at the fale komiti (a common house where village women have their activities) in Sala'ilua, whereas the food vendors and caregivers were interviewed at their work places, that is, where they set up stalls and the latter in the homes of their employers.

PROBLEMS ENCOUNTERED

Several problems were encountered in this study:

- The women were suspicious and reserved about my motives despite my reassurances that I was not from the Ministry for Revenue and that the questioning sessions were not about tax assessment purposes.
- Record keeping habits of the weavers and stall operators were quite poor, only approximate figures were obtained.
- Reluctance of women to be interviewed and/or comment in the presence of their spouses/partners or without spousal knowledge.
• The lack of comprehensive up-to-date Labour Force Surveys for comparability purposes.
• Women confusing their roles as ‘mothers’ with their income earning activities, as one of the same.

Table 1 presents the social and demographic characteristics of the respondents. Children highlight the most common reason why the respondents engage in the informal sector in the first place. Taking care of their food requirements, school fees and other needs is a major expense for the caregivers and food vendors.

Table 1. Demographic Characteristics of Respondents

<table>
<thead>
<tr>
<th>Variable</th>
<th>Weavers (20)</th>
<th>Caregivers (8)</th>
<th>Sellers (10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>19-74</td>
<td>18-51</td>
<td>18-60</td>
</tr>
<tr>
<td>Marital Status</td>
<td>Married (16), Single (4)</td>
<td>Married (2), Single (6)</td>
<td>Married (8), Single (2)</td>
</tr>
<tr>
<td>Villages</td>
<td>Sala'ilua (13), A'opo (2), Sapunaoa (5)</td>
<td>Alafua (4), Vaivase (1), Si'usega (2), Taufusi (1)</td>
<td>Moata'a (1), Aleisa (2), Faleula (2), Se'e'se'e (2), Lotopa (3)</td>
</tr>
<tr>
<td>Children (Total)</td>
<td>72</td>
<td>9</td>
<td>40</td>
</tr>
<tr>
<td>Household Type</td>
<td>Extended family</td>
<td>Extended family</td>
<td>Extended family</td>
</tr>
</tbody>
</table>

Table 2. Level of Education among Women Surveyed

<table>
<thead>
<tr>
<th>Sub-group</th>
<th>No formal ed.</th>
<th>Primary</th>
<th>Secondary</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weavers</td>
<td>7 (18.4%)</td>
<td>8 (21.1%)</td>
<td>5 (13.2%)</td>
<td>20 (52.7%)</td>
</tr>
<tr>
<td>Caregivers</td>
<td>0 (0%)</td>
<td>3 (7.9%)</td>
<td>5 (13.2%)</td>
<td>8 (21.1%)</td>
</tr>
<tr>
<td>Sellers</td>
<td>4 (10.5%)</td>
<td>5 (13.2%)</td>
<td>1 (2.6%)</td>
<td>10 (26.3%)</td>
</tr>
<tr>
<td>Total</td>
<td>11 (28.9%)</td>
<td>16 (42.2%)</td>
<td>11 (29%)</td>
<td>38 (100%)</td>
</tr>
</tbody>
</table>

Table 2 sums up the level of education achieved across subgroups of women surveyed. There is a strong correlation between the level of education reached and employment and income earning opportunities available to women. Seventy one percent of women surveyed were educated up to primary school level or received no formal education. As such, the informal sector is the most probable host for these women in terms of employment be-Sit home based, paid domestic helpers or vendors. In contrast, twenty nine percent of women surveyed received secondary education (Year 12) and were looking for jobs in the formal economy during the time of the survey, given the competitive nature of the latter and the limited employment opportunities for school leavers, the informal sector is the only choice open to these women.
Table 3. Income Earned among Women Surveyed

<table>
<thead>
<tr>
<th>Sub-Groups</th>
<th>SAT90 per week</th>
<th>SAT150 per week</th>
<th>SAT600 per week</th>
<th>SAT1,000 plus per week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weavers</td>
<td>8</td>
<td>6</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>Caregivers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sellers</td>
<td>1</td>
<td>6</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Total (38)</td>
<td>9</td>
<td>6</td>
<td>3</td>
<td>16</td>
</tr>
</tbody>
</table>

A breakdown of income earned by women on a weekly basis indicates that the weavers earn more per week from the sale of sae' (fine mat of high quality) that range from (SAT)$ SAT600 to SAT$1,800 per (fine mat) at SAT$100 per 'aga' (width) (one 'aga' is equivalent to one ft or 30cm) compared to the caregivers and sellers. Funds spent on purchasing raw material (lau 'ie) ranges from SAT20 to SAT100 or more. However, the women pointed out that the bulk of the /au is derived from the planting scheme initiative by the Ministry of Women and Social Development in conjunction with the village women's committee to support the government policy on quality fine mat production. When asked about the length of time taken to produce one quality mat, women's response varied from three weeks to two months depending on the age of the weaver, demand for quality fine mats (both local and overseas), cash need at the time, pending family or village obligation (fa'alavelave). The head weaver also sets the pace for women of the falelalaga (group of women weavers) depending on the underlying financial rewards that provide the incentive for women to speed up the pace and regularity of their weaving. According to the weavers, their skills of weaving have allowed them to produce income at a level comparable to paid employment. From the informal sector perspective this represents micro economic growth transformation of a traditional skill with some modern application of entrepreneurship and marketing coupled with government support to raise income levels of women and their contribution to generating cash in the subsistence economy in the villages. The asterisk(*) indicates earnings from weaving other mats such as sleeping mats and general mats for the house (papa laufala, tapito).

Caregivers earn the lowest among the women surveyed. Three of the women (37.5 per cent) earn between SAT$90-SAT$110 per week excluding weekends. The remaining five (62.5 per cent) earn SAT$120-SAT$150 per week including weekends. This sub group of respondents provide a unique perspective in any analysis of income earned in the informal sector since they do not sell a product rather they sell a 'service', which is unaffected by labour market forces because of the informal nature of their employment which is outside the realm of formal contractual employment relations. Nevertheless, in-depth interviews suggest the growing demand for caregivers from both the caregivers and employers point of view. One in ten of classified advertisements in the local newspaper the Samoan Observer are for babysitting work. The potential for care giving in terms of employment creation and income generating is enormous and the implications for GDP creation requires a much greater sample survey and study than is covered in this research.

In contrast, food sellers indicate a different picture in that income earned by this sub-group can be classified as medium to high with respect to those employed in the waged economy on SAT$18,000 per annum. Evidence from this survey confirms findings elsewhere in Southeast Asia for instance where the average earnings of a vendor are
three to ten times more than the minimum wage (Winarno and Allain 2000). Food sellers are not a homogenous group and for the purpose of this research activity only those who sold cooked foods and vegetables were surveyed. In the focus group discussions, women indicated relatively healthy profit margins especially during government pay weeks and Sundays. Two out of the eight food sellers surveyed earned SAT200-SAT300 on a Sunday from selling cooked taro, bananas, and other food items. Food is the most important item that guarantees to sell hence the restriction of the sample survey to food vendors.

**Social and Economic Impacts of Income Earned**

The second objective of this research survey was to determine the impact of income earned on women’s self esteem, productive and reproductive roles as these translate into improved socio-economic-welfare situation of society in general and also imply that people are being pulled out of poverty or near poverty status. Women weavers were very positive about the real and apparent earnings derived from the ‘ie sae. Five women that made up the focus group discussion unit commented on how the project has contributed to raising their confidence levels as mothers and income earners in their respective families and villages. Some of the most common responses from women weavers were:

"It is easier for me to weave and sell than to fish or look for a job in Apia."

"It is fast money considering our fortnightly church and village obligations."

"My husband is a builder, sometimes he works for three months and most of the time he is out of work, but we have children to school and care for, so I find that in three weeks I can earn SAT1,200 from selling my ‘ie sae."

"It is a good source of income to support my family as you can see we only have a few chicken and pigs otherwise this is our main source of cash income."

Further, when asked about the impact of weaving on ‘other work’ in the home, the women responded that weaving is considered part of household work comparable to housework, raising children, looking after the elderly, hosting village visitors, food preparation, cleaning the church, village beautification and so on. The difference however, is that weaving generates cash that is to be spent on performing ‘other work’. It is evident from the focus group discussions and general observations amongst women weavers that there is a sense of empowerment and self confidence in their new found role as income earners.

Caregiving whilst a recent form of occupation is increasing in demand and significance in urban Apia. Because it lies outside the market economy and is socially invisible, its economic value is not generally acknowledged. As noted earlier, this group earn the lowest income when compared to the weavers and food vendors because they are paid a wage rate that is less than the minimum wage of SAT2.50 per hour. Yet the economic value of care giving is often underestimated both as a form of employment path for young female school leavers and a cost saving service in the absence of formal childcare facilities as in the developed economies. Focus group discussions and personal interviews with this group show a general level of satisfaction with the nature of their work. Further, there are benefits in the form of food (tinned fish, left over food, *pusa*...
mass) clothing and extra cash from employers on special occasions or when the employer is in a good mood.

Food vendors on the other hand, manifests the economic hardships facing one in three families in peri-urban Apia as a result of rural-urban migration. Forty per cent of these women had no formal education as such they are automatically left out of the waged economy. By selling cooked food items has enabled them to make a living that is comparable to working in the formal part of Samoa's economy that has neglected them in the first instance. Interviews with these women suggest a greater level of satisfaction compared to the caregivers in that the former are guaranteed cash in hand every day they set up stall. Morale levels are relatively high as a result of being able to help the 'head of the family' to supplement family income for church activities, school fees and land rents. Ninety percent of female food vendors surveyed did not receive any form of small business training with non-government organisations such as Small Business Enterprise Corporation (SBEC) and Women in Business, which highlights the segregated nature of the informal economy itself. When asked about training to improve on their food preparation skills and managing money, the common responses given were:

"If it costs money, then I can't afford it."

"Well I'm doing fine, but if it enables me to borrow money to extend my operations then I suppose I have to agree."

"I am apprehensive about my lack of education to cope with any form of training, it is important that I earn money than to spend time training and lose income for the day"

"This is my livelihood, I do not have time for training, I am happy with my stall thank you"

Training was suggested in the questionnaires and informal discussions as a means of improving knowledge and skills given the lack of formal education among this group, however it was evident that economic priority overrides personal-social improvement.

Poverty Alleviation

The final objective of this research work is to determine the linkages if any between women's participation in the informal economy and poverty alleviation. Poverty is defined in this work as the sincere state of need for cash on hand to keep up with the demands of daily living. In Samoa, daily expenses extend beyond food requirements and bills to include family and church obligations. It is important to note that this is the first study of the informal sector in Samoa that attempts to make the connection between the informal economy and poverty alleviation. All the women surveyed live in an extended family structure with four or more dependents with an average of eight people in the household with at least two income earners per family. The ratio of income earner to dependent is relatively high something in the vicinity of one to four in this case the income earner is female. The weavers were asked about the reasons for turning weaving into a money making venture, and because this was a culturally sensitive question the women were not as forthcoming with their responses but after informal discussions and conversations
the general consensus was that there was money to be made to supplement the semi-subsistence economy of the village. Ninety percent of the weavers indicated a greater sense of satisfaction derived from being able to contribute to the family and village financial obligations.

The caregivers responses to the same question as to why they have decided to take up care giving raised a bigger issue underlining the existence of the informal sector and unemployment among youths in the developing regions. Essentially there is a need to find work and this is the only form of income earning activity suitable for this group nevertheless it contributes to 80 per cent of family income and as stated earlier if the ratio of income earner to dependents in a household is one to four, then caregiving remains critical in the social-economic welfare of these women and their families. According to the focus group discussions, their income helps to pay for younger siblings school fees which implies shared parental responsibilities with other family members indicative of family members pooling scarce resources for a sustainable livelihood.

Food vendors response to the same question reflects opportunities to be made in the market where food becomes more than just a basic need but also a product to be traded for a livelihood. Sixty percent of food vendors concur that cash income from the sale of food items has allowed them to pay for minor home renovations, pay for school fees and meet family and church obligations. The form, type, and condition of family homes/habitats visited gave a strong indication of the economic status of the food vending respondents. Compared to similar groups elsewhere in Asia, Africa and Melanesia (Papua New Guinea) as reflected in the literature review, the former are better off. Added to that is the cash flow incentive of selling food six to seven days a week is an opportunity that is difficult to pass up which further substantiates the claim that the informal sector empowers the poor, women in particular to expand their economic participation and to meet their basic needs.

There is a general consensus among the weavers and food vendors that their weaving and food vending activities support the economic well being of their families which is supplemented by remittances. It is also full-time work where income is being generated which the national census survey results fail to enumerate. Caregivers on the other hand earn less than the weavers and food vendors combined, yet the opportunity of financial independence, and the potential of borrowing unsecured small loans from the employer is adequate incentive for remaining in the caregiving business.

CONCLUDING STATEMENTS

The informal sector in Samoa as indicated in this survey is a growing and visible sector of the economy that is in need of government and non-government support. Informal sector friendly by-laws and legislation are required to promote informal sector activity. The government of Samoa regulated export of ?e Samoa (genuine Samoan fine mat of high quality) is one example of an anti informal sector legislation that militates against the success of the informal sector especially where women weavers are concerned.

Establishing informal sector associations is advocated to allow informal sector participants to organise themselves into associations based upon their interests and respective activities. The author applauds the initiative by the Ministry of Women and Social Development with their work through the traditional women’s committee organisations where women weavers are based, similar organisations for food vendors can strengthen their bargaining positions and ensure health standards are met is essential.

Enforcing existing labour regulations that will target caregivers is strongly recommended to protect them against any form of labour exploitation and to enable
access to work benefits available to formal workers as such. In this respect a multisectoral approach in the formulation of a deliberate policy that will not only recognise the informal sector's role but to ensure it is linked with the formal sector so that both sectors can provide the impetus for accelerated economic growth is strongly recommended.

It is evident from the above discussion that the informal sector provides a safety net function to accommodate those who cannot secure employment in the formal economy and/or supplement household income where there is none. It makes economic sense for government to recognise the sector as a productive co-partner in the labour market and demonstrate this commitment through comprehensive Labour Force Surveys and adequate and reliable census information. This specific ad hoc survey of the Informal Sector in Samoa is an example of a micro survey to share light on the economic contribution of women in the non-formal part of the economy. The findings confirm what has been published elsewhere that women's self help development activities in weaving, food vending and caregiving makes significant economic contribution to the overall welfare of families and communities. More extensive work on the challenges and evolving nature of the informal sector in Samoa is essential if the sector is to be promoted as a development option for small island economies. This micro survey is intended to provide primary information for future studies in this area.

ACKNOWLEDGEMENTS

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Notes

1 As discussed in Bekkers and Stoffers, Mead and Morrison, and Anand. Case studies of the informal sector in Southeast Asia by Lubell supports the view that the proliferation of informal sector activities in the Less Developing Economies can be explained by their integration into the capitalist world order.

2 Samoan currency (SAT Samoan Tala).

References and Further Reading


