



WOMEN AND BUSINESS IN THE PACIFIC

AUGUST 2018



Ana File-Heather

Ana opened an after-hours garment printing shop in her home in 2013, which she expanded to a tiny shop 2 years later after leaving her day job. Identifying a gap in the market for youth apparel, she expanded to stock global brands, before moving on to start her own streetwear label. Her shop has since grown to five times its original size. Ana recently opened the Cook Islands' first local brands surf shop. She now employs five people, including four young women. (Photo by Ana File Heather)



Vitila Vuniwaqa

Vitila owns an organic farm in Nadi, Fiji producing honey, cassava, watermelon, papaya, and other seasonal fruits. She started the farm in 2015 after recovering from a stroke, which ended her career as a flight attendant and left her physically challenged. She now employs two people and is producing a natural moisturizing cream using her honey and beeswax, which is sold at local markets and the airport. (Photo by Lavenia Koimaitotoya)



Tofilau Fiti Leung Wai

Fiti is the founder and chief executive officer of Samoa's largest books and stationary chain, which she established in 2008 following a career in law and academia and after identifying a need for an educational products retailer in Samoa. She now has seven stores, including one each in American Samoa and New Zealand. Fiti is also the author of five children's books written in Samoan and English and a supporter of a variety of philanthropic initiatives supporting literacy. (Photo by Jody Toleafoa)



Ann Josephine Johnston

Josie drew on her experience running her mother's grocery shop when she opened a small menswear shop in Apia in 2003 with a loan from the bank. She opened the shop after noticing a gap in the market for brand-name men's clothing suited to Samoa's weather, which she was able to fill by becoming a licensed retailer for popular surf brands, thereby guaranteeing authenticity and supply. Josie now owns two clothing and accessory shops and employs five full-time staff, including three women. (Photo by Ann Josephine Johnston)



Hellen Saera Hilli

Hellen established a tailoring and clothing repair shop in Honiara, Solomon Islands, which she later expanded into a sewing school, training others to establish their own tailoring businesses. Her daughter has since taken over management of the school as Hellen has moved to her home province to establish a cocoa farming and exporting business. (Photo by Katherine Passmore)



Dennyse Maki

Dennyse is a traditional costume designer and make-up artist for events. She has kept this business alive despite becoming a full-time veterinary student, and recently started a small-scale piggery. She hopes to apply her veterinary qualification in Vanuatu's livestock export market to see international standards met and to increase the export of organic livestock products. (Photo by Starlight Photography)

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Forewords

The empowerment of women is not only the right thing to do, it also makes economic sense: no nation can reach its full potential unless it embraces the energy, ideas, skills and talent of the 50% of its population that is female.

Gender equality means that women can fully engage in the economy through their work, operating a business and as an employer. It also means women are leaders in their workplaces, communities and governments.

Across the Pacific, in the majority of nations, women are yet to reach that level of engagement. There is enormous untapped potential for greater economic growth and community leadership.

Women should be encouraged and supported to engage in education and training so that they have the skills to embrace opportunities and meet challenges.

Women and Business in the Pacific proposes new strategies to help overcome entrenched barriers to business and entrepreneurship. I am delighted that the Pacific Private Sector Development Initiative, a collaboration between the Asian Development Bank and the governments of Australia and New Zealand, commissioned this important work. By illustrating the difficulties women face, and proposing innovative ways forward, this work will contribute to an important discussion about a stronger and more prosperous Pacific.



A handwritten signature in blue ink that reads "Julie Bishop".

The Hon Julie Bishop MP
Minister for Foreign Affairs
Government of Australia



Pacific island countries have changed significantly over the last decade with improved access to education, finance, and infrastructure supporting steady economic growth. However, women have not benefited equally from these transformations. They continue to be concentrated in the informal economy, often operating at a subsistence level, and earning less for their efforts. Even though women constitute half the population of Pacific countries they remain underrepresented in the workforce, on company boards, and in business. In Vanuatu, for example, women constitute 43% of the formal workforce and hold only 7% of positions on the boards of state-owned enterprises. The picture is not much different in Samoa, where women comprise 29% of the formal workforce and 19% of state-owned enterprise directors.

Getting traction to empower women economically, which took several decades in Australia and New Zealand, is not going to occur either automatically or quickly in Pacific island countries. It requires a collaborative effort from governments, development agencies, civil society organizations, and the private sector. It also requires an enabling environment that considers women's experiences, policies that help women's businesses flourish, and institutional practices that increase women's participation in the formal economy. And alongside this it needs to ensure women can access the finance, mentoring, and networks needed to create sustainable businesses that contribute to their countries' economic development.

Since its founding in 1966, the Asian Development Bank has prioritized helping women and girls as a means to reduce poverty. We recognize that economically empowering women is at the core of development because it creates a fairer society and it is smart economics. Advancing women's equality does not just improve the lives of individual women; it makes for more open and productive economies that do better at distributing the wealth they generate. This is reiterated in our Strategy 2020, which highlights gender equity as a key driver of change for promoting sustainable growth. *Women and Business in the Pacific* is another demonstration of this commitment.

This book collates research and data from seven countries and profiles women who have overcome challenges and succeeded against the odds. It analyzes this information using an economic model of behavior that incorporates the psychology and sociology of identity. This reflects the real world, where identity affects pivotal decisions, such as who we employ and the policies we make. Applying this framework, the book offers a diversity of ways to empower women and enhance their economic opportunities and outcomes in the private sector, including through regulatory strategies, initiatives, and partnerships between governments, businesses, multilateral institutions, and donors. The recommendations contained in *Women and Business in the Pacific* are both innovative and pragmatic. It is a practical book that will help donors, governments, and business formulate programs to economically empower Pacific women.

A handwritten signature in black ink that reads "Ms. Carmela P. Locsin". The signature is written in a cursive, flowing style.

Carmela Locsin

Director General

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This publication benefited from the comments of peer reviewers. Insights provided by members of ADB's Pacific Private Sector Development Initiative (PSDI), including Terry Reid, Peter Dirou, Laure Darcy, and Paul Holden, informed the analysis. Helpful comments from PSDI's Anthony Frazier and Aaron Levine were incorporated into the discussion.

Imrana Jalal and Sonomi Tanaka of ADB, along with Tracey Newbury and Christine Ford of DFAT, provided guidance that was integrated into this publication. PSDI's Liliana Warid, Amanda Lucas-Frith, and Luke Dunstan steered the publication to completion.

As the content editor of the book, I had general oversight of the publication, including project management. I authored two chapters: Chapter 2, which develops the analytical framework used throughout the book, and the country chapter on Solomon Islands. I also co-authored the Fiji and Vanuatu country chapters. I am grateful to Macquarie University (Sydney, Australia), which provided me with leave from my academic duties in 2016 to engage in this rewarding endeavor.

Our sincere thanks to the women of the Pacific, whose creativity, energy, and enthusiasm has nurtured us, as we hope this publication can nurture them.

Vijaya Nagarajan
June 2018

Abbreviations

ADB	Asian Development Bank
ADR	alternative dispute resolution
AusAID	Australian Aid
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CEO	chief executive officer
DBK	Development Bank of Kiribati
DFAT	Department of Foreign Affairs and Trade (Australia)
FPA	Family Protection Act (Vanuatu)
GDP	gross domestic product
GICRA	gender and investment climate reform assessment
HIES	household income and expenditure survey
HFTA	high temperature forced air
IFC	International Finance Corporation
IMF	International Monetary Fund
IPA	Investment Promotion Authority
KCCI	Kiribati Chamber of Commerce and Industry
NCDC	National Capital District Commission
NBV	National Bank of Vanuatu
NGO	nongovernment organization
NPL	nonperforming loan
PACER	Pacific Agreement on Closer Economic Relations
PFIP	Pacific Financial Inclusion Programme
PHAMA	Pacific Horticultural and Agricultural Market Access
PICTA	Pacific Island Countries Trade Agreement
PNG	Papua New Guinea
PIPSO	Pacific Islands Private Sector Organisation
PPSA	Personal Properties Securities Act
PSDI	Pacific Private Sector Development Initiative
SBA	Small Business Association (Kiribati)
SBEC	Small Business Enterprise Centre (Samoa)
SICCI	Solomon Islands Chamber of Commerce and Industry
SMEs	small and medium-sized enterprises
SOE	state-owned enterprise
SPA	Samoa Port Authority
SPBD	South Pacific Business Development
SPC	Pacific Community
SIWIBA	Solomon Islands Women in Business Association

UTOS	Unit Trust of Samoa
VANWODS	Vanuatu Women Development Scheme
VAT	value-added tax
VCCI	Vanuatu Chamber of Commerce and Industry
VFSC	Vanuatu Financial Services Commission
VNCW	Vanuatu National Council of Women
VWSDA	Vanuatu Women in Sustainable Development Association
WEN	Women's Enterprise Network
WIBDI	Women in Business Development Incorporated (Samoa)
WISE	Women in Sustainable Enterprises



An i-Kiribati woman makes strings from coconut husk fibers that will be used in roofing repairs.



A woman working at a tea plantation in Papua New Guinea's Highlands region. More than 60% of Pacific women work in the agriculture sector. Enhancing entrepreneurship opportunities among these women will increase incomes and reduce poverty.

1. INTRODUCTION

1.1 Purpose of the Book

The purpose of this book is to assist donors, governments, and businesses in formulating programs to economically empower Pacific women.

The need to invest in women has been widely recognized since the 1960s. It is acknowledged that economically empowering women will increase their choices, enhance family and community welfare, and propel business activity. Governments, businesses, donors, and civil society are collaborating globally to provide pathways for women to participate in business and to profit from it.

Comprehensive data, both on a national and regional scale, are required to make a strong case for appropriate intervention and support to economically empower women. The Gender and Investment Climate Reform Assessments, produced in 2010 through a joint effort of the Government of Australia and the International Finance Corporation (IFC), represented an important step in collating data collected during 2008 on six Pacific island countries. However, the socioeconomic context of these countries has changed considerably over the last decade, making many more things possible and calling for a re-evaluation of the business environment.

Demand for more recent data on Pacific women's engagement in business, as well as the need for relevant strategies for enhancing women's entrepreneurship, led to this study. Jointly undertaken by the Asian Development Bank and the Government of Australia, the study identifies areas for future support of all private-sector-related programs and interventions in the Pacific.

1.2 Themes and Methodology

Accelerating women's engagement with business requires an investigation of the social and cultural framework of gender equality, as well as an assessment of their access to finance, justice, and markets. Such investigation needs to address not only the needs of women engaged in the formal economy, but also the concerns of many women who operate small businesses in the informal economy.

Accordingly, this study focused on eight main themes: (i) the context of women's autonomy, including an overview of the impact of customary norms; (ii) women in the informal economy; (iii) women in the formal economy; (iv) women's access to land; (v) women's access to finance; (vi) dispute resolution and enforcing women's legal rights; (vii) women's business networks and skills training; and (viii) women's access to trade and markets.

This study provides detailed assessments of women's economic participation in seven Pacific economies: Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Tonga, and Vanuatu. It also draws observations from other Pacific island economies that are also ADB developing member countries: the Cook Islands, the Federated States of Micronesia, the Marshall Islands, Palau, and Tuvalu.

1.3 Main Research Methods Used

This study set out to design strategies that will drive women's participation in business.

The study incorporates a combination of legal and economic analysis. Its authors carried out doctrinal legal analysis through an examination of legislation and case law, supplemented by regulatory analysis that sees a role for multiple actors, including government and nonstate actors, in regulating behavior. The authors assessed neoclassical economists' explanations of the role of the firm and the operation of markets, while also considering the contributions of behavioral economists to better understand why things are the way they are.

Research for the study involved collecting quantitative data through surveys and questionnaires as well as accessing published statistics, including census information and household income and earnings surveys. Qualitative data collected through stakeholder forums and interviews (anonymous unless otherwise stated) were invaluable in deciphering policies and practices. The authors also incorporated into their analysis case studies on individual businesses and businesswomen to highlight what is possible and where the challenges remain. These case studies were compiled by consultants engaged to research specific chapters.

1.4 Organization of the Book

Chapter 2 describes the analytical and thematic framework applied to the Pacific island economies covered in this book. Under each of the book's eight themes, it provides a list of strategies for improving that aspect of women's economic empowerment. Chapter 2 also features a table of 24 key regional recommendations—three for each theme—for Pacific governments, donors, and businesses to consider. These are the reforms and initiatives that will do the most to address the challenges identified in the thematic analysis. These key recommendations have been distilled from the full list of 76 recommendations, which can be found in Appendix 1.

The seven country chapters apply the book's thematic framework to assess the pace of progress of women in Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Tonga, and Vanuatu. Each country chapter begins with an introduction that provides a general overview and an assessment of the country's institutions and policies related to gender equality. This is followed by a careful analysis of how women fare under each of the eight thematic areas, with specific recommendations to improve these contexts provided under the analyses of themes 2 to 8. Three priority recommendations for each country, selected for their capacity to effect the most change in the shortest time, are listed at the beginning of each country chapter.

The appendixes contain the full list of recommendations as well as eight tables that collate data used in the analysis, including women's participation in the formal and informal economies.

A shopkeeper prepares bread for sale at Punanga Nui Market in Rarotonga, Cook Islands.



2. A FRAMEWORK FOR EMPOWERING WOMEN INTO BUSINESS

2.1 Introduction

The ability of women to contribute to a nation's development is seen as one of the keys to economic prosperity. Although women constitute around half the population of Pacific island countries, they remain poorly represented in the workforce. For example, women constitute just 34% of the formal workforce in Fiji and only 29% in Samoa. Efforts to drive the engagement of women with business—defined as commercial activities—are being promoted across the world by diverse groups, including governments, businesses, and human rights advocates. These efforts have resulted in more women occupying senior roles in companies as chief executive officers (CEOs) and senior officers. They have also raised awareness of commercial activities that continue in the informal economy, where women play a significant role in agricultural production, selling fresh produce, and making and selling handicrafts.

There remains, however, a lack of data on the constraints faced by Pacific women seeking to start or expand their businesses. Similarly, there has not been sufficient attention given to developing a comprehensive set of strategies to promote women's engagement with the private sector. This book attempts to bridge these shortcomings by focusing on the economic empowerment of women, which is intrinsically linked to economic development.

Gender equality has been termed “smart economics” for nearly a decade. Scholarly literature has increasingly linked gender gaps in entrepreneurial activity and labor force participation to lower levels of economic growth. For example, it has been estimated that Fiji loses 20% of its gross domestic product (GDP) due to the gender gap.¹ Conversely, it has been suggested that countries can add at least 15% to their GDP by closing gender gaps.

The main arguments for economically empowering women and enabling their engagement with business are the following:

- (i) Economically empowering women will increase the creation of new micro and small businesses that will generate economic activity, both in urban centers and rural areas.
- (ii) The labor market can significantly increase if women can be supported to contribute their skills to the workforce in an effective manner.
- (iii) Evidence suggests that businesses run by women can better respond to the needs of the growing group of women consumers who are entering the workforce and have control over financial decisions.
- (iv) Economically empowering women will lead to increased business productivity as they begin to make independent decisions about what to consume, how to save, and where to invest.
- (v) Encouraging the participation of women who bring different skills and perspectives will enrich business leadership.
- (vi) Women can contribute to increasing economic growth and individual well-being.
- (vii) Economically empowering women will improve women’s confidence and autonomy to make diverse contributions to the community and economy.

This chapter outlines three platforms for discussion:

- (i) **Analytical framework.** Challenging traditional regulatory approaches, which have neglected to pay specific attention to women’s needs, and setting out an alternative framework for analysis that informs the discussion in the publication’s seven country chapters.
- (ii) **Thematic framework.** Identifying eight key themes that are central to empowering Pacific women.

¹ D. Cuberes and M. Teignier. 2014. Gender Inequality and Economic Growth: A Critical Review. *Journal of International Development*. 26. pp. 260–276; and C. Gonzales et al. 2015. Fair Play: More Equal Laws Boost Female Labour Force Participation. *IMF Staff Discussion Note*. Washington, DC.

- (iii) **Key recommendations.** Providing core recommendations, clustered under the eight themes, to assist donors and multilateral institutions to identify areas for future support. These recommendations are developed further in each of the seven country chapters.

2.2 Analytical Framework

It is widely accepted that women represent an untapped potential for economic growth, being able to contribute to the nation's development as entrepreneurs, employees, and consumers.²

The premise is that economically empowering women will contribute to their well-being in multiple ways: it will enable them to be free from hunger, violence, and dependence.

Realizing this untapped potential requires rethinking how things have been done in the past and designing new strategies and approaches. The architecture of business regulation, which incorporates both economics and law, needs to be informed by women's perspectives and experiences. Three fundamental questions, relevant to regulating the business environment, must be asked:

- (i) How can we include women's experience when formulating economic policy?
- (ii) What is the best way to design legal and other strategies that empower women as well as men?
- (iii) Who can drive women's economic empowerment in countries where governments may be transient or weak?

2.2.1 Including Women's Experience in Formulating Economic Policy

Traditional economic theory does not recognize any differences between men and women. Instead, it emphasizes rationality and operates on the presumption that men and women make decisions in the same way. There is an assumption of gender neutrality. It sees no difference between how men and women

² M. Leach, L. Mehta, and P. Prabhakaran. 2016. Gender Equality and Sustainable Development: A Pathways Approach. In *World Survey on the Role of Women in Development 2014: Gender and Sustainable Development*. New York: United Nations Entity for Gender Equality and the Empowerment of Women (UN Women).

interact socially, engage productively, and respond to economic stimuli. This logic ultimately produces economic policies that fail to address the needs of women.

The thinking on gender neutrality has been under scrutiny from scholars and practitioners from diverse disciplines for over 2 decades. Academics and policy experts now call on us to consider how gender is linked to behavior and how social norms can shape the choices made by men and women. They argue that this diversity of choice can determine economic outcomes. Sen and Nussbaum queried the traditional economic model whereby everyone will make choices in the same way, and asked us to consider the capabilities of individuals and how they may impact the choices made.³

Akerlof and Kranton have introduced identity economics, incorporating the psychology and sociology of identity into an economic model of behavior.⁴ They argue that a person's sense of self (identity) affects economic outcomes. They use identity economics to explain employment patterns—women will eschew male-dominated professions and dominate jobs whose requirements match construed female attributes and inferior social status. Likewise, women will spend greater time completing household tasks. This is borne out in most Pacific countries and is perhaps best demonstrated in Samoa, where women dominate in low-skilled clerical (58.4%) and service positions (42%), with low representation in skilled fisheries (8.1%).⁵ Akerlof and Kranton discuss how such employment patterns can change through a combination of economic policies, new legislation, and shifting cultural norms. Taking unconscious bias seriously, and factoring it into policy making, will create policies that help both women and men.

The *World Development Report 2015: Mind, Society, and Behavior* emphasized the importance of the unconscious biases that may operate when people make decisions. The report pointed to the need to factor this bias into policy and practice. Many governments are designing policies to address unconscious bias and recognize identity economics. One such example comes from Australia, where the Government of New South Wales has committed to increasing

³ M Nussbaum. 2000. *Women and Human Development: The Capabilities Approach*. Cambridge; Cambridge University Press; and A Sen. 1989. Development as Capability Expansion. *Journal of Development Planning*. 19 (1). pp. 41–58.

⁴ G. A. Akerlof and R. E. Kranton. 2000. Economics and Identity. *Quarterly Journal of Economics*. 3. pp. 715.

⁵ Government of Samoa, Ministry of Commerce, Industry and Labour. 2010. *Report: Labour Market Survey of Private Sector Employers in Samoa 2010*. Apia.

the proportion of women in its senior government leadership roles to 50% in government employment over the coming decade. The government has set out numerous interventions as a way of addressing unconscious bias. These interventions include: (i) making sure that job advertisements are carefully worded to attract and encourage women applicants; (ii) ensuring jobs are advertised through diverse outreach options; (iii) providing training for the selection committee on unconscious bias; (iv) using structured interviews where questions are well formulated prior to the interview; and (v) where possible, enabling the final decision to be made by someone not involved in the applicants' assessments.⁶

An example of how unconscious bias is articulated in Pacific island countries is discussed in Box 2.1.

Box 2.1: Potential Unconscious Bias in Consumer Complaints Mechanisms

Complaints mechanisms give consumers a “voice” and are essential to maintaining well-functioning economies. The Fiji and Papua New Guinea have complaints mechanisms that enable consumers to report on unsafe and faulty goods as well as on inadequate service.

While the complaints mechanisms of both countries appear to provide equal access to men and women, this is clearly not the case in practice. In 2014, 12% of complaints to the Fiji Commerce Commission were from women, while 88% came from men. In the same year, 29% of complaints to Papua New Guinea's Independent Consumer and Competition Commission were from women, compared with 71% from men. An unconscious bias in the complaints mechanisms may explain these discrepancies, and must inform economic analysis and policy making.

Providing alternative ways to make complaints, ensuring that there are women complaints officers available, allowing complaints to be solicited from consumers, and incorporating online anonymous complaints processes are ways to ensure that consumers of both genders have equal access to complaints mechanisms.

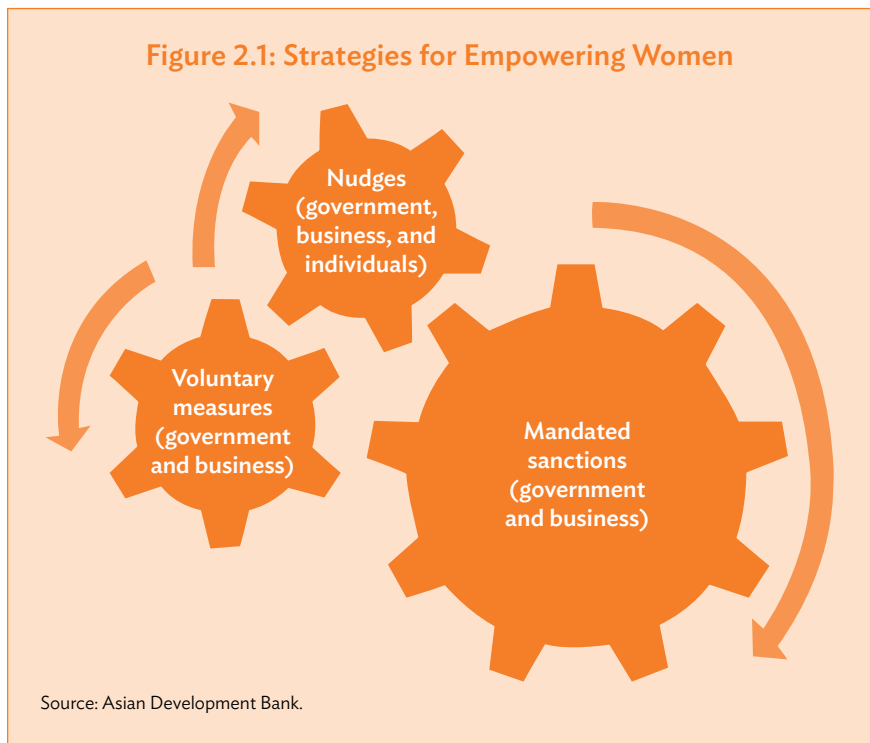
Sources: Independent Consumer and Competition Commission, Papua New Guinea; Fiji Commerce Commission, Fiji.

⁶ Government of New South Wales, Premier and Cabinet Behavioral Insights Unit. 2016. Behavioral Approaches to Increasing Workforce Diversity. <http://bi.dpc.nsw.gov.au/assets/Behavioural-Insights/Library/Behavioural-Approaches-to-Increasing-Workforce-Diversity.pdf>

2.2.2 Designing Legal and Other Strategies That Empower Women

Diverse strategies are available to increase women’s participation in business, and these strategies will need to be tailored in different countries and for different sectors. As women’s businesses are often small, attention should be paid to encouraging the kinds of enterprises that women prefer to own and/or operate. This would logically include businesses structures that provide for collaboration, and which offer the flexibility to juggle business and family responsibilities.

As seen in Figure 2.1, participation strategies can include (i) mandated sanctions, introduced through legislation or institutional practice; (ii) voluntary measures, which could be adopted by government departments and businesses; and (iii) “nudges,”⁷ which are indirect strategies focused on influencing choices or behavior, and can originate from governments, businesses, independent regulators, or individuals.



⁷ R. H. Thaler and C. Sunstein. 2008. *Nudge: Improving Decisions about Health, Wealth and Happiness*. New Haven: Yale University Press.

Mandated Sanctions

Introducing new laws and regulations is the most commonly used strategy to further women's economic position.

Laws introducing electoral quotas for women's representation in government, adopted in Samoa for parliament and in Vanuatu for provincial government, could also be applied to the boards of state-owned enterprises (SOEs). However, when doing so, the reaction of each institution and its staff has to be carefully considered in order to be successful.

Some laws and regulations may be more indirect, focusing on encouraging a shift in cultural or social norms. Such laws and regulations include limiting bride prices (money, property, or other forms of wealth paid by a groom or his family to the parents of the bride), and adapting inheritance laws to provide for equal distribution of assets among sons and daughters. Such sanctions can also originate from individual enterprises. For example, a business can mandate targets or quotas for employing women, or can require that women comprise at least half the membership of all recruitment committees.

Voluntary Measures

Government departments or businesses may adopt women-friendly recruitment policies or develop their own flexible work conditions. The Gender Equality and Social Inclusion Program, which applies to all government departments in Papua New Guinea (PNG), is one such example. Rather than attempting to enforce compulsory strategies, the program allows individual government departments to develop suitable initiatives depending on the size and context of their operations. Other effective voluntary measures include financial literacy programs that specifically target women, which have been successfully adopted by financial institutions in Fiji and PNG. Further support to women can be provided through codes of conduct, which can serve to alter behavior within particular industries and may be appropriate for the banking and telecommunications sectors of Pacific island economies.

Nudges

Thaler and Sunstein have been able to integrate behavioral economics with legal frameworks to develop nudge theory (footnote 7). Simply put, the theory refers to any act that can alter people's behavior. It can originate as a policy or practice from government departments, an independent regulator, large enterprises, or even individuals. It can be a gentle touch or a forceful shove.

Nudge strategies might include policies that encourage government departments to give preference, through procurement guidelines, to companies that employ a high proportion of women. Such strategies may be powerful in increasing the number of women in the workforce.

Another nudge strategy might be to implement a policy that encourages the uptake of digital technologies by government departments and private enterprises. These technologies offer advantages for women who may find it easier to access online facilities, rather than having to travel to business offices. Digital technologies can easily be applied to provide online systems for the renewal of a variety of registrations and licenses. They can also be implemented to offer online payment facilities for a broad spectrum of goods and services, including government-supplied services such as water and electricity. Such a strategy would not only assist women, but also contribute to the development of a digital economy.

A fine example of a nudge strategy initiated by business is the commitment to the Women's Endorsement Principles in the Global Compact. Over 1,000 business leaders around the world have committed to seven principles aimed at empowering women in the workplace, marketplace, and community. Further examples include establishing high-level corporate leadership for gender equality as well as promoting education, training, and professional development for women. This has the potential to bring benefits to many women who are employees and suppliers, and change the conduct of other competitors in the market. Three further examples are discussed in Box 2.2.

Box 2.2: Three Ways of Nudging toward Gender Equity

In Switzerland, a wage policy has been introduced that includes providing a simple tool for private companies to independently assess pay equity using easily accessible payroll data. This has nudged businesses to reduce the wage gap between women and men.

In South Africa, all government work is advertised on an electronic gateway that increases the transparency of the tendering process. This nudges the public procurement process to be more accessible.

In Botswana, the Ministry of Trade and Industry has introduced new guidelines to exempt micro and small businesses from fulfilling stringent licensing requirements. This is an effort to nudge informal businesses to become part of the formal economy.

Source: Asian Development Bank.

2.2.3 Who Can Drive Women's Economic Empowerment

Historically, governments have been the focal point for all forms of regulation, including promoting gender equality. Today, however, many corporations are going well beyond legal and legislative requirements by establishing their own affirmative action policies as well as adopting in-house targets and quotas to promote women to senior positions. Since the turn of the millennium, there has also been growing support from men for building gender equality in the wider community. This is demonstrated in Samoa, where it has become practice for men to wear orange shirts to show zero tolerance for domestic violence, as well as in Solomon Islands, where men join women to march against domestic violence on White Ribbon Day.

Regulations in the form of international standards and voluntary codes of conduct among businesses, have become more common in most markets. Many global corporations and large enterprises, in an attempt to obtain market share or fulfill their commitment to the philosophy of shared value, are engaged in financial literacy programs and philanthropic activities that benefit women.



Former South Pacific Stock Exchange CEO Latileta Qoro had the exchange push for more women in corporate leadership positions.

A variety of actors can collaborate to empower women as employees and entrepreneurs. These actors may be governments and government departments, SOEs, large businesses, financial institutions, independent regulators, civil service and nongovernment organizations, and networks (including chambers of commerce, professional and industry bodies, and business associations—particularly women's business associations). For optimum results, collaboration between these various actors is both desirable and necessary.

Regulators can work independently to promote gender equity, as demonstrated by the efforts of Latileta Qoro, who in 2016, during her term as CEO of the South Pacific Stock Exchange, used global studies that built a case for increasing women in corporate leadership positions (photo). The South Pacific Stock Exchange is continuing to promote gender equity among listed companies.⁸

⁸ M. Noland et al. 2016. *Is Gender Diversity Profitable? Evidence from a Global Survey*. [https:// piie.com/publications/wp/wp16-3.pdf](https://piie.com/publications/wp/wp16-3.pdf)

The strategies available to these actors have been discussed in section 2.2.2: mandated sanctions, voluntary measures, and nudges. Mandated sanctions are usually used by governments, which may see fit to repeal discriminatory legislation or pass legislation regulating sexual harassment and equal wages. Voluntary measures, such as affirmative action policies, can be adopted by governments, businesses, regulators, or professional bodies. All actors can, therefore, seek to use nudges to support women's empowerment.

It is evident that, since 2009, there has been an increase in the number of businesses operating in Pacific island countries.⁹ BRED Bank and Bank South Pacific have expanded their footprint in the Pacific, while Pan Oceanic Bank has entered the market. This has brought a greater range of financial products and increased access to finance for enterprises based in the Pacific. In addition, there has been a concerted attempt by global corporations, including resource companies and financial institutions, to join governments and donors in providing services of shared value, including financial literacy and awards for businesswomen. Thus, there is greater scope for collaboration among public and private organizations in assisting women's businesses and women's roles within businesses.

The range of actors and strategies that can be harnessed to increase the opportunities available to Pacific women is discussed in Table 2.1.

Table 2.1: Actors and Strategies to Economically Empower Women

Actors	Strategies
Governments	<ul style="list-style-type: none"> • Introduce legislation to address equality and sexual harassment, including quotas and voluntary targets. • Commit to gender mainstreaming policies, including in policy development and legal drafting. • Collate gender-disaggregated data to enable informed policy development. • Develop procurement policies to increase women's competitive edge.

continued on next page

⁹ S. Hedditch and C. Manuel. 2010. *Gender Investment and Climate Reform Assessment, Pacific Regional Executive Summary*. Washington, DC: International Finance Corporation.

Table 2.1 *continued*

Actors	Strategies
Large businesses	<ul style="list-style-type: none"> • Promote gender equality in codes of conduct. • Commit to policies that raise awareness of gender- based violence and adopt a policy of zero tolerance for offenders. • Encourage men to champion gender equality. • Develop procurement policies to increase women’s ability to tender successfully for lucrative contracts. • Consider the use of Women’s Empowerment Principles of the United Nations Global Compact.
Financial institutions	<ul style="list-style-type: none"> • Incorporate alternative forms of credit assessments that may enable women to access credit. • Work with donors and governments to develop products and services that are useful for women entrepreneurs. • Adopt affirmative action policies and business leadership programs for women employees. • Develop codes of conduct that consider the impact on women of products, services, and in-house dispute resolution processes.
Networks, including women’s associations	<ul style="list-style-type: none"> • Assess the impact of proposed laws and policies on women, and participate in forums to give women voice. • Forge links between the formal and informal economies (where women dominate). • Work with corporations to introduce awards for male advocates and women-friendly businesses. • Support women’s leadership and mentoring training.
Independent regulators	<ul style="list-style-type: none"> • Include women-friendly processes and staff within regulatory organizations. • Develop specific policies to increase the potential for women to progress, and nudge businesses to adopt them. • Work to develop awareness among businesswomen operating both in the formal and informal economies.
Civil service organizations/ nongovernment organizations	<ul style="list-style-type: none"> • Develop the business case for empowering women, including economic analysis and gender budgeting. • Collaborate with businesses to develop industry-specific strategies for women’s economic empowerment. • Advocate for strategies to empower businesswomen operating both in the formal and informal economies (e.g., ensuring property is in joint names).

Source: Asian Development Bank.

2.2.4 Summary of the Analytical Framework

The analytical framework adopted in this book is innovative in three main ways.

First, the framework urges us to take on board the contributions of behavioral economists in recognizing that the identity of a person will determine the choices they make and the economic outcomes that follow. This thinking can be integrated into the design of various policies and protocols. Employment policies, recruitment processes, and complaints mechanisms can be designed to increase women's participation and empowerment. The theory of identity economics also has relevance in the design of trade and market development policies, as well as in the design of financial services offered and the pathways available to enforce legal rights.

Second, the analytical framework prompts us to think about a variety of regulatory strategies that go beyond legal rule to advance women's participation in the economy. Although mandated sanctions and voluntary measures have long been recognized as essential to further gender equality, the concept of nudges, which again originates from behavioral economists, is relatively new. Nudges are quickly being integrated into government policy making across the world, and have immediate relevance to the Pacific. They can be used to encourage women to formalize their businesses, as well as increase women's access to training and development programs.

Third, this framework encourages us to extend our thinking beyond the notion of governments being the primary actor in the economic empowerment of women. It encourages us to focus on global corporations, financial institutions, and nongovernment organizations as key drivers of women's economic empowerment. Business and professional networks, large enterprises, and individual businessmen have all championed gender equality and will continue to play an important role in empowering women.

2.3 Thematic Framework

To help shine a light on particular avenues to economic empowerment, the issues facing Pacific businesswomen have been clustered around eight key themes:

- (i) the context of women's autonomy,
- (ii) women in the informal economy,
- (iii) women in the formal economy,

- (iv) women's access to land ,
- (v) women's access to finance,
- (vi) dispute resolution and enforcing women's legal rights,
- (vii) women's business networks and skills training, and
- (viii) women's access to trade and markets.



Guadalcanal Plains Palm Oil Limited committed to economically empowering women who were living on its compound as spouses or relatives of company employees. The company has assisted these women by providing premises in which they can work, develop their businesses, and market their produce. One such business is Swaying Palms Fashion, which produces school uniforms for sale to surrounding communities. Following exposure during Honiara's Fashion Week, the women operating Swaying Palms Fashion secured a contract to sell clothes to New Zealand.

In the discussion around each of these themes that follows, analysis of progress made in the decade up to 2018 is anchored around the Gender and Investment Climate Reform Assessments (GICRAs). The GICRAs are six studies undertaken for PNG, Samoa, Solomon Islands, Timor-Leste, Tonga, and Vanuatu in 2008–2009 by the Australian Agency for International Development (AusAID) and the International Finance Corporation (IFC). The studies assessed the context of women's opportunities to

participate in economic development, and made recommendations for reforms to improve women's economic opportunities (footnote 10). The extensive research undertaken for the studies and their specific focus on women's economic opportunities make the GICRAs a unique and authoritative source on the factors that constrain or enable women's economic empowerment within these countries at this time. For this reason they are used here as a benchmark to assess improvements that have occurred in the economic position of women in the Pacific. Critically, while there has been significant change in some areas, little or nothing has changed in others.

2.3.1 Theme 1: The Context of Women's Autonomy

Domestic violence is now addressed through legislation across the Pacific, except for the Cook Islands and the Federated States of Micronesia, where legislation is still in draft form. Progress has also been made in the representation of women in the formal economy. While the GICRAs reported that women constituted a third of the formal economy in Solomon Islands and Vanuatu, this figure has increased to 46% in Solomon Islands and 43% in Vanuatu (Appendix 7).

However, customary laws still dominate in rural areas of the Pacific and discrimination continues. Domestic violence laws remain largely unenforced and women are still poorly represented in politics, despite temporary special measures being introduced in Samoa and Vanuatu to provide women with electoral seats on provincial councils.

The governments of all Pacific island countries (except for Tonga) have signed, ratified, or acceded key international commitments to gender equality (Appendix 3). These include the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW). All Pacific countries have also established specific agencies to oversee gender mainstreaming and to monitor and report on gender-related goals. However, most of these agencies are poorly funded with low organizational capacity. Meanwhile, the state governments of many countries are failing to fulfil their commitment to implement CEDAW across all legislation and policies.

The constitutions of many Pacific island countries prohibit discrimination on the grounds of sex and/or gender (Appendix 2). However, the constitutions of 10 of these 12 countries also recognize customary law as a valid source of law, which results in discriminatory practices that impact on women's ability to engage in business. For example, the lack of rights for women under customs relating to land and cultural practices, such as bride prices, impinge on women's autonomy.¹⁰ This has a direct impact on their ability to undertake business activities or take on paid employment. Women are usually involved in micro and small enterprises, requiring little capital, and many of these businesses operate informally.

The customary practices of individual communities can differ widely between countries, and from one province to another within countries. In some communities, women have more power than men. One example of this comes from Malaita Province in Solomon Islands, where women in the Are'are community can carry the "big woman" title for demonstrated leadership skills.¹¹ However, this practice is not common among other communities within Malaita Province or in other provinces of Solomon Islands, including Guadalcanal. In

¹⁰ See for example, S. Hedditch and C. Manuel (in partnership with AusAID). 2010. *Papua New Guinea: Gender and Investment Climate Reform Assessment*. Washington, DC: International Finance Corporate; and C. Bowman et al. 2009. *Women in Vanuatu: Analyzing Challenges to Economic Participation Report*. Washington, DC: World Bank.

¹¹ S. Whittington, S. Ospina, and A. Pollard. 2006. *Women in Government in Solomon Islands: A Diagnostic Study*. Honiara.

addition, such customary practices can change over time, particularly when challenged by urbanization and opportunities to engage in economic activity.

The limited rights women have in patrilineal societies have been well documented, but the opposite is not necessarily true for women in matrilineal societies. Because matrilineal protocols traditionally encourage and promote women as equal partners in decision-making, it is usually assumed women in these societies fare better when it comes to property rights.¹² Yet this is not always the case, as is demonstrated in Solomon Islands' provinces of Guadalcanal, Isabel, and Makira, where matrilineal land tenure has not translated into women having more power in decisions about land use. Moreover, across the Pacific, leadership roles are not always publicly recognized and women's inheritance rights to matrilineal land are only implicitly acknowledged. One scholar has pointed out that large-scale developments in these regions, specifically mining and logging activities, have adversely impacted women. This scholar states that "women and men have modified their ascribed roles in communities, with men taking over the role of decision-makers in land matters (becoming) trustees, signatories, and beneficiaries of royalty payments, without proper consultation with women."¹³

Social norms that prioritize family and community interests over individual advancement can impact adversely on women's entrepreneurship. Successful business owners interviewed for this report complained that their relatives expect to share in the stock and profits of their businesses. Many successful women reported that they are obliged to pay the school fees of several children in the community. During our workshops conducted for this publication, other business owners stated that they are expected to employ members of their community, which often comes at a cost to business profitability.

Social norms can also impact the progress of women in politics, employment, and training. Wantok (defined in Box 2.3) is often used to explain the favorable treatment given to Pacific community members in the form of grants, scholarships, and employment.¹⁴ Women complain that many of these social norms impact them even more than the influence of men, because these

¹² AusAID. 2008. *Making Land Work*. Canberra.

¹³ R. Maetala. 2008. *Matrilineal Land Tenure Systems in Solomon Islands: The Cases of Guadalcanal, Marika and Isabel Provinces*. In K. E. Stege, R. Maetala, A. Naupa, and J. Simo, 2008. *Land and Women: The Matrilineal Factor, The Cases of the Republic of the Marshall Islands, Solomon Islands and Vanuatu*. Suva: Pacific Islands Forum Secretariat.

¹⁴ R. Duncan. 2011. *Governance Reform in the Public Sector in the Pacific Islands: Understanding How Culture Matters*. Manila: ADB.

Box 2.3: How Women Are Responding to the Impacts of Wantok

Meaning: Wantok means “one talk” and refers to people who speak the same language. It influences the attitude of people to money, income, and participation in economic life for personal gain. It has been described as an unwritten social contract which brings responsibilities with it.

Impact: In Solomon Islands, almost a third of the people interviewed for a 2013 survey said family and community obligations were preventing them from increasing their income. While wantok acts as a social security network, it can also be a disincentive for savings and a barrier to entrepreneurs. Women report that they are less likely than men to withstand pressure to help family members when called upon.

Response: Women reported that they have developed techniques to avoid the pressures applied through wantok. One businesswoman stated that she sets aside a fixed sum of money to assist her family and explains this limitation to them. Another woman reported that she is able to keep separate bank accounts to safeguard business assets. A third woman reported that she and her husband have made a rule that they will not employ family members in the business.

Source: Office of the Special Coordinator. 2013. *Peoples Survey 2013—Summary*. Regional Assistance Mission to Solomon Islands. p.8. <http://www.ramsi.org/media/peoples-survey/>

expectations can restrict their access to finance, education, and employment at senior levels. Although changes in social norms are occurring, such pressures should be taken into account in policy formulation and institutional strengthening.



The safe bus scheme in Papua New Guinea, which encourages safe travel by women to markets and work, is an example of a program addressing gender-based violence in a proactive and effective manner.

Social norms across the Pacific are slowly changing and some efforts to alter these norms have had a modicum of success. The Government of Samoa’s nudge or recommendation that families should limit the number of mats gifted at special occasions is one such attempt. The practice of PNG women maintaining two bank accounts to enable them to

keep their business monies separate is supported by the country's financial institutions. Nevertheless, customary laws and social norms continue to inhibit women's entrepreneurship and efficient business development.

Women's autonomy can be determined by many factors. However, to allow for a clear and comparative analysis, four key subthemes that are the foundation of autonomy are examined in this section: (i) the impact of gender-based violence, which is prevalent in many Pacific societies, and responses to it; (ii) the manner in which women access educational and health services, which is recognized as being fundamental to autonomy; (iii) the participation of women in political life; and (iv) an overview of women's employment.

The Impact of Gender-Based Violence

The risk of violence robs individuals of agency, preventing them from exercising free will.¹⁵ It impacts on decisions made about the types of economic activities to engage in, how to use their earnings, and how to balance work and home commitments.

Gender-based violence has enormous psychological, social, and economic impacts, with the economic cost estimated at between 1.35% and 2.08% of GDP in South Africa.¹⁶ In Fiji, this cost is estimated at 6.6% of GDP, or around \$494 million.¹⁷ The costs include

- (i) direct costs such as lost income to individuals, increased health costs, and costs incurred by businesses resulting from absenteeism and reduced productivity;
- (ii) indirect costs such as pain and suffering to individuals, the fear of ongoing violence and loss of autonomy, and costs to suppliers and/or other employees from reduced productivity and increased absenteeism; and
- (iii) opportunity costs such as forgone career advances and reduced contributions to businesses and communities.

¹⁵ World Bank. 2012. *World Development Report 2012: Gender Equality and Development*. Washington, DC, pp. 83–84.

¹⁶ KPMG. 2014. *Too Costly to Ignore—The Economic Impact of Gender-Based Violence in South Africa*. <https://assets.kpmg.com/content/dam/kpmg/za/pdf/2017/01/za-Too-costly-to-ignore.pdf>; and C. Williams. 2014. *How to Calculate the Cost to Business of Gender-Based Violence in Papua New Guinea: Review of Existing Approaches and Methodologies*. London: Overseas Development Institute and DFAT.

¹⁷ *Fiji Times*. 2012. Violence Cost \$498m. 6 July.



A collaborative effort by government and businesses to address violence in Fiji.

While governments of Pacific island countries have passed legislation to address domestic violence (Appendix 4), primarily through the family law framework, this has had limited impact on the incidence of gender-based violence. Despite legislation, the incidence of gender-based violence remains high in Kiribati, PNG, Solomon Islands, and Vanuatu.

While legal change is the first step to addressing gender-based violence, it must be accompanied by supportive policies, institutional commitment, and budgetary allocations for effective implementation and awareness-raising tasks. Efforts by Pacific governments, businesses, and civil society organizations to supplement legislative change have had some success. This illustrated by the safe bus scheme in PNG, which allows women to travel safely to work and markets, and the collaborative effort in Fiji to address domestic violence. Businesses and women's business networks have long played an important role in increasing awareness and providing support to survivors of violence.

Access to Health and Education Services

The *World Development Report 2012: Gender Equality and Development* (footnote 15) points to the need to improve the access to education for girls and women. Any inability for girls to access education will severely disadvantage them in negotiating positive economic outcomes with their families, communities, and employers. Being able to find suitable employment and having the aptitude to control one's own finances constitute the basis of individual autonomy. These attributes provide the confidence for women and girls to assert their views, albeit within the social and cultural context of the communities in which they live.

Literacy skills are essential for managing personal assets and finding employment. Anecdotal evidence points to many instances where women lacking the necessary financial literacy skills have been left out of decision-making processes about the use of customary land and family assets.

Addressing the gender gaps in education at primary and secondary levels is essential to ensure that girls are equipped with adequate skills to make sound financial decisions and find suitable employment. With the exception of Tonga and Samoa, fewer girls than boys are completing primary school education.

Political Participation by Women

In theory, many liberal democracies have embraced the need to have women's views and interests represented in their parliaments, and to allow women to influence and shape the development of policies, help make laws, and prioritize the country's financial commitments. However, this contribution by women remains something of an ideal, with an average of only 22.6% of lower-house seats in parliaments worldwide occupied by women.

Moreover, the Pacific has the world's lowest average for parliamentary representation by women, with only 7.5% of lower-house seats in Pacific parliaments occupied by women. This compares with 23.6% in sub-Saharan Africa and 26.3% in Europe. Table 2.2 provides a breakdown for the seven Pacific island countries examined in greater detail later in this publication.

Table 2.2: Women's Political Participation in Select Pacific Island Countries

Country	Fiji	Kiribati	Papua New Guinea	Samoa	Solomon Islands	Tonga	Vanuatu
Number of women in Parliament (total number of parliamentary seats)	7 (50)	3 (46)	3 (111)	5 (50)	1 (50)	1 (26)	0 (52)
% of women in Parliament	14	6.5	2.7	10	2	3.8	0

Source: UNDP. Pacific Women in Politics. <http://www.pacwip.org/>

Calls to increase women's parliamentary participation have been loud and clear since the release of the GICRA reports in 2010. As a result, CEDAW has advocated temporary special measures as a way forward, while the Revised Pacific Platform For Action on Advancement of Women and Gender Equality 2005–2015 has recommended affirmative action policies to enhance gender parity. It would appear that, despite a reluctance by governments to fully support either of these approaches, there has been a shift in the political landscape.

Since the GICRA reports were released, Pacific women's representation in parliament has risen from approximately 4% in 2010 to 7.5% in 2017. Significant changes were witnessed in 2016, a year during which Samoa adopted temporary special measures, three women were appointed to Kiribati's Parliament, and four women senators were elected to Palau's Congress. Vanuatu has also adopted temporary special measures for its provincial council seats, with four women elected to these posts. The individual country chapters examine the hurdles faced by these women in seeking to represent their constituents.

Overview of Women's Employment

The informal economy employs the majority of people in Pacific countries, where agriculture is a vital component of economic activity.

Rather than start their own businesses, many women will seek employment in government offices or the private sector. The advantages of regular income, leave provisions, pension entitlements, ongoing training opportunities, and security in the formal sector are attractive to the majority of women.

Employment in the formal economy is generally gauged by the share of wage employment in sectors not related to agriculture and includes retail, tourism, and manufacturing. While women hold nearly half of the formal jobs in PNG and Solomon Islands, they remain underrepresented in Fiji and Samoa (Appendix 7).

Maternity leave provisions, which are important for women's continued participation in the workforce, have been introduced for both public sector and private sector employees in the Cook Islands, Fiji, Samoa, Solomon Islands, Tuvalu, and Vanuatu. However, they only apply to public sector employees in PNG and Tonga, and there are no such provisions in the Federated States of Micronesia, Kiribati, the Marshall Islands, or Palau (Appendix 8). Increasing the availability of maternity leave across the public and private sectors will ensure increased employment of women.

In communities where sexual harassment is widespread and gender-based violence is prevalent, businesses and governments can play a key role in changing social norms. The introduction of clearly articulated sexual harassment laws, accompanied by strong policies, is an important first step to driving such change in the workplaces of Pacific island countries. However, only the Cook Islands and Fiji have introduced such laws, with the Federated States of Micronesia, Kiribati, the Marshall Islands, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu yet to pass legislation on this important issue (Appendix 8).

Women's participation in senior managerial positions, such as politicians, senior government officials, general managers, or senior executives, is highest in the Cook Islands (48%) and Samoa (47%), and lowest in Solomon Islands (19%) and the Marshall Islands (25%).¹⁸ This is a key indicator for women's economic empowerment and the shifting of cultural norms, given that women in senior government roles are more likely to push gender-related issues, and senior corporate women are more likely to act as role models for other women in the workplace and the broader community.¹⁹ Company policies that support women's promotion to senior levels (affirmative action policies), encourage business mentoring across industries and countries, and equip women's business networks nationally and regionally, are necessary to see more women progress to leadership roles in businesses across the Pacific.

Strategies for Increasing Women's Access to Employment

Several factors impinge on the ability of Pacific women to find and keep jobs, and rise through the corporate ranks to senior positions. Eight key strategies to alleviate these factors are discussed below, illustrating the need for a multipronged approach:

- (i) introduce sexual harassment legislation, supported by strong enforcement and awareness building;
- (ii) repeal all direct discriminatory legislation, including restrictions on working at night or in specific sectors;
- (iii) increase women's awareness of supportive legislation (e.g., maternity and/or paternity laws) that may promote women's access to employment;
- (iv) develop advocacy for creating a women-friendly business environment, including support for tax concessions for child care expenses;
- (v) work with male "champions" to introduce women's leadership programs;
- (vi) work with insurance companies to offer bundled insurance products that can provide flexible insurance policies (life insurance, maternity leave insurance, and sickness insurance);
- (vii) collaborate with chambers of commerce to develop a database of women seeking senior positions in businesses or on company boards; and
- (viii) target girls and young women for training in science, technology, engineering, and mathematics areas, including information and communication technology and web design.

¹⁸ ADB. 2016. *Gender Statistics*. Manila. p. 10; and Appendix 9 for Women on SOE Boards.

¹⁹ N. Smith, V. Smith, and M. Verner. 2005. Do Women in Top Management Affect Firm Performance? A Panel Study of 2,500 Danish Firms. *Discussion Paper No 1708*. Bonn, Germany: Institute for the Study of Labor, University of Bonn. August. p. 2.

2.3.2 Theme 2: Women in the Informal Economy

In all Pacific island countries, women operate businesses both in the formal and informal economies. The GICRAs focused on developing the formal economy. Laws and policies have likewise generally concentrated on the formal economy, with the aim of aiding women's transition from the informal to the formal economy.²⁰ This transition has been slow to occur, with little change observed over the last decade. There is a need to re-examine the role of the informal economy and formulate effective policies that can contribute to the economic empowerment of women in both the formal and informal economies.

Nature of the Informal Economy

The size of the Pacific's informal economy—and the scope of women's participation within it—has not been measured with any certainty. It has been estimated that 80% of households in PNG rely on the informal economy for their livelihoods²¹ and that the informal sector provides income for more than 75% of the population in Vanuatu.²²

Studies carried out by the European Union have refuted the argument that the informal economy is necessarily a transient one involving low-paid work and organized to engage in fraudulent activities.²³ Instead, these studies suggest the informal economy consists of disparate markets, with different groups of individuals engaged in a variety of informal activities for diverse reasons and varying returns. This view is reflected in the Pacific. In Vanuatu, 72% of households in rural areas derive their income from the sale of agricultural produce, fishing, or goods manufactured in the home (footnote 22). In Fiji, women run large informal businesses with several employees, operating mostly in hospitality and tourism. In Tonga, only 30% of women have an income and most women work in the informal sector as employees, as employers, or as vendors of their own produce and handicrafts at local markets. In most Pacific

²⁰ PNG has introduced legislation regulating the informal economy, *Informal Sector Development and Control Act 2004*; and a revised law, the *National Informal Sector Development and Control Act*, has been drafted but is yet to be tabled in Parliament.

²¹ Y. X. Wang. 2014. Women's Market Participation and Potential for Business Advancement: A Case Study of Women Traders in PNG. *National Research Institute Discussion Paper*. No. 141.

²² Government of Vanuatu, Vanuatu National Statistics Office. 2012. *Vanuatu National Statistics 2012*. Port Vila; and Government of Vanuatu, Vanuatu National Statistics Office. 2010. *Household Income and Expenditure Report 2010*. Port Vila.

²³ Organisation for Economic Co-operation and Development (OECD). 2011. *Towards a Better Understanding of the Informal Economy*. Paris.

island countries, informal employment is more common in rural areas and on the outer islands.

It is important to understand the nature of the informal economy, before designing policies to support and grow businesses operating within it. Some reasons for women deciding to operate informally include:

- (i) seeking to test-run an entrepreneurial idea prior to formalizing the activity;
- (ii) being unaware of the processes for formalization, which may be complex;
- (iii) wanting to avoid compliance costs associated with labor regulations, taxes, and license fees;
- (iv) lack of convenient access to regulatory authorities in rural areas, where most informal activity occurs;
- (v) difficulties in accessing opportunities and markets due to geographical remoteness and lack of infrastructure;
- (vi) keeping family and social pressures at a distance by avoiding regular income-generating activities; and
- (vii) balancing multiple demands and participating in income-generating activities sporadically as needed.

Laws and policies can be designed to overcome the first five of these reasons, while the last two reasons will remain difficult to address and may require commitment from the community, church, and leaders.

Improving the steps to business formalization and access to regulators, coupled with a consistent policy whereby all stakeholders support this transition, are key considerations for governments and donor partners in the Pacific. Ongoing reforms—which include online business registration, digital payment systems, and mobile money—should be used as a basis to increase commitment to formalization. Incentives to ease access to formalization and support services in rural areas also need to be incorporated, alongside awareness programs.

Challenges Faced by Women in the Informal Economy

As detailed below, businesswomen operating in the informal economy face numerous challenges that warrant attention from a policy perspective:

- (i) **Lack of social protections.** Women involved in informal businesses do not have insurance cover, which is generally only available to formal businesses. When Cyclone Winston struck Fiji in February of 2016, thousands of market vendors and shop operators lost all of their stock and assets, without recourse to compensation. Women operating, or

employed by, informal businesses rarely have pensions to support them in their later years, with many of the national provident funds being directed at full-time employees of formal businesses.

- (ii) **Lack of legal protections.** Because informal businesses are operating in the shadow of the law and avoiding responsibilities, including payment of taxes, women are unlikely to be able to access the legal system for dispute resolution. In many Pacific island countries, women suffer financially because they are unable to pursue breaches of contracts.
- (iii) **Difficulty in accessing business opportunities.** It is widely accepted that governments and businesses prefer to enter into contractual agreements with formal business operators. For example, in Fiji, formalization is a precondition to securing government contracts.
- (iv) **Difficulty in accessing commercial finance at reasonable rates.** Banks and credit unions generally only provide secured commercial loans (which usually have lower interest rates than unsecured consumer loans) to registered businesses. In Solomon Islands, it was reported that women operating informally find it difficult to access finance, and this is even harder for rural women.²⁴ Accordingly, informal businesses have to resort to unsecured consumer loans or microfinance loans that incur greater interest charges.
- (v) **Inability to have input into the reform of laws and policies.** While formal businesses are represented by chambers of commerce, informal business operators rarely have a representative organization that has influence in policy and legislative debates. This has resulted in numerous burdensome regulations that offer little or no benefit to informal business owners. For example, fees are imposed on market and street vendors in many Pacific countries, including Solomon Islands and Vanuatu.²⁵
- (vi) **Informal businesses are less efficient.** Evidence supports the conclusion that informal business operators, seeking to remain under the radar of taxation and licensing authorities, are also unable to attract finance and therefore remain at a size that is below that necessary to reach optimal efficiency.

Across many Pacific island countries, women have traditionally been engaged in agriculture. By addressing the challenges women face in this sector, their participation can be strengthened and their contribution to the economy increased (Box 2.4).²⁶

²⁴ Solomon Islands Women in Business Association. 2013. *Our Vital Voices: A Report on Women's Access to Sources of Finance and Capital in Solomon Islands Informal Sector*. Honiara.

²⁵ See for example, Miscellaneous Fees Amendment Act, 2008 (Samoa).

²⁶ World Bank/International Finance Corporation, 2014. *The Fruit of Her Labor: Promoting Gender Equitable Agribusinesses in Papua New Guinea*. Washington, DC.

Box 2.4: Empowering Women Entrepreneurs in Agriculture

Over 60% of Pacific women are involved in agricultural production and marketing activities (coffee, cocoa, and horticulture), accounting for one third of the region's gross domestic product. These women use their earnings to support families, meet social obligations, and pay school fees. There are many entrepreneurs among them. Targeting these entrepreneurs to develop their businesses and reach markets requires collaboration among donors and the private sector.

Challenges faced by women include: (i) a lack of knowledge and skills in postharvest management, including how to meet industry standards; (ii) the inability to afford appropriate packaging materials for crops; (iii) a lack of cold storage on farm sites, markets, and depots; (iv) a lack of access to efficient transport, which means they must rely on public vehicles travelling on poor roads in unsafe conditions; and (v) weak communication and alignment of key actors along the supply chain.

Strategies to help empower women entrepreneurs in agriculture include (i) improving agricultural inputs; (ii) coordinating infrastructure development to increase market access and security along transport corridors; (iii) supporting financial institutions to provide broader services and improve credit assessments and credit provision; (iv) establishing a communication initiative to improve mobile phone and internet services; and (v) encouraging preferential procurement policies, which will provide markets for women's produce.

Source: Asian Development Bank.



Coffee growers in the highlands of Papua New Guinea against a backdrop of drying coffee cherries that they have assisted in harvesting and drying.

Strategies for Empowering Women in the Informal Economy

Women operating in the informal economy are individuals with a range of different motivations and responsibilities. To increase women's engagement and empowerment in a range of businesses, the following eight measures are suggested:

- (i) gather further data on women's participation in the informal economy to inform policy development;
- (ii) remove burdensome laws and regulations that may impede women's ability to start a business; for example, the need to obtain multiple business licenses;
- (iii) increase access to business advisory services, including advice on business formation and the case for disaster insurance;
- (iv) reassess the effectiveness of governance practices within associations and cooperatives, favored by women entrepreneurs, in ensuring accountability;
- (v) collaborate with big businesses and business networks to encourage procurement policies that favor, or at least do not discriminate against, businesses run by women; for example, engaging a woman's business to provide catering services to bigger businesses;
- (vi) assess the effectiveness of finance providers in encouraging sustainable businesses to develop;
- (vii) work with nongovernment organizations (NGOs) and business training providers to embed gender-based violence awareness programs into all training provided; and
- (viii) establish a hub where knowledge, skills, and advice for women can be accessed (Box 2.5).

Box 2.5: Women's Entrepreneurial Hub

An entrepreneurial hub is a place where relevant institutions can interact with businesswomen. These hubs can act as a forum to inform and educate businesswomen who usually are so focused on day-to-day operations that they find it difficult to make decisions on how to improve their businesses' sustainability and growth.

Women already operating in the informal economy require information on accessing social protections including insurance, making knowledgeable decisions about borrowing money, and the benefits of transitioning to the formal economy.

Women seeking to start a business would benefit from gaining knowledge of finance and insurance, business registration and licensing processes, and compliance with taxation and employment regulations.

Entrepreneurs seeking to grow their businesses need advice on suitable business structures, processes for tapping into regional and international markets, and ways to access financial and management assistance.

Source: Asian Development Bank.

2.3.3 Theme 3: Women in the Formal Economy

To start a formal business, an entrepreneur must comply with a variety of rules. If these rules are complex, the process can be time-consuming and expensive. Moreover, if business registration officials are impatient or unhelpful, most women—and indeed many men—will be deterred from ever taking the leap to formalize their commercial activities. The following four directives are imperative for policy makers seeking to empower women:

- (i) look at the issues faced by women starting a business;
- (ii) reform complex and costly licensing processes;
- (iii) make business registration simpler; and
- (iv) promote business models that suit women.

Each of these directives is considered in the seven country chapters. However, the emphasis given to each directive may vary, reflecting the economic and sociopolitical context of each country.

The GICRA reports also recognized these four issues in encouraging women to enter the formal economy. However, since 2010, only Solomon Islands and Tonga have taken substantial steps toward creating business environments that are accommodating for women. While business licensing processes remain complex in many Pacific island countries, the system in Tonga sets a benchmark. There is clearly a need to promote women-friendly business vehicles, but this remains a challenge in most of the Pacific region.

Starting a Business: Looking at a Woman's Point of View

Women with an entrepreneurial instinct are often challenged by the myriad legislative and regulatory requirements that must be complied with. Because Pacific women often have poor financial literacy skills, lack confidence in dealing with institutions, and do not have ready access to business networks, they are generally worse off than their male counterparts when it comes to starting a business. Legislators and institutions rarely pay attention to the needs of women when designing business-related systems, laws, and policies. Policy makers and stakeholders must commit to three important strategies to foster confidence in women who are seeking to establish a business.

First, gathering data at a national level on women's businesses, both informal and formal, is essential to designing policies that can facilitate women's participation in creating a vibrant and sustainable economy.

Second, supporting the creation of a central or regional hub, which can disseminate business information and facilitate networking, is important to build commercial confidence among women entrepreneurs and increase their desire to engage in business activities that can be both productive and sustainable (see Box 2.5).

Third, offering business advisory services for women is vital to assist them to link their entrepreneurial ideas to financing, markets, and management services, helping them to make the business a success over the longer term.

Reforming Complex and Costly Licensing Processes

Business licenses are required in all Pacific island countries to carry out a variety of commercial activities. The rationale for requiring a business license is to ensure that the license holder adequately fulfills their duties, and that consumers are able to acquire goods or services from a reputable and legally compliant source. Business licenses requirements should be clear and available at a reasonable cost.

The Business Licences Act, 2002 in Tonga provides a best-practice model. It requires any person carrying out a business activity to hold a business license. A business activity excludes the hawking or selling of fish, agricultural produce, and native articles.²⁷ A business license must be renewed annually (footnote 29, Section 109) and can be applied for via traditional paper-based forms or through an online system. Obtaining a business license using the paper-based system requires the applicant to fill out a form, file the application, and pay 50 pa'anga (T\$) to the Register Office. To apply online, a person must first open a business registries account. Once the account is open, an online application form and the payment of T\$25 can be easily submitted.

Unfortunately, the business licensing process is much more complicated in many other Pacific island countries, where several licenses have to be obtained from different sources, with an aim to raise revenue rather than facilitate business formalization. In PNG, the provincial and district authorities, as well as city authorities such as the Lae City Council and the National Capital District Commission, are permitted to issue licenses and charge fees for businesses to operate. A woman entrepreneur must obtain licenses from all the authorities with a jurisdiction where her business seeks to operate. Because PNG has no

²⁷ Government of Tonga. 2002. *Business Licences Act, 2002* (Section 3). Nuku'alofa.

online licensing system, the woman will have to travel to each of the offices to complete the forms and pay the requisite fees.

In Vanuatu, the licensing regime is focused on raising revenue. Since July 2014, all businesses have been required to have a business license, with the license fee dependent upon the type of activity carried out. In a country that does not levy income or company taxes, it is commonly acknowledged that Vanuatu's business licensing fees are merely a form of taxation. Small businesses in countries that rely on income tax can benefit from the tax-free thresholds that are usually built into each regulatory design. However, in Vanuatu, which relies on a 12% value-added tax (VAT), small businesses pay the same percentage of tax as larger companies and global corporations. This system has a regressive effect, impacting adversely on women who are concentrated in small and medium-sized businesses. Popular women's businesses—catering services, takeaway food outlets, guest houses, cafes, and kindergartens—attract a fee of 10,000 vatu (Vt) for a gross turnover of less than Vt4 million, and a fee of Vt20,000 for gross turnover from Vt4 million to Vt10 million.

Strategies for reforming the system of business licensing include the following:

- (i) reassess the licensing regime framework to make it easier for women to comply with legal requirements;
- (ii) assess the strategies that would add to efficiency, including creating online processes whereby multiple licenses can be obtained from all government departments; and
- (iii) develop awareness of the processes among women in the formal and informal economies.

Making Business Registration Simpler

A system that does not discriminate against women and provides an easy process for business registration will encourage women entrepreneurs to formalize their businesses. Such a system must be readily available at a reasonable cost at the country's central and regional government offices.

In Solomon Islands, prior to 2014, a married woman seeking to register a business name had to provide the name of her husband. This condition was rescinded in 2014 and an online registration system has been introduced for registration of all domestic and foreign companies.

These reforms must be supplemented by responsive staff who are able to translate the laws into practical advice.



Veronica Manedika (left) and Lynette daWheya have made two Solomon Islands enterprises, Company Haus and InvestSolomons (Foreign Investment Division), women-friendly organizations. Lynette, Deputy Registrar of Foreign Investment, is overseeing the migration of data from a paper-based system to an online system. Lynette is committed to developing the potential for Solomon Islands women to engage in business activities. From January 2016 to June 2016, Lynette trained more than 100 women on various aspects of starting a business, including registration processes, licensing requirements, and taxation compliance.

Veronica is the Assistant Registrar of Company Haus in Solomon Islands and, since 2009, has been helping people start businesses. Veronica says she helps up to 10 women each month, stating: “Women are not brave and have little confidence, especially when they are doing things for the first time. But, with a little help, they learn to do it quickly.”

of the rural population, office staff in Fiji now travel to remote areas to distribute forms and collect fees.

Introducing laws without considering the country’s overall commercial and cultural environment will not yield the outcomes sought. For instance, in Samoa, it is now possible to register a business online in 1 day. A national payment system was introduced in April 2014, enabling easy online payment of fees and allowing businesses to register and pay fees online.²⁹ However, due to the lack of access to internet banking facilities and generally low online credit card usage, many businesspeople or the lawyers acting on their behalf still travel to registration office to pay fees with checks. This experience highlights the importance of introducing supportive policies that focus on increasing community awareness and creating enabling infrastructure.

To facilitate simpler registration of business names and licensing of businesses, Tonga has introduced an electronic company registry through a clear, well-organized website. This registry is therefore available to applicants 24 hours a day, 7 days a week. It has improved the process of formalizing a business for all Tongans, but particularly for women. The online facility also means it is no longer necessary to travel to a registry office in person.

Things are different for women seeking to register a business in Fiji and Kiribati, where they have to travel to a registration office, complete several forms, and pay fees at the counter.²⁸

However, to meet the demands

²⁸ Government of Fiji. 1962. *Registration of Business Names Act 1962*. Suva.

²⁹ Government of Samoa. 2014. *National Payments Systems Act 2014*. Nuku’alofa.

Promoting Business Models That Suit Women

The idea of a business as a profit-driven economic unit, controlled and run by an owner or group of owners, originates from 18th-century England. It may not align easily with the customary practices, clan ownership, and social and community responsibilities that define women's roles in many parts of the Pacific. Particularly in the rural areas of many Pacific countries, customary norms are stronger than commercial drivers, and the concept of operating a business may be difficult to reconcile with cultural realities.³⁰

By recognizing the importance of customary norms in women's lives, and taking these into account when designing the types of business models that can be registered, Pacific countries will help make women's economic empowerment more accessible. The following issues require consideration when defining recognized business vehicles in the Pacific:

- (i) **Strong collaboration among community members.** In some Pacific communities, women may prefer to collaborate with others on a business venture, rather than to embark on it individually. This may be particularly relevant in agriculture (e.g., coffee and vanilla) and handicraft production, where family members perform different tasks. A business vehicle that facilitates collaboration is likely to be better accepted by women.
- (ii) **Access community-held assets.** Assets to operate a business (e.g., land), are often held collectively, and the chances of accessing these assets may be increased where many community members are involved. Businesses that are able to involve communities and harness community assets, without risk of loss, will be more sustainable.
- (iii) **Accommodate women's varied responsibilities.** Providing for part-time or seasonal work, and allowing the sharing of laborious tasks, will encourage women to participate in business, while fulfilling their responsibilities to their families and communities. This calls for a business model that has more people involved on a part-time or seasonal basis.

The traditional partnership or company model may be suitable for many women, particularly in urban areas. However, Table 2.3 proposes a number of alternative business vehicles that offer greater scope for Pacific women seeking to start a business. The first three business vehicles listed have the potential to allow for greater collaboration among members. The fourth business vehicle listed is a limited liability partnership, which may be suitable for women transitioning from the informal sector to the formal sector. The fifth business vehicle listed is a social enterprise company, which may be suitable for women-operated businesses aiming to achieve the dual purpose of contributing to community welfare and generating profit.

³⁰ R. Regenvanu. 2009. *The Traditional Economy as a Source of Resilience in Vanuatu*. Port Vila.

Table 2.3: Options for Women-Friendly Business Vehicles

Option	Comments	Recommendations
Cooperative	<ul style="list-style-type: none"> • Involves community members at different levels • Popular in Papua New Guinea (PNG) and is used for distribution of government grants • Popular in Vanuatu and has many women managers in Shefa and Tafea provinces • Can be used for obtaining accreditation; for example, for fair trade or organic produce • Regulated by outdated legislation in many countries • Problems have been encountered due to lack of accountability and poor leadership 	<ul style="list-style-type: none"> • Reassess outdated regulatory frameworks • Enable greater participation rights for members and clearly articulate the accountability and duties of leaders. • Advocate for training on cooperatives' governance to improve participation by members. • Encourage wider partnerships between large businesses and cooperatives.
Association	<ul style="list-style-type: none"> • Generally used by not-for-profit ventures, such as the promotion of members of a profession or sporting collective • Can represent the interests of its members • Often a recipient of grants and training services due to popularity • Problems confronted due to lack of effective governance processes and the accountability of the management committee • Regulated by outdated legislation in many countries including PNG, where there are more than 5,000 associations 	<ul style="list-style-type: none"> • Reassess regulatory frameworks. • Assess the scope for associations to empower women's participation. • Design models that allow for greater participation by members and increase accountability of management.

continued on next page

Table 2.3 *continued*

Option	Comments	Recommendations
Community company	<ul style="list-style-type: none"> • Newly designed vehicle to encourage use of community assets and community members' participation • Available in Solomon Islands and Vanuatu • Any activity must be for community's interest • Provides an asset lock and enables community participation 	<ul style="list-style-type: none"> • Encourage use of the community company as a pilot project. • Consider the potential for such a vehicle in other Pacific countries.
Limited liability partnership	<ul style="list-style-type: none"> • Currently not available in Pacific island countries • Offers women the option to work together to run a business • Has few formalities other than business registration • Has the advantage of limited liability 	<ul style="list-style-type: none"> • Evaluate the potential for a limited liability partnership as a vehicle that encourages transition from the informal to the formal sector.
Social enterprise company	<ul style="list-style-type: none"> • Currently not available in Pacific island countries • Demand increasing globally for an enterprise structure that benefits the community, while also making a profit for shareholders • While one regulatory framework does not exist, many countries, including Canada and the United Kingdom, have provided for such entities to be set up • Must include a community interest statement and have an asset lock that limits the money paid to shareholders. • Will work well in Fiji and PNG 	<ul style="list-style-type: none"> • Evaluate the potential for such an entity

Source: Asian Development Bank.

2.3.4 Theme 4: Women's Access to Land

The discussion under this section in the country chapters focuses on land. Although the GICRA reports did not specifically address land reform, they did call for governments to consider land reform and include women in the process.

The 2008 publication *Making Land Work* noted that women find it difficult to access land in all Pacific island countries.³¹ It is recognized that men are also confronted with this problem. However, in many Pacific island economies, women fare worse than men because they are often left out of decisions on customary land (see, for example, discussions in the chapters on PNG, Solomon Islands, Tonga, and Vanuatu) and the economic benefits that may result from being involved in these decisions. Women are also unable to access land to situate their businesses.

During the years since *Making Land Work* was published, there has been greater commitment by Pacific governments to make land available for economic development. This has been articulated in different ways in different countries. In Solomon Islands, reforms have been introduced that aim to make alienated registered land (land that has been acquired from customary owners) and fixed-term estates available for national purposes and business development. Likewise, in PNG and Vanuatu, attempts to incorporate women's views and opinions in decisions on customary land demonstrate the focus by these governments to foster inclusive economic development.

Given these changes, it is time to review the manner in which land can be better used to encourage economic development. Strategies to consider include:

- (i) evaluating the effectiveness of participatory mechanisms in Solomon Islands and Vanuatu to incorporate women's views in decision-making on land;
- (ii) conducting research that follows up on developments since the publication of *Making Land Work*, focusing on women's rights to land;
- (iii) supporting the reform of discriminatory laws on inheritance, divorce, and access to matrimonial property and maintenance;
- (iv) advocating, through financial institutions and NGOs, the need to have property in joint names;
- (v) considering the potential for a pilot project utilizing community companies in Vanuatu;

³¹ Australian Agency for International Development (AusAID). 2008. *Making Land Work 1 and 2*. Canberra: Pirion Pty Ltd.

- (vi) collating data on the impact of reforms to Vanuatu's Lands Management Act; and
- (vii) undertaking research on how to access land, which could build on the findings in *Making Land Work* (which is now outdated, given the push of many governments to make land available for economic development).

2.3.5 Theme 5: Women's Access to Finance

This theme was not specifically examined in the GICRA reports. The increased number of financial institutions, the greater reliance on digital transactions (including mobile money or wallets), and the introduction of the secured transactions regime in eight Pacific island countries (and proposed for Fiji), have changed the finance sector beyond recognition since the release of the GICRAs in 2010. This is an area that is continuing to change and can be harnessed to encourage businesses and empower women.

Women's access to finance is adversely affected by customary laws and institutional practice. Efforts are being made, with limited success, to overcome these impacts.

Customary ownership of land has precluded large areas of land from being accessed as security for business loans in all Pacific island countries, with the exception of Fiji. Customs and social norms have also meant that women do not have the same access to resources as men (Appendix 5). As inheritance norms in most Pacific island countries take customary laws into account, women are not always treated equally to men. Likewise, except for the Cook Islands and Fiji, the legislation is far from clear about the rights of women to marital property, and the decision is left to courts to determine these rights.

Accessing Finance Is Not Easy for Women

Business people in the Pacific usually access business finance through commercial banks, their country's development bank, microfinance institutions, or informal credit providers.

Digital technologies have developed significantly since the turn of the millennium and have played an important role in delivering financial services to many Pacific islanders. The rapid uptake of mobile phones by Pacific women has facilitated the delivery of financial services to many women in urban and rural areas, allowing them to open bank accounts and savings accounts. The highest uptake has been in Tonga, where 90% of women have access to a mobile phone, with Fiji close behind at 82%. The lowest rate is in Kiribati, where

only around 30% of women have such access.³² This uptake has allowed for the introduction of electronic wallets in Fiji (2010), PNG (2011), and Samoa (2011).

However, access to finance remains difficult for many Pacific women. A study undertaken by ADB revealed two common complaints by 120 women interviewed across six Pacific island countries. The first complaint was that the interest rates charged by financial institutions were too high. The second was that the women did not have the security required to gain secured commercial loans, which usually attract a lower interest rate (Table 2.4).

Many women interviewed for the study claimed that the cost of accessing finance on a secured basis was too difficult, with many banks requiring up to 100% cash deposits as security. They also stated that accessing finance on an unsecured basis was too costly, with microfinance institutions charging interest of around 20%–28% per annum. There has yet to be an assessment of the effectiveness of microfinance in growing sustainable businesses in the Pacific, and this area is ripe for research.

Table 2.4: Common Complaints by Pacific Businesswomen about Accessing Finance (%)

Complaint	Solomon Islands					
	Fiji	PNG	Samoa	Tonga	Vanuatu	
Interest rate too high	26	41	17	33	28	56
Did not have required securities	13	19	33	28	28	6
Loan amount offered was inadequate	10	7	11	11	0	0

PNG = Papua New Guinea.

Source: Author's 120 interviews with businesswomen, conducted from 2014 to 2015.

Strategies to Improve Women's Access to Finance

A number of strategies to make finance accessible for Pacific businesswomen are considered in the country chapters. Such strategies require commitment from governments and private sector organizations, in particular financial institutions.

³² Pacific Financial Inclusion Programme. 2012. *Financial Competency Report*. Fiji. 2012. *Census*; Tonga. 2011. *Census*; Vanuatu. 2009. *Census*.



As Manager for Financial Inclusion at Nationwide Bank in Papua New Guinea, Gima Kepi established a range of services to assist women, including financial literacy training and microinsurance.

Alternative Forms of Credit Assessment

Although it is widely accepted that women have a lower default rate and are risk-averse in their business ventures, financial institutions remain reluctant to provide loans to women. Part of the reason lies with the form of credit assessment used, which relies on business histories and ownership of securities. The use of a variety of digital transactions to assess creditworthiness is becoming commonplace in other parts of the world, and can have application in the Pacific.

There are three alternative methodologies for credit assessment:

- (i) **Using big data to determine creditworthiness.** Information collated through mobile phone use—including timeliness of bill payments, the extent of the contact list or social circle, and the range of activities engaged in—can provide valid factors for determining risk and creditworthiness.³³ Using such data to assess the ability to repay debt might enable the loan applications of more women to be successful.
- (ii) **Using psychometrics as a tool to determine risk.** Tests that can be undertaken on laptop computers have been developed to identify individuals with the highest likelihood of repaying loans.³⁴ This methodology be particularly useful for women seeking credit in rural provinces.
- (iii) **Incorporating positive information recorded by credit registries.** Traditionally, the focus of credit registries is to collate data on defaults. Incorporating positive information on the regular payment of bills and successful business dealings would help paint a more complete financial picture and should be encouraged.

³³ Companies such as In Venture, Branch, Zest Finance, and Affirm have been developing such products.

³⁴ Business Partners in South Africa has partnered with the Enterprise Finance Lab at Harvard University to develop and utilize such tools.

Increasing the Use of the Secured Transactions Framework

Secured transactions legislation aims to increase accessing finance through the use of personal property as collateral. Under this framework, women will be able to use personal property, including long-term contracts and invoices, as security for loans. PNG, Samoa, Solomon Islands, Tonga, and Vanuatu have introduced secured transactions, while Fiji and Kiribati have yet to do so.

Confidence in the use of secured transactions frameworks can be increased through pilot programs that illustrate the manner in which women’s businesses can utilize the legislation (Box 2.6). This activity should be encouraged and may assist in changing institutional practice.

Box 2.6: Encouraging Financial Institutions to Use Secured Transactions Frameworks

The secured transactions legislation offers men and women access to secured credit, by using personal property (e.g., signed contractual agreements) as security. The secured transactions (personal property security) registries establish a central place for the registration of all secured interests.

While smaller financial institutions in Papua New Guinea and Solomon Islands have been prepared to use these registries, larger financial institutions, often with established market share and a broad customer base, have been slower in taking it up. This “go slow” approach has adversely affected implementation of the laws. As a result, not as many secured loans have been provided to women as hoped.

The potential exists for pilot programs to be designed and implemented that will accelerate or nudge private institutions to adopt laws and develop commitments to inclusive economic growth. There is a role for donors and governments to encourage such pilot programs.

Source: Asian Development Bank.

Exploring New Sources of Credit

Digital technologies, including mobile networks and social media, are developing quickly in the Pacific and have the potential to bring alternative sources of finance to women entrepreneurs (Box 2.7). Crowdfunding provides a way of bringing investors from within and outside the Pacific into contact with entrepreneurs in the Pacific. Securing donations through crowdfunding is being utilized in Samoa, while peer-to-peer funding is being used in PNG.

Box 2.7: Digitalization—A Key Lever for Women’s Empowerment

Harnessing mobile technologies to increase awareness or opportunities

Mobile phone and social media networks offer a new path for increasing women’s awareness of, and access to, financial products, including business loans and bundled insurance products.

Embracing mobile functionality to provide diverse insurance products

Using mobile phones to distribute information on disaster and other nonlife insurance products to women in the formal and informal economies is now a possibility. Women’s business associations, using their professional networks, can play an important role in linking members together to buy, at a reduced cost, collective nonlife insurance policies from insurance companies. Using mobile phones, these policies can be distributed to members both in urban and rural locations.

Crowdfunding women’s businesses

Through the global reach and widespread availability of crowdfunding platforms, entrepreneurial activities can be funded by people living on the other side of the world. There is scope to harness these platforms to attract donational funding for women’s business activities. This will require a regulatory framework that allows such platforms to operate.

Better data to assess women’s creditworthiness

Financial institutions often will not lend to women because they do not have information about their creditworthiness. Below are two examples of utilizing data to evaluate a woman’s scope to borrow.

- **Using big data to determine creditworthiness.** Information on the regular payment of mobile phone bills and utilities bills has been used to evaluate risk in Africa and Asia, and should be piloted in the Pacific. This will involve developing advanced analytics and will therefore take time.
- **Expanding the use of secured transactions registries.** Digitalized data collection by these registries can be used to evaluate creditworthiness. Encouraging microfinance institutions—where women make up a significant portion of borrowers—to use these registries will improve data collection of women’s borrowing histories.

Source: Asian Development Bank.

To gain traction and become an important source of business financing, two factors are relevant to digital technologies. First, there has to be a responsive regulatory framework that gives investors confidence that their investment is secure. Second, there must be supportive institutions that can help

entrepreneurs. Such support structures might provide assistance to build a business case to attract funding, then ensure the venture is a success by finding markets or further developing the product once funding is obtained.

Making Insurance a Reality for Women

The Pacific is prone to natural disasters, as demonstrated by Cyclone Pam in 2015 and Cyclone Winston in 2016, which wreaked havoc in Vanuatu and Fiji, respectively, destroying homes, businesses, market places, crops, and infrastructure. The uptake of insurance cover in the Pacific is very low, with nonlife insurance is held by only 1.6% of the population, compared with much higher rates in Australia and New Zealand.

Insurance products can assist business sustainability and mitigate risk. Women will find different insurance products—including health insurance, life insurance, business insurance, disaster insurance, and retirement insurance—relevant at different stages of their lives. Specific insurances to guard against business disruption are important for self-employed women. These include maternity leave insurance and insurances for child care and children’s education.



The Association of Development Financing Institutions in the Pacific has five women on its Board. Four of these women (left to right: Vaine Nooana-Arioka, Matautia Rula Levi, Leta Havea Kami, and Anna Mendiola) are seen here celebrating the 30th anniversary of the association with Fiji Development Bank Chief Executive Officer Deve Toganivalu. The association’s women stand committed to gender equity and have the potential to collaborate in creating a more effective and inclusive finance sector in the Pacific.

There is potential to develop innovative insurance solutions targeted to Pacific women. These solutions may entail the bundling of insurance products for women operating their own businesses, including the option to link life insurance with maternity leave insurance and disaster insurance. The use of digital network channels to market these products is beginning to occur in Fiji and PNG, and there is scope for further expansion into other parts of the Pacific. Collaborating with financial institutions to create insurance solutions that cater

for women’s needs, as well as having trained women insurance agents to market such solutions and build awareness, would increase the long-term participation of women in the private sector.

The development of these solutions will require a focus on the regulatory framework that enables the creation of new insurance products, while protecting consumers against scams. Such a framework is also necessary to give the business community confidence in the use of digital networks and certainty around the roles and responsibilities of the agents selling such products.

2.3.6 Theme 6: Dispute Resolution and Enforcing Women’s Legal Rights

A dispute resolution system that offers an efficient and cost-effective service is important for promoting commercial activities. Such a system also needs to be responsive to the needs of women by employing decision makers who are sympathetic and do not discriminate.

In many Pacific island countries, the formal legal systems are overloaded with criminal cases and few have specialized commercial divisions. This has made it difficult for commercial disputes to be heard and determined in a timely or consistent manner. The GICRAs recommended introducing alternative dispute resolution, including commercial mediation, coupled with the training of women mediators. This scheme was commenced by the International Finance Corporation in Samoa, Tonga, and Vanuatu. Although mediators were trained and partnerships were entered into with the federal court in each country, all three schemes seem to have fallen into disuse.

Research for this publication found that the mediation process was working well for women, particularly in Samoa. Such schemes should therefore be reassessed, alongside consideration for a small claims tribunal specifically targeting commercial disputes.

Strategies to Improve Dispute Resolution

Creating a fair, effective, and equitable system for resolving disputes—one that overcomes entrenched customary norms—requires consideration of the following five strategies:

- (i) assess the appetite to reintroduce mediation, particularly in Samoa, where it has been used effectively;
- (ii) ensure that women are trained as mediators, and that there are women among the frontline staff in regulatory offices;
- (iii) evaluate the feasibility of introducing a small claims tribunal with a reasonably high monetary limit to reflect commercial activity;

- (iv) encourage regulatory institutions (e.g., consumer commissions) to develop complaints mechanisms that are women-friendly; and
- (v) promote the uptake of codes of conduct that deal with consumer complaints by large corporations, such as telecommunications carriers and financial institutions, and ensure that women-friendly complaints mechanisms are incorporated.

2.3.7 Theme 7: Women’s Business Networks and Skills Training

The GICRAs of 2010 discussed the role of networks within broader discussions held under public–private dialogue. They recommended fora be established with representation from the private and public sectors, and chaired by a ministerial head, such as the permanent secretary of the ministry of commerce. Although such entities operated briefly in Palau and Solomon Islands, they were not sustainable. While the viability of a forum is being re-examined by the Solomon Islands Chamber of Commerce and Industry, the ability of such an organization to give voice to the views of diverse businesswomen remains questionable.

Although this report acknowledges the benefits one representative body can bring, it is more likely that women’s diverse interests will be better represented by a multiplicity of representative bodies. Since the GICRAs, there has been an increase in women’s networks across the Pacific. Examples include the market associations in Fiji, PNG, and Vanuatu, and informal networks among women in the finance sector. This development illustrates the range of voices that need to be heard and the many ways in which they are emerging.

Networks are defined as a group of interconnected people and can include professional networks, business networks, and trade networks. In the past, business networks, such as business associations or chambers of commerce, have not adequately represented the interests of businesswomen. The importance of women’s business networks in representing the interests and concerns of businesswomen has been widely recognized in the Pacific over the last decade. These networks are active in Fiji, PNG, Samoa, Solomon Islands, and Tonga, and such a network is emerging in Palau. Kiribati is the only country that still does not have a women’s business network, while Vanuatu’s network was disbanded after a short life.

With small budgets, limited staff, and a diverse membership, many of these networks have focused on providing business and financial training to women. One such example is the Solomon Islands Women in Business Association, which has a large

membership of women operating in both the formal and informal economies. Its focus has been on women working informally and it has provided business training and regular lectures as well as support to Mere's Market for women's handicrafts and other products.

The opportunity for such networks to advocate for policy development and legislative reform exists, but they are hampered by having too much to do and too little capacity. Ideally, these networks would be able to represent the interests of women in different sectors, covering, for example, informal canteen operators, micro cleaning service providers, small retailers, and medium-sized tourism businesses, and their engagement with different stakeholders, such as governments, financial institutions, accreditation bodies such as fair trade associations, and the Pacific Agreement on Closer Economic Relations (PACER).

Strategies for Expanding Women's Access to Markets

Five strategies for improving Pacific women's access to markets are described below:

- (i) support the development of formal networks in Kiribati, Palau, and Vanuatu;
- (ii) encourage the development of professional networks through mentoring programs;
- (iii) ensure that the chambers of commerce in each country are able to consider the interests of women in the informal economy;
- (iv) consider the way a women's entrepreneurial hub, situated within a suitable organization, could provide skills training and raise awareness;
- (v) consider how women in the informal economy could be better represented, either through chambers of commerce, subcommittees with such chambers, or women's associations.

2.3.8 Theme 8: Women's Access to Trade and Markets

Trade and market development was not considered in the GICRAs report. Since the release of the GICRAs in 2010, however, trade has become an important issue, both internationally and domestically.

On the international front, three more Pacific island countries have become members of the World Trade Organization: Samoa (in 2012), Tonga (in 2007), and Vanuatu (in 2012). Only Kiribati remains a nonsignatory. In 2008, the implementation of PACER, which provides for a framework for trade

cooperation, commenced. Negotiations on PACER Plus—the proposed trade agreement between the Pacific Forum countries and Australia and New Zealand—have been ongoing. The objective of PACER Plus is to provide long-term job creation and enhance private sector growth. Some countries, including Solomon Islands, are discussing the case for special economic zones.

Essential to increasing international trade across the Pacific is the enabling business environment that can attract capital investment and create pathways for exports and imports. The country chapters examine customs regulations and the ease with which entrepreneurs can import raw materials and export outputs. These chapters assess how women are affected by these regulations and the assistance necessary to improve their access to international markets. For example, the Government of Fiji has had some success in promoting locally made products through the issue of licenses. Likewise, efforts by Fijian businesses to promote local products, including Fiji Water and Pure Fiji, illustrate the international demand for Pacific products. Businesses from PNG, Samoa, and Tonga have also had sporadic success producing single-origin coffee, virgin coconut oil, cocoa, and vanilla for export markets. Many businesswomen are calling for support in standards' compliance, marketing, and product enhancement, and efforts to support them should be coordinated.

On the domestic front, trade is made difficult for Pacific women due to poor roads and infrastructure, lack of communication, and fear of harassment. Facilitating rural women's access to regional markets and supply chains to urban centers holds the key to their economic empowerment and the growth of markets across each country. This is particularly true in PNG and Solomon Islands, where the urban centers are growing rapidly. The Government of PNG has recognized this issue through its policy on promoting domestically produced agricultural outputs. Coordinated assistance in strengthening value chains can be supported by donors and will be consistent with PNG's reserve list and policies for developing small to medium-sized businesses. Nudges, in the form of preferential procurement policies, have a key role to play and should be piloted.

Strategies to Ensure Equitable Access to Markets

Four strategies to ensure that Pacific women can have equitable access to markets are as follows:

- (i) support customs reform, including simplification and digitalization;
- (ii) provide training in labeling, standards, and certification through women's networks.

- (iii) advocate for government departments and businesses to contract for goods and services provided by businesses operated by women (preferential procurement); and
- (iv) assess the manner in which foreign investment laws may promote investment in each country.

2.4 Key Recommendations

This publication identifies 76 recommendations worthy of consideration across the seven Pacific island countries studied, all of which are contained in Appendix 1. Table 2.5 distills three key recommendations from each of the eight themes discussed in this chapter. The discussion in each country chapter expands on these recommendations, and readers are encouraged to consider them further.

Table 2.5: Key Recommendations for Increasing Women’s Engagement in Business

Theme 1: The Context of Women’s Autonomy		
Recommendation	Rationale	Comment
Introduce legislation prohibiting sexual harassment in the workplace.	There is a need to embed equality norms within workplaces of Pacific island countries.	Only Fiji has this legislation.
Repeal legislation that prohibits women from certain types of work.	Women have historically been prohibited from some types of work, including working at night, underground work, work in prisons, etc.	This is beginning to happen as demonstrated in Solomon Islands.
Bundle insurance products	Devising products that can cover insurance for maternity leave, sick leave, and life insurance will enable women to engage in the workplace in a sustainable manner. Increasing awareness of these products through mobile platforms should be promoted.	This may be a pilot program that could be designed through a partnership between nongovernment organizations (e.g., Pacific Financial Inclusion Programme) and financial institutions (e.g., MiBank).

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Table 2.5 *continued*

Theme 2: Women in the Informal Economy		
Recommendation	Rationale	Comment
Establish an entrepreneurial hub for women in key Pacific island countries. (See Box 4 on p. 24 for description of an entrepreneurship hub.)	The aim is to provide information, skills training, networks (online and live), assistance with market access, access to trade fairs, training on labeling and logistics, etc.	This hub could reside in different organizations in different countries. To assist women in the informal economy, the hub in Vanuatu could reside within the Department of Women's Affairs within the Ministry of Justice and Community Services. The aggregation points may differ from one country to another.
Improve governance of business models dominated by women in the informal economy.	Associations (PNG) and cooperatives (PNG, Solomon Islands, and Vanuatu) are important vehicles and often used by women in fisheries and agriculture. However, women are often not serviced well by the governance of these entities.	Evaluation of the regulatory framework of associations should be undertaken in PNG. It should aim to allow greater participation by members and make the entity's management accountable for actions and funds; likewise, the regulatory framework for governance of cooperatives in PNG, Solomon Islands, and Vanuatu.
Gather further data to inform policies and law reforms relating to women.	Gathering such data through the household income and expenditure surveys and census would inform policy makers on where women are operating and what types of interventions may be useful.	The 2016/17 census in Palau includes a variety of questions to gather data on women's engagement in informal businesses. In Kiribati and Vanuatu, the effectiveness of family protection legislation is controversial. Information on its effectiveness could be gathered through questions in the census of each country.

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Table 2.5 *continued*

Theme 3: Women in the Formal Economy		
Recommendation	Rationale	Comment
Reform business licensing regulations.	The complexity of business licensing is a barrier for women starting their own businesses in many Pacific island countries, particularly Fiji, PNG, Solomon Islands, and Vanuatu.	Tonga can be used as a model for such reform.
Introduce a new business entity that will encourage easier transition to the formal economy through lower regulatory requirements.	This would overcome the need to register a business and report annually, which often deters women with limited experience of bureaucracy from formalizing their businesses.	These are particularly suitable in PNG where the regulatory burdens of registration remain a barrier for women to transition from the informal to the formal economy. Research into such entities should be undertaken with the Investment Promotion Authority in PNG.
Encourage companies to establish voluntary targets to have a certain percentage of women on boards.	Such measures will increase the number of women on the boards of companies and SOEs, where women's participation is very low.	ADB's partnership with the South Pacific Stock Exchange to develop awareness of having women on boards is the first step in such a strategy.
Theme 4: Women's Access to Land		
Recommendation	Rationale	Comment
Promote the need to have leases, business assets, and bank accounts in joint names (where relevant).	Although women contribute to the business, they are not always co-owners of the property. Building awareness of the advantages of doing so would assist women's access to business assets and build their financial history.	This would protect women's rights to matrimonial assets and ensure that they have bank records on asset ownership (necessary for accessing finance).

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Table 2.5 *continued*

Theme 4: Women's Access to Land		
Recommendation	Rationale	Comment
Work with banks to increase awareness of financial products, including savings accounts and insurance products.	This will work to improve women's knowledge of how to use rights to registered land or leases to access financial products that will assist in starting businesses and mitigating risk.	This may be undertaken in partnership with both development banks and commercial banks (e.g., Nationwide Microbank in PNG or the Development Bank of Samoa).
Undertake research on ways to access land that secure women's rights.	<i>Making Land Work</i> was undertaken in 2008 and many significant changes to land registration and land use have happened since then. Pacific island governments have explored various ways to utilize land for commercial purposes. Undertaking a renewed study would inform policy makers of new ways forward.	This would be of value in PNG, Solomon Islands, and Vanuatu, where governments have indicated commitment to economic growth and utilizing customary land for this purpose. The example of Vanuatu, where women's voices have been incorporated into decisions on land, should be assessed with a view for replication.
Theme 5: Women's Access to Finance		
Recommendation	Rationale	Comment
Support a pilot program using alternative forms of credit assessment.	The current forms of credit assessment emphasize business histories and asset ownership. Alternative forms rely on positive information from repayment of utilities bills and mobile phone usage to assess credit risk. A pilot project that embraces such information would be beneficial to women.	This could be done in partnership with development banks.
Use mobile functionality to increase awareness of diverse financial products, including insurance products and concessional finance programs	Mobile coverage has wide reach in many Pacific island countries and using this as a platform for increasing the knowledge and awareness of businesswomen is likely to have success.	These programs could be implemented in partnership with business associations and development banks that are the central points for such funding.

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Table 2.5 *continued*

Theme 5: Women's Access to Finance		
Recommendation	Rationale	Comment
Increase use of secured transactions frameworks.	The success of secured transactions frameworks requires uptake by multiple financial institutions, and these frameworks must accommodate the use of a range of personal property as security.	Design financial products that will encourage uptake and work with microfinance institutions to reach more women who run businesses in both the informal economy and the formal economy.
Theme 6: Dispute Resolution and Enforcing Women's Legal Rights		
Recommendation	Rationale	Comment
Advocate for women-friendly institutions.	It is well-documented that women lodge commercial complaints far less regularly than do men (e.g., only 12% of the complaints made to the Fiji Commerce Commission were made by women), and making complaints mechanisms more women-friendly, such as by including women investigators and after-hours consultations, should be explored.	This is relevant to business registries, financial institutions, and customs departments. It also impacts on the ability of women to complain and get redress.
Investigate mediation as an alternative method of dispute resolution.	This dispute resolution method is less expensive and more time-efficient than formal courts, and can include women mediators, which may increase the confidence of women complainants.	Mediation has proven popular with women in Samoa, and this experience may prove relevant to other Pacific island countries. It had limited success in Tonga before being disbanded.

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Table 2.5 *continued*

Theme 6: Dispute Resolution and Enforcing Women's Legal Rights		
Recommendation	Rationale	Comment
Collaborate with businesses to develop codes of conduct and redress mechanisms.	In Pacific countries where access to courts is difficult and cost of doing so is high, in-house redress mechanisms, contained in codes of conduct, can be effective in resolving business disputes, thereby saving time and expense. Scope for such codes to be women friendly will assist women who run businesses.	These mechanisms could be developed with financial institutions in larger economies, such as those in Fiji, PNG, and Solomon Islands.
Theme 7: Women's Business Networks and Skills Training		
Recommendation	Rationale	Comment
Establish an entrepreneurial hub for women in key Pacific island countries to provide information to women entrepreneurs on how to access skills, finance and markets (See Box 4 on p. 24 for description of an entrepreneurship hub.)	There is a necessity for a centralized service to provide information on finance, skills training, and trade fairs. Such a hub would also direct younger women to the study areas of science, technology, engineering, and mathematics as well as relevant training courses.	The hub would be particularly useful for donors, multilateral institutions, and nongovernment organizations seeking to provide assistance.
Formalize women's business associations.	Many such bodies run informally (e.g., PNG Women's Chamber of Commerce). By strengthening such associations, there is potential to engage further with the design of national employment policies and ensure that they take women's needs into account.	

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Table 2.5 *continued*

Theme 7: Women's Business Networks and Skills Training		
Recommendation	Rationale	Comment
Work with development banks to improve women's access to credit coupled with skills and mentoring.	Providing such technical skills and mentoring with credit will assist in business sustainability and reduce business failure.	A pilot program that includes women, either through mentoring or a quota system, should be attempted. Such programs run by development banks, such as one by the Tonga Development Bank, currently do not specifically target women vanilla growers.
Theme 8: Women's Access to Trade and Markets		
Recommendation	Rationale	Comment
Encourage large businesses to contract with businesses run by women for goods and services.	Such a strategy would provide expanded markets for businesses run by women that operate nationally.	This policy could also be adopted by multilateral bodies and offices of high commissions.
Conduct training courses in labeling and certification.	Many women lack access to information on standards necessary for producing goods intended for export.	The Pacific Islands Private Sector Organisation has been providing such training in Fiji. Partnering with this organization to develop training in other countries should be explored.
Ensure that national trade policies are gender sensitive.	Women's concerns are often not considered in the design of such policies and, accordingly, they do not assist women in accessing international markets as suppliers or acquirers.	Designing trade policies that consider the impact on women entrepreneurs would provide access to international markets.

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Table 2.5 *continued*

Theme 8: Women's Access to Trade and Markets		
Recommendation	Rationale	Comment
Encourage large businesses to contract with businesses run by women for goods and services.	Such a strategy would provide expanded markets for businesses run by women that operate nationally.	This policy could also be adopted by multilateral bodies and offices of high commissions.
Conduct training courses in labeling and certification.	Many women lack access to information on standards necessary for producing goods intended for export.	The Pacific Islands Private Sector Organisation has been providing such training in Fiji. Partnering with this organization to develop training in other countries should be explored.
Ensure that national trade policies are gender sensitive.	Women's concerns are often not considered in the design of such policies and, accordingly, they do not assist women in accessing international markets as suppliers or acquirers.	Designing trade policies that consider the impact on women entrepreneurs would provide access to international markets.

PNG = Papua New Guinea.

Source: Asian Development Bank.

Women running a produce stall at a market in Suva. Most women-operated businesses in Fiji are in the informal economy.



3. FIJI

3.1 Introduction

3.1.1 Country Overview

Fiji, an atoll nation of 330 islands, has most of its population of 900,000 living on two major islands: Viti Levu and Vanua Levu. The country's main economic drivers are agricultural products, including sugar, coconut, taro, copra, pawpaw, and ginger. This agricultural produce is complemented by various fisheries products as well as garments, mineral water, gold, and tourism. Half of Fiji's population lives in rural areas and most of the country's informal economic activity, which is dominated by women, occurs in these areas. Additionally, Fiji has a large subsistence sector in which significant numbers of women are engaged.¹

The major impediments to business participation for women in Fiji include a complicated business licensing regime, limited access to regional and international markets, restricted access to finance (particularly for those in

¹ Government of Fiji, Bureau of Statistics. 2015. *Economic Surveys July 2015*. Suva.

the informal economy), low financial inclusion rates, complicated rules for importing and exporting goods, and lack of business information and training.

Although it is one of the most developed Pacific island nations, Fiji has a complex economic landscape. This can in part be attributed to political instability from 1987 to 2014, which hindered foreign investment and tourism, and in part is due to the cyclones of 2016, which caused severe damage to Fijian crops, livelihoods, and businesses. Elections held in 2014 restored investor confidence and reinvigorated tourism, particularly from the People's Republic of China and the rest of Asia, resulting in gross domestic product (GDP) growth of 3.6% in 2015. This has been accompanied by an ambitious program of legislative reform by the Government of Fiji, aimed at creating a business-friendly environment.

3.1.2 Moving toward Gender Equality: Institutions and Policy

Fiji's commitment to gender equality is evident in the government's ratification of the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) in 1995, as well as other key human rights instruments (Appendix 3). The country's new Constitution of 2013 contains strong equality and nondiscrimination provisions, guaranteeing substantive equality and prohibiting discrimination on the grounds of sex, gender, marital status, and pregnancy—as recommended by the CEDAW Committee.² The committee also recommended measures to ensure the full implementation of enacted legislation in the areas of family law, domestic violence, and employment, but these are yet to be fully realized. The percentage of government funding for gender equality issues remained at a low 0.1% of the overall budget for 2016.

Fiji has a National Gender Policy, launched in 2014 by the Ministry for Social Welfare, Women and Poverty Alleviation. This policy is a framework for both government and civil society and, if fully implemented, it will improve the autonomy of Fijian women. The policy commits the government to promoting women's economic empowerment as a key strategy to achieving "gender equity, equality, social justice, and sustainable development in the Republic of Fiji."³ As of 2017, the government had five women ministers.

² Constitution of the Republic of Fiji. 2013. s26.

³ Government of Fiji, Ministry of Social Welfare, Women & Poverty Alleviation. 2014. *National Gender Policy*. Suva.

3.1.3 Key Strategies for Fiji

There are three strategies discussed further in this chapter that should be prioritized in order to help women fully participate in Fiji's economy:

- (i) Simplify company formation for small businesses and implement electronic payments for government services, including business registration, which will assist women and men by making business establishment easier throughout rural Fiji.
- (ii) Partner with organizations to assist groups seeking to engage in trade, and provide information and training on exporting requirements, including certification for fair trade and organic produce, labeling requirements for international markets, and advocacy for accessing markets.
- (iii) Encourage women operating in the informal economy to function effectively by reducing barriers to participation, including amending legislation to allow people in the informal economy to contribute to the provident fund, and increasing their awareness of financing opportunities and skills training through a centralized entrepreneurial hub.

3.2 The Context of Women's Autonomy

3.2.1 The Impact of Violence against Women

Violence against women is widespread across Fiji, both in urban and rural areas, although its incidence is somewhat higher in rural areas. It has been reported that 64% of Fijian women who are, or have been, in an intimate relationship have experienced physical or sexual violence—in 2011, 24% reported experiencing violence by their intimate partner in the previous 12 months—while 58% have experienced emotional violence. This, of course, reduces the autonomy of women and incurs significant economic costs, estimated to be 498 million Fijian dollars (F\$) in 2011.⁴

The Government of Fiji has responded by enacting a comprehensive domestic violence law, the Domestic Violence Act 2009, which contains a comprehensive definition of domestic violence, protects a range of persons in family and domestic relationships, and offers a range of protective and

⁴ Fiji Women's Crisis Centre. 2013. *Somebody's Life, Everybody's Business*. Suva. p. 57; and ADB. 2016. *Gender Statistics in Timor-Leste and the Pacific*. Manila.

supportive measures. Victims have access to immediate and long-term protection orders, and courts may issue an occupation order enabling the victim and her family to remain in the home, while excluding the offender. Victims can apply to the court for a compensation order requiring the respondent to pay “fair and reasonable” compensation in respect of injury, damage, or loss suffered by the victim.⁵ Additionally, the Fijian police force has a range of duties to protect and support survivors of domestic violence.⁶ Although the legislation is comprehensive, implementation has been limited, large numbers of men have applied for protection orders, and domestic violence continues to be a significant problem that impedes women’s economic empowerment.

The Fiji National Gender Policy of 2014 contains several broad objectives in relation to violence against women. The policy commits the government to promoting and protecting “the human rights of women, particularly in relation to gender-based violence”.⁷ Specifically, the policy commits to: (i) establishing a service protocol to improve the provision and delivery of services to victims; (ii) the training of key personnel, including the media, the judiciary, social services, schools, and faith-based institutions; (iii) the integration of gender-based violence issues into all educational facilities and curricula; (iv) the reduction of sexual harassment; and (v) the strengthening of labor laws.

Among a range of other initiatives, the Ministry of Women, in partnership with key stakeholders, has piloted the establishment of violence-free communities, by designating some villages and other areas as having zero tolerance towards violence. In each designated area, the ministry runs a number of workshops and awareness campaigns, culminating in a village declaring itself “violence free” (Box 3.1).

⁵ Government of Fiji. 2009. *Domestic Violence Act 2009*. ss 3, 2, 22, 35, 39, 12, 13, 14, 15.

⁶ Government of Fiji. 2009. *Domestic Violence Act 2009*. s 12, s 13, s 14, s 15.

⁷ Government of Fiji, Ministry of Social Welfare, Women & Poverty Alleviation. 2014. *National Gender Policy*. Suva. para. 10.

⁸ S. Taleitaki. 2014. Two More Villages Declared Violence-Free. *Fiji Sun*. 1 February. <http://fijisun.com.fj/2014/02/01/two-more-villages-declared-violence-free/>

Box 3.1: Collaborating to Address Domestic Violence



Villages throughout Fiji are being supported by the government and the private sector to become “violence free.” Such a strategy can be described as a “nudge” because it is an act that can alter people’s behavior (Chapter 2). Nudges can originate from diverse sources, including government departments,

corporations, civil society, and individuals. This nudge is a collaborative effort originating from a ministry in the Government of Fiji and the private sector.

Source: Interview by author.

3.2.2 Health and Education

Poor health prevents women from gaining employment and accessing business opportunities.⁹ In Fiji, women may face a number of health challenges such as sexually transmitted infections, including HIV, and diabetes, which is more prevalent among women.¹⁰ The fertility rate in 2015 was 3.3 births per woman, down from 4.9 20 years earlier; and the maternal mortality ratio was 30 deaths per 100,000 live births, which is half what it was 25 years earlier and lowest of the countries examined in this book.¹¹

In education, the Constitution of Fiji supports gender equality. For example, it guarantees every person the right to early childhood education as well as primary, secondary, and further education. It obligates the state to take reasonable measures to provide free education, and guarantees that “conversational and contemporary iTaukei and Hindi languages shall be taught as compulsory

⁹ Government of Fiji, Ministry of Health and Medical Services. 2015. *Annual Report 2014-15*. <http://www.health.gov.fj/PDFs/Annual%20Report/Annual%20Report%202014.pdf>

¹⁰ Government of Fiji, Ministry of Health and Medical Services. 2015. *Annual Report 2015*. Suva; and UNAIDS. 2014. *Global AIDS Response Progress Report: Fiji Islands, 2014*. Suva.

¹¹ World Bank. Fiji Country Profile. <https://data.worldbank.org/country/Fiji> (accessed 9 March 2018); and UNICEF. Data and Analytics. <http://www.devinfo.org/unicefdata> (accessed 9 March 2018).

subjects in all primary schools.¹² In educational institutions at all levels, girls and women are enrolled in almost equal or greater numbers compared to boys and men (Table 3.1).¹³

Table 3.1: Enrollment in Educational Institutions

Institution	Males	Females	Proportion of Girls or Women (%)
Primary	69,811	65,715	48.5
Secondary	32,657	34,974	51.7
Tertiary	11,553	9,837	46.0

Sources: Compiled from Government of Fiji, Ministry of Education, National Heritage, Culture and Arts. 2013. *Annual Report*; and Government of Fiji. 2007. *2007 Census*. Suva.

Overall, however, Fijian men have attained a higher level of education than women,¹⁴ and the positive enrolment rates for women have not translated into equality in employment.

3.2.3 Political Participation by Women

In September 2014, Fiji's "first past the post" electoral system was replaced by a proportional representation system, a model that many argue leads to better representation of women.¹⁵ In that year, a total of eight women were elected to the country's 50-seat Parliament (16%). This 16% representation by women was up from 11% in the election of 2006. Moreover, Fiji's first woman Speaker of the House, Jiko Luveni, was appointed, signaling a change in public perceptions around women and political leadership.¹⁶ Those milestones aside, female candidates received only 15% of the total number of votes (496,364), and only 11 Indo-Fijian women contested the election. The government appointed two women cabinet ministers and two women assistant ministers.¹⁷

¹² Constitution of the Republic of Fiji. 2013. s 31(a)-9(c).

¹³ Fiji Department of Statistics, Department of Education. 2015. *Annual Report*. Suva.

¹⁴ ADB. 2016. *Fiji Country Gender Assessment*. Manila.

¹⁵ A. Liki and C. Slatter. 2015. Control, Alt, Delete: How Fiji's New PR Electoral System and Media Coverage Affected Election Results for Women Candidates in the 2014 Election. *Journal of Pacific Studies*. 35 (2). pp. 71 and 74.

¹⁶ Fiji Women's Rights Movement. 2014. *Public Perceptions of Women in Leadership*.

¹⁷ M. Krook. 2012. *All the President's Men. The Appointment of Cabinet Ministers Worldwide*. http://mlkrook.org/pdf/krook_obrien_12.pdf

Additionally, women are underrepresented in local governments, councils, and village administrations. Fiji has four administrative regions: Central, Eastern, Western, and Northern. Spread across these regions are 2 city councils; 10 town councils; 14 provincial councils; Rotuma Island Council; and 1,175 village administrations.¹⁸ There is also a growing number of squatter settlements throughout Fiji. Although women are represented in most of the fundamental aspects of council management, including town planning and engineering, they are absent from executive-level management positions, and local government positions remain male-dominated.¹⁹

3.2.4 Women and Employment

Women's labor force participation in Fiji has grown steadily since 2009, when data was collected for the Gender and Investment Climate Reform Assessments. Expanding economic opportunities have drawn large numbers of women into the workforces of both the informal and formal economies. The gender gap has narrowed. Fiji's formal economy, however, continues to be dominated by male workers. In 2015, there were 82,013 men earning wages or salaries in Fiji, compared to 43,044 women. This included 10,383 men employed in public service roles, compared to 3,482 women.²⁰

Economic surveys carried out by the Bureau of Statistics reveal that women are still primarily employed in a narrow range of occupations in Fiji's formal sector (footnote 19). Few women work in transport and storage, mining and quarrying, or construction. Men dominate administration and manufacturing roles. The only manufacturing category where women dominate is in the production of clothes. Women work in almost equal numbers as men in accommodation and food services, and in equal numbers in all levels of education, from primary through to tertiary.

Women have a substantial presence in professional categories such as law, medicine, architecture, veterinary services, and scientific research, although

¹⁸ G. Hassall and F. Tipu. 2008. Local Government in the South Pacific Islands. *Commonwealth Journal of Local Governance*. 1, pp. 6 and 9.

¹⁹ United Nations Democracy Fund. 2011. *Strengthening Women's Participation in Municipal Government in Fiji, Kiribati, Samoa, Papua New Guinea, Solomon Islands, Tonga, Tuvalu, Vanuatu*. <http://www.un.org/democracyfund/sites/www.un.org/democracyfund/files/UDF-RAP-07-171%20Evaluation%20report.pdf>

²⁰ Government of Fiji, Bureau of Statistics. 2015. *Economic Surveys*. July.

men still dominate these fields. In 2011, women were found to occupy 32% of managerial positions (footnote 4, ADB).

Although 58% of state-owned enterprises have women on their boards, the total board representation by women remains well below 50% (Appendix 9).

The clustering of women in a narrow range of occupations contributes to the continuing wage gap between men and women in Fiji (Table 3.2). This is because the occupations more commonly filled by women tend to attract lower rates of pay than the occupations dominated by men.²¹

Table 3.2: Women Salary and Wage Earners in Fiji

Occupation	Men	Women	% Women
Accommodation and food services	7,152	6,515	47.7
Administration	5,020	1,460	22.5
Construction	5,713	348	5.8
Education	7,604	7,804	50.7
Information and communication technology	1,684	1,003	37.3
Health and social work	1,760	3,432	66.1
Manufacturing	12,934	8,072	38.5
Mining and quarrying	1,423	70	4.7
Professional and scientific	2,525	1,255	33.2
Transport and storage	6,602	2,095	24.0

Source: Government of Fiji, Bureau of Statistics. 2011 *Labor Survey*. Suva.

Since 2007, the Government of Fiji has enacted various legislation to replace outdated employment laws and provide women in the formal sector with much greater protection from discrimination. The legislation has also helped to protect some women in the informal economy, namely domestic workers, part-time workers, and casual workers.

²¹ Government of Fiji, Bureau of Statistics. 2015. *Key Statistics 2015*. p. 114. <http://www.statsfiji.gov.fj/index.php/test-menu-item/51-publication/publication-releases/148-fbos-reports>

The Employment Relations Act 2007 prohibits direct and indirect discrimination against workers on a variety of grounds, including ethnic origin, color, place of origin, gender, sexual orientation, marital status, employment status, family status, opinion, religion, or belief. It guarantees that men and women receive equal remuneration for work of equal value, prohibits sexual harassment by an employer or a co-worker, and offers paid maternity leave of 84 working days for each of three births.²² A National Policy on Sexual Harassment in the Workplace was launched in 2008.

The National Minimum Wages Regulations 2014 initially set a minimum wage of F\$2.00 per hour for workers in both the formal and informal economies of Fiji. This minimum wage was raised to F\$2.32 per hour in 2015. It benefits women who have often received varied and minimal pay working as house helpers, or in garment factories, restaurants, family-owned retailers, and other small businesses.²³ The National Provident Fund Act 2009 requires all employers to pay into the fund, which provides retirement pensions to Fijians. Employers must contribute 16% of each employee's income and do so for all employees. Unfortunately, however, domestic workers are excluded from the fund, and this disadvantages many women.

The Workmen's Compensation Act was amended in 2015 to recognize de facto relationships and children born into those relationships. This amendment has benefited women because they are often the recipients of compensation awarded under the act.

3.3 Women in the Informal Economy

3.3.1 Participation in the Informal Economy

A significant proportion of Fiji's economic activity occurs in the informal sector (estimated at 85%). Informal employment is more common in rural areas (where it accounts for approximately 78% of all jobs) than in urban areas (approximately 38% of jobs). Although there are few entrepreneurial opportunities in most Fijian villages, where people traditionally live according to communal principles of sharing, an estimated 75,742 households are engaged in small-scale business activity. Many women work in the informal sector as employees, employers, vendors of their own produce and handicrafts at local markets, or as subsistence workers (Table 3.3). Some women work in a combination of these roles.

²² Government of Fiji. 2007. *Employment Relations Promulgation 2007*. s 76, p. 101.

²³ MEDA. 2015. *Feasibility Study on Women's Economic Empowerment in Fiji*. p. 16.

Box 3.2: Challenges Faced by Women in Fiji's Informal Economy



A significant portion of women operating in Fiji's informal economy are involved in the manufacture of handicrafts. They usually work from home, so they find it difficult to access finance and skills training to develop their businesses. Moreover, very few of these women have insurance cover to protect them from natural disasters and/or personal misfortune. Providing an entrepreneurial hub where these women can gain information and assistance to build their businesses is an important first step to economic empowerment.

Source: Interview by author.

Most businesses operated by Fiji's women employers are in the informal economy.²⁴ Women predominantly work in the informal areas of small-scale fishing and fish processing, food production, agriculture, hospitality, and tourism. They are also active in the markets that operate in all parts of Fiji; making and selling handicrafts such as tapa cloth and woven mats, growing and selling fruit and vegetables, and making and selling soap. The sex work community in Fiji, which is not protected by employment legislation and is subject instead

²⁴ Government of Fiji, Bureau of Statistics. 2011. *Employment and Unemployment Survey 2010–2011*. Suva.

to the criminal law, is estimated to be small.²⁵ However, this estimation likely understates the actual number of sex workers, who may be reluctant to identify themselves due to the potential for harassment and discrimination.

Table 3.3: Women in Fiji’s Informal Economy

Occupation	Men	Women	% Women
Full-time homemaker ^a	9,173	122,784	93
Subsistence only ^a	21,429	25,146	54
Subsistence and salary or wage ^a	37,364	7,649	17
Self-employed ^b	59,351	18,742	24
Unemployed ^a (looking for work)	13,835	14,179	51
Handicrafts ^c	450	4,650	91

^a Government of Fiji. 2007. *2007 Census*.

^b Government of Fiji. 2008. *2008 Household Income and Expenditure Survey*.

^c Government of Fiji. Various years. *2010–2011 Employment and Unemployment Survey*.

For women operating small businesses in Fiji’s informal economy, two major challenges are unstable markets and lack of access to markets. The issue of access is particularly relevant to regional and international markets. Other challenges include unfavorable and unpredictable weather conditions, poor roads, high transportation costs, lack of accommodation and facilities at local markets, difficulty in transacting with the formal sector, and lack of access to formal or affordable finance (Box 3.2).

3.3.1 Laws, Policies, and Programs

By its very nature, there is no legislation regulating the informal economy in Fiji. However, the government and civil society organizations drive a range of initiatives to support and encourage women who operate businesses in the informal economy. Two examples are discussed below.

First, the Small and Microenterprises Development Act 2002 led to the creation of a center to support and promote the establishment of small and micro enterprises “especially for the benefit of economically or socially disadvantaged

²⁵ T. Tokalau. 2014. Higher Number of Sex Workers, Report Reveals. *The Fiji Times*. 16 July. <http://www.fijitimes.com/story.aspx?id=274471>

groups including women.” The center operates a shop showcasing and selling handicrafts from all regions of Fiji. Officially, it aims “to intensify and expand programs for training in entrepreneurship and business management,” and to “facilitate access to funds and to complement and supplement financing programs for small and micro enterprises.” Its overarching objective, however, is to encourage women to formalize their businesses, a process that may not suit all women entrepreneurs.

The second example is “Markets for Change Project,” a 6-year initiative launched in 2014 as a collaboration between the United Nations Entity for Gender Equality and the Empowerment of Women (also known as UN Women); Fiji’s Ministry of Women, Children and Poverty Alleviation; and Westpac Banking Corporation. The initiative aims to work with local councils to improve women’s access to nine municipal markets on Viti Levu and one market on Vanua Levu.²⁶ The Markets for Change Project has already helped to build an overnight accommodation facility at the Lautoka market, providing women vendors with safe sleeping facilities; construct a total of 42 new market stalls at Sigatoka market and fulfill an agreement to extend sanitation and ablution blocks; and deliver an overhead roof extension at Labasa market, providing weather protection to 120 vendors.

3.3.2 Key Recommendations

There are four key strategies to assist Fijian women in the informal economy:

- (i) identify partnerships for establishing a women’s entrepreneurial hub to support women in the informal economy by providing access to information, skills, finance, and market opportunities;
- (ii) include a standardized toolkit in the next census and household income and expenditure survey, to capture women’s participation in the informal economy and their contribution through domestic labor;
- (iii) work with financial institutions to assess the potential for insurance products targeted to women operating in the informal economy, especially those insurances that mitigate the effects of natural disasters such as cyclones; and
- (iv) facilitate performance-based grants for informal sector businesses that will create sustainable businesses, which may later see benefits in formalizing.

²⁶ UN Women. 2014. *Markets for Change: Fiji, Solomon Islands, Vanuatu Market Profiles*. p. 6.

Box 3.3: A Recipe for Greater Autonomy



Bubu Qase has been working as a cook for decades. Like many women in the informal economy, she does not make contributions to the national provident fund and does not have access to any form of insurance, relying instead on family and community networks for support during times of hardship or crisis. Making savings, insurance, and

pension products more accessible would give women such as Bubu greater confidence and autonomy.

Source: Interview by author.

3.4 Women in the Formal Economy

3.4.1 The Formal Economy and Business in Fiji

The Government of Fiji is focused on promoting investment and creating an enabling business environment within the country, objectives that have been clearly demonstrated by the quantity of legislation passed since 2007. Fiji's formal economy is expanding, with its GDP of F\$6.4 billion in 2014 representing an increase of 5.3% over the preceding year. The country's economic growth in 2014 was primarily driven by the transport and storage industry, financial and insurance activities, public administration, defense, and manufacturing.²⁷ Growth was strong despite declines in mining, quarrying, and agriculture.

The domestic economy was projected to grow by 3.5% during 2016, before Fiji was struck by Cyclone Winston in February of that year.²⁸ The cyclone had a devastating impact on the country's economy, particularly on its agriculture and sugarcane production. Efforts to recover from this disaster have been slow, commanding a significant amount of the government's budget and the national attention. GDP growth in 2016 was 2%.

²⁷ Government of Fiji, Bureau of Statistics. 2015. Fiji's Gross Domestic Product 2014, *FBoS Release* No. 52.

²⁸ Pricewaterhouse Coopers. 2015. *Fiji Budget 2016 The Future: A Strong Fiji, A Fair Fiji, A Healthy Fiji*. 6 November. <http://fijilive.com/archive/showpdf.php?pdf=280.pdf>

As part of Fiji's formal economy, women can conduct business as sole traders, partnerships, incorporated companies, cooperatives, and associations. The Companies Act 2015 came into effect on 1 January 2016 and is expected to support the establishment of new companies, while encouraging the growth of existing companies. The Foreign Investment (Amendment) Act 2004 sets out new guidelines for foreign investors. Both pieces of legislation are complex and many women would benefit from further information and training on these laws.

Only 19% of registered businesses and companies in Fiji are listed in women's names. These businesses tend to have fewer employees and lower revenues than those listed in the names of men. They are also less likely to engage in exporting (footnote 15). Statistics from 2010 to 2011 indicate that 500 women were self-employed in Fiji's formal sector at that time, compared with 4,100 men.²⁹ The kinds of formal businesses that women operate include food stalls and restaurants, cleaning services, information and communication technology providers, and professional services such as legal advice and accountancy. While men and women alike face challenges in formalizing, operating, and growing their businesses, women face some particular obstacles in establishing and developing prosperous enterprises.

3.4.2 Starting a Business: Looking at a Woman's Point of View

Whether they live in rural or urban areas, women in Fiji lack information about the different types of business entities that exist, and the advantages and disadvantages each might provide. Many women struggle to find a market niche. Once they do, the regulatory challenges of registering a business, procuring licenses, accessing finance, and developing a customer pipeline are significant (Box 3.4).

Women who operate formal businesses often lack information on the advantages of incorporating their enterprise into a company, which provides better protection for shareholders and offers more flexibility in terms of the business' tax burden. In a positive initiative, Fiji's government ministries in Suva now conduct a monthly seminar covering all business forms, applications, and other information necessary for incorporating a company. This service could be expanded into other urban centers and rural areas of Fiji.

Once a company is incorporated, women are faced with ongoing and potentially onerous compliance requirements. Proper bookkeeping must be maintained. Each company must keep financial records, produce annual

²⁹ Government of Fiji, Bureau of Statistics. 2011. *Employment and Unemployment Survey 2010–2011*. Suva.

Box 3.4: Successfully Finding a Gap in the Market



After working as a manager in another company, Amran Yusuf is the first local Nadi woman to set up and solely own a water taxi business.

Amran is a member of the Women Entrepreneurs Business Council, which she credits for providing her with valuable support. Meanwhile, a loan from the Fiji Development Bank

equipped Amran with the necessary capital to buy and renovate a 10-seater boat.

To set her business apart from other boat operators, Amran offered a “meet and greet” service for customers flying in from overseas or staying at resorts on the mainland. She worked on developing relationships with local resorts, Fiji Airways, and Tourism Fiji. Although it has no web page of its own, Amran’s business has gradually expanded to average four jobs each week.

Today, Amran continues to own the business, but has handed over its day-to-day operations to a manager. This has allowed Amran to turn her attention to other business pursuits. She has also inspired another generation of women entrepreneurs: her daughter is currently studying to be a boat captain.

Source: Interview by author.

financial statements and a directors’ report, and lodge an annual report with the Registrar of Companies.³⁰

There are a number of financial literacy programs run by banks, but there is a lack of advanced courses for women seeking to learn more about running a business or company. This knowledge gap needs to be addressed with more specific business advisory services and financial management training. Women, particularly those in the early stages of initiating a business, also tend to be hampered by a lack of access to business administration facilities, internet provision, office space, and printing services.

³⁰ Government of Fiji. 2015. *Companies Act 2015*. ss386, 388, 403.

The National Centre for Small and Micro Enterprises Development runs a business incubator, which is utilized by numerous women entrepreneurs. Despite not meeting the existing demand, it nevertheless provides an appropriate service model that could be replicated in other urban centers and rural areas of Fiji.

Fiji has introduced new tax laws in 2015 designed to attract corporations to the country. The laws feature incentives such as lower tax rates for foreign companies establishing or relocating to specific, tax free regions in Fiji, and tax exemptions for investment in specific sectors, including commercial agriculture and agro processing.³¹ Taxation requirements in Fiji mean that tax has to be paid in advance annually by registered businesses and companies. This is always viewed as a deterrent by businesswomen, and greater information on the process for calculating taxes payable would be useful.

Sole-trader businesses must pay provisional tax three times each year, and these installments are calculated by reference to the amount of tax payable in the preceding year.³² Assisting businesswomen to understand their taxation obligations, including through the provision of professional accounting services in the early years of a business, would help make their businesses sustainable.

There are tax exemptions applicable to selected sectors, but these are aimed at larger businesses with a minimum turnover threshold of F\$500,000. The sectors covered include (i) agriculture and fishing; (ii) tourism; (iii) community and social services, including amusement and recreational services; traditional handicraft producers (but not “middlemen”); and (iv) supportive projects to tourism industry (identified as flora, fauna and other natural characteristics of Fiji and its history, traditions, cultures and ways of life of its peoples).³³ These are areas in which many women operate businesses, although often not in the formal sector. Moreover, the turnover threshold required for exemption is high and is unlikely to benefit formal businesses owned by women.

The Government of Fiji also offers tax incentives to companies engaged in a new trade, business, or manufacturing enterprise in remote areas of the country. Under this scheme, where there is a minimum investment of F\$250,000, the company may be entitled to tax exemptions and import duty exemptions. Finally, the Employment Taxation Scheme provides that 150% of the salaries

³¹ Fiji Revenue and Customs Service. 2016. *Fiji Tax and Customs Incentives 2016*. Suva. pp. 4, 8.

³² Income Tax Act, 1976. s 85.

³³ Fiji Revenue and Customs Service. 2016. *Fiji Tax and Customs Incentives 2016*. Suva. p 8.

and wages paid by an employer between 1 January 1997 and 31 December 2018 are tax deductible. Unfortunately, no gender-disaggregated statistics have been collated, and there is no research available on how familiar women are with these tax benefits.

3.4.3 Business Licensing

The business licensing process in Fiji is complicated and poses particular difficulties for women, who typically have domestic responsibilities to juggle, have restricted access to transport to travel to licensing offices, and are generally less well informed on business procedures.

The Business Licensing Act 1976 lists the types of businesses that must obtain a license before commencing operations. Among others in which women typically are engaged, these business types include hairdressing, cleaning, hawking, flower arranging, and running a restaurant.³⁴ The licensing fees are not high, but the process is time-consuming and complex.

First, the applicant must obtain a National Fire Authority Certificate, involving a fire safety check of the business premises.

Next, the applicant must have an occupational health and safety check completed on his or her premises, then be issued with the relevant certificate. This is difficult for businesses operating from home or without any fixed physical location. Office space in Suva is expensive and many businesses operated by women, especially in the start-up phases, are run from home. For example, sewing, baking, cleaning and childcare operations are likely to be conducted from home.

Third, if food of any kind is being sold, the applicant must obtain a separate health license.

Finally, the applicant must complete the licensing application form and pay a business license fee. Fees for businesses are set by each local council and vary between councils (Table 3.4). A person may apply for an “occasional” license to engage in a designated business for a period not exceeding 30 days.³⁵ Recent

³⁴ Government of Fiji. 1976. *Business Licensing Act 1976*. Chapter 204, s 4, s 5. p. 9.

³⁵ Government of Fiji. 1997. *Business Licensing Amendment Act 1997*. Suva.

reform now means that a business license only needs to be renewed every 3 years instead of annually.³⁶

Table 3.4: Examples of Business License Fees

Business	Suva (F\$)	Lautoka (F\$)	Sigatoka (F\$)
Hawker	8	40	20
Restaurant	50	50	50
Milk bar	50	50	40
Cleaner	50	50	10
Hairdresser	20	20	20
Sugar mill	2,000	2,500	1,500

Sources: Suva (Business Licence Fees) By-Laws 1976; and Lautoka (Business Licence Fees) By-Laws 1976.

Once a business license is obtained, a business must register with the Fiji Revenue and Customs Service within 3 days. If the annual gross turnover of the business is F\$100,000 or more, the business must be registered for Fiji's value-added tax (VAT). A business account must be opened with a bank, within 2–5 days, requiring a deposit of F\$500. If it employs staff, the licensed business must register as an employer with the Fiji National Provident Fund.

3.4.4 Business Registration

Registration of a business is a straightforward process for women in Fiji's urban centers. The first step in formalizing a business is registration of the business name. The business name must be registered, unless the name of the business is the true surname and Christian name (or initials) of the owner.³⁷

To register the name of a business, the applicant must first conduct a search of the Companies, Business Names, and Trade Marks Register, to ensure that no similar name has already been registered. The applicant must then pay the application fee for the reservation of the name, and lodge his or her application with the Registrar of Companies, located in Suva. Although a business must be registered in person, the registrar has two offices located outside of Suva, and

³⁶ Government of Fiji. 2003. *Family Law Act, 2003*. s 157. Suva.

³⁷ Government of Fiji. 1962. *Registration of Business Names Act 1962*. Suva.

sends representatives to remote areas to distribute and collect forms and fees. The process, however, remains problematic for women in rural areas.

Although there are plans for an online business registry, there are queries as to whether or not it could be effectively used to register from rural areas. This concern aside, providing for online registration and electronic payments would benefit businesswomen throughout Fiji.

3.4.5 Promoting Business Models That Suit Women

Following the registration of a business name, women can start businesses as sole traders or in partnership with others. Commercial cooperatives are popular in Fiji and are frequently used in community and small business operations. It is, however, rare for individual entrepreneurs to thrive using such business structures. While a new company law framework has been introduced in Fiji, women find that setting up a company is complicated and requires expert advice, which often leaves them reluctant to incorporate as a company in the first instance. There is, therefore, scope to consider the potential for alternate business vehicles, such as the limited partnership and community company models discussed in Chapter 2.

Incorporating a Company in Fiji

Setting up a company can be expensive and complicated, and the process has to be completed in person. Every company must register its name unless its name consists of its corporate name without any addition.³⁸ The applicant then has 1 month to lodge the company incorporation documents with the Registrar of Companies. The documents required include: (i) a declaration of due compliance with the requirements of the Companies Act, sworn by a lawyer or by a company director or secretary (the cost is generally F\$1,200); (ii) a memorandum of association and articles of association; (iii) a notice of situation of registered office; and (iv) the particulars of the company directors and secretary.³⁹

There is no online system available to incorporate a company in Fiji. The process is modeled on the legislation of Australia and is much more complex than the laws in other Pacific island countries, including Solomon Islands and Vanuatu.

³⁸ Government of Fiji. 1962. *Registration of Business Names Act 1962*. Suva.

³⁹ Government of Fiji. 2015. *Companies Act 2015*. s 20. Suva.

After incorporation, the entrepreneur must apply for a business license from the relevant licensing authority (as explained in 3.4.3), pay a fee of F\$300, and register for the statutory training tax.

The Role of Cooperatives in Fiji

A cooperative is a business vehicle prevalent among community groups that work together in business activities. It is a popular business structure in Papua New Guinea and Vanuatu, where it is favored by women entrepreneurs.

In 2010, there were 382 registered cooperatives in Fiji,⁴⁰ and in 2013 the Ministry of Cooperatives reported in its annual report that 16 new cooperatives had registered.⁴¹ These entities are popular with women and some have successfully targeted overseas markets. However, their potential remains unexplored.

Under Fiji's Co-operatives Act 1996, a cooperative "aims at promoting the economic and social interests of its members by providing effective services which the members need and can make use of."⁴² It is an association of 10 or more members above the age of 18, who have voluntarily joined together to achieve a common end through the formation of a democratic organization, making equitable contributions to the capital required and accepting a fair share of the risks and benefits of the undertaking.⁴³

The application for registration of a cooperative must be accompanied by: (i) a copy of the minutes of the founders' meeting; (ii) the proposed by-laws of the cooperative, signed by the applicants; (iii) a list of the office bearers, their names, addresses, and qualifications; (iv) the registration fee of F\$115; (v) a feasibility study or business plan giving all budget plan estimates; and (vi) a cash flow forecast of the proposed venture.⁴⁴

The tax returns of cooperatives are required to be lodged annually, within 3 months from the end of each fiscal year.

Alternative Business Models

A business model that encourages collaboration among community members, provides for community-held assets to be used to operate the business,

⁴⁰ ADB. 2010. *Microfinance in Fiji, Challenges and Opportunities*. Manila. p. 63.

⁴¹ Government of Fiji, Ministry of Industry and Trade. 2013. *Annual Report*. p. 31.

⁴² Government of Fiji. 1996. *Co-operatives Act 1996*. Suva. s 4.

⁴³ Government of Fiji. 1996. *Co-operatives Act 1996*. Suva. s 5.

⁴⁴ Government of Fiji, Ministry of Industry and Trade. 2013. *Annual Report*. s11.

and accommodates women's varied responsibilities, is likely to gain easy acceptance by women entrepreneurs starting or running small and medium-sized enterprises (SMEs).

The limited liability partnership will be useful for women transitioning from a cooperative arrangement to an independent business. It will be able to offer the protection of limited liability, and encourage the uptake of standard methods of accounting and reporting.

Many global businesses are beginning to consider the ways in which sustainability can be incorporated into their daily practices. The potential exists for a new type of company that can allow for profitable activities to be undertaken alongside community outreach activities. The community company structure (which has been introduced by legislation in Solomon Islands and Vanuatu) or a new entity, such as the social enterprise company model, should be considered in Fiji. It is likely that such entities will allow successful cooperatives or community-based enterprises (where many women are usually employed) to operate profitably while also fulfilling social or community needs.

3.4.6 Key Recommendations

The following strategies are aimed at improving the enabling environment for women entrepreneurs. They may be provided through an entrepreneurial hub.

- (i) Collect sex-disaggregated data from all registries to assess the effectiveness of the existing registration processes in relation to women entrepreneurs.
- (ii) Streamline business licensing procedures and, where needed, provide assistance through agents in complying with regulatory requirements (this may be best done through the entrepreneurial hub).
- (iii) Simplify the steps to company formation including digitalizing the system, and develop processes that cater to the demands of both rural and urban entrepreneurs.
- (iv) Create accessible information, including pamphlets on tax benefits and incentives for women who are seeking to start a business, and distribute this information through the entrepreneurial hub.
- (v) Consider alternative business vehicles suited to women, such as the limited liability partnership, to encourage women to transition from the informal economy to the formal economy.
- (vi) Consider the social enterprise company as a potential vehicle to which successful cooperatives can graduate, thereby allowing profits to be made and community benefits to be realized.

- (vii) Collate data on the impact of tax incentives for SMEs operated by women, to assess the need for further interventions such as mentoring or skills training.

3.5 Women's Access to Land

3.5.1 Landownership

The land tenure system in Fiji favors iTaukei men. Approximately 84% of the country's land is native (or customary) land owned exclusively by iTaukei, 10% of the land is freehold, and the remaining 6% is crown land held by the government. Native land is owned communally and decisions about the use of this land are made by chiefs, who typically distribute land-use rights to male village members. iTaukei women can (and do, albeit in small numbers) hold a chiefly title, but more commonly gain access to land use through their spouses and their male family members.⁴⁵

iTaukei women, along with non-iTaukei men and women, can purchase freehold land and lease both native and crown land. Previously, native and crown land could not be bought, but it could be leased for up to 99 years.⁴⁶ Now, the Government of Fiji has launched a new process for the development and sale of iTaukei land in certain specific circumstances, and the sharing of sale proceeds. However, women in Fiji are less likely than men to own freehold land or to have access to land through leases.

Although disadvantaged in landownership, Fijian women have benefited from the reform in 2003 of the country's family law framework, which gives them access to other resources. The Family Law Act 2003 introduced a "no fault" system of divorce, removing blame and enabling divorce after 1 year of separation via an individual or joint application. Although this is generally viewed as a positive for women, there is some evidence that women are not easily able to access maintenance and child support after marital separation, despite having these entitlements under the legislation.⁴⁷ There is also provision under the act (found at s157) for maintenance to enable a spouse to undergo

⁴⁵ Department of iTaukei Affairs. 2013. *Annual Report 2013*. <http://www.parliament.gov.fj/getattachment/Parliament-Business/Annual-Reports/MTA-2013-Annual-Report.pdf.aspx>

⁴⁶ N. Smith, V. Smith, and M. Verner. 2005. Do Women in Top Management Affect Firm Performance? A Panel Study of 2500 Danish Firms. *Discussion Paper*. No. 1708. Institute for the Study of Labor: University of Bonn. p. 2.

⁴⁷ Secretariat of the Pacific Community (SPC). 2013. *Supplement to Law for Pacific Women*. pp. 47–48.

training and education if that spouse has forgone such opportunities in the past because of the need to provide domestic support for the working partner.⁴⁸

Marital property division was also transformed by the Family Law Act 2003. The act introduced a 50/50 presumption for the division of property, which is a positive for the financial independence of women (footnote 45). This model of property division prevents the exclusion of women on the basis that they do not legally own property or have not made a financial contribution to the purchase of marital or relationship property. The legislation properly recognizes the unpaid nature of much of the work done by women. The 50/50 presumption can, however, be rebutted, depending on each individual's contributions (both financial and nonfinancial) to the marriage, the duration of the marriage, the future needs of each party, and the earning capacity of each party (footnote 45).

The Family Law (Amendment) Act 2012 extended the maintenance provisions and the property division model to de facto relationships. This is an important measure for women, since approximately 25% of relationships in Fiji are de facto.

While inheritance is formally equal if a person dies intestate,⁴⁹ Fijians can bequeath property through a will and distribute it as they choose, with an obligation to provide only support to dependent persons.⁵⁰ In practice, Fiji's customary laws favor men. Property is generally willed in accordance with custom, or the formal law is not invoked and customary law is applied.

3.5.2 Customary Land and Women's Rights

Native (customary) land accounts for 84% of Fiji and is held communally at the village (known as "mataqali") level. Native land cannot be sold, transferred, mortgaged, or otherwise encumbered.⁵¹ The village chief has the power under custom to make decisions about the use of the land. Men and boys dominate traditional titles in iTaukei society, because most of these titles are inherited from patrilineal descendants. However, as of December 2013, 237 women and girls held chiefly titles that they acquired by birthright as head of their clan.⁵²

⁴⁸ Government of Fiji. 2003. *Family Law Act, 2003*. Suva.

⁴⁹ Government of Fiji. 2004. *Succession, Probate and Administration (Amendment) Act, 2004*. Suva.

⁵⁰ Government of Fiji. 1972. *Wills Act 1972*. Suva.

⁵¹ Government of Fiji. 1940. *iTaukei Land Trust Act*. s 5(1).

⁵² Government of Fiji, Department of iTaukei Affairs. 2013. *Annual Report*.

A portion of each area of native land is typically set aside for the village site on which the community builds its houses. All iTaukei men and boys belong to a village and have a right to share in lands belonging to their family, even if they have moved away from the village. Many villages then divide arable land into household portions of 10 acres or more, each typically held in the name of the male head of the household. Many have plots of land that are farmed to provide food for the household, at the same time that family members are wage earners. Other families hold the land for retirement. The remainder of native land is reserve land that can be developed by the community or leased to others.⁵³

iTaukei women are not typically given land use rights or forest and fisheries rights in their own names, and usually get usage rights through their husbands or through male family members. However, the Ministry of iTaukei Affairs, has been considering, through a series of summits for women chiefs, strategies to increase women's participation in both community governance and land affairs.

3.5.3 Registered Leases and Freehold Land

Women can purchase freehold land and can take out leases over native and crown land. Leases are for a period up to 99 years. All dealings in native leases require the approval of the iTaukei Land Trust Board.⁵⁴ Most leaseholders lease customary land in rural areas for sugarcane production. However, women typically do not have their names on leases or on sugarcane contracts, and consequently have no legal rights.

It is important to raise awareness among women of the advantages of having land leases in joint names. Doing so contributes to a woman's business history and increases her chances of obtaining a loan or opening a bank account.

While women have increased their ownership of freehold land, few women hold leases in rural areas. To improve access to land generally, the government established a Land Bank in the Ministry of Lands under the Land Use Decree 2010. The purpose of the Land Bank is to utilize iTaukei land "in the best interest of native landowners."⁵⁵ In effect, the act facilitates the leasing of land from indigenous landowning units, then subleasing the land to individual tenants for periods of up to 99 years.

⁵³ Market Development Facility. 2013. *Study on Poverty, Gender and Ethnicity in Key Sectors of the Fijian Economy*. p. 15.

⁵⁴ Government of Fiji. 1940. *iTaukei Land Trust Act [Cap 134]*. Suva.

⁵⁵ Government of Fiji. 2010. *Land Use Decree 2010*. No. 36. s 3(1). Suva.

In 2011, revisions were made to the formula for distributing lease proceeds to indigenous landowners. The system of chiefly privilege in land lease income distribution was abolished, paving the way for a “one person, one share” system. This change contributed to an increase in lease renewals, as individual members of landowning units received a greater share of lease monies than under the previous system. As of November 2014, 8,579 hectares of land had been registered with the Land Bank. There are no gender-disaggregated statistics available on this program, so it is not possible to evaluate whether it has led to greater numbers of women leaseholders. However, it clearly has the potential to do so.

3.5.4 Key Recommendations

Three strategies to give women better rights to land and property are the following:

- (i) support for greater inclusion of women’s voices in land usage through data collection, research, and advocacy;
- (ii) support the implementation of the Family Law Act 2003, which provides for a fair distribution of marital assets and gives protections for women in de facto relationships; and
- (iii) collate gender-disaggregated data on the Land Bank, to assess how it is accessed by women and whether there is need for further research.

3.6 Women’s Access to Finance

3.6.1 Fiji’s Finance Sector

Fiji has a well-developed banking system regulated by the Reserve Bank of Fiji. There are six commercial banks with approximately 12 branches per 100,000 people in Fiji. There are also private institutions offering financial assistance and credit facilities to Fiji’s commercial community. These institutions include the Credit Corporation, the Fiji Development Bank, the Fiji National Provident Fund, Merchant Finance, and various insurance companies. In addition, the finance market is serviced by numerous moneylenders who operate informally. Despite this range of options, finance for small businesses and those in the informal economy remains difficult.

Fiji has higher formal financial inclusion rates than other Pacific island countries, including higher inclusion rates for women. This is reflected in the fact that 60%

of the country's residents have bank accounts.⁵⁶ However, more women than men are excluded from the range of financial services offered by banks (Box 3.3). The most common financial product used by women is superannuation with the Fiji National Provident Fund (39%), while the most common product used by men is a savings account (44%).

The use of credit is low (9.4%) in all communities (footnote 52). This is because Fijians tend to draw on families and communities, rather than banks, for support in times of crisis. It is also because bank rules are generally too harsh to facilitate wide-scale usage of credit facilities.

Telecom Fiji is the country's sole provider of local and national telephone services. Its network throughout Fiji and Rotuma consists of 55 telephone exchanges and connects over 101,000 customers in all major towns. The range of products and services offered include local and national telephone services, data services, private leased lines, switched digital data circuits, information processing, maritime telecommunication, and emergency services.

There are three mobile service providers in Fiji: Digicel, Inkk Mobile, and Vodafone Fiji. The country has a high uptake of mobile phone services, with 76% of adults owning a phone and having a related phone subscription. Internet access is available in most urban centers, and can also be accessed casually from internet cafes and business bureaus.

Fiji was the first Pacific island country to introduce electronic social welfare payments and launch mobile money. Although 57% of mobile money account holders are women, (footnote 52), mobile money usage is low, despite the country's high ownership of mobile phones and widely available internet services. Although 80% of Fijians have heard of mobile money, only 6.5% have a mobile money account and cash is generally preferred.

Potential exists for collaboration among businesses to develop digital financial services, including electronic payments for all essential facilities and interbank transfers in Fiji, which has good mobile coverage and an expanding private sector. There is also potential to pilot varied types of credit assessments for determining loans, including through the examination of diverse data such as regular payment of mobile phone and utilities bills. Westpac, which runs a

⁵⁶ Reserve Bank of Fiji. 2015. *Financial Services Demand Side Survey Republic of Fiji*. Suva. By comparison, Samoa is 38.9% and Solomon Islands is 26.2%.

women's market program, and the Fiji Development Bank, which is committed to inclusive development, may be appropriate partners for such a program.

3.6.2 Informal Sector Financing

Beyond standard bank accounts, commercial banks offer minimal access to women in the informal economy, although the Reserve Bank of Fiji requires all banks to have a microfinance policy. Credit unions operate primarily in urban areas and generally service salaried employees.⁵⁷

Moneylenders provide informal loans to women, but, although they are regulated by legislation, indications are that their interest rates are often well above those legally permitted.

Family and friends are significant sources of funds, as are remittances. More women than men receive remittances in both urban and rural areas, with 28% of all women receiving remittances. The post office controls the domestic remittance market.

The Ministry of Women, Children and Poverty Alleviation has a small grants program. Grants of up to F\$5,000 are offered to individuals or groups of women working collectively to start up small informal businesses (Box 3.5). Consideration should be given to providing greater support for this program, which has delivered positive results. There is a need to focus on developing some of these micro businesses into small formal businesses, with financing linked to continued business development and skills support.

The Fiji Development Bank has a facility for grants of up to F\$1,000 for small businesses that have a valid business license or a hawker license. Meanwhile, the National Centre for Small and Micro Enterprise Development also provides grants for start-up or step-up businesses. The center will grant 60% of a requested amount, provided the business can obtain the other 40 from a recognized financial institution (thereby meeting the institution's requirements for a loan). Types of businesses funded include those involved fishing, sugarcane production, canteen services, screen printing, and baking. Of these, 82% are still doing business. However, given the requirements imposed by the two facilities outlined above, grants are more likely to be provided to businesses in the formal economy than those in the informal economy.

⁵⁷ ADB. 2010. *Microfinance in Fiji, Challenges and Opportunities*. Manila. p. 44.

Box 3.5: Government Helps Feed Women's Entrepreneurship



In Dalenaua Village, 50 kilometers from Suva, the Ministry of Women, Children and Poverty Alleviation provided a group of 14 women (the Wainakamica Women's Group) with a start-up grant in 2013. The women, all from different families, had identified a demand for live chickens in their area, observing that local people had to travel over

40 kilometers to purchase chickens. The Ministry of Agriculture supported the initiative by providing a grant.

This grant enabled the women to build a poultry shed and buy an initial stock of 50 meat-birds, which they nurtured for 6 weeks and then sold at the local market. Within 18 months this tiny business had grown threefold, raising 180 chickens for sale every 6 weeks. The savings are distributed once a year among the 14 women. In 2014, each woman received F\$1,000. Four of the women used the accumulated savings and skills learned to start their own poultry businesses.

These women face two main challenges in growing their business: how to access finance for a larger poultry shed, and where to source the increased number of meat-birds necessary for expansion of their business.

Source: Interview by author.

3.6.3 Formal Sector Financing

The Reserve Bank of Fiji has made significant efforts to create an investment-friendly finance sector. Part of this process involves the development of a framework to support crowdfunding, which will stimulate investor confidence in innovative start-up businesses.

In Fiji's formal sector, commercial banks and credit unions provide the most accessible source of finance. However, many women complain about their inability to access loans without adequate collateral, and the high interest rates charged by financial institutions. The need to collate gender-disaggregated data on how financial institutions have been catering to the needs of businesswomen is necessary for further policy development.

As discussed in section 3.6.2, small grants offered by the Fiji Development Bank and the National Centre for Small and Micro Enterprise Development are more likely to be accessed by businesses operating in the formal sector. The Fiji Development Bank also offers loans of between F\$100,000 and F\$500,000 to formal SMEs. A small enterprise is defined as one with annual turnover of up to F\$100,000 and employing up to 20 people, while a medium enterprise is defined as one with annual turnover between F\$100,000 and F\$500,000 and employing 21–50 people. The equity contribution ranges from 20% to 35% at competitive interest rates (6.05%–11.00% per annum). The Fiji Development Bank was unable to provide gender-disaggregated statistics on lending to SMEs for the purposes of this report. Although the Fiji Development Bank had allocated specific funds for businesses run by women, the difficulties of providing required collateral, coupled with the high interest rates charged, have resulted in limited uptake of the scheme by women.

3.6.4 Strategies to Improve Women’s Access to Finance

Bank loans can be difficult for Fijian women to access, given that customary land is communally owned and individual allotments are typically in the names of male family members. Fiji does not have a secured transactions legislation that enables lenders to use movable property and assets as collateral at accessible interest rates.⁵⁸ In focus group discussions, businesswomen reported that lenders generally require land or land leases as security for loans or, if other collateral is accepted, this collateral must be equivalent to, on average, 215% of the loan amount.

Secured transactions legislation similar to that enacted in other Pacific island countries would assist in the development of the finance sector in Fiji. Its uptake by the government and financial institutions should be supported. Enabling creditors to enforce their rights upon default and take possession of collateral would reduce the risk of lending to women running SMEs. Without such legalities in place, many women entrepreneurs will have to continue to turn to family and friends for start-up capital (Box 3.6).

Giving preferential treatment, for example, in the form of contracts with governments and large businesses, via quotas to women-operated businesses has been trialed in other countries around the world. It has a place in Fiji. It would boost the employment of women and help ensure the success of businesses

⁵⁸ ADB. 2014. *Unlocking Finance for Growth: Secured Transactions Reform in Pacific Island Economies*. Suva.

Box 3.6: Using Contracts as Collateral



Nicole Kruse is the managing director and creative director at Allied Print Design, which offers “a complete solution for designing, printing, and manufacturing of apparel, soft signage, and textiles.” The business’ first order for 300 shirts came from a Fijian government department. However, the initial capital of F\$7,000 needed to produce the shirts proved hard

to obtain. After being turned down by a number of financial institutions, Nicole borrowed the money from a friend, then went into production.

Nicole’s scenario highlights the need for a secured transactions framework in Fiji. Such a framework would be of enormous benefit in instances where a signed government contract can be used as collateral for a loan.

In the meantime, Nicole would like to see further assistance given to small businesses through preferential government contracts, and tax concessions for those businesses that employ more than five staff.

Source: Interview by author.

owned and operated by women. This would mean these businesswomen would have contracts for their goods and services, which would make obtaining a loan easier.

Digital technologies have developed significantly in Fiji, and the country is a regional leader in the introduction of electronic wallets and electronic social welfare payments. These technologies may provide relevant data to enable new forms of credit assessment for women entrepreneurs.

The potential for nonlife insurance products aimed at women should be encouraged in Fiji. This may include greater provision of disaster insurance for women operating businesses in local markets, by allowing these women to obtain such insurance collectively through their market association. Such insurance would reduce the likelihood of women’s businesses defaulting on loans, giving them a better chance of becoming sustainable.

3.6.5 Key Recommendations

Some key strategies to improve Fijian women entrepreneurs' access to finance and financial services are the following:

- (i) Improve access to finance for women in the formal and informal economies by encouraging the use of different forms of credit assessment;
- (ii) introduce a secured transactions framework to enable women to use movable property as collateral, and support pilot schemes through financial institutions, including microfinance institutions, to demonstrate how the framework can operate in the context of SMEs.
- (iii) Encourage women's use of mobile money through advocacy and awareness campaigns, to increase the efficiency of financial transactions and increase security.
- (iv) Consider supporting the collective purchase of insurance (especially for disaster relief and income protection) by market associations, to cover women in the informal economy.
- (v) Assess the manner in which digital payments for all government services can be encouraged, including registering of businesses and payment for essential facilities.
- (vi) Encourage the reassessment of the regulatory framework for the finance sector, including consideration of introducing regulations to promote crowdfunding.

3.7 Dispute Resolution and Enforcing Women's Legal Rights

3.7.1 Overview of Dispute Resolution

The Constitution of Fiji provides that "every party to a civil dispute has the right to have the matter determined by a court of law or if appropriate, by an independent and impartial tribunal."⁵⁹ While companies, businesses, and individuals have recourse to legal remedies through Fiji's system of courts, the process is inefficient and the laws are outdated.

Fiji has been ranked 86th out of 189 countries for the efficiency of the judicial system to resolve commercial disputes. It was reported that, in Fiji, 34 procedures

⁵⁹ Constitution of the Republic of Fiji. 2013. s 15.

are required to enforce a contract, and it takes 397 calendar days to complete those procedures, at a cost that represented 38.9% of the value of the claim.⁶⁰

Fiji's court system consists of a supreme court, a court of appeal, three high courts, and a series of magistrate's courts. The Supreme Court of Fiji and the Court of Appeal of Fiji are both located in Suva. The high courts are located in Suva, Labasa, and Lautoka.

There are 36 established magistrate's courts, with additional scheduled sittings across various islands during each year.

The court system is supplemented by a number of specialist courts and tribunals. These include: (i) the Tax Tribunal, which is a first-level forum for adjudication of disputes on income tax and VAT; (ii) the Employment Tribunal, established under the Employment Relations Act to resolve employment disputes; (iii) the Sugar Industry Tribunal, which regulates Fiji's pivotal sugar industry; and (iv) the Agricultural Tribunal, which regulates certain tenant rights relating to agricultural holdings.

Small claims tribunals deal with civil disputes of less than F\$5,000 in value. A small claims tribunal has been established in each of three major centers—Suva, Lautoka, and Labasa—but mobile tribunal sittings take place at scheduled times throughout the country. The tribunal must try to mediate settlements, but otherwise it must make a binding ruling.⁶¹ Such a system is usually considered to be useful for an emerging economy because it offers a speedy and reasonably inexpensive dispute resolution process. However, the threshold of F\$5,000 for disputes is extremely low, and there is potential to develop this system to apply to disputes involving a higher value.

Resolving commercial disputes effectively, and in a timely fashion, requires specialization. However, there is no court or division of a court in Fiji solely dedicated to commercial cases, and the jurisdiction of the lower courts is determined by the value of claims (Table 3.5). All courts can hear commercial disputes, including those concerning the country's outdated bankruptcy law.

⁶⁰ World Bank. 2015. *World Bank Doing Business*. Washington, DC.

⁶¹ Government of Fiji. 1991. *Small Claims Tribunal Act 1991*. s15(2).

Table 3.5: Jurisdiction of Courts

Court	Jurisdiction
Supreme Court	Final appeal court for decisions by special leave only in proceedings involving F\$20,000 or more
Court of Appeal	Appeals from final judgments of civil claims in the High Court
High Court	Unlimited jurisdiction to hear and determine civil proceedings
Magistrate's Court	Up to F\$50,000
Small Claims Tribunal	Under F\$5,000

Source: Author's research.

All courts can also consider issues pertaining to the Copyright Act 1999, which protects products from intellectual property infringement, although Fiji's trademark and patent laws are ineffective and rarely enforced. Illegal materials—including illegal reproductions of films, sound recordings, and computer programs—are widely available throughout urban centers in Fiji. Patents are generally granted based on a first-to-file basis. Similarly, registered trademarks are awarded on a first-to-file, first-in-right basis. Because the relevant laws are archaic, enforcement of patent and trademark protection is problematic in the Fijian legal system.

This weak legislative and enforcement regime makes it difficult for entrepreneurs to protect their intellectual property. The regulatory system needs reform to provide confidence to innovative business start-ups in a market that has significant potential for expanding its use of digital technologies.

3.7.2 Alternative Dispute Resolution

Each magistrate's court in Fiji has an obligation to mediate disputes and seek settlement, under the edict that "where a civil suit or proceeding is pending, the magistrate may promote reconciliation among the parties thereto and encourage and facilitate the amicable settlement thereof."⁶²

For the resolution of disputes between employers and employees, a mediation unit was established under the Employment Relations Act 2007⁶³ and is located

⁶² Government of Fiji. 1945. *Magistrates Court Act 1945*. s 28. Suva.

⁶³ Government of Fiji. 2007. *Employment Relations Act 2007*. s 193.

in the Ministry of Labor. The engagement of the mediation service is voluntary and provides the disputing parties with the opportunity to resolve the disputes among themselves. All reasonable attempts are made by the mediators to resolve, under the obligation of good faith, the disputes and grievances put to them. Any decision agreed to by the parties, and endorsed by the mediator, is final and binding.

In principle, women have equal formal access to Fiji's court system and the country's small claims tribunals. In reality, however, few women access the formal court system. It would be useful to conduct research into the mediation facilities of the magistrate's courts and the small claims tribunals, to see how many women access these services and what difficulties they experience in the justice system.

3.7.3 Key Recommendations

Creating a sound and inclusive system that can resolve disputes and deliver fair outcomes in an inexpensive and speedy manner is necessary to encourage investment and entrepreneurship in Fiji. The following strategies are aimed at creating such a system:

- (i) introduce a modern regulatory framework for businesses, including bankruptcy, intellectual property, and consumer protections;
- (ii) encourage avenues of legal representation for women, including increasing the threshold for claims that can be heard by the small claims tribunals;
- (iii) evaluate the efficacy and sustainability of mediation outcomes from existing and older programs to assess their impact on women's access to justice;
- (iv) generate awareness among women of alternate dispute resolution processes (this may best be undertaken within the entrepreneurial hub); and
- (v) examine when and why women access the formal justice system, the frequency with which they do so, their attitudes to the justice system, and the mechanisms they employ to resolve disputes.

3.8 Women's Business Networks and Skills Training

3.8.1 Overview of Networking for Fijian Women

There are a number of business networks available to women in Fiji, but these largely support the top end of business in urban areas.

The Fiji Commerce and Employers Federation provides general support to business owners and is the premier private sector organization in Fiji. Other active business associations represent industry-specific interests. They include the Fiji Hotel and Tourism Association, and the Retailers Association. These associations provide valuable networking and training opportunities, host business forums, and advocate for a better environment for business and investment in Fiji.

Networks and organizations targeted specifically at women include the Women Entrepreneurs Business Council, which was formed in 2013 as a branch of the Fiji Commerce and Employers Federation. The council is made up of, and advocates for, women business owners, operators, and entrepreneurs from across Fiji.

Pacific Women in Business is run by the Pacific Islands Private Sector Organisation (PIPSO) to promote the increased participation of women in business. Most notably, it organizes the biannual Pacific Women in Business Conference.

A concerted effort to encourage informal networks among professional women is being attempted by several groups, including Fiji Women in Business and Westpac, particularly through local awards for women in business. These networks can also provide a focus for increasing awareness and skills among the growing women's business community in Fiji.

3.8.2 Overview of Skills and Training Opportunities in Fiji

There are a range of skills and training opportunities for Fijian women in business. Many of these opportunities are, however, provided in urban areas and are aimed at women in the formal economy rather than the informal economy.

The Makoi Women's Vocational Training Centre, operated by the Fiji Muslim Women's League, opened in 2015 and aims to provide skills training and economic empowerment opportunities for women from all walks of life. The Ministry of Women, Children and Poverty Alleviation has committed F\$100,000 in direct funding and F\$17,000 worth of industrial sewing machines to support the project. At the official opening, Minister Rosy Akbar outlined the Makoi Women's Vocational Training Centre's role in generating new opportunities for women.

“This Centre, which is one of its kind in Fiji, will equip the trainees with information, values and skills so that they can become women entrepreneurs

in their own right,” said Minister Akbar. “To that effect, women can generate an income for them and their families. On a bigger scale, they will start impacting the informal economy to contribute towards national economy.”⁶⁴

Westpac and other banks and organizations run financial literacy programs. Westpac has established its Women’s Markets program, which provides financial literacy programs to more than 6,000 people, of which 60% were women in 2017. PIPSO also runs a variety of small business financial trainings to build knowledge on the management of cash flow and the use of cash books. UNDP, under its Markets for Change Project, provides assistance to market vendors to connect with providers of financial services, including banks, microfinance organizations, micro-insurance companies, insurance companies, and organizations that promote the use of mobile money.

3.8.3 Key Recommendations

The key strategies to develop stronger networks and skills for women entrepreneurs in Fiji are the following:

- (i) work with financial institutions to expand financial literacy programs to rural areas;
- (ii) work with PIPSO to develop more programs aimed at connecting women both in Fiji and across the Pacific region; and
- (iii) assess the manner in which procurement contracts have operated in other Pacific countries and globally, to see if this process has application in Fiji.

3.9 Women’s Access to Trade and Markets

3.9.1 Importing

Fiji’s main imports include fuel, telecommunication equipment, recreational vehicles, rice, cane sugar, wheat, pharmaceutical products, meat, and natural gas. The country’s major import partner is Singapore with many other products sourced from the Hong Kong, China; India; Japan; Malaysia; New Zealand; the People’s Republic of China; Thailand; and the United States.

⁶⁴ Government of Fiji. 2016. *New Centre Increase Opportunities for Women Empowerment*. 16 September.

The documentation required to import to Fiji is onerous. It creates significant challenges for women wanting to import goods in order to establish businesses or to grow existing businesses. The documents required for importing commercial goods include (i) bill of lading, (ii) cargo release order, (iii) certificate of origin, (iv) commercial invoice, (v) consular invoice, (vi) customs import declaration, (vii) foreign authorization, (viii) import license, (ix) inspection report, (x) packing list, (xi) tax certificate, (xii) technical standard health certificate, and (xiii) terminal handling receipt.

All imports to Fiji attract customs duty. The rate of customs duty depends on the type of goods and their classification in the tariff import duty system. There is some scope for exemption, remission, reduction, or refund of duty, depending on the type and purpose of the import. For example, there are reduced rates levied on certain raw materials imported for the establishment or growth of local industries.

Value-added tax (reduced to 9% as of 1 January 2016) is payable upfront with duty. The use of a customs agent is not mandatory. However, given the complexity of government regulations and the requirements of importing countries regarding customs clearances, engaging the services of a customs agent may be desirable, particularly for women who may not have access to the same established networks as men.

There are no statistics on the types or volume of goods imported by Fijian businesses owned by women.

3.9.2 Trading within the Country

The main commercial areas of Fiji are linked by road, air, and sea. Fiji Airways operates air cargo services between Suva, Nadi, Nausori, Labasa, Savusavu, Taveuni, Vanua Balavu, Kadavu, Lakeba, Moala, Cicia, Gau, Koro, Bureta, and Rotuma. A new domestic airline, Inter Island Airways, was launched in 2017 and offers an air cargo service connecting Nadi, Suva, Labasa, Savusavu, Taveuni, Kadavu, and Rotuma. Air cargo rates are, however, generally high.

There are two main ports on Viti Levu: Suva in the east and Lautoka in the west. The wharf facilities are capable of handling large cargo and passenger vessels, and shipping between islands is frequent.

There is a single road in reasonable condition that circumnavigates Viti Levu. Roads across the inland areas of Fiji are in poor condition. They are typically unsealed and treacherous to navigate in wet weather.

3.9.3 Exporting and Market Development

Fiji's main exports are sugar, garments, gold, timber, fish, molasses, mineral water, and coconut oil. Other products for which export demand has increased since 2012 are ginger, flour, taro, and sweet biscuits. The country's main export destinations as of June 2017 are Australia (21.9%); the United States (18.6%); Tonga (5.9%); New Zealand (5.3%); the People's Republic of China (3.8%); and Samoa (2.1%). Exports contribute 14% to the country's GDP.⁶⁵

Fiji has pursued various bilateral and multilateral trade agreements over the years. These include (i) the South Pacific Regional Trade and Economic Co-operation Agreement with Australia and New Zealand in the late 1980s; (ii) the Melanesian Spearhead Group with Papua New Guinea, Solomon Islands, and Vanuatu; (iii) the Pacific Agreement on Closer Economic Relations; and (iv) the Pacific Island Countries Trade Agreement.

Fiji's exporting success stories include Fiji Fish and Pacific Fishing Company, both of which are major exporters of processed fish—including Fiji's globally renowned yellowfin tuna. Other examples of exporting nous include Natural Waters of Viti Levu, better known around the world as Fiji Water, and the family-run Pure Fiji, which produces beauty products exclusively derived from organic local ingredients. These brands are drawing in foreign exchange and depicting Fiji as a stable business destination worldwide.

Products carrying the "Fijian Made" branding have been very successful in Fiji and this branding has been utilized by businesses owned by women. To do so, a business must obtain a license from the Ministry of Industry, Trade and Tourism, and comply with local product content set out in the Industry Emblem Act and Regulations 2011. The brand categories, aimed at raising the domestic and international profile of locally made products, include "Fijian Made," "Fijian Product," "Fijian Packed," "Fijian Crafted," "Fijian Grown," "Fijian Assembled," "Fijian Designed," and "Fijian Sewn." By 2013, 151 licenses had been granted for 776 products.⁶⁶ Although the Ministry of Industry, Trade and Tourism does not have gender-disaggregated statistics on the number of women-owned businesses making use of the "Fiji Made" campaign, this is an important area for future development.

⁶⁵ Fiji Bureau of Statistics. 2017. Trade Statistics. June. <http://www.statsfiji.gov.fj/statistics/economic-statistics/merchandise-trade-statistics> (accessed 24 November 2017).


⁶⁶ Government of Fiji, Ministry of Industry and Trade. 2013. *Annual Report 2013*. p. 6.

Successful exporting requires a solid domestic base, including quality domestic marketing materials, sufficient resources to expand overseas, and a good representative or agent in the overseas market. It also demands a formal and well-considered business plan along with intimate knowledge of the foreign market for export. This knowledge must include a familiarity with labeling and packaging regulations, payment terms, export documentation, and foreign currency management. In general, women entrepreneurs lack adequate capacity to market and produce competitive export products, have limited transport avenues, are confronted by complex customs documentation, and do not have the business networks and skills required for successful export businesses.

3.9.4 Key Recommendations

The main strategies for improving women's access to trade avenues and markets in Fiji are the following:

- (i) provide training for women on negotiating import and export rules and requirements, and complying with these requirements;
- (ii) work with partners to encourage women to utilize the "Fijian Made" branding; and
- (iii) provide training in quality control, certification, labeling, and product development (PIPSO is effectively delivering such training and could be supported).



i-Kiribati women sell freshly caught seafood by the beach. Streamlined licensing fees and by-laws could reduce the regulatory burden on women operating some small and informal businesses.

4. KIRIBATI

4.1 Introduction

4.1.1 Country Overview

Kiribati is comprised of 33 islands and atolls, of which 21 are inhabited.¹ The country has received much attention internationally because of the possibility that its people will have to migrate from their archipelagic home to escape the impacts of climate change. Kiribati's population² of around 114,000 is young and, due to a limited land mass of just 726 square kilometers (km²), the country has one of the highest population densities in the world (footnote 1).

The country's most valuable natural resource is its Exclusive Economic Zone, which spans 3.5 million km².³ The zone's ocean demarcations contain one of the most productive tuna fisheries in the Pacific, so agriculture and fisheries are primary contributors to Kiribati's gross domestic product (GDP), and fish is

¹ Office of Te Beretitenti & T'Makei Services. 2012. *Island Report Series*. South Tarawa.

² World Bank. World Development Indicators. <https://data.worldbank.org/country/Kiribati> (accessed 5 November 2016).

³ Food and Agriculture Organization of the United Nations (FAO). 2010. *Fisheries Country Profiles*.

the country's major export. Licensing foreign and domestic vessels to fish in the Exclusive Economic Zone raised 142 million Australian dollars (A\$) in revenue for the Government of Kiribati in 2014.⁴

At the time of this report, Kiribati's economic growth for 2016 was expected to ease to 1.8%⁵ from a high of 3.1% in 2015, with some investment withdrawn following the likely completion of a major road rehabilitation project.⁶

According to its Development Plan for 2012–2015,⁷ Kiribati aims to improve its economic development through tourism. However, the high cost of air travel to the country, relative to other Pacific island destinations, inhibits substantial growth in tourist arrivals. Revenue generated by hotels and restaurants accounted for just over 1% of GDP in 2011.⁸

Women's participation in Kiribati's economy is at a lower rate than men, with 78 women employed for every 100 men.⁹ There is a high level of gender segregation in the maritime industry, including formal labor migration opportunities for women to train and work on the foreign vessels that provide one of Kiribati's most important sources of remittances. While up to 40% of businesses in Kiribati are owned by women,¹⁰ the challenges women face in operating businesses are different to those experienced by men. This includes access to finance and the ownership of property, which can be used as collateral to secure business loans.

Kiribati is a democratic republic and its national Parliament is a unicameral legislature.

Kiribati has improved its access to technology, enabling a level of connectivity that belies its physical remoteness. In 2016, an estimated 51% of i-Kiribati had a mobile phone,¹¹ and this figure is growing rapidly: in 2017, the country's leading mobile service provider, Fijian-based Amalgamated Telecom Holdings (ATH),

⁴ Ministry of Finance and Economic Development. 2015. *The 2014 Annual Report*. South Tarawa.

⁵ International Monetary Fund (IMF). 2015. *Staff Report for the 2014 Article IV Consultation*. Washington, DC.

⁶ Ministry of Finance and Economic Development. 2015. *October 6 Economic Outlook*. South Tarawa.

⁷ Ministry of Finance and Economic Development. 2012. *National Development Plan*. South Tarawa.

⁸ National Statistics Office. 2011. *GDP Statistics 2000-11*; and author calculations.

⁹ Ministry of Finance and Economic Development. 2010. *Census*. South Tarawa.

¹⁰ Interview with the Ministry of Commerce and Industry held November 2015 in Tarawa.

¹¹ World Bank Open Data. <https://data.worldbank.org/country/kiribati> (accessed 8 March 2018).

reported at 36% annual increase in the number of mobile phone subscribers.¹² Access to mobile services continues to grow across the country, which is an important factor for improving both financial inclusion and access to the internet. An estimated 70% of the population is within range of mobile network coverage, with most of those who are not in range living in the outer islands. The government has enacted a plan, supported by the World Bank, to increase mobile coverage in the outer islands, which is expected to increase economic opportunities for women.¹³

Around 13% of the population were estimated to have internet access in 2016 (footnote 11), but many more have some form of internet access via mobile phone. As of February 2018, ATH had just under 50,000 customers paying for data over its 3G or 4G networks.¹⁴ Costs for mobile and internet services remain high in Kiribati. This is due in part to Kiribati's internet connectivity being provided via satellite connection, but also to the monopoly enjoyed until recently by ATH, which has been Kiribati's sole telephony supplier since it took over from state-owned enterprise Kiribati Telecom Services in 2015. Competition was introduced in some regions by the arrival of the People's Republic of China's Ocean Link in 2017.¹⁵

The standards of living in Kiribati remain relatively low. Kiribati was ranked 133rd of 187 countries on the United Nations (UN) Human Development Index.¹⁶ Unfortunately, the UN does not include Kiribati on its Gender Development Index or its Gender Inequality Index, citing a lack of available data (footnote 16). Similarly, the Economist Intelligence Unit does not rank Kiribati on its Women's Economic Opportunity Index.

¹² ATH Group of Companies. 2017. *Annual Report 2017*. Fiji. <http://www.athkl.com/ki/getattachment/News/ATHKL-Annual-Report-for-2017/ATH-2017-Annual-Report-final.pdf?lang=en-US> (accessed 16 March 2018).

¹³ World Bank. 2017. International Development Association Program Document for a Proposed Development Policy Grant in the Amount of SDR 3.6 Million (US\$5 Million Equivalent) to the Republic of Kiribati for the Fourth Economic Reform Development Policy Operation. Report No. 120078-KI. <http://documents.worldbank.org/curated/en/456591511578818275/pdf/Kiribati-DPO-PD-11012017.pdf>

¹⁴ Interview with ATH representative, 21 March 2018.

¹⁵ Marianas Variety. 2017. Chinese Mobile Company to Start Operations in Kiribati. 7 March 2017. <http://www.mvariety.com/regional-news/93517-chinese-mobile-company-to-start-operations-in-kiribati>

¹⁶ United Nations. 2014. *Kiribati Human Development Index Country Report*. http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/KIR.pdf

4.1.2 Moving toward Gender Equality: Institutions and Policy

According to Section 3 of the Kiribati Constitution 1979, every citizen is to enjoy fundamental rights and freedoms regardless of, among other things, their gender. However, the definition of discrimination contained in Section 15 (3) does not include gender as a factor. Nevertheless, the approach of the courts and practitioners is to treat the definition of discrimination as if it did contain gender as a ground. For example, in a criminal case, the High Court of Kiribati accepted the argument that Section 15 (3) of the Constitution “ought to be read as” though it contained gender within its definition.¹⁷

Kiribati ratified the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) in 2004. However, the government has yet to provide the CEDAW Committee with a report on its obligations under the convention, with the first such report having been due since 2005. The Ministry of Women, Youth and Social Affairs has advised that it is in the process of drafting a CEDAW report. UN Women has called for Kiribati to improve its compliance with CEDAW, to enable the protection of teenage girls and women who are victims of sexual violence, and to advance areas of employment legislation concerning women.¹⁸

During 1995–2013, the responsibilities of the Ministry of Internal and Social Affairs included gender issues. Only in 2013, through an amendment to the Constitution, did the government establish the Ministry of Women, Youth and Social Affairs. However, the capacity of the ministry, and the funding directed to it, remain low.¹⁹

The government’s approach to gender equality issues is framed by the National Gender Equality and Women’s Development Policy, the National Policy to Eliminate Sexual and Gender-Based Violence, and the National Action Plan (2011–2021). These policies prioritize a gender mainstreaming approach, which requires an assessment of how any policy or program will affect women as well as men, and seek to improve political representation by women, provide a framework for the economic empowerment of women, and address gender-based violence.

¹⁷ Republic of Kiribati v Timiti. 1998. KIHIC 35.

¹⁸ UN Women. Kiribati. <http://asiapacific.unwomen.org/en/countries/fiji/co/kiribati> (accessed January 2017).

¹⁹ Secretariat of the Pacific Community (SPC). 2013. *Gender Mainstreaming Capacity for Pacific Governments: Kiribati*. Noumea.

The Kiribati Development Plan 2012–2015 sets out the country’s overarching goals to improve economic and social well-being in the medium term. The plan’s first guiding principle is one of social protection and gender equality, with government programs required to consider separately the rights of families, women, children, and men.

The development plan outlines an employment and business scheme designed to help women and youth generate income. A further initiative aims to secure agreement among loan agencies and banks to expand the access that women and youth have to loans. This initiative, however, has no explicit numerical targets. Youth, but not women, are the focus of an additional scheme to generate employment and provide business and vocational training. Within the development plan’s economic objectives for women, there are no baseline figures or targets for activities such as participation in financial literacy training.

4.1.3 Key Strategies for Kiribati

The following three strategies are central to assisting Kiribati women to engage in business and build their capacity to become economically independent. Each strategy is discussed in detail in this chapter.

- (i) Support collation of gender-disaggregated data, which is grossly lacking, to inform further policy design, including by the Ministry of Commerce, Industry and Cooperatives.
- (ii) Focus attention on the informal economy, where the majority of women operate, to develop collaborative delivery of skills training and access to joint facilities, including cold storage facilities for the sale of fish and fresh produce.
- (iii) Improve representation for women through the Kiribati Chamber of Commerce and Industry, allowing women voice to their concerns and improving their access both to finance and senior management positions.

4.2 The Context of Women’s Autonomy

4.2.1 The Impact of Violence against Women

Women and girls in Kiribati report the highest prevalence of family abuse and sexual violence in the Pacific.²⁰ In the 2010 Family Health and Support Study,

²⁰ Prevalence rates are between 45% (Samoa) and 68% (Kiribati).

two out of every three i-Kiribati women aged 15–49 years, who had been in a relationship, reported that they had experienced physical or sexual violence perpetrated by an intimate partner. In addition, 18% of women reported that they had experienced physical or sexual violence perpetrated by nonpartners.²¹ The study also indicated that very few of these cases of physical or sexual violence reached Kiribati's justice system. Only 1.1% of the women who admitted they experienced violence reported it to the police.

Although there is a Family Assistance and Sexual Offence Unit within the Kiribati Police service, most incidents involving physical or sexual violence are attended by regular police officers,²² and 75% of the incidents reported to police (resulting in charges being laid) are withdrawn (footnote 22). However, some charges are upheld and cases are subsequently presented before Kiribati's court system. In August, October, and November 2015, the Kiribati High Court heard 12 criminal cases.²³ Of these, nine were related to charges of physical or sexual violence against girls or women.

A 2013 report, which described the country's system for accessing and attaining justice for victims of gender and sexual violence, found that “for the most part, the laws (legislation and common law) and legal practices in Kiribati with respect to securing justice for women are archaic and ineffective (footnote 20).” In response, the Parliament passed the Kiribati Child, Young People, and Family Welfare Act (2014) and the Family Peace Act (2014) to address gender-based violence.

The National Policy to Eliminate Sexual and Gender-Based Violence and the National Action Plan (2011–2021) have resulted in a number of concrete reforms to reduce gender-based violence. These reforms include male advocacy programs, initiatives for adolescent girls, and collaborative work across government departments to mainstream into their programs measures to combat gender-based violence.

While these efforts are admirable, work still needs to be done to improve Kiribati's referral systems. This includes the expansion of SAFE Net, a multiagency referral network comprising formal and informal health, justice,

²¹ United Nations Population Fund (UNFPA). 2010. *Family Health and Support Study*. New Caledonia.

²² Secretariat of the Pacific Community (SPC). 2013. *Legal Analysis on Violence against Women: Drafting Options for Legislative Reform*. Noumea.

²³ Pacific Islands Legal Information Institute. 2015. <http://www.paclii.org/countries/ki.html> (accessed December 2015).

and social sector participants. It also means improving the procedures used by formal agencies to ensure that women's lives are improved. A more engaged response from the private sector to addressing the issue of violence, as is emerging elsewhere in the Pacific (e.g., in Fiji and Papua New Guinea), by supporting those who directly experience violence and by promoting awareness of the impacts of violence would be welcome.

4.2.2 Health and Education

The basic health indicators for Kiribati are among the lowest in the Pacific. This is largely due to the country's high population density, a lack of access to safe water and sanitation, and the prevalence of various lifestyle diseases.²⁴ The maternal mortality rate in Kiribati was 81.4 deaths per 100,000 live births in 2015 and the total fertility rate was 3.7 births per woman.²⁵

Women's access to education in Kiribati appears to be similar to that of their male counterparts. In 2010, around 89% of women in Kiribati reported having attained some level of education,²⁶ almost equal to the 91% of men who said they had received some education. Approximately 1% of both women and men reported attaining a diploma or attending college. Around 0.5% of women had attained a bachelors' degree, compared to 0.6% of men, and 0.4% of women had attained a masters' qualification, compared to 0.7% of men.

Vocational colleges in Kiribati provide training in areas such as fishery skills, nursing, and teaching. Gender participation in vocational training largely reflects traditional preferences in Kiribati, with nursing and teaching being popular choices among women and girls, and courses in fishery skills or marine training being filled mostly by men and boys.²⁷

4.2.3 Political Participation by Women

While women's representation in politics and leadership in Kiribati has remained very low by world standards, the country demonstrates good gender equity compared to other Pacific island countries. Prior to the 2015–2016 national elections, women held 9.1% of the seats in the Parliament (footnote 23). This is relatively higher than the rest of the Pacific, with only Fiji having a greater proportion of women's representation.

²⁴ World Health Organization. 2012. *Service Delivery Profile for Kiribati*. Nadi.

²⁵ Secretariat of the Pacific Community (SPC). 2015. Minimum Development Indicators . <https://www.spc.int/nmdi/>; and World Bank Kiribati Country Profile (accessed December 2015); and World Bank. Kiribati. <https://data.worldbank.org/country/Kiribati> (accessed 9 March 2018).

²⁶ National Statistics Office. 2010. *Census*. South Tarawa.

²⁷ Government of Kiribati, Ministry of Education. 2014. *Education for All National Review, Kiribati*. South Tarawa.

Women hold 43% of the top positions, equivalent to the secretary level, in Kiribati's public service.²⁸ This figure is higher than other Pacific island countries, with Samoa having the second-highest proportion (38%) of women leading a public service institution and Tonga having the lowest proportion (10%).

The Government of Kiribati also operates 18 SOEs.²⁹ Since 2009, with assistance from the Asian Development Bank, several SOEs have been privatized and corporatized. The number of women on the boards of Kiribati's SOEs is unknown.

4.2.4 Women and Employment

Kiribati's 2010 Census defined "formal" work as any job that regularly attracts a wage. This definition does not distinguish between work in the formal and informal economies. Under the definition, 34% of men and 26% of women in the labor force had formal jobs at the time of the census. As such, it is very likely that a high proportion of those who reported having formal work were receiving wages from businesses in the informal economy.

While the census did not differentiate between employment in the formal and informal economies, it did record that 67% of working-age men and 52% of working-age women were employed. Of those employed, 58% of men reported that they regularly earned a wage. It can therefore be suggested that men dominate employment in Kiribati's formal economy, where the public sector is the main employer. Nonetheless, the census recorded that women occupied 36.5% of managerial positions.

As a proportion of the total labor force, 14% of women had jobs in which they regularly earned a wage. Of the remainder, 8% undertook market-oriented activities, 4% were engaged in subsistence activities, and 3% went unpaid or worked as volunteers.

Kiribati's labor force is also segregated across sectors, with the main differential between women and men being evident in agriculture, forestry, and fisheries (Table 4.1).

Government and business people interviewed for this report stated that they preferred to hire women over men, due to better performance and productivity.

²⁸ Secretariat of the Pacific Community (SPC). 2013. Stocktake of the Gender Mainstreaming Capacity of Pacific. *Island Governments Series*. Noumea.

²⁹ Interviews with stakeholders conducted by the Government of Kiribati, Ministry of Finance and Economic Development in November 2015.

The Employment (Amendment) Act 2008 specifically deals with gender equality, disability, equal remuneration between women and men, and discrimination issues in recruitment and employment. An amendment bill, which included equal minimum wages for women and men, was submitted to the Parliament in April 2016.³⁰ It was adopted and the Ministry of Labour and Human Resource Development is working with the International Labour Organization (ILO) to effect implementation and develop an implementation mechanism (footnote 30).

Table 4.1: Gender and Employment by Sector
(% of labor force)

Sector	Women	Men
Agriculture, forestry, and fisheries ^a	4.0	18.0
Manufacturing	9.0	9.0
Transport and logistics	1.0	3.0
Hospitality and tourism	<1.0	<1.0
Public sector	2.0	5.0

^a Excludes subsistence activities.
Source: 2010 Census.

There are no provisions for maternity or paternity leave in the legislation, and granting such leave is not common in Kiribati's private and public sectors. However, the Ministry of Labour and Human Resource Development advises that employment contracts with Telecom Services Kiribati contain maternity leave provisions.

Employment disputes are formally dealt with if the disagreement concerns trade union issues. For disputes involving abuse or sexual harassment, the Ministry of Labour and Human Resource Development usually considers such cases to be private matters, with employers leaving individuals to resolve issues among themselves—in breach of CEDAW principles. The main disputes observed by the ministry are related to pay, leave, and compensation. The ministry also notes that it is usually men, rather than women, who make formal complaints.

³⁰ K. Meauke. 2016. Speech of the Minister for Labour and Human Resource Development at the International Labour Organization. 10 June. http://www.ilo.org/suva/public-information/speeches/WCMS_489110/lang--en/index.htm

4.3 Women in the Informal Economy

4.3.1 Participation in the Informal Economy

The 2013 Article IV consultations of the International Monetary Fund (IMF) described Kiribati's informal sector as "sizeable," with most businesses in the country being "small, informal, and largely family run." The IMF estimated that 80% of Kiribati's working population operated in the informal sector.

Outside the public sector, formal employment opportunities in Kiribati are rare.³¹ According to Kiribati's 2010 Census, 35% of people in the labor force participated through informal work, market-oriented activities (such as selling handicrafts or fish) or subsistence activities (Table 4.2).

Most participants engaged in formal work tended to be male; 42% of women and 58% of men reported regularly earning a wage. A slightly higher number of women than men reported undertaking market-oriented work. Approximately 64% of people engaged in unpaid volunteer are women.

Table 4.2: Informal Work and Economic Activity

	Total Women	Total Men
Total working age population (15+)	34,141	31,733
In the labor force		
Formal work	5,681	7,759
Market-oriented work	3,150	3,003
Unpaid volunteer	1,251	2,242
Subsistence	1,681	2,329
Not in the labor force		
Unemployed	6,085	5,853
Could have taken a job, but inactive	3,007	2,838
Could not have taken a job	13,286	7,709

Source: 2010 Census.

³¹ Government of Australia, Department of Foreign Affairs and Trade. 2014. *Poverty Assessment of Kiribati*. Canberra.

4.3.2 Laws, Policies, and Programs

Kiribati has no national legislation governing its informal economy. However, under the Local Government Act 1984, town and urban councils have the power to issue business licenses. They also control and regulate a number of functions that would impact the activities of businesses in the informal economy. These functions include regulating the preparation and sale of food and conducting relevant health inspections, maintaining central agricultural produce collection, and promoting and regulating the development of an arts and crafts industry.

Licensing fees and requirements differ across Kiribati, depending on the council area in which the informal business operates. If a business operates across council borders, the fees and requirements of each council apply.

Licensing fees for informal businesses are included in the Betio Town Council By-Law 2009. Second-hand hawkers are charged annual fees of A\$300 and street restaurants A\$200, while fishmongers with no premises are charged A\$3 per day. Both the Betio Town Council and the Teinainano Urban Council employ fee collectors, who collect fees daily from businesses operating in South Tarawa. Larger businesses can purchase an annual license.

Although there are no specific support structures or grants allocated to businesses in the informal economy, discussions with the Ministry of Women, Youth and Social Affairs and the Ministry of Labour and Human Resource Development indicate that the majority of their outreach efforts are directed toward supporting, training, and generating income for people in the informal economy.

The Ministry of Women, Youth and Social Affairs, in conjunction with the Ministry of Commerce, Industry and Cooperatives, holds domestic trade promotion activities with women living on Kiribati's outer islands. This involves facilitating trade activities that promote the women's agricultural produce to businesses on Tarawa (Kiribati's main island) seeking ingredients and inputs for their own products.

In Tobaraoi, there is an informal scheme that works with local women to improve the quality of their handicraft products for the tourist market. Tobaraoi has an international standard café, which is close to the airport and caters to tourists, and this venue provides a space for local women to sell their products.

4.3.3 Key Recommendations

The following recommendations are directed at empowering women in Kiribati's informal economy, and capturing data relevant to shaping future policy in this area:

- (i) Evaluate the potential for an entrepreneurial hub to be housed within the Ministry of Women, Youth and Social Affairs, and explore options to assist local women producing goods for the tourist market. This could be done in conjunction with organizations such as Pacific Trade Invest and the Pacific Islands Private Sector Organisation. The hub could disseminate information to women about tourist demand, quality and standards, consistency, and getting goods to market. It could also be used as a platform to disseminate information on formalizing a business, financial literacy, and business advisory services.
- (ii) Explore ways in which cooperatives can be used as incubators for women's businesses seeking to move from the informal economy to sole trader status. Cooperatives can be used to encourage collaborative activities among businesswomen, such as undertaking skills training on product development or jointly purchasing plant or equipment (notably cold storage facilities).
- (iii) Streamline licensing fees and by-laws across town councils on Tarawa, particularly for businesses that operate across multiple council areas. This will reduce the regulatory burden on women who may be engaged in a number of activities. The licensing system in Tonga may serve as a model for such streamlining.
- (iv) Include questions that capture participation by women in the informal economy in Kiribati's next census and household income and expenditure survey.
- (v) As part of business surveys undertaken by the Ministry of Finance and Economic Development, encourage the collation, estimation, or recording of the value of transactions in the informal economy, which will inform future policy development.
- (vi) Produce fact sheets for women-owned SMEs operating in the informal economy on how to access microfinance options.
- (vii) Increase the participation and representation of women from Kiribati at regional events and conferences arranged by the Pacific Islands Private Sector Organisation.

4.4 Women in the Formal Economy

4.4.1 The Formal Economy and Business in Kiribati

In 2014, the IMF described Kiribati's economy as "small... activities are concentrated around imports distribution and retailing, meeting the demands of the public sector and associated projects, fishery-related activities and niche tourism."

The value of Kiribati's economy is estimated at \$152 million. Since informal business activity is not considered in GDP calculations, this figure presumably captures the entirety of the country's formal economy.

It is estimated that around 80% of economic activity in Kiribati is generated by the government. There are fewer than 2,000 businesses contributing to the formal economy, with the country being home to over 1,800 sole traders, just 65 private companies, and only 2 public companies.

The administration of Kiribati's formal sector participation is led by the Ministry of Commerce, Industry and Cooperatives. The ministry is currently updating its databases for all business types and proposes to include gender-disaggregated data.

A provisional data set provided by the ministry shows that women own 40% of the 1,480 businesses registered in Kiribati. However, a separate data set from the Betio Town Council shows that only 10% of businesses registered in that council area are run by women.

There is no data set available on the number of women directors or women shareholders for companies operating in Kiribati.

4.4.2 Starting a Business: Looking at a Woman's Point of View

Enterprises in Kiribati are likely to range from informal home-based businesses, operating without licenses or registration, to fully formalized firms. Such firms would be registered with, and pay fees to, the Ministry of Commerce, Industry and Cooperatives. They would be registered with, and pay licensing fees to, local councils. They would operate with correct licensing and pay correct taxes, employee salaries, and employee benefits. They would also have to comply with any national and international requirements for importing and exporting.

Women, whose businesses tend to be micro or small enterprises, are concentrated in the informal economy. These women have less access to the financial resources required to formalize their businesses and pay ongoing licensing costs. Their awareness and understanding of formal process is often limited, and this works to further constrain their engagement with formal entrepreneurial activities.

The centralized location of Kiribati's Business Registry, as well as the intermittent interisland postal service, also means that women located outside of Tarawa face additional difficulties in registering their businesses. There are no known programs assisting women's businesses to formalize, and a lack of gender-disaggregated data means that such initiatives are difficult to advocate for.

4.4.3 Business Licensing

Under the Local Government Act 1984, regardless of the type of commercial activity conducted, all businesses must purchase a business license for the local government area in which they operate.

For businesses operating in the area of Betio Town Council in South Tarawa, Kiribati's center of economic activity, business licenses are issued under a by-law and the fees range from A\$180 per year for tour operator services, to A\$1200 annually for large stores.

There may be additional licenses to purchase, such as liquor licenses and import licenses. Liquor licenses are dependent on whether the business will be selling or serving alcohol, and the type of venue the owner intends to operate. Moreover, if operating a food-based business—such as selling takeaway food, running a small street-side restaurant, or managing a large cafe—the business is required to pass an inspection by the Ministry of Health and Medical Services. The complexity of obtaining multiple licenses is seen as an impediment by many women entrepreneurs (Box 4.1).

4.4.4 Business Registration

A business wishing to operate in Kiribati's formal economy can register with the Ministry of Commerce, Industry and Cooperatives, through either the Companies Ordinance 1979 (if it is a company) or the Registration of Business Names Act 1988 (if it is a sole trader or partnership). Each business must also comply with its relevant local council by-laws under the Local Government Act 1984.

Box 4.1: Licensing Increases Costs for Business



Taam Taua Kaiteie (left) is the owner of the Utirei Group, which won a tourism industry coup for Kiribati by accommodating Prince Albert II of Monaco during the 2015 High-Level Dialogue on Climate-Induced Migration. Taam is assisted in the business by general manager, Tinia Teuriaria.

She sometimes finds it hard to believe that the Utirei Group was founded almost by accident. “My husband used to work in Singapore,” Taam recalls. “And whenever he returned to Kiribati, he would bring back videos. In 1991, we started renting them out.”

The video rental business was based at her home and, by 2000, Taam had earned enough money to buy a minivan and enter the transport business.

Taam recognizes that obtaining finance can be difficult for start-up businesses, especially for women, who often do not own land in Kiribati. “I was lucky. I was able to save money from my first business and buy land,” she says.

Taam also empathizes with women who are faced with paying a number of fees to different town councils. She says that licensing fees are substantial and, for new businesses, the entry costs could be prohibitive.

Source: Interview by author.

For entrepreneurs, formalizing through the Registration of Business Names Act 1988 involves paying a registration fee of A\$100. The language of the act is gendered, implying that the applicant is a man. There are three forms for entrepreneurs to complete. Other formal documents required include a birth certificate and, for women, a marriage certificate. However, the Ministry of Commerce, Industry and Cooperatives is in the process of reviewing the necessity of the marriage certificate, a discriminatory requirement.

For limited liability public and private companies, formalizing under the outdated Companies Ordinance 1979 requires no less than five forms to be completed. There are also a number of fees to be paid, including name registration (A\$50),

a certification fee (A\$50), and an incorporation fee (calculated in accordance with a schedule available from the Ministry of Commerce, Industry and Cooperatives and based on the value of company's shared capital).

Box: 4.2: Empowerment through Starting a Business



Kiata Kabure-Andrewartha, a successful lawyer, runs a family legal practice called KK & Sons Law Firm. Kiata has recently also started a different business, KK & Sons Enterprises, which imports furniture.

Kiata admits that it is not usual practice, culturally, for women to open formal businesses in Kiribati. Kiata recalls that many of her friends were surprised when she started her furniture business, asking her why she had chosen to go into business on her own, rather than in partnership with someone else, or with her husband.

Kiata is an executive director of the Kiribati Chamber of Commerce and Industry. She recognizes that there are few opportunities for young women to be mentored in business, and that many young women may be put off by the perceived challenges of running a business in Kiribati. Kiata's advice for young women is, "Start your own business. Start one on your own and don't depend on anyone." She encourages women to be independent and to approach the ownership and governance of their businesses from a position of prudence, rather than based on their existing social situation or family pressures.

Source: Interview by author.

The ministry accepts submissions for business registrations through the post or in person. The ministry has two offices: one in Betio, South Tarawa; another on Christmas Island. The Registrar is located in Betio. There is no process for online registration, but applicants can email their documents to the Registrar. There are 163 companies registered in Kiribati.

The ministry receives approximately 20–25 business name applications, and fewer than five applications for company registration, each month. The ministry advises that it is rare for registration to be undertaken by agents and only "some"

women come on their own. Most women register with their husbands, as assets and property are jointly owned. In terms of staffing and training, the ministry employs five frontline staff to accept applications, four of whom are women. There are no special assistance mechanisms, programs, or training workshops run for women or small businesses. However, the Business Promotions section of the Ministry of Commerce, Industry and Cooperatives undertakes facilitation activities, including for small-scale agricultural suppliers on the outer islands.

4.4.5 Promoting Business Models That Suit Women

Kiribati has a small formal economy with only 65 proprietary companies registered. The legislation that governs such entities has many cumbersome provisions and needs review.

Given that women are predominantly active in the informal economy, it is essential to investigate business vehicles that provide women with the chance to operate effectively and offer the potential of transitioning to the formal economy.

Role of Cooperatives in Kiribati

Cooperatives are popular in Kiribati and have the potential to serve women well. All cooperatives are regulated by the Cooperatives Societies Ordinance and are required to have a minimum of 10 members. There are 218 cooperatives registered in Kiribati of which 122 are copra agents, 29 are in fisheries, and 22 are in cargo retailing. Other cooperatives operate in seafood retailing, farming, baking, shipping, laundry services, housing, and stevedoring.

These entities operate with the objective of promoting the economic interests of their members, in accordance with cooperative principles. They can act as incubators for developing skills, product lines, and awareness of the business environment. There is potential to develop this type of entity in Kiribati as a means to furthering women's economic interests and empowerment. For example, a cooperative could be used to procure cold storage services for the collective of individual entrepreneurs, or as a way of collectively negotiating market fees and access.

Alternative Business Models

The community company structure (which exists in Solomon Islands and Vanuatu) should also be considered in Kiribati. This structure enables groups of women to engage in profit-earning entrepreneurial activities, while also fulfilling their community needs and responsibilities.

4.4.6 Key Recommendations

Key strategies to create a level playing field for women entrepreneurs wishing to enter the formal economy include the following:

- (i) collate gender-disaggregated data on business structures preferred by women (e.g., companies, partnerships);
- (ii) assess the way cooperatives have promoted women's interests in Kiribati, and promote the use of cooperatives as a step toward business formalization;
- (iii) remove the requirement for a marriage certificate for women registering their businesses, and revise the gendered language in the Registration of Business Names Act 1988;
- (iv) enable the collation of gender-disaggregated data on business ownership as part of business registration processes;
- (v) improve the accessibility of registration services for rural areas, perhaps through island government services hubs; and
- (vi) partner with internet cafes or bank branches to enable business registration and payment of associated fees.

4.5 Women's Access to Land

4.5.1 Landownership

Land is a scarce resource in Kiribati. The country's largest island, Christmas Island, has a total land mass of 388 km² while the capital, South Tarawa, has a land mass of just 16 km² (footnote 1). Persistently high birth rates have resulted in a population density in South Tarawa of around 3,200 people per square kilometer.

The lack of gender-disaggregated data on landownership makes it difficult to present a strong case to improve women's access to land. Although women can purchase land, inheritance of traditional lands is patrilineal, so the majority of land is controlled by men. This means that women generally do not have access to the main form of collateral used for acquiring loans.

Access to land takes various forms in Kiribati. Land can be owned by the state, owned by traditional owners, or purchased by individuals from traditional owners. All landowners can lease their land. The government also leases land from traditional landowners, which it then subleases to others for commercial and residential purposes.

According to the 2010 Census, 63% of households resided on land that they owned, 16% were living on land leased from the government, 10% leased from private owners, and 6% had personal agreements with landowners on whose land they were living. The remainder resided under unspecified arrangements. This breakdown differs markedly with the profile in South Tarawa, where 50% of households were residing on their own land and 29% leased from the government. Statistics were not disaggregated by the gender of the household head.

4.5.2 Customary Land and Women's Rights

Land owned by traditional owners in Kiribati is known as native land. It is equivalent to the concept of customary land elsewhere in the Pacific, and is generally inherited patriarchally.³²

Native lands and traditional ownership are governed by the arrangements contained in the Native Lands Ordinance 1977, which includes the Lands Code. The Lands Code attempts to encompass the different customary landownership traditions relating to inheritance, exchange, absentee ownership, and treatment of neglect of each island. Native land must be registered in Kiribati. Sale or lease to non-Kiribati natives is prohibited under the Native Lands Ordinance, which consistently refers to landowners as being male.

Earlier systems of ownership did not take into account communal land rights or access. Traditional lands are, therefore, most often registered to the oldest male in a kinship group. Landownership is recorded in a central register through the Kiribati Land Information and Management System, which is administered by the Ministry of Environment, Lands and Agricultural Development.

Native land may be leased to the state or, with approval from the minister, to individuals or commercial entities. Leases must be registered. The government also leases land from traditional landowners. In South Tarawa, government-leased land comprises 30% of the capital's total area. Most public administration buildings, and many of the hotels and businesses on South Tarawa, particularly in the towns of Bairiki and Betio towns, operate on government-leased land. The state also subleases land to others on behalf of traditional landowners. The Ministry of Environment, Lands and Agricultural Development administers, and collects rent from the tenant of, government-leased land. In South Tarawa,

³² A matriarchal system operates in Marakei.

rental costs for government-leased land are A\$2,500 per hectare per annum for commercial leases and A\$2,000 per hectare per annum for residential leases.³³

According to the Native Lands Ordinance 1977, landowners retain veto power over plans to develop or improve their leased lands, including for land leased by the government. Leasing arrangements can at times be insecure, with the government retaining the power to cancel leases, even if lessees have improved the land through capital development.

There is no data on the percentage of land that is traditionally owned, owned by the state or individuals, or leased. Nor is there any gender-disaggregated data on landownership. However, the majority of women who were identified by other i-Kiribati persons as successful entrepreneurs usually owned the land on which they based their premises, or they were able to use the land to derive an income or access financing.

4.5.3 State and Freehold Land

Other than native lands held with traditional owners, land can be owned by the state (alienated), owned by individuals who are i-Kiribati citizens, or leased. Alienated lands are governed by the Non-Native Land (Restriction on Alienation) Ordinance 1977.

The government has alienated land on Christmas Island and small sections of Tarawa. This land has been set aside for government and commercial purposes, as well as for residential leases.

Traditional owners can also sell native lands with the transfer of the freehold title, but only with the agreement of their offspring and others in their kinship group who would otherwise inherit the estate. Approval for such land sales must be attained through the Magistrate's Court. Land can only be sold to i-Kiribati. Noncitizens are prohibited from owning land in Kiribati.

Women and men are eligible to purchase land as long as they are natives of Kiribati. However, by and large, the legislative system and existing landownership customs disadvantage women in their efforts to acquire property.

³³ Interview with Government of Kiribati, Ministry of Environment, Lands and Agricultural Development conducted in December 2015.

Box 4.3: Land Insecurity as a Source of Anxiety



Rereiti Tooma started Rereiti Kiribati Garments in 1993, initially training two staff on the art of sewing. The business operated from Rereiti's home until 1998 when, with 10 staff, Rereiti's operations became too large and new premises were needed.

Rereiti decided to establish a place of business in Betio. Early support with small-scale loans from the Development Bank of Kiribati provided Rereiti's burgeoning business with funding to expand operations. Initial contracts included providing school uniforms for several schools in Kiribati, which meant orders of sufficient scale.

Subsequent loans from the Development Bank of Kiribati helped Rereiti to establish her business as the garment factory it is today, with the largest of the loans enabling her to construct the building in which Rereiti Kiribati Garments still operates. The manufacturing business now employs around 50 staff and Rereiti has diversified her operations, also running a retail trade shop and a market garden.

Rereiti cites land insecurity as an ever-present source of anxiety. The premises that she has built, with government approval, is on rented land in the Betio business district, and the rent is paid to the Betio Town Council. Despite financing the capitalization of the land by constructing the garment factory on it, Rereiti has become aware that the government intends to end her lease, leaving her without a building from which to do business.

Source: Interview by author.

Kiribati has complex laws that can impinge on women's rights to inherit land. Legislation differs across various islands and is often in keeping with local traditions, meaning that men generally benefit more than women.

When a landowner dies without a will, land is usually shared between the children and the landowner's spouse or spouses. It is common for the eldest son of the landowner to receive the best land. The remaining land is shared either by the landowner's spouses or, on some islands, by their children. On the majority of islands, the share of land inherited by sons will be greater than

that inherited by daughters. If a landowner does not have children and there is no will, on some islands, men and women inherit equal shares of land; on other islands, women cannot inherit.

On some islands, daughters and wives can receive land in exchange for their social function. For example, the Lands Code specifies that land can be gifted as acceptable returns for nursing or kindness, as “gifts” from parents or husbands, or as part of a dowry. Whether this land can be returned to the donor differs in the land codes for the various islands.

The Native Divorce Ordinance 1977 makes no mention of property, but many lawyers request an equal split of property. Whether this principle is given effect is difficult to assess.

Land disputes are increasing in Kiribati, particularly on South Tarawa where migration from other islands contributes to population growth and density. The Lands Court is responsible for addressing these issues (footnote 1).

4.5.4 Key Recommendations

The main strategies for improving women’s access to land and property are as follows:

- (i) develop awareness campaigns with financial institutions to promote the registering of property in joint names as a default option;
- (ii) assess the support for amending the Native Divorce Ordinance 1977;
- (iii) improve the information on legal obligations and rights available to women entrepreneurs with leasehold land tenure; and
- (iv) collate gender-disaggregated information in lease, native land, and freehold registries to inform future policy development and interventions.

4.6 Women’s Access to Finance

4.6.1 Kiribati’s Finance Sector

There is low utilization of banking services in Kiribati and a shallow financial sector, with only 163 depositors per 1,000 people.³⁴ Anecdotal evidence reveals

³⁴ IMF. Financial Access Survey Data. <http://data.imf.org/?sk=E5DCAB7E-A5CA-4892-A6EA-598B5463A34C> (accessed November 2015).

that financial literacy in Kiribati is low, although formal studies have not been undertaken. Many rural communities still rely on bartering for transactions.

In early 2017, ATH launched its M-PAiSA mobile money service, which provides a mobile “wallet,” money transfer, and e-payment services. As of February 2018, the service had 16,589 customers supported by 30 agents (footnote 14).

Of all Pacific island countries, only Kiribati and Tuvalu are served by a single commercial bank—ANZ Bank (Kiribati). ANZ Bank and the Government of Kiribati are joint shareholders in this bank, with ANZ being the majority shareholder (75%).³⁵ There are also two public financial lending institutions: the Development Bank of Kiribati (DBK) and the Kiribati Provident Fund.

Unsurprisingly, ANZ dominates the market for overall lending, with a 61% share in A\$54 million in outstanding loans.³⁶ However, when excluding lending to governments and SOEs, Kiribati Provident Fund holds 44% of loans to households, ANZ 41%, and DBK 15%.

4.6.2 Informal Sector Financing

Entrepreneurs in Kiribati’s informal economy require small loans to start their businesses, but there are limited offerings for informal sector financing, including a notable absence of the incubator financing options that are present in many other Pacific island countries.

A network of village banks operates through local government councils, and these banks provide lending as a type of microcredit scheme. However, the success of the scheme is uncertain, with authorities reporting various successes and failures to the IMF in 2011. The IMF surmised that village banks appeared to be more successful where other options, such as commercial lenders and public financial institutions, were not available.

There are 81 licenses issued to moneylenders under Kiribati’s Moneylenders Act 1988. The vast majority of these moneylenders are in Tarawa, with others present in Abaiang, Abemama, Aranuka, Arorae, Kiritimati, and Marakei. They are clearly a source of finance for women and men in the informal economy. Funds from moneylenders are usually provided at high interest rates and with

³⁵ ANZ Bank. The ANZ in Kiribati. <http://www.anz.com/kiribati/en/about-us/anz-in-kiribati/> (accessed December 2015).

³⁶ IMF. 2015. *Kiribati Article IV Staff Report*. Washington, DC.

little power to query the conditions of the loans or have them set aside on grounds of unfairness. Lack of alternatives means that such services are often the only answer for women engaged in business.

Informal loans from small and often unregistered providers, family members, friends, and remittances fund the majority of business activity in Kiribati's informal economy. There is, however, no empirical information to support this, other than anecdotal evidence and the sheer number of signs advertising street-side lending businesses. The Pacific Financial Inclusion Programme has conducted financial competency surveys in other Pacific island countries. These surveys have provided useful information on the levels of financial inclusion in rural and urban areas, the number of women with accounts held at commercial banks, details on bank account usage, and the role of remittances in funding business expenses. Such an analysis has been vital for policy development and should be extended to Kiribati.

4.6.3 Formal Sector Financing

While ANZ Bank is the only financial institution to report on corporate lending (A\$14.6 million), a number of personal loans financed by DBK are, in fact, loans to assist business financing (Box 4.4).

Women's access to finance in Kiribati is constrained by the regulations and policies of ANZ, as the country's only commercial bank. Both women and men may access deposit accounts and lending products.

However, there are no products specifically tailored to women, either as individuals or as business owners. Women directly or indirectly own approximately 50% of active business accounts held with ANZ.³⁷

Gender-disaggregated data for lending were not available from ANZ at the time of this report. However, the bank advises that many loans, although registered under men's names, were in fact made to businesses managed and run by the wives of these men.

For business lending and home loans, ANZ and DBK accept property, including land and buildings, as security. Most often, land is in the husband's name, although some land assets against which loans are secured are jointly held.

³⁷ Interview with the CEO of ANZ Bank Kiribati in 2015.

Box 4.4: Finding a Way Forward on Finance



Makiriti Bauro runs Target Enterprises, a Kiribati department shop in downtown Tarawa, which started out as a very different type of business.

In 2008, Makiriti began to make and sell ice blocks and baked goods. “I had some help,” she says. “My parents gave me their truck and soon I was making deliveries across Tarawa with the assistance of my husband.” The sales

and savings soon enabled Makiriti to expand her business.

Makiriti was able to obtain a loan from the Development Bank of Kiribati to import her first shipping container of furniture from Malaysia. Today, Target Enterprises has expanded to employ 30 staff and sells furniture, secondhand clothing, homewares, and even wine from their premises in Bairiki. In her most recent undertaking, Makiriti imported 20 shipping containers filled with goods.

Financing the import of goods was instrumental in kick-starting Makiriti’s business. Makiriti says: “It is hard to get loans in Kiribati, there is only one bank aside from the Development Bank of Kiribati, and their requirements are too high for a small business.” She was lucky enough to have been able to use her mother’s land as security against the loan obtained from the Development Bank of Kiribati.

Makiriti says the lack of access to professional bookkeepers and financial advice are challenges that need to be addressed.

Source: Interview by author.

The cost of borrowing is high in Kiribati, with interest rate spreads—the difference between official interest rates set by the central bank and interest charged on retail loans by banks—anecdotally reported by business borrowers to be high. Commercial interest rates in 2015 were around 10%–12% (footnote 37), when comparable rates in Australia were around 4.5%–5.5%.³⁸ This is

³⁸ Kiribati uses the Australian dollar as its currency, and as such it is subject to the monetary policy of the Reserve Bank of Australia.

consistent with the relatively larger interest rate spreads found in other Pacific island countries.³⁹

ANZ Bank accepts assets such as cash and moveable property such as motor vehicles as security. It does not accept invoices and receivables. Proof and registration of ownership of assets, including land, is undertaken at the courts. There is no central registry for moveable assets. Given the inequity of landownership that women face, the introduction of a secured transactions framework as well as an examination of alternative methods of tracking ownership of assets might help to increase access to finance for women in Kiribati.

4.6.4 Strategies to Improve Women's Access to Finance

The primary complaint by Pacific women is that they do not have the credit histories or security to access loans. ANZ accepts assets including cash and moveable property such as motor vehicles, as security. Invoices and receivables are not accepted. Proof and registration of ownership of assets, including land, are undertaken at the courts. There is no central registry for moveable assets. Given the inequity of landownership faced by women in Kiribati, the introduction of a personal property and securities act, as well as an examination of alternative methods of tracking ownership of assets, might help to broaden access to finance for women.

The scope for promoting to women the nonlife insurance policies that can cover disasters should be explored, and the potential for these policies to be acquired through a pilot program with DBK may prove successful. This institution can also play a key role in developing awareness among women of the benefits of such products.

4.6.5 Key Recommendations

Key strategies to improve women's access to sustainable finance in Kiribati are the following:

- (i) support a pilot program to explore the potential for the DBK to accept invoice financing as security for loans, once the secured transactions framework is introduced;
- (ii) evaluate the potential for an online company and secured transactions registry to be introduced (such a registry could jointly serve Kiribati and other small Pacific island economies);

³⁹ IMF. 2015. *What Drives Interest Rate Spreads in Pacific Island Countries? An Empirical Investigation*. Washington, DC.

- (iii) encourage the Pacific Financial Inclusion Programme and the Ministry of Finance and Economic Development to undertake data collation around financial competency of i-Kiribati households, similar to studies carried out in other Pacific island countries;
- (iv) evaluate the effectiveness of village banks in providing sustainable financing for business start-ups in the informal and formal economies; and
- (v) ensure that country programs designed by the major multilateral banks incorporate gender considerations in their infrastructure projects.

4.7 Dispute Resolution and Enforcing Women's Legal Rights

4.7.1 Overview of Dispute Resolution in Kiribati

Dispute resolution in Kiribati takes time and, in the case of commercial disputes, is not easy to access. In 2015, 13 of 30 civil cases heard by the Kiribati High Court related to disputes between businesses: five cases were brought by former employees relating to employment; one was a dispute over construction; three were disputes between suppliers and/or agents and the businesses that contracted them, including two that involved sending goods overseas; two cases involved the Development Bank of Kiribati recovering unpaid loans; and two dealt with contractual rights. Due to lengthy court processes, seven of these cases were from proceedings initiated in the court from 2008 to 2010. In over half the cases, it took 5 years to resolve the disputes.

4.7.2 Access to Justice for Women

There are various reasons why women worldwide do not have equivalent access to justice as do men.⁴⁰ The most prominent reasons include different education levels—and therefore awareness of options for recourse—as well as prohibitive costs. Women face many challenges in accessing formal dispute resolution processes. Only 1 of the 12 cases heard by the Kiribati High Court in 2015 involved a woman. In that case, the court found the woman's claims for additional salary from her employer to be unfounded.

Accessing justice in Kiribati can be costly and time-consuming. Beyond this, there is a gendered profile of legal service providers that may also influence

⁴⁰ UN Women. 2013. *Women's Access to Justice, Summary of Proceedings*.

women's access to justice. Although 51% of all lawyers in Kiribati are women,⁴¹ there are only two women representatives on the Kiribati Law Society Council. Of all government in-house lawyers, 36% were women; of all private practice lawyers, 15% were women.⁴²

All women entrepreneurs interviewed for this report had experienced disputes within their businesses, primarily with suppliers for nondelivery of goods, or with their buyers for nonpayment of goods and services. However, none of these women had resorted to the formal dispute resolution system through the courts. Accessing the court system was deemed "too expensive" and many women stated that the process "takes too long."

None of the businesswomen interviewed raised alternative dispute resolution as a method for resolving issues, reflecting the lack of awareness of such methods, which are usually viewed as efficient and effective.

4.7.3 Alternative Dispute Resolution

The Kiribati Industrial Relations Code 1998 includes legislative provision for arbitration or conciliation of trade disputes. Only the Registrar for Industrial Relations can refer such cases to alternative dispute resolution. There are no publicly listed mediation or arbitration service providers in Kiribati.

Community mediation courses were funded by the Australian Agency for International Development (AusAID) in 2008, as part of a regionwide governance initiative fostered by New Zealand. In Kiribati, the United Nations Children's Fund (UNICEF) and the Foundation for the Peoples of the South Pacific International undertook awareness training on mediation as a method for promoting alternative dispute resolution. However, the success of the program remains unreported.

Consideration should be given to the introduction in Kiribati of a small claims tribunal, which can use mediation as a method for cheap and timely resolution of contractual disputes.

4.7.4 Key Recommendations

Three key strategies to promote fair and efficient dispute resolution processes that address women's needs in Kiribati are the following:

- (i) increase awareness of alternative dispute resolution as a dispute resolution mechanism for women entrepreneurs;

⁴¹ South Pacific Lawyers Association. 2015. *Women in Law Fact Sheet*.

⁴² South Pacific Lawyers Association. 2014. *Law Survey Report*.

- (ii) evaluate the efficacy and sustainability of mediation outcomes of defunct programs, especially in regard to improving women's access; and
- (iii) consider the possibility of a small claims tribunal that sits in different locations to resolve commercial disputes (and train women to be part of the tribunal).

4.8 Women's Business Networks and Skills Training

4.8.1 Overview of Networking for Women in Kiribati

Despite being very small, the business community in Kiribati supports two business associations. There are no business associations primarily for women, nor any organizations that help businesses improve their gender equality, similar to Papua New Guinea's Business Coalition for Women.

The Kiribati Chamber of Commerce and Industry (KCCI) is well established and has 180 members, with small-scale businesses making up 90% of its membership.⁴³ The remaining 10% is mostly comprised of SOEs. The CEO of the KCCI is a staff member of the Ministry of Commerce, Industry and Cooperatives. The KCCI vice president is a woman, with representative leads from all other sectors acting as executive directors. Two executive directors are women. Membership fees for the KCCI are scaled, with smaller businesses charged A\$50 annually and larger businesses paying A\$200 for their memberships.

The KCCI has been criticized for focusing on internal issues, rather than improving its role as an advocate for business to government. The criticism resulted in a second business association, the Kiribati Small Business Association (KSBA), being established in 2015. The KSBA has risen to prominence on the back of perceived inflation of prices charged by importers for staple goods (particularly rice). The KSBA has successfully obtained a loan from the DBK for A\$1 million, through which it intends to import and distribute rice among its members. From this perspective, the KSBA is a cooperative organization, rather than a business association in the true sense.

The challenges faced by women business owners in Kiribati are remarkably similar to those in other parts of the Pacific. The businesswomen interviewed for this report were supportive of the idea of a network focused on women. However, many expressed concerns about exposing their businesses to "the competition" while interacting with other women entrepreneurs. Many

⁴³ Interview with Ilevita Biriti, Chief Executive Officer of Kiribati Chamber of Commerce and Industry in 2015.

businesswomen mentioned that close friends and family were important in shaping ideas and helping resolve issues within their businesses, in lieu of formal networks where knowledge and skills could be exchanged.

4.8.2 Overview of Skills and Training Opportunities in Kiribati

There are limited skills and training opportunities for women entrepreneurs in Kiribati. The Ministry for Women, Youth and Social Affairs operates training courses on the country's outer islands to assist women involved in agricultural supply, handicraft creation, and sewing. There are no courses run by the ministry specifically addressing financial literacy or business skills for women.

ANZ Bank runs women-only financial literacy training as well as training for small businesses and standard financial literacy courses that are open to both women and men.

The KCCI runs fee-based business administration courses for its members. The KCCI has not run any training courses on gender equality. During interviews, board members commented numerous times that "business is gender blind."

Existing training and networking options do not appear to be providing the necessary outreach to encourage improved business skills for the women of Kiribati. All businesswomen interviewed for this report expressed an interest in further training, given the lack of opportunities to increase their business administration skills.

4.8.3 Key Recommendations

There are two key strategies to increase the exchange of ideas and develop a supportive environment for businesswomen in Kiribati:

- (i) Improve networking opportunities for women entrepreneurs, focusing on women in the informal economy, in conjunction with cooperatives, where many women are involved in small business; and consider support for women-only events and seminars run by the KCCI or through a dedicated women's business group in Kiribati.
- (ii) Foster linkages and facilitate cross-cultural learning, focused on business, between i-Kiribati businesswomen and other women entrepreneurs in the Pacific.

4.9 Women's Access to Trade and Markets

4.9.1 Trading Across Borders: Importing and Exporting

Kiribati has scarce natural resources, and is geographically isolated from global markets. As such, the country has a high import dependency, a limited export base, and i-Kiribati businesses face very high costs for trading their goods across borders. In 2013, Kiribati imported A\$131 million in goods and services, and exported A\$91 million.⁴⁴ Australia is Kiribati's major trading partner. Kiribati relies on remittances sent by its overseas workforce, who work primarily as seafarers or through the New Zealand Recognised Seasonal Worker Program.

Those wishing to import must obtain licenses, approvals, or permits (where required) from the Ministry of Commerce, Industry and Cooperatives as well as from Quarantine and the Kiribati Customs Service. Duties are payable on imports as an additional tax called the Imports Levy. The Imports Levy raises funds to subsidize the domestic transport of imported products from the main ports of Tarawa to the outer islands.

Businesses exporting internationally do not require a license, with the exception of those exporting fish and marine products. These require a license from the Ministry of Fisheries and Marine Resources Development.

There are limited programs to assist i-Kiribati businesses to import and export. The Trade Promotion Division within the Ministry of Commerce, Industry and Cooperatives is primarily focused on interisland trade, such as getting agricultural produce to Tarawa. Similarly, women-focused programs run by the Ministry for Women, Youth and Social Affairs are aimed at servicing the outer islands. Kiribati is served by the Pacific Trade Invest, a trade facilitation initiative for the Pacific sponsored by Australia's Department of Foreign Affairs and Trade.

Similarly to those in other countries, the i-Kiribati businesswomen interviewed for this report stated that it was difficult to clear goods through customs at the port, rules were unclear, and the process costly. One business, the Tobaroi Group, has recruited a staff member to deal solely with trade-related issues.

⁴⁴ Massachusetts Institute of Technology. 2015. *Observations of Economic Complexity: Kiribati*. Massachusetts.

Box 4.5: Working to Connect Kiribati with the World



Susan Barrie (left) established Tobaraoi—a tourist and ticketing agency, café, transport, and logistics business—2 decades ago. As a successful tourism operator, Susan now aims to improve Kiribati’s offerings to tourists, as well as reduce the cost of importing and exporting in the country.

Susan says the cost of sending and receiving freight is one of the biggest obstacles in doing business in Kiribati, a viewpoint with which many businesswomen agree. Susan has been actively lobbying for the government to publicly tender the license to operate the ground-handling operations at Bonriki International Airport. As yet, the government continues to undertake this function through Air Kiribati, one of its state-owned enterprises.


Market development work elsewhere in the Pacific has shown that exports of locally made goods are likely to increase if the goods are of a high and consistent quality, are consistently supplied, and meet market expectations in terms of standards and taste. Although there are very few programs that support exporting opportunities for women in Kiribati, Susan hopes to help local artists and artisans meet market demand through the tourism sector.

Source: Interview by author.

Representatives from Pacific Trade Invest noted that the issues on exporting from Kiribati are the same as those in other Pacific island countries, and their concerns are echoed by businesswomen who use local suppliers. Product consistency is a concern, with some products or batches not meeting client specifications or expectations, while poor understanding of target markets overseas can give rise to the production of goods for which there is little international demand.

4.9.2 Key Recommendation

Consideration should be given to providing seminars in export readiness for businesses in Kiribati, in conjunction with those offered by the KCCI.



A woman sorting the morning catch in the town of Tubuseria in Papua New Guinea's Central Province. The processing and marketing of agricultural and fisheries products is a business opportunity for many women.

5. PAPUA NEW GUINEA

5.1 Introduction

5.1.1 Country Overview

Papua New Guinea (PNG) is a developing nation with considerable natural resources, a large and young population, and deep cultural diversity. The country enjoyed its 15th consecutive year of economic growth in 2016, despite GDP growth falling to 2%—down from 12% in 2015—as the effects of a decade-long commodities boom dissipate.¹

Following the completion of the ExxonMobil PNG Liquefied Natural Gas Project—a \$23 billion investment, which included the building of a gas pipeline from the PNG highlands to a port in the capital, Port Moresby—exports of liquefied natural gas and condensate drove the economic growth rate to 13.3% in 2014 and 9.9% in 2015.² Prior to the gas pipeline commencing operations,

¹ Asian Development Bank. *Asian Development Outlook 2017 Update: Sustaining Development Through Public-Private Partnership*. Manila. <https://www.adb.org/publications/asian-development-outlook-2017-update>

² Government of Papua New Guinea, Treasury. 2015. *2016 National Budget*. Port Moresby. The initial project investment value was \$19 billion, before costs escalated in November 2013.

PNG's most important exports were gold, copper, and palm oil—export-oriented sectors that employ more men than women,³ and where community benefits flow to land groups dominated by decision-makers who are mostly male.

PNG's wealth in natural resources has yet to translate into economic prosperity for its people. Although Port Moresby and the urban centers of Lae and Mt. Hagen have active private sector businesses ranging from manufacturing to business and financial services, up to 80% of the population of PNG still relies, to some extent, on agricultural subsistence. Subsistence agriculture remains the country's most prevalent economic activity, particularly for rural women.

In recent years, PNG has improved its access to technology, enabling improved connectivity with the rest of the world. Prior to the deregulation of the telecommunication sector in PNG, which commenced in 2007, only 3% of the population subscribed to the national mobile phone service.⁴ Following the entry of Digicel and Citifon as telecommunications providers, 49% of households report ownership of a mobile phone, while 45% of the population are mobile phone subscribers.⁵ More men (84%) than women (66%) report owning or having access to a mobile phone.⁶

5.1.2 Moving toward Gender Equality: Institutions and Policy

PNG's Constitution 1975 Preamble includes the following statement: "We call for... equal participation by women citizens in all political, economic, social, and religious activities." Article 55(1) reiterates that all citizens, "have the same rights, privileges, obligations, and duties irrespective of race, tribe, place of origin, political opinion, color, creed, religion, or sex."

The Government of Papua New Guinea ratified the Convention on the Elimination of All Forms of Discrimination against Women in 1995. However, an assessment by the Secretariat of the South Pacific Community reported that the government had not allocated any funding in its national budget for the

³ Government of Papua New Guinea, National Statistical Office. 2011. *Census*. Port Moresby.

⁴ World Bank. 2012. *Connecting People in One of the Most Isolated Places on Earth*. <http://www.worldbank.org/en/news/feature/2012/09/11/papua-new-guinea-connecting-people-in-one-of-the-most-isolated-places-on-earth>; and Government of Papua New Guinea, National Statistical Office. 2011. *Census*. Port Moresby.

⁵ Government of Papua New Guinea, National Statistical Office. 2011. *Households Income and Expenditure Survey*. Port Moresby.

⁶ PFIP. 2013. *Papua New Guinea Financial Competency of Households*. Port Moresby.

implementation of the convention, which means legislative and policy changes are unlikely to be realized.⁷

PNG's Medium Term Development Plan, 2011–2015 included gender indicators as the framework for action toward achieving gender equality. An update of the plan to cover 2016–2017 was finalized in 2014. However, the only gender-related indicator of economic participation was to increase the target proportion of small- and medium-sized enterprises (SMEs) owned by women. Successive plans provide the overarching framework for development in PNG and are supported by gender policies, including the 2011 National Policy for Women's Empowerment and Gender Equality. There are no data on the outcomes from this policy.

In 2012, the government introduced the Gender Equality and Social Inclusion Policy, specifically addressing the public sector, to improve workplace conditions and protections for women in public service roles. A number of activities have been completed across government agencies through the Department of Personnel Management, which is the policy and program lead.

From 2011 to 2016, there was a 20% reduction in government funding provided through the Department for Community Development for gender issues.⁸ In contrast, development partner funding (primarily by the Government of Australia) for gender issues increased by 250% in real terms during this same period. The 2016 PNG National Budget also halved the amount of government funding for gender equality and gender-based violence initiatives through the Department for Community Development, compared with the previous year. Of the funding available for addressing gender issues in PNG, 5% is financed by the government, with the remainder funded by the Government of Australia (89%) and UN Women (6%).⁹

⁷ SPC. 2012. *Stocktake of the Gender Mainstreaming Capacity of Pacific Island Governments: Papua New Guinea*. New Caledonia.

⁸ Government of Papua New Guinea. *PNG Budget Documents 2010–16*. Port Moresby; and author calculations; figures in real terms.

⁹ C. Spark. 2010. We Only Get the Daylight Hours: Gender, Fear and “Freedom” in Urban Papua New Guinea. *Security Challenges*. 10 (2). pp. 15–31.

5.1.3 Key Strategies for Papua New Guinea

There are three key strategies to make PNG's business environment more inclusive for women, and to encourage women entrepreneurs to transition from the informal economy to the formal economy:

- (i) Improve information on, and access to, business services for informal business, recognizing that the informal economy plays an important role for many PNG women and is not merely a transitory phase of operating a business.
- (ii) Continue support to the government on the implementation of the Personal Property and Securities Act 2011 to help increase access to finance for women and businesses owned by women.
- (iii) Provide targeted support to women in agriculture (including coffee and cocoa producers) participating in the value chain, through training in in postharvest management; assist with accessing appropriate packaging materials for crops; support women to obtain cold storage facilities on farm sites, markets, and depots; improve access to efficient transport, rather than reliance on public vehicles travelling on poor roads in unsafe conditions; and work with stakeholders to improve weak communication along the supply chain.

Each of these strategies is discussed in detail in this chapter.

5.2 The Context of Women's Autonomy

5.2.1 The Impact of Violence against Women

Women's participation in the social, economic, and political spheres of PNG is restricted by the pervasiveness and fear of violence being perpetrated against them. Some 32% of women in PNG reported that violence was the crime they were most afraid of experiencing.¹⁰ Violence against women continues to pervade all decisions, impacting adversely on the autonomy and economic empowerment of women in PNG. As many as 19% of women reported that the threat of violence influenced their willingness to walk to work, and 11% reported that it influenced their willingness to allow children to walk to school (footnote 10).

¹⁰ Government of Papua New Guinea. 2010. *Households Income and Expenditure Survey 2009–2010*. Port Moresby.

In 2013, over 9,000 women and girls who had survived domestic violence sought assistance from the Family Sexual Violence Unit and the 17 units within the Royal Papua New Guinea Constabulary, established specifically to deal with cases of family and sexual violence.¹¹ Completed interim protection orders (IPOs), similar to restraining orders, increased from 50% in 2012 to 68% in 2013 (footnote 10). Despite the establishment of the Family Sexual Violence Unit, survivors of violence reported police, “ignoring complaints, dismissing women from the police stations, encouraging women to drop chargers, not enforcing IPOs, or receiving bribes from perpetrators to ignore a case.”¹² During 2000–2015, only nine cases of domestic violence were heard at the district courts. Such cases are generally heard by local village courts, which often reiterate and reinforce social norms.¹³

The Family Protection Act 2013 recognizes gender-based violence within marriage, and provides for the issuance of IPOs to be made by village or district courts. The IPOs are valid for up to 2 weeks. There are no safe houses provided by the government for survivors of gender-based violence; only a few small, financially stretched, and poorly resourced private refuges located in Port Moresby and Lae.

Changing social norms and customary practices takes time and involves embracing a diverse range of stakeholders. Changing laws is only a first step to tackling violence against women. Such changes must be accompanied by supportive policies, institutional commitments, and budgetary allocations for effective implementation. The changes must also be reinforced in places of employment, social environments, public spaces, sporting clubs, professional associations, and government departments. The involvement of several businesses supporting White Ribbon Day, and the efforts to develop awareness within corporations of gender-based violence, gives some hope of change in the future.

¹¹ Government of Australia, Department of Foreign Affairs and Trade (DFAT). 2014. *Aid Program Performance Report in PNG, 2013–14*. Canberra.

¹² Interviews, as cited in UN. 2013. *Report of the Special Rapporteur on Violence against Women, Its Causes and Consequences: Mission to Papua New Guinea*. Geneva.

¹³ S. Howes et al. 2014. *A Lost Decade, Service Delivery and Reforms in Papua New Guinea 2002–12*. https://openresearch-repository.anu.edu.au/bitstream/1885/139180/1/PEPE_A_lost_decade_FULL_REPORT.pdf

Customary laws are still practiced in many parts of PNG and the presence of a pluralist legal system has a discriminatory effect by embedding inequality. For example, polygamy, although considered an offence under formal laws, is still widespread in PNG, with 29% of women reported to be in polygamous relationships in the country's highlands (footnote 6). This reflects the limits of the legal system in changing social and customary norms.

5.2.2 Health and Education

The health system in PNG is decentralized, poorly coordinated, and has major funding issues. It has been described as being “in morbid decline,” with infrastructure in disrepair.¹⁴ This scenario has resulted in the closure of many health centers in rural and remote areas of the country, due to a lack of medical supplies and health workers (footnote 14).

Health services in PNG are operated mainly by the government or church organizations, although there are a number of private hospitals and private clinics in Port Moresby. People in rural and remote areas access first-line health care through aid posts and health clinics. District, rural, and provincial hospitals also provide a wide range of services such as surgical procedures and obstetric care.

The average life expectancy of PNG women is 65 years, compared to 60 years for men.¹⁵ The maternal mortality rate is very high, at 215 deaths per 100,000 live births, equivalent to 460 deaths in 2015, and the total fertility rate is 3.7 births per woman.¹⁶ Women aged 15–49 years have a 10% chance of dying a premature death due to maternal causes (footnote 16; Government of Papua New Guinea).

Family support centers have been set up in a small number of hospitals to provide survivors of domestic violence with after-care referrals for counseling, justice, and short-term shelter services.¹⁷

¹⁴ S. Howes, A. A. Mako, A. Swan, G. Walton, T. Websiter, and C. Wiltshire, 2014. *A Lost Decade? Service Delivery and Reforms in Papua New Guinea 2002–0012*. http://devpolicy.org/publications/reports/PEPE/PEPE_A_lost_decade_FULL_REPORT.pdf

¹⁵ World Health Organization. 2015. *Papua New Guinea Country Profile*. Geneva.

¹⁶ DevInfo. UNICEF Data and Analytics. <http://www.devinfo.org/unicefdata> (accessed 9 March 2018); and World Bank. *Papua New Guinea Country Profile*. Washington, DC. <http://www.worldbank.org/en/country/png> (accessed 9 March 2018).

¹⁷ UN. 2013. *Report of the Special Rapporteur on Violence against Women, Its Causes and Consequences*. <http://undocs.org/en/A/HRC/26/38>

The education system in PNG also appears to skew toward men. Literacy rates for women in PNG are lower than for men; 64% of women and girls aged 10 or more report that they are literate, compared with 71% of men and boys. Fewer women (53%) than men (60%) report having ever been to school. One in five women has completed Grade 10, while the ratio for men is one in four.¹⁸

At the tertiary level, the gender imbalance persists, with 4% of women reporting they possess tertiary qualifications, compared with 7% of men (footnote 18). The introduction of the government's tuition fee-free policy in 2007, which was expanded in 2012, has increased overall enrollments. However, the results were not gender-disaggregated. It remains to be seen whether an increase in the number of girls enrolled translates into improved employment outcomes.

5.2.3 Political Participation by Women

Women's representation in political leadership is very low in PNG, although it has steadily increased since the first national elections in 1972. Only seven women have been elected to PNG's unicameral Parliament. As of 2017, only three Members of Parliament (2.8% of seats) were women. Despite programs encouraging women to run as candidates in the elections in 2007 and 2012, less than 4% of candidates were women.¹⁹

Debate on a quota to reserve seats in the Parliament has subsided since the 2012 elections. Although the Equality and Participation Bill, which reserved 22 of the Parliament's 111 seats for women, was passed in November 2011,²⁰ enabling legislation was not passed before the national elections were held in July 2012. Following the elections, the three women elected to Parliament threatened to withdraw if legislation enabling the bill was tabled to Parliament.²¹

Women's leadership is similarly lacking in PNG's public service. Women hold 2 of 14 secretary-level positions; at the senior management level, women hold 32% of second-tier and 34% of third-tier leadership roles in the public service.

¹⁸ Government of Papua New Guinea, National Statistical Office. 2011. *Census*. Port Moresby.

¹⁹ Commonwealth Observer Group. 2012. *PNG National Elections Report*; and UN. 2009. *PNG CEDAW Report*. Women candidates comprised 3.9% in 2012 and 3.7% of candidates in 2007.

²⁰ Australian Parliament House. 2011. PNG Parliament votes to Allow Reserved Seats for Women. https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/FlagPost/2011/December/PNG_parliament_votes_to_allow_reserved_seats_for_women

²¹ Radio NZ. 2012. PNG Women MPs Defer Support for Reserved Seats. <http://www.radionz.co.nz/international/pacific-news/208682/png-women-mps-defer-support-for-reserved-seats>

PNG has seven women on the boards of its state-owned enterprises (SOEs),²² representing 10% of the total number of board seats. Only 55% of boards in PNG can boast representation by women (Appendix 9).

5.2.4 Women and Employment

The labor force in PNG consists of 3.3 million people. As of 2011, the country's official unemployment rate was very low at 2.6%. Women comprised 48% of the labor force and enjoyed an unemployment rate of just 1.4%, compared to an unemployment rate for men of 3.7%.²³

Table 5.1: Gender and Employment by Sector
(% of labor force)

Sector	Women	Men
Agriculture, forestry, and fisheries	33.9	21.1
Manufacturing	2.7	4.4
Transport and logistics	1.7	8.4
Hospitality and tourism	1.9	1.2
Public sector	4.0	8.1

Source: Government of Papua New Guinea, National Statistical Office. 2011. *Census*. Port Moresby.

According to the 2011 PNG Census, the majority of women (34%) are employed in agriculture, forestry, and fisheries (Table 5.1). The transport and logistics sector has the greatest gender disparity, with only 1.7% of all employed women holding jobs in this sector, compared to 8.4% of men.

The Employment Act 1978 and the Industrial Relations Act 1980 govern the formal employment sector in PNG. However, both these acts are outdated. Although the Employment Act prohibits discrimination against female employees, the consequences of breaching the act are minimal, resulting in a negligible fine of 200 Kina should a workplace be found to remunerate men at a different wage level to women undertaking the same work. Further provisions of the act prohibit women from working “in heavy labour,” “underground in any

²² Pacific Islands Forum Secretariat. 2014. *Report on the Survey of Women's Representation on SOE Boards in FICs*. Suva.

²³ Government of Papua New Guinea, National Statistical Office. 2011. *Census*. Port Moresby.

mine,” or at night (between the hours of 6 p.m. and 6 a.m.). These provisions require reform to remove discrimination against women. The legislation permits maternity leave and prohibits workplaces from terminating employees on the basis of pregnancy.

The Industrial Relations Act 1980 regulates labor organization in PNG. The act provides for a Minimum Wages Board, insists on workplace inspections to assess compliance with health and safety standards, and provides jurisdiction to the National Court of Justice to enforce compliance and referral procedures for industrial disputes. The International Labour Organization is assisting the Department of Labour and Industrial Relations to reform current laws, improve occupational health and safety, and repeal obsolete regulations and ordinances that confuse labor arrangements in PNG.²⁴

In 2012, the government introduced the Gender Equality and Social Inclusion Policy, under the Public Service Act 1972, to improve gender equality in the public sector. The policy incorporated a project to deliver 115 workshops to 1,300 PNG public servants, to raise awareness and provide tools with which to mainstream gender equality in the country’s public-sector workplaces.²⁵ This project’s impact in facilitating real change in public service recruitment and promotion policies remains untested.

5.2.5 Key Recommendations

Three reforms that would help to increase women’s employment and representation in positions of leadership, and reduce violence against women, are the following:

- (i) Support an assessment of the Gender Equality and Social Inclusion Policy to determine its expansion or reiteration.
- (ii) Pilot mentoring programs that aim to increase the number of women on the boards of SOEs and in senior administrative positions.
- (iii) Incorporate training on gender equality and gender-based violence within the many financial literacy programs funded and delivered through a wide variety of providers.

²⁴ International Labour Organization. 2016. Implementing Occupational Health and Safety in Papua New Guinea. http://www.ilo.org/suva/projects/WCMS_403960/lang--en/index.htm

²⁵ Coffey. 2014. Submission No. 35 to the Joint Standing Committee on Foreign Affairs, Defence and Trade Inquiry into the Role of the Private Sector in Promoting Growth and Reducing Poverty in the Indo-Pacific Region.

5.3 Women in the Informal Economy

5.3.1 Participation in the Informal Economy

While the informal economy in PNG is known to be large, its true extent remains unmeasured and unregulated. Most estimates attribute approximately 80% of PNG's labor force activity to informal work.²⁶

Comprehensive data on the respective sizes of the formal and informal employment sectors are not available. It is estimated that 23% of the population over the age of 15 years is engaged in informal work, which differs greatly from subsistence employment data contained in the country's 2011 Census.

The nonmonetary (unpaid) sector employs 2.2 million people, while the monetary (paid) work sector employs 1 million people (Table 5.2). Women are more likely than men to be engaged in nonmonetary work. According to the 2011 Census, subsistence activity, such as gardening or fishing for noncommercial purposes, remains the most important economic activity in PNG, accounting for 70% of rural employment for women and girls.

Access to markets, where households can barter or sell produce from their gardens, is of crucial importance if women are to have the opportunity to generate income from agricultural activities. Selling at informal markets can be lucrative for women. A survey of 550 roadside sellers along the Highlands Highway in Madang found that 95%–100% of roadside sellers were women.²⁷ Roadside sellers earned, on average, three times the national minimum wage and almost five times as much as those working in the Mama Lus Frut scheme—a program that enables women to earn income by retrieving and selling oil palm fruit that has fallen onto the ground at collection sites—who earned 25% less than the national minimum wage.

One of the striking features of marketplaces in PNG is the longevity of informal participation by vendors. Most vendors in Port Moresby markets report having earned income through informal activity for over 5 years.²⁸ Despite the length of time and experience with market selling, 61% of vendors had no plans to expand their businesses, although this is dependent on age (with younger respondents more likely to make plans to expand their businesses).

²⁶ As cited in Y. Wang. 2014. Women's Market Participation and Potential for Business Advancement: A Case Study of Women Traders in PNG. *National Research Institute Discussion Paper*. No. 141. Boroko: The National Research Institute.

²⁷ T. Anderson. 2008. Women Roadside Sellers in Madang. *Pacific Economic Bulletin*. 23 (1).

²⁸ Confirmed during informal discussions held at Gerehu Market on a visit organized by UN Women in November 2015.

Table 5.2: Informal Work and Economic Activity

	Total Women and Girls	Total Men and Boys	Urban Women and Girls	Rural Women and Girls	Urban Men and Boys	Rural Men and Boys
Total working-age population, (defined as 10 years or older) ('000)	2,635	2,817	-	-	-	-
In the labor force ('000)	1,589	1,746	-	-	-	-
Employed ('000)	1,566	1,682	-	-	-	-
Unemployed	22,839	64,705	-	-	-	-
Labor force participation rate (%)	60.5	62.2	38.3	63.6	53.1	63.5
By remuneration type						
Monetary work	402,149	676,930	73,274	328,874	134,320	542,610
Nonmonetary work	1,164,182	1,005,202	40,871	1,123,311	30,657	974,545
By employment type (%)						
Wage job	-	-	38.8	7.1	63.6	10.6
Business with paid help	-	-	5.6	1.8	6.6	4.1
Business without paid help	-	-	11.6	3.9	6.4	7.3
Family business without pay	-	-	9.9	4.0	5.8	10.0
Gardening/fishing for own use	-	-	25.9	70.3	12.8	54.3
Gardening/fishing for pay	-	-	8.2	13.0	4.9	13.8

- = not available.

Source: Government of Papua New Guinea, National Statistical Office. 2011. Census. Port Moresby.

While many women do not seek to move out of the informal economy, there are many who do (Box 5.1). The challenge for policy makers is to facilitate such a move for all entrepreneurs, regardless of gender.

Box 5.1: Strengthening Women's Contribution to Agribusinesses



These five women are members of the Kindeng Coffee Growers Association. They are engaged in coffee production, including the tasks of harvesting, drying, and bagging cherries.

The women, who are part of a thriving informal economy that engages up to 70% of women in rural Papua New Guinea, earn up to K15 per day during the harvesting season.

The Kindeng Coffee Growers Association is seeking to expand its production volumes and improve its profitability, providing the potential for its women members to improve their stake in the value chain.

Source: Interview by author.

Examples of the challenges faced by women in growing and selling agricultural produce include: (i) a lack of knowledge and skills in postharvest management; (ii) an inability to afford appropriate packaging materials for crops; (iii) a lack of cold storage facilities at farm sites, markets, and depots; (iv) a lack of access

to efficient transport, with most women relying instead on public vehicles travelling on poor roads in unsafe conditions; and (v) weak communication between, and poor alignment of, key stakeholders along the supply chain.²⁹

There are several programs that aim to develop women's roles in agribusiness in PNG. One example is the Government of New Zealand support to the International Finance Corporation (IFC) to partner with businesses in transporting fresh produce from the highlands to Port Moresby. Another example is the Market Development Facility that has a partnership with PNG businesses to improve the availability of grains and fertilizers to farmers in the highlands. Such efforts should be replicated following careful monitoring.

5.3.2 Laws, Policies, and Programs

PNG's provincial and district authorities, as well as city authorities such as the Lae City Commission and the National Capital District Commission (NCDC), charge market fees for vendors to operate within their jurisdictions. The NCDC charges on a per-bag basis for primary produce; and fees of K2 a bag (as of 2017) are payable to the local market authority on a daily basis. Greater effort is required to determine the manner in which these fees benefit the market vendors.³⁰

The Informal Sector Development and Control Act 2004 was passed by the Parliament with the intention of encouraging growth and employment in PNG's informal economy. The act targets businesses comprised of five persons or fewer. It sets out the parameters of regulations, as imposed by local governments and the NCDC, applicable to businesses operating in the informal economy.

Commensurate policy and government leadership to help the NCDC implement the Informal Sector Development and Control Act were lacking until the Department for Community Development and the Institute of National Affairs published the National Informal Economy Policy (2011–2015).³¹ The policy aims to “achieve the maximum participation of all citizens, rural and urban, male and female, in the economic opportunities offered by a dynamic and diversified informal economy.” Its dual focus is on improving financial inclusion and the provision of public goods and services (such as infrastructure, education, and health) to support PNG's informal economy. However, much of this policy has yet to be implemented.

²⁹ World Bank and IFC. 2014. *The Fruit of Her Labor: Promoting Gender-Equitable Agribusinesses in Papua New Guinea*. Washington, DC.

³⁰ National Capitol District Commission. 2015. *Market Fees Schedule*. Port Moresby. Confirmed by market vendors during informal interviews at Gerehu Markets, conducted with the UN Women Safe Cities program.

³¹ Constitutional and Law Reform Commission. 2014. Review on the Laws on the Development and Control of the Informal Economy. *Issues Paper*. No. 8.

5.3.3 Key Recommendations

Key strategies to support women in the informal economy rely on a mix of supportive policies and awareness campaigns, as follows:

- (i) Develop government policies to address the needs of women seeking to remain in the informal economy, and bring some consistency to the Informal Sector Development and Control Act and other legislation.
- (ii) Develop policies to transition women from the informal economy to the formal economy, provided through multiple stakeholders including provincial councils and the Investment Promotion Authority (IPA).
- (iii) Empower women in the informal agriculture sector through training in postharvest management; assistance with accessing appropriate packaging materials for crops; support in obtaining cold storage equipment for farm sites, markets, and depots; provision of improved access to efficient transport and safe roads; and collaboration with stakeholders to improve weak communications in the supply chain.
- (iv) Provide technical assistance to the Pacific Community (SPC) and the National Statistical Office, to include labor force and employment questions in the next census or household and income expenditure survey, in accordance with International Labour Organization guidelines and in line with the Pacific Statistics Strategy.
- (v) Monitor the UN Women Safe Cities program's efforts to provide safe markets to operators in the informal economy.
- (vi) Monitor the availability of the mobile wallet system and encourage its uptake by financial institutions and provincial councils.
- (vii) Establish an entrepreneurial hub for women in rural areas that can provide support for businesswomen seeking to improve their business operations.
- (viii) Provide technical assistance to Nationwide Microbank and the Asian Development Bank in assisting with financial inclusion programs among women in rural areas and operating in the informal economy.
- (ix) Include informal economy information, policies, and programs at annual business forums held at the national and regional levels.

5.4 Women in the Formal Economy

5.4.1 The Formal Economy and Business in Papua New Guinea

The formal economy in PNG is growing, with the expansion driven by industrial and retail businesses primarily located around the urban centers of Port

Moresby, Lae, Mt. Hagen, and Goroka. Prior to 2012, growth in the formal economy was primarily driven by business services, wholesale and retail trade, and construction. During 2003–2012, mining exerted an average drag on economic growth of –0.59%, with a slight recovery in 2013; oil and gas detracted an average of –4.53% from overall growth between 2003 and 2013.³²

In 2014, PNG experienced a one-off, exponential economic growth rate in its oil and gas sector, due to the commencement of the PNG Liquefied Natural Gas Project. However, broader economic growth was tempered by contractions in the mining and construction sectors.

By far the most common type of formal business in PNG is the limited liability company. There are, comparably, far fewer business associations, incorporated business groups, and foreign companies, with similar numbers of these three business structures in the PNG economy (Table 5.3).

There is no information on the types of business entities owned by women, and gender-disaggregated data on women directors and shareholders in PNG are not available. This type of data would be useful for policy makers and donors.

Table 5.3: Number of Businesses by Entity Type

	Limited Liability Companies	Business Associations	Incorporated Business Groups	Foreign Companies
Number of businesses	94,626	5,257	4,255	6,418
Requirements (applicable law)	Companies Act 1997	Business Associations Act 1966	Business Groups Incorporation Act 1974	Companies Act 1997 and Investment Promotion Act 1992

Note: Precise figures on the number of businesses by entity type were unavailable from the Investment Promotion Authority. The Investment Promotion Authority Registry database contains a search function, with company names searchable by Limited (or Ltd.), Association, Inc., and Limited (or Ltd.) within the registry for each entity type.

Source: Collated from information supplied by the Investment Promotion Authority.

³² Government of Papua New Guinea. 2016. *Papua New Guinea Budget Documents 2003–16*. Port Moresby; and author calculations and graphs.

5.4.2 Starting a Business: Looking at a Woman's Point of View

Only 25% of the 49,500 SMEs in PNG are owned by women.³³

Women business owners reported quick turnaround times and satisfaction in their dealings with the IPA, and most reported that registration took around 2 days.³⁴ The shortest turnaround time reported was within the same day, with submission of documents in the morning and the Certificate of Incorporation emailed to the business owner by the close of business. The longest turnaround time reported was 1 week.

The IPA generally receives around 200–300 applications for business registration each day. Individual officers have a target to process 45 applications each day, with the number of applications processed tied to performance management and incentivized through bonuses. The IPA advised that many women who submit applications are often accompanied by their families, demonstrating the need to build awareness within the organization of the needs of emerging businesswomen. While the IPA does provide a general training module on business registration, specific programs to assist women in the registration of businesses could be held on a regular basis.

Although the online processing of applications went live in January 2016, it is estimated that the volume of applications submitted in person at the office in Port Moresby will continue to be high. This demonstrates a lack of awareness about the online registration process as well as the low levels of financial literacy across PNG. These issues may deter women from registering a business because the regulatory compliance can seem onerous.³⁵

The country's low financial literacy levels can also inhibit access to finance. In 2015, the National Development Bank's retail incubator program attracted 5,000 applications, of which only 10 were successful. This dismal success rate was attributed to applicants not being able to provide basic financial information or bookkeeping records.³⁶ The need for continuous financial literacy training cannot be underestimated.

³³ Interview with the Investment Promotion Authority.

³⁴ These participants attended the Business Breakfast Meeting held in November 2015, as part of the research for this chapter.

³⁵ Interview with IPA, November 2015.

³⁶ Oxford Business Group. 2015. Papua New Guinea to Ramp up SME Growth. *Economic Update*. 18 May. <http://www.oxfordbusinessgroup.com/news/papua-new-guinea-ramp-sme-growth>

The establishment of an entrepreneurial hub, situated in a recognized institution such as the IPA, would assist women by providing information on the process of starting a business and by acting as a central point from which to access training on business skills, financial literacy, and regulatory compliance.

5.4.3 Business Licensing

In most developed economies, the objective of business licensing is to help the government provide regulatory oversight of service providers, improve safety and compliance, and ensure enforcement of breaches. However, in many Pacific island countries, this process is treated as an avenue to generate revenue and little is given in return for fees paid (Box 5.2).

Box 5.2: Sensible Licensing Helps with Regulation and Safety



Although she is qualified as a lawyer, Jennifer Kelaga Bu decided to start a car rental business in 2003. The beginnings of Shalom Hire Car were humble: the office was one of the children's bedrooms, and the first hire vehicle was the family car. Jennifer, however, found an untapped market: a car hire service that was affordable and accessible to local people. Jennifer's car hire business now has around 40 vehicles in its rental fleet, and employs 12 people.

Despite her success, Jennifer faces fierce competition from unregistered operators. Because a business license is not required to operate as a car rental service, Jennifer says that even taxi drivers can take off their taxi signs and operate their vehicles as hire cars. Jennifer insists that improved policy and regulation would improve safety and the ethics of the rental car industry.

Source: Interview by author.

Provincial and district authorities, as well as city authorities such as the Lae City Council and the National Capital District Commission (NCDC), are permitted to issue licenses and charge fees for businesses to operate. The process is complex and requires approval from multiple bodies.

For example, to fully license a business in PNG, a trade license has to be obtained from the NCDC and this may require the submission of documents including: (i) a completed application form; (ii) physical planning approval; (iii) building authority approval obtainable from the NCDC; (iv) a certificate of incorporation and, if applicable, foreign company certification from the IPA; (v) a land title or lease from the Department of Lands; (vi) a Certificate of Annual Returns and VAT registration from the Internal Revenue Commission; (vii) a license from the Department of Labor and Industrial Relations for factory, warehouse, or inflammable liquids, if applicable; and (viii) other specific requirements for starting a pharmacy, hotel, or any outlet selling liquor.

Assistance to entrepreneurs seeking to start a business, either through agents or through assistance provided at the entrepreneurial hub, would reduce the regulatory burden and increase the ease of compliance.

5.4.4 Business Registration

All businesses in PNG, including sole traders, partnerships, associations, and companies, are required to register with the IPA. The IPA provides both an online process and a paper-based system for business registration across PNG (Port Moresby, Lae, Kokopo, Buka, and Mt. Hagen). Costs for registration are 400 kina (K) for online registrations, and K500 for paper-based registrations. Business name reservations cost K50, applications to register a business name cost K150, and business name renewals cost K150 annually.³⁷ Likewise, dissolution of a business, including cancelling a business association or liquidating a company, requires a certificate of deregistration from the IPA.

5.4.5 Promoting Business Models That Suit Women

While PNG has a suitable and modern regulatory framework for companies, the same cannot be said for its legislation regulating associations or cooperatives. Reform of these frameworks is essential. Associations and cooperatives enable collaboration among women; offer flexibility in coordinating business, social, community, and familial responsibilities; and allow the use of community assets in support of commercial endeavors.

Incorporating a Company in Papua New Guinea

The legislative framework for incorporating a company in PNG is straightforward, and steps are under way to introduce an electronic companies registry, which will further streamline the process. The IPA accepts applications for company

³⁷ Investment Promotion Authority. 2016. *Public Notice: New Fees*. Port Moresby.

incorporation through a single front desk, with a woman staff member as the first point of contact for applicants. This may help to create a more welcoming and accommodating atmosphere for women entrepreneurs. Moreover, the IPA team leaders in charge of processing applications are all women, which may lead to a greater understanding of any queries from women business owners. The new electronic system will provide the option of collating gender-disaggregated data, which can have a positive impact on future policy development. However, a hub for entrepreneurs that can act as a conduit for information and skills training would also be of great benefit to businesswomen.

The Role of Cooperatives in Papua New Guinea

In PNG, cooperatives are regulated by the Department of Commerce and Industry. Interviews with stakeholders conducted for this report indicated that the country's legal and regulatory framework for such entities is severely deficient. A chief concern is that cooperatives are used as vehicles to distribute government grants to groups in return for political favor. Various stakeholders also suggested that the legislation is outdated, the provisions do not promote accountability or transparency, and the regulator is poorly staffed and insufficiently skilled. Reforming the regulatory framework, including strengthening the regulatory institution itself, is necessary to provide a pathway for businesses operated by women to grow and prosper.

The Role of Associations in Papua New Guinea

As in many other Pacific island countries, associations in PNG are used as vehicles for not-for-profit ventures. These include professional fellowships, community and charitable organizations, and sporting collectives. There are over 5,000 associations in PNG and many involve women. The Central Province Women in Agriculture Association, for example, spans five districts and has nearly 6,000 members.

PNG's legislation regulating associations is outdated and requires reform. The current legislation regulates diverse activities, including political, sporting, and agricultural associations. Reform is necessary to remove political associations from the current act. In other countries, such associations are regulated by specific legislation that aims to increase the transparency of the activities of political parties.

The current legislative framework also fails to promote good governance, and there is a general lack of knowledge about the duties of committees and the rights of association members. Any reform should ensure that these duties

and rights are stated clearly and made obvious through awareness campaigns conducted by the IPA.

Legislative provision needs to be drafted carefully to articulate the needs and opinions of women, and to encourage their participation in such organizations. Subcommittees could garner the views of the membership, including women members or members from specific geographic areas, to ensure that such views are aired and heard.

Alternative Business Models

Two business vehicles that may potentially serve women well in PNG are the limited liability partnership and the social enterprise company structure.

The limited liability partnership offers the advantages of facilitating collaborative activities among businesswomen, while also providing limited liability for commercial dealings. Such an entity, which has reduced financial formalities and compliance costs compared to an incorporated company, should be considered as it has the potential of encouraging many women into the formal economy.

The social enterprise company model is currently not available in any Pacific island country, nor in Australia for that matter. It provides for an enterprise to operate for the benefit of its community, while also making a profit for its shareholders. Such an entity may suit agribusinesses centered around community activities such the production of organic coffee and vanilla. The social enterprise model promotes community participation, shared benefits, and, if the legislation is appropriately designed and drafted, the participation by women in entrepreneurial decisions.

5.4.6 Key Recommendations

The following strategies are aimed at improving the ability of women entrepreneurs to establish a formal business in PNG, including the transition of businesses from the informal economy to the formal economy:

- (i) Make gender-disaggregated data, collected by IPA, available online.
- (ii) Streamline business licensing processes and assess the scope to provide an all-in-one service that women can access via an entrepreneurial hub.
- (iii) Improve the clarity of available information on fee structures for licenses and registrations, and consider improved dissemination of information through outreach to formal businesses and informal businesses in transition.

- (iv) Consider working with Post Papua New Guinea or banks to develop a payments system that enables registration and licensing fees to be paid outside of urban centers and at institutions other than the IPA.
- (v) Expand the facilities provided by the IPA to include an entrepreneurial hub, which can increase awareness of good governance and business practices under the different business entities.
- (vi) Support reform of the outdated legislation regulating associations, with a view to facilitating greater participation by women and providing a vehicle for commercial activities.
- (vii) Evaluate the current regulatory framework for cooperatives, support the reform of the legislation and the strengthening of the regulatory institution governing cooperatives.
- (viii) Assess the potential for new business entities, such as the limited liability partnership and the social enterprise company structure, to be made available in PNG.
- (ix) Amend discriminatory employment laws that preclude women from working in certain industries and at night, and introduce penalties for discrimination to improve compliance with the amended laws

5.5 Women's Access to Land

5.5.1 Landownership

In PNG, land is held under either customary tenure or formal tenure. Customary tenure is a traditional form of communal landownership and is based on immediate and extended family ties and kinship. Customary land in PNG is, therefore, closely linked to tribal and clan affiliations, and is a key part of community identity. The importance of customary land is enshrined within the Constitution and customary land may be registered, although registration is voluntary. Some 95% of land in PNG is held under customary tenure.³⁸

Although there is no legislative prohibition on women's access to and/or ownership of customary, freehold, or leasehold land, such access and ownership remains largely unequal for women in PNG. This inequality can be attributed to how women may inherit land, receive land title, access property upon divorce or death, and how landownership is embodied in PNG's customary norms. Gender inequity is also embedded in some models of land management.

³⁸ National Research Institute. 2011. Methodology for Monitoring the Effectiveness of Land Tenure Reforms in Papua New Guinea. *Discussion Paper*. No. 123. Port Moresby.

5.5.2 Customary Land and Women's Rights

There are different models of customary land tenure throughout PNG. The National Research Institute has summarized the various customs as “the bundle of property rights residing within... is specific to, and understood by, members of the social unit... passed down through generations through oral history” (footnote 35). In other words, customary land tenure usually attributes user rights within the social unit.

There are three major issues with customary land tenure: (i) it constrains economic development; (ii) land issues in PNG are exceedingly complex and result in an increasing number of disputes, which act as a disincentive to entrepreneurship by women and men; and (iii) as a general rule under customary law, women's access to and ownership of land is unequal to that of men.

(i) Accessing Land for Economic Development

In 2008, the Government of Papua New Guinea referred the issue of access to customary land to the Constitutional and Law Reform Commission. The commission recommended that the voluntary registration of customary land continue.³⁹ Further, it recommended amendments to the existing Incorporated Land Groups Act 1976 and the Land Registration Act 1981, to introduce a new process for the use and development of customary land for economic purposes. Both acts were amended, and customary land registration is now governed under the Incorporated Land Groups (Amendment) Act 2009 and the Land Registration (Amendment) Act 2009.

These amendments ensure that, prior to the lease or use of portions of customary land for economic or business purposes, registration by an incorporated land group is required. Formalizing landowner groups under the Incorporated Land Groups (Amendment) Act enabled customary land tenure groups to be recognized as a legal and coherent entity, able to negotiate and interact with stakeholders on behalf of a customary group. Incorporated land groups are led by management committees, with leadership drawn from within the relevant customary groups.

(ii) Land Disputes

Disputes over rights to customary land remain common in PNG. Such cases have become increasingly complex and costly, with courts accepting genealogical evidence and intergenerational stories concerning land being passed down. There has been an increasing number of both general land

³⁹ Constitutional and Law Reform Commission. 2008. *Review of Incorporated Land Groups and Design of a System of Customary Land Registration*. Port Moresby.

disputes and disputes about the Special Agricultural Business Licenses that provided a loophole through which customary landowners could grant 99-year leases to foreign companies for agricultural development.⁴⁰ These licenses have since been cancelled by the government.

The Land Disputes Settlement Act 1975 established courts at the provincial and local levels to deal with land disputes, mediation, and compensation processes. A survey of the local land courts databases shows that land disputes can include fraudulent sales of customary land, disputed borders or territories, or cases involving neighboring clans or settlers claiming adverse possession.⁴¹ The National Court has primary jurisdiction over noncustomary land. In 2015, of the 208 cases⁴² heard by the National Court, 15 concerned disputes over alienated land, including compensation for alienated land, transfers of registered titles to land, and easement-related disputes between adjacent plots of alienated land developed for commercial purposes.

(iii) Embedded Gender Inequality

Rights to customary land are usually passed from one generation to the next along patrilineal or matrilineal lines, although inheritance through the male line is much more common in PNG. Men remain the primary decision-makers with regard to the ownership, use, and management of customary land.⁴³

Women's access to customary land is linked to household responsibilities such as finding and preparing food. Dame Carol Kidu described women's access to land as follows: "a major problem emerging for both urban and rural women was the issue of land. Traditionally, no women in Papua New Guinea were ever denied access to land on which to grow food for subsistence, but it was increasingly becoming the practice that land was held by men and women were being denied their traditional rights; that was an example of abuse of custom."⁴⁴

The Matrimonial Causes Act 1963 empowers PNG's courts to divide property as part of divorce settlements, including when in lieu of a monetary settlement. However, the legislation does not apply to customary marriages. As such,

⁴⁰ Government of Australia, DFAT. 2014. An Investment to Support Law and Justice in PNG, Investment Design Document/Numapo, 2013. *Final Report on SABLs*. Canberra.

⁴¹ Pacific Islands Legal Information Institute Database 2006-08. Papua New Guinea Local Land Court Decisions. <http://www.pacii.org> (accessed January 2015).

⁴² Pacific Islands Legal Information Institute. 2015. <http://www.pacii.org/countries/pg.html> (accessed January 2015).

⁴³ IFC. 2010. *Gender and Investment Climate Reform Assessment, Papua New Guinea*.

⁴⁴ UN Committee on the Elimination of Discrimination Against Women. 2010. *Combined Initial, Second and Third Periodic CEDAW Report of Papua New Guinea: Committee Meeting Minutes*. Geneva.

following divorce from a customary marriage, women are not guaranteed any rights to customary land and may be marginalized from access to land, the family home, and any source of household food security.

Legislation and initiatives implemented to modernize customary land arrangements in PNG, such as the registration of land and land titling, have not automatically resulted in an improvement in women's access to, or ownership of, property. Rather, "if land registration follows the patterns that other modern adaptations of customary systems have taken, male clan leaders will become entrenched as 'sole owners,' and women are likely to be formally dispossessed of whatever customary rights to land and resources they now have."⁴⁵

In 2010, women were found to be rarely elected as chairpersons of the management committee of the incorporated land groups which make decisions about land use of customary land. Women were often excluded from benefit-sharing negotiations during the development phase of mining agreements entered into between customary landowners and mining companies.⁴⁶

Amendments in 2009 to the Incorporated Land Groups Act 1976 included a requirement for at least two "female persons" to be included on the management committee of each incorporated land group. However, the extent to which such amendments have been implemented or enforced by landowner groups remains unclear.

5.5.1 Leasehold and Freehold Land

Some 5% of land in PNG is under formal tenure, with half of this land owned by the state (footnote 38). The remaining freehold land is from customary landowners' conversion to formal tenure under the Land Tenure Conversion Act 1963 and successive transfers of this land among PNG citizens and citizen corporations. Alienated land can be leased from either the state or individuals.

The PNG Constitution restricts the ownership of freehold land by citizens. However, the Companies Act 1997 recognizes that land may be owned, transferred, registered to, and used for other purposes by companies, where they are considered to be "citizen corporations." In accordance with the Land (Ownership of Freeholds) Act 1976, only state government bodies (including subnational governments), incorporated land groups, and business groups can be considered citizen corporations.

⁴⁵ World Bank. 2012. *Country Gender Assessment*. Washington, DC.

⁴⁶ International Finance Corporation. 2010. *Gender and Investment Climate Reform Assessment, Papua New Guinea*. Washington, DC.

The government, with adequate compensation, through the Land Titles Commission or the local land courts, may acquire additional customary land under the Lands Act 1996, through agreement with the customary landowners or by compulsory acquisition.

The lack of alienated land has led to limited real estate being available for commercial purposes in urban centers, as well as for housing across PNG.⁴⁷ High rates of violent and petty crime, and the recent boom in urban areas due to construction associated with the PNG Liquefied Natural Gas Project, have meant that business owners wishing to lease office or commercial space are faced with high rental costs.

Box 5.3: Port Moresby Rents Starving Business Expansion



Ginia Sialis is Papua New Guinea’s very own “Cake Boss.” Baking and selling custom-made cakes, Ginia markets her home-based business through social media. Ginia identifies the main challenge to business expansion as accessing quality premises. She says that it would be a good idea for the government to trial some business areas dedicated to start-up businesses, where rents might not be quite so expensive. Business parks and commercial hubs are common in

Australia and Tonga, and would be useful in Papua New Guinea.

Source: Interview by author.

A lack of suitable business premises—or a lack of security around past or current premises—was identified as one of the primary concerns by the 25 women entrepreneurs interviewed for the purposes of this report.

5.5.2 Key Recommendations

Four key strategies to improve women’s access to land for business purposes are the following:

- (i) Examine the extent to which incorporated land groups have women representatives on land management committees, in accordance with

⁴⁷ S. Chand. 2014. The Use of Land Leases as Collateral. *Issues Paper. 7.* (March). Boroko: The National Research Institute.

the Incorporated Land Groups (Amendment) Act, and assess the extent to which the justice system is enforcing the 2009 provisions for women's representation.

- (ii) Assess the potential to create commercial hubs for women who own micro, small, and medium-sized enterprises, where rental costs for business premises might be subsidized by the government.
- (iii) Develop an awareness campaign to encourage women to be listed as owners of registered land and leases, to protect their future rights.
- (iv) Explore options for enhancing women's access to property upon dissolution of customary marriages.

5.6 Women's Access to Finance

5.6.1 Papua New Guinea's Finance Sector

Due to its large population being widely dispersed across the country, PNG has the lowest level of access to commercial banking services in the Pacific, with just 1.83 branches for every 100,000 people.⁴⁸ The sector, which includes business services and real estate, expanded by 7% on average between 2003 and 2015.⁴⁹

Four major commercial banks are licensed to operate in PNG: ANZ Bank, Bank South Pacific, Nationwide Microbank, and Westpac.⁵⁰ There are 14 financial institutions, such as Credit Corporation Finance and Kina Finance, licensed to operate. This includes microfinance institutions such as PNG Microfinance and Women's Micro Bank. There are also 22 licensed savings and loans societies operating in PNG, including the large Teachers Savings & Loan Society.

Only around 1 in every 4 adults in PNG (footnote 48) holds a deposit account, which is among the lowest ownership rate in the Pacific. There are concerted efforts by the Bank of Papua New Guinea, banking institutions, and development partners to reach the country's unbanked people. The government's recent efforts to increase the awareness, use, and ownership of financial products were driven by the Financial Inclusion Strategy of the Bank of Papua New Guinea. Financial competency is still regarded as being relatively low across PNG, despite the training programs that have been conducted for

⁴⁸ IMF. 2013. *Financial Access Survey*. Washington, DC.

⁴⁹ Government of Papua New Guinea. 2016. *PNG Government Budget Documents 2005-16*. Port Moresby; and author calculations.

⁵⁰ Bank of Papua New Guinea. 2014. *Annual Report*. Port Moresby.

the last decade (footnote 6). Store credit and informal loans remain the sources of finance most commonly used by households.

The deregulation of PNG's telecommunications industry has led to a marked increase in mobile phone ownership and the number of people subscribing to telecommunications services. However, only 66% of women reported having access to a mobile phone, compared to 84% of men (footnote 48). All banks interviewed for this report cited an increase in the number of customers registered for mobile phone banking. Despite this growth, most customers remain relatively passive users of the technology, and paying for mobile phone credit is the most frequent type of interaction with mobile banking systems.⁵¹ Only 4% of respondents reported using mobile phone banking to make other payments (footnote 6).

5.6.2 Informal Sector Financing

Those operating in PNG's informal economy have varying financial needs. Women, including market vendors, generally require loans of small value, with repayments made over short periods. Such loans are often used to procure business inputs, so borrowing from the local trade store or through family and friends is common in PNG (footnote 6).

The influence of grants from diverse sources, including government departments and donors, cannot be underestimated. For example, the National Fisheries Authority has dispersed funds to men and women in the fishing industry, as a means of fostering new business ideas in this sector. Such funding is clearly preferred to commercial loans by entrepreneurs, but it has led to a perception among many business owners that "free money" is available. Although there is a clear understanding that commercial loans are necessary for the development of a competitive and sustainable private sector in PNG, this is not reflected in the practice of institutions or the preferences of entrepreneurs. Donors' allocation of funds should support the development of sustainable businesses and, where possible, resist contributing to the growth of the "free money" mind-set.

It is possible for women operating businesses in PNG's informal economy to access commercial loans. However, these may be in the form of personal loans rather than commercial business lending products (footnote 6), and the cost of borrowing can be high. For the majority of women business owners in PNG, the

⁵¹ Interviews with ANZ Bank, Westpac, BSP, and Nationwide Microbank in November 2015 in Port Moresby and Sydney.

equity and security requirements attached to commercial business loans are prohibitive. There is a very real need in PNG to determine the creditworthiness of borrowers using evidence other than past business experience and collateral. Experiences from other developing countries can be used to create pilot programs for new forms of credit assessment in PNG.

To help lift financial competency across the country, ANZ Bank, Bank South Pacific, Nationwide Microbank, and Westpac provide off-the-shelf financial literacy training and outreach. Significantly, in 2008, under the Westpac-AusAID Partnership, Westpac extended its focus to financial literacy training for women in remote areas of PNG.

The National Development Bank of Papua New Guinea has created a specific lending product for women in business. This product is designed to help meet start-up costs and finance the initial phases of establishing a business. The initiative is complemented by networking and training programs as well as dedicated staff focused on helping women develop their businesses. There is, however, little information available on the sustainability of these businesses or on their rate of default.

Nationwide Microbank operates a scheme to assist clients who are transitioning from the informal economy to the formal economy. The majority of participants are women.

In 2014–2015, Nationwide Microbank partnered with UN Women as part of the Safe Cities program. The partnership established a program that provides bank accounts featuring mobile banking services to women vendors. The program established in partnership with Nationwide Microbank initially experienced rapid uptake, with vendors using the mobile banking facility to pay their daily market fees, but most accounts established under the program have since lapsed into disuse. Anecdotally, UN Women reports that market authorities reverted to requiring fee payments in cash, some women's mobile phones were stolen, and others were unable to log into accounts or maintain positive cash balances.⁵² An official report into this matter is forthcoming.

In terms of outreach activities to attract women customers, only Bank South Pacific and Nationwide Microbank reported having specific targets in place—in line with the Bank of Papua New Guinea Financial Inclusion Strategy—to increase their numbers of women customers.

⁵² Interviews with UN Women held in November 2015 in Port Moresby.

5.6.3 Formal Sector Financing

All banks in PNG reported that 100% of mortgages were secured, and 75%–90% of other retail lending was secured, mostly against land.

Women entrepreneurs interviewed for this report said they found it difficult to access finance from commercial banks in PNG (Box 5.4), with one businesswoman stating: “I cannot get a bank loan because I have no collateral. The best collateral is property. There is venture and seed funding, but as an established business I can no longer access this. I can’t see any alternative source of financing” (footnote 34).

There is a number of commercial and noncommercial financing options for women entrepreneurs operating in the formal economy. Initiatives such as the Credit and Data Bureau, which make customers’ credit histories available to lending institutions, are useful to the banks in accessing information on creditworthiness. Expanding the data the bureau collects to include positive credit reporting would increase businesswomen’s creditworthiness and should be encouraged.

In 2011, the World Bank and the International Finance Corporation (IFC), together with PNG’s Department of Commerce and Industry, commenced the Small and Medium Enterprise Access to Finance Project. The project aims to increase the number of women-operated SMEs in PNG’s formal economy by establishing a credit facility for SMEs that undertake formal economy business, enhancing access to skills training, and improving sustainable lending practices to formal banks.

5.6.4 Strategies to Improve Women’s Access to Finance

Of the 25 PNG businesswomen interviewed for this report, 21 stated that they were interested in accessing financing for their businesses. However, only three women had successfully secured financing from commercial banks, with others taking out small-scale loans from other financial institutions such as Kina Investments, the National Development Bank of Papua New Guinea, and Nationwide Microbank.

PNG’s secured transactions legislation and framework offers one way to overcome women’s restricted access to commercial finance. The Personal Property Securities Act 2011 and its associated electronic registry, launched in 2016, creates a centralized assets register for personal property (that is, moveable, nonland property), which can then potentially be used to expand

Box 5.4: Building Relationships and Establishing a Credit Rating



Janet Sios runs Frangipani Car Hire, a tourism company operating across a number of provinces in Papua New Guinea. Janet recalls: “Financing a business when it is first starting out can be a constraint. When I first got into business, I only had a small savings account. The banks wanted me to get my husband to sign for our assets as they are jointly owned, but I wanted to find a bank that would let me be independent. I searched and searched and also got to know the banks and built relationships. Over time, getting

finance has become easier as we now have an established credit rating. But this is one of the most challenging parts of women going into businesses.”

Source: Interview by author.

lending to women in business. The system offers women the potential to use business goodwill, invoices, and contracts as security for credit.

To overcome entrenched institutional biases, which may continue to make it difficult for women to access finance, pilot programs that promote the use of the personal property registry, particularly by businesswomen, should be supported and advertised as successful examples of reducing constraints to accessing finance. Awareness training for businesswomen and educational programs for financial institutions are essential to reduce existing biases. Additionally, financial institutions, including micro finance institutions such as Nationwide Micro Bank, should be made more familiar with the registry and the secured transactions framework. The potential for mobile technologies to be used to increase awareness of financial services and financial products should also be considered.

There is potential to establish a market in PNG for nonlife insurance products, including disaster and income insurances, which would benefit women entrepreneurs. The way to make these products available, either individually or collectively through an association, should be considered and piloted.

There is also the possibility of increasing the peer-to-peer lending options available to PNG enterprises from businesses operating both nationally and globally. Consideration should be given to how such lending options can be tapped to benefit women entrepreneurs.

Although crowdfunding has already been used by individual business operators in PNG, it too holds promise for women's businesses, especially those in rural areas and involved in agriculture. This is particularly relevant given the number of Pacific islanders who live in Australia and New Zealand with an interest in supporting business development in their country of birth. Attention should be given to connecting to this diaspora funding and the ways in which women-operated businesses in PNG might attract crowdfunding from Australia and New Zealand.

5.6.5 Key Recommendations

Seven strategies to improve women's access to finance in PNG are the following:

- (i) Develop a comprehensive policy framework for donor-supported funds that is aimed at the creation of sustainable businesses, and incorporate regular monitoring of such programs.
- (ii) Support the National Development Bank of Papua New Guinea in collating gender-disaggregated data on the sustainability of businesses that have received grants and loans (including sustainable loans), to guide the design of future financial products.
- (iii) Commit to piloting the use of alternative forms of credit assessment that use mobile data in PNG, particularly for small business loans to women.
- (iv) Ensure awareness of the personal property registry among financial institutions, formal economy entrepreneurs, and those in the informal economy intending to, or undergoing, transition to the formal economy.
- (v) Use existing organizations, such as the National Development Bank of Papua New Guinea and Nationwide Microbank, to increase awareness among entrepreneurs in the informal economy of business financing sources beyond grants and aid funding.
- (vi) Explore creative financing options for PNG enterprises, such as peer-to-peer funding, crowdfunding, and social investments.
- (vii) Examine the extent to which diaspora financing can be an important part of financing options for PNG businesses, as it has been globally.

5.7 Dispute Resolution and Enforcing Women's Legal Rights

5.7.1 Overview of Dispute Resolution

An effective and efficient legal system that is able to resolve commercial disputes is necessary to generate confidence in investors seeking to start a business. This is even more so for women, who have less confidence in dealing with institutions and appearing before male adjudicators and judges.

Civil cases arising from commercial disputes in PNG are generally heard by the National Court of Justice. In 2015, this court heard 208 matters, of which approximately 60% were civil cases. Only 15 of these were commercial disputes and fewer than five of those commercial disputes involved women either as plaintiffs or defendants.⁵³

It has been common in Australia and elsewhere in the global north for private companies and commercial associations to introduce their own dispute resolution programs. Examples include banking complaints systems, a banking ombudsman, a telecommunications ombudsman, and consumer complaints systems operated by large airlines and retail outlets. Such systems may be of benefit to resolving disputes in PNG. The design of these systems should ideally take into consideration the challenges faced by women.

5.7.2 Access to Justice for Women

Theoretically, women have the same access to the court system as men in PNG. In reality, however, access to justice remains heavily skewed toward men. Only two civil cases heard by the National Court in 2015 were brought by women: one was an unfair dismissal matter brought by a woman; the other was a judicial review filed by Delilah Gore, Minister for Religion, Youth, and Community Development.

Although many of the 25 women entrepreneurs interviewed for this report had experienced business disputes, only two sought resolution through the justice system, with one utilizing the formal court process and another using a Melanesian-style mediation process (footnote 34).

⁵³ Pacific Islands Legal Information Institute, Papua New Guinea Primary Materials. <http://www.paclii.org/countries/pg.html> (accessed in January 2016).

Cost and long timeframes were the two most prevalent issues women highlighted when describing their experiences with, or impressions of, formal dispute resolution. While most women were aware of dispute resolution through lawyers, a number were also aware of mediation and arbitration, and one woman referred to arbitration available through her membership of a professional organization.

PNG boasts the largest number of lawyers in the Pacific (1,065 legal practitioners), yet only 29% of them are women.⁵⁴ By comparison, however, only 19% of lawyers in Solomon Islands lawyers are women, and only 15% of lawyers in Vanuatu are women.⁵⁵ There are only three women judicial officers in PNG and only one member of the PNG Law Society Council is a woman.

A number of programs support PNG's efforts to improve the gender balance in its justice system. The Law and Justice Partnership, funded by the Government of Australia, increased the number of female village court magistrates from 10 in 2004 to 900 in 2013.⁵⁶ In 2015, the PNG Legal Training Institute and the Victorian Bar Association commenced an initiative to improve mentoring and training opportunities for women legal practitioners in PNG. The objective of the initiative is to increase the number of women reaching senior roles within the justice system in PNG.⁵⁷

Despite the use of mediation in more than 300 cases between 2009 and 2014, there are no gender-disaggregated statistics available, nor is there information on the types of cases referred for alternative dispute resolution.

5.7.3 Alternative Dispute Resolution

Alternative dispute resolution has been adopted in PNG, and the National Court and Supreme Court have formalized appropriate pathways for addressing

⁵⁴ South Pacific Lawyers Association. 2014. *Women in the Law in the South Pacific, Survey Report*. Australian Capital Territory, Australia.

⁵⁵ Papua New Guinea Law Society. 2015. *Functions of the Society*. Port Moresby. Figures differ from the South Pacific Lawyers Association Survey Report (see footnote 54), which reports that there are under 900 lawyers in PNG.

⁵⁶ Government of Australia, DFAT. 2014. *Aid Program Performance Report, Papua New Guinea 2013-14*. Canberra.

⁵⁷ Cardno. 2015. *Eliminating Violence against Women and Empowering Women in Papua New Guinea: Law and Justice Partnership Report*. Boroko.

relevant cases.⁵⁸ The Registrar is able to refer cases to alternative dispute resolution.⁵⁹ The Divine Word University provides mediation training, focusing on conflict resolution between groups.⁶⁰

A number of development partners in PNG have, through upgrades to administrative infrastructure and technical assistance, supported alternative dispute resolution in PNG. In 2009, as part of ongoing funding to upgrade PNG's legal and judicial infrastructure, the Government of Australia opened the Alternative Dispute Resolution Centre within the complex of the National Court.⁶¹ Also in 2009, the IFC began a project to promote alternative dispute resolution, delivering training and awareness programs and training mediators. According to one judge who sits in both the Supreme Court and the National Court, Justice Kandasaki, more than 300 cases had been addressed through mediation by 2014, with an 80% success rate.

For most women and men in PNG, particularly those who reside outside urban centers, village courts and land mediators are often the first point of formal economy justice that is accessible to them. Thanks to long-term support through the Papua New Guinea–Australia Law and Justice Partnership, assistance provided to village courts and the Land Mediation Secretariat has led to mediation and arbitration becoming viable alternative pathways to resolving disputes at local levels.⁶²

In 2015, alternative dispute resolution methods were included in a toolkit to help the National Court manage its substantial backlog of cases.⁶³ The toolkit was designed by the Pacific Judicial Development Programme, an initiative funded by the Government of Australia. There is scope to consider how this program could be expanded to other Pacific island countries.

⁵⁸ G. Hassall. 2005. Alternative Dispute Resolution in Pacific Island Countries. *Journal of South Pacific Law*. 9 (2); and E. Anderson. 2013. What to Do if You Have a Commercial Dispute in Papua New Guinea. *Business Advantage Business and Investment Guide*.

⁵⁹ This is supported by the accompanying Rules Relating to the Accreditation, Regulation and Conduct of Mediators (2010), Arbitration Act (1951).

⁶⁰ G. Hassall. 2005. Alternative Dispute Resolution in Pacific Island Countries. *Journal of South Pacific Law*. 9 (2).

⁶¹ C. Moriatis. 2009. National Courts—ADR Centre Opening Speech. <http://png.embassy.gov.au/pmsb/Speech090904.html>

⁶² Government of Australia, DFAT. 2014. *An Investment to Support Law and Justice in PNG: Investment Design Document*. Canberra.

⁶³ Pacific Judicial Development Programme. 2015. *Reducing Backlog and Delay Toolkit*. <http://www.fedcourt.gov.au/pjdp/pjdp-toolkits/Reducing-Backlog-and-Delay-Toolkit.pdf>

5.7.4 Key Recommendations

Strategies to equitably enforce rights and improve the process for dispute resolution in PNG include the following:

- (i) Provide information (potentially disseminated through a women’s entrepreneurial hub or a legal helpline for women’s businesses) on dispute resolution, including options for insolvency.
- (ii) Provide information (potentially disseminated through a women’s entrepreneurial hub or a legal helpline for women’s businesses) on women’s rights and exposure when listed by their husbands as joint principals in a company.
- (iii) Evaluate the efficacy and sustainability of mediation outcomes from existing and retired programs, particularly in regard to improving women’s access to, resources in, and time saved through, the court system.
- (iv) Encourage commercial banks to include protective checks on land titles (where mortgages are issued against land, banks should be required to check whether the land is held in joint tenancy).
- (v) Examine when and why women access the formal justice system, the frequency with which they do so, their attitudes to the justice system, and the mechanisms they employ to resolve disputes.
- (vi) Support the development of complaints systems within commercial entities operating in PNG, and maximize the degree to which women’s concerns are addressed by these systems.

5.8 Women’s Business Networks and Skills Training

5.8.1 Overview of Networking for Women in Papua New Guinea

Chambers of commerce and industry exist in each of PNG’s major urban centers, with the largest memberships found in the Port Moresby Chamber of Commerce and Industry, and the Lae Chamber of Commerce and Industry.

Women’s networking organizations are mostly concentrated in Port Moresby. The Business and Professional Women’s Club of Port Moresby has been in operation for over 30 years. It provides networking opportunities and scholarships for women and girls, with a focus on corporate working women and students, rather than women entrepreneurs. Meanwhile, a PNG Women’s Chamber of Commerce and Industry was established in 2013 with over 100 members. The Coalition for Change is another networking and advocacy organization for women, focused on reducing violence against women and children.

Although there are no official figures on the proliferation of women's networking organizations in PNG, a search of the Investment Promotion Authority (IPA) database reveals 562 registered associations with the word "women" in their names. Examples of such associations include Women in Business; Women in Engineering; Women in Agriculture; and Women in Science, Technology, Engineering, and Mathematics.

Over 50 of PNG's largest companies are financial members of the Business Coalition for Women, which was established in 2014. This coalition focuses on networking for women entrepreneurs as well as providing network assessments, tools, and training aimed at improving gender equality within its member companies. There is scope to promote new policies and guidelines through the coalition, including the implementation of preferential hiring practices, targets or quotas for the number of women employees, and preferential treatment or set percentages for businesses run by women to win supply contracts.

5.8.2 Overview of Skills and Training Opportunities

There is a plethora of training opportunities for women throughout PNG, as well as for women entrepreneurs both in the informal economy and the formal economy. Businesswomen in PNG reported that "it is easy to find a training course if you look (for it)" (footnote 34). However, many courses oriented to business, such as those on financial management and business administration, are located in urban centers.

For women who own businesses operating in the informal economy, there are skills and training opportunities offered by the Ginigoada Bisnis Development Foundation, the National Development Bank of Papua New Guinea, and Nationwide Microbank. These courses are available in a number of provinces across PNG.

For women operating businesses in the formal economy, the United States Embassy in Port Moresby intends to establish a women's business center in Port Moresby, with a focus on business training and mentoring. Various chambers of commerce and networking organizations (section 5.8.1), as well as the Small Business Development Corporation, also provide skills and training support to women.

Many of the 25 women entrepreneurs interviewed for this report said they had accessed basic skills training. However, these women identified financial management and human resource management as areas in which they required further training. Other women identified a need for specialist skills and outreach, such as addressing trade and customs compliance issues, which were generally unavailable from government organizations (Box 5.5).

Box 5.5: Early Success Shaped by Opportunities to Gain New Skills



After receiving skills training from local organizations, Bonnie Naua established Saroni Tailoring, a garment and tailoring business in Port Moresby.

In 2009, Bonnie joined her local Women in Business association and attended a number of provincial women's agribusiness shows, which motivated her to advance her sewing skills.

Under an initiative for small and medium enterprises supported by the Department of Commerce and Industry, Bonnie was able to complete an Advanced Certificate in Apparel Sewing from the Port Moresby Garment and Textile Training Centre. She then joined the Papua New Guinea Women's Chamber of Commerce and Industry and, as she puts it, "my life has been different ever since." The chamber of commerce provided Bonnie with mentoring, training, and networking opportunities, which have helped her greatly improve her business acumen.

Source: Interview by author.

5.8.3 Key Recommendations

Five key strategies to better connect women and enhance their business skills are the following:

- (i) Support cross-cultural networking and skills exchange events in Port Moresby and Lae.
- (ii) Work with the Pacific Islands Private Sector Organisation to link with initiatives for regional networking, such as the Women in Business bi-annual conference, and utilize such events as vehicles to disseminate information.

- (iii) Consider the potential for the Business Coalition of Women to provide specialist skills training in business management and development.
- (iv) Expand the outreach activities of Business Coalition of Women to rural areas outside Port Moresby and Mt. Hagen.
- (v) Encourage women entrepreneurs to join the PNG Women's Chamber of Commerce and Industry, and provide technical assistance to help the chamber expand its advocacy and educational services.

5.9 Women's Access to Trade and Markets

5.9.1 Importing

PNG is a net exporter and was projected to export \$6.9 billion in resources and \$2.3 billion in nonresource goods in 2016, while importing \$4.8 billion in goods.⁶⁴ PNG's trade balance was projected to be \$4.6 billion in 2016.

The Bank of Papua New Guinea has imposed a trading ban on its currency, effectively resulting in a sliding peg against the US dollar. As such, foreign currency has been in scarce supply in PNG since early 2014. Orders for foreign currency are subject to prioritization by banks. During 2014, currency for food and fuel imports received priority. The policy has resulted in substantial disruption to importers. SMEs are finding it especially challenging to fill orders for foreign currency with which to pay overseas suppliers.

While trading procedures may be challenging for all businesses in the PNG economy, women are concentrated in particular sectors and have varying degrees of access to trade services, so they face unique challenges in trading both nationally and internationally.

Notwithstanding those that trade entirely in domestically produced primary and secondary goods, many businesses in PNG are, to some extent, reliant on imported raw materials or other inputs.

Importers are not required to have customs licenses to import goods into PNG. However, businesses or brokers must submit an import declaration to customs prior to goods arriving in PNG. Supporting documents that must also be submitted, include a customs valuation declaration and a certificate of origin

⁶⁴ IMF. 2015. *Article IV Staff Report*. Washington, DC. Note, however, that the main text projections do not take into account recent declines in crude oil prices.

of the imported goods. Import duties and taxes are charged, and are payable to the customs office. Goods are inspected prior to release. Such services are located near the ports, at institutions whose staff are primarily men.

Some of the 25 women interviewed for this report noted that it was at times intimidating when interacting with institutions involved in importing and customs (footnote 34). While none reported any gender-based harassment, there was a general view that, if a customer was of the same wantok or from the same area as a staff member, the time taken for customs processing could be reduced.

Only a few of the businesswomen interviewed for this report directly imported inputs from overseas. Others relied on wholesalers for supply of imported goods such as flour and rice. Those who did directly import inputs, such as fabric from Manila and construction supplies from Australia, identified a number of issues in trading across borders.

First, entrepreneurs identified that trading in PNG was expensive. Customs brokers, port authorities, and import duties and taxes were all variously described as being costly. It was also reported that fees and charges were not clearly listed on the customs website, nor are duties by the Internal Revenue Commission. However, PNG Ports does have tariff information listed clearly on its website.

Entrepreneurs also pointed out delays and challenges in importing items from Australia and other markets. Factors causing delays included staff shortages and lack of resources at responsible government agencies, such as the customs office, as well as the potential for items to get delayed at port if a particular officer was on leave.

5.9.2 Trading within the Country

There are no safe and reliable road links to the capital, Port Moresby, from other urban centers in PNG. As a result, the country has numerous domestic airlines and shipping services. Domestic trading in PNG is therefore usually limited to the distribution of imported goods across the country.

Women are extensively involved, as part of household and smallholder units, in the production and sale of fresh produce within PNG. They are also instrumental in agricultural marketing activities. However, prevailing social attitudes and practices can result in the exclusion of, or discrimination toward,

women attempting to participate in agricultural supply chains in PNG. Travel and transportation of produce to and from collection points and official markets is made more difficult for women than for men, due to a lack of access to reliable vehicles and the country's unsafe roads.⁶⁵ Women can also face violence, harassment, and discrimination once they arrive at collection points and marketplaces.

Efforts to increase women's access to markets in agricultural centers, such as Mt. Hagen, should be supported.

5.9.3 Exporting and Market Development

The majority of businesses in PNG do not export goods directly. Businesses do not require customs licenses to export goods from PNG and rely on business agents or brokers acting on their behalf. They must obtain export clearance from customs, through lodgment of an export declaration and supporting documents such as a bill of lading. There are few statistics on the profiles of PNG businesses involved in cross-border trade. However, the IPA has begun to collect export profiles, which contain gender information. Although this information was not available at the time of writing, it is clear that this type of data will be useful for policy development.

Women are more likely to own SMEs and operate them with less formal structures than male entrepreneurs. This may expose women to greater risk and liability when seeking to invest in, start, or maintain export businesses. Women are also more likely to operate businesses in sectors that have limited export potential, such as agriculture, retail, and handicrafts.

Due to the dynamics of producing goods in a home-based or micro enterprise, ensuring consistent quality and supply is challenging. Women's access to entities that assist with export standards, such as export boards or industry associations, may be restricted due to social practices that discriminate against women, such as household responsibilities, inability to travel to places where assistance is offered, and lack of access to safe transportation to get there.

The cost of undertaking research and devising strategies for exporting and market development is high and often unaffordable for women operating SMEs.

⁶⁵ Australian Centre for International Agricultural Research. 2007. *Women and Youth Participation in the Fresh Produce Industry*.

There are limited programs in PNG to help women's businesses unlock export potential. The Minister for Trade, Commerce, and Industry, Richard Maru, has publicly endorsed⁶⁶ protectionist policies, such as reserve lists and foreign investment restrictions in retail, to encourage women in PNG to participate in the economy. The IPA has regular services for trade promotion, such as an exporters' directory service. However, there are no trade promotion programs specifically tailored to women. The Department of Commerce and Industry has a women's desk officer, but there are no gender-specific export policies within the department, aside from the Gender Equity and Social Inclusion Policy, which guides staff on gender issues in designing or undertaking trade negotiations or trade promotion programs.

PNG is served by the Pacific Trade Invest, a trade facilitation initiative for the Pacific, sponsored by the Department of Foreign Affairs and Trade of Australia. In PNG, Pacific Trade Invest has assisted artists from the Oro Province to showcase art in Australian galleries, and facilitated the Goroka International Bilum Festival to bring buyers to PNG. Bilums (string bags made traditionally by hand) and barkcloth—on which Oro Province art was displayed—are important sources of income generation for women in rural PNG.

The Pacific Horticultural and Agricultural Market Access Program is now operating in PNG, but the methodology undertaken to identify export commodities of focus does not currently include gender equality measures. This could be rectified with the inclusion of measures to indicate the prevalence of women's participation in export activities and the income they earn in particular commodity value chains.


There are no concerted efforts to establish a "Made in PNG" brand concept to protect the intellectual property behind products grown, developed, or produced in the country. Such a campaign would help differentiate these products from those produced in other Pacific island countries or elsewhere in the world. There are, however, participating organic, fair trade, and Rainforest Alliance certification systems in use in PNG.

⁶⁶ *Post Courier*. 2012. Maru "Empowers" Small People. 22 November.

5.9.4 Key Recommendations

Key strategies to help PNG women become more competitive on domestic and international markets are the following:

- (i) Consider creating a “Made in PNG” marketing identity, which could be used for branding, labeling, and packaging of individual businesses and their goods.
- (ii) Work with the IPA to identify the sectors in which women are exporting, as well as the constraints they face in these sectors.
- (iii) Work with existing partners and programs, such as the Pacific Horticultural and Agricultural Market Access Program, to improve supply issues, particularly for commodities where women are prevalent in the supply value chain.
- (iv) Raise the profile of Pacific Trade Invest and improve its links to PNG goods as seen by international buyers across Asia, Europe, and the United States, rather than just those in Australia.
- (v) Ensure that access to trade-supporting infrastructure is shared across PNG’s broad community of informal micro and small enterprises, particularly those operated by women, so that, for example, products are labeled to meet tourist market standards and can get through customs in Australia and New Zealand).
- (vi) Provide standards training through a workshop or seminar for women involved, or seeking to be involved, in exporting, similar to the New South Wales Government’s Women in Global Business programs in Australia.



Women wait at a bus stop in central Apia. Establishing a centrally-located women's business development hub is one option to help women transition to the formal economy.

6. SAMOA

6.1 Introduction

6.1.1. Country Overview

Samoa is a lower-middle-income Pacific island country, with a population of 191,800 (as of 2014) living on four of its nine islands. Around 19% of the population lives in the nation's capital, Apia, with the remainder in rural areas.¹ About 70% of the population depends on subsistence agriculture and, as of 2008, 26.9% of Samoa's people lived below the national poverty line. Annual growth in gross domestic product (GDP) was 2% in 2014 and 1.4% in 2015.² The country's decreasing rate of gross domestic product (GDP) growth, which can in part be attributed to recent natural disasters, is reflected in rising unemployment (footnote 1). Retail and services is the economy's biggest sector, accounting for 32.3% of total GDP. Construction (10%), public administration (8.1%), other manufacturing (6.7%), and agriculture (6.4%) are also major contributors (footnote 2).

¹ Government of Samoa, Samoa Bureau of Statistics. 2011. *Population and Housing Census 2011*. Apia.

² Government of Samoa, Samoa Bureau of Statistics. 2015. *Gross Domestic Product June 2015 Quarter*. Apia.

The small size of Samoa's population restricts economic activity, as economies of scale are very difficult to achieve. Most firms employ only a few people and are often family-owned. These businesses find it challenging to allocate resources for market intelligence, or to access funding for investment in new skills and technologies.

Samoa should take every opportunity to integrate with world markets by lowering its trade barriers, reforming its business environment, and ensuring that the cost of doing business in (or with) the country is low.³

In 2011, Samoa became a full member of the World Trade Organization. Tourism, agriculture, and fishing constitute the bulk of the country's exports, the largest markets for which are Australia, New Zealand, and North America.

The Strategy for the Development of Samoa 2012–2016, compiled under the theme of Boosting Productivity for Sustainable Development, highlighted the Government of Samoa's need to lift commodity exports to expand the country's trade capacity. This additional source of foreign exchange earnings is essential to the growth of the Samoan economy. Research has confirmed that firms that export grow faster and employ more workers than firms that do not export. Exporting is associated with the reallocation of resources from less efficient operations to more efficient ones and, in Samoa, exporting companies are larger than nonexporting companies (footnote 3). Exporters in Samoa face a number of limitations to expanding their businesses, including a lack of access to finance, capacity constraints, labor issues, and the country's underdeveloped business environment. Most infrastructure is provided through monopoly state-owned enterprises, with low service standards and high costs.

Samoa's national development strategy focuses on strengthening economic resilience by increasing investment in the productive sectors of the economy. Increasing productivity in agriculture and associated value-added manufacturing is critical for domestic consumption, import substitution, and export development. The strategy also aims to scale up investment in tourism, while improving the country's macroeconomic stability and its business environment.

One major hindrance to economic development has been Samoa's inadequate internet broadband network, which is unable to service the data needs of the

³ Asian Development Bank (ADB). 2015. *Reform Renewed: A Private Sector Assessment for Samoa*. Manila.

country's public and private sectors at realistic pricing levels. The government has been active in trying to keep pace with the country's information, communication, and technology requirements, but it has had limited success.

6.1.2 Moving toward Gender Equality: Institutions and Policy

The Constitution of the Independent State of Samoa 1960 includes a number of provisions that guarantee nondiscrimination. Article 15 states that all persons are equal before the law and entitled to equal protection under the law. The Constitution, however, contains no protections to address discrimination on the basis of disability or sexual orientation.

Customary law in Samoa discriminates against women. Women are particularly disadvantaged by not gaining village chieftain titles, called *matai*, which traditionally go to men. Without these titles, women's opportunities to stand for Parliament and leadership positions in general, or to make decisions concerning customary land, are severely limited. Samoa's Constitution specifically recognizes the role of customary law in relation to chiefly titles and customary land.

The government has made a number of international and regional commitments to gender equality (Appendix 3).

Samoa's national development strategy does not discuss the role of women in economic development. However, the economic empowerment of women is recognized in the Ministry of Women, Community and Social Development's Strategic Plan 2013–2017 and the National Policy for Women of Samoa 2010–2015. There is a strong focus on transitioning women from the informal economy to the formal economy, and on strengthening the services and types of finance available to support micro and small businesses owned by women.

The Ministry of Women, Community and Social Development is responsible for maintaining national government relationships at the village level. Key partners include village councils, which are usually composed of *matais* (predominantly men), and women's committees, often consisting of the wives of *matais*. Women's committees have traditionally had a focus on the public health of the village. There is also a National Council of Women, which is seen to represent women's interests in Samoa. Some churches also provide a forum for women to form committees and address gender issues.

Through the Pacific Women Shaping Pacific Development program, the Government of Australia has provided funding and technical assistance that

will, among other things, help the Ministry of Women, Community and Social Development to implement the Gender Plan 2013–2018. Key priorities of the plan are to increase women’s economic empowerment, advance gender equality in decision-making and political governance, and reduce the incidence of violence against women.

Samoa’s National Human Rights Institution, which was established in 2013 and forms part of the ombudsman’s office, released its first State of Human Rights Report for Samoa in 2015.⁴ The report emphasizes the need for collaboration among stakeholders to advance the position of Samoan women.

6.1.3 Key Strategies for Samoa

As discussed in detail later in this chapter, three recommendations to prioritize to help economically empower Samoan women are the following:

- (i) reform business licensing legislation to issue licenses by business, rather than by each commercial activity, with simple and transparent requirements and gender-disaggregation of data; also, digitize business licensing so that annual applications and payments can be completed online, and are easily searchable;
- (ii) establish a women’s business development hub to provide business advisory services to support women who are operating in the informal economy or are transitioning (or have recently transitioned) to the formal economy; and
- (iii) create an information campaign (in partnership with nongovernment organizations) to inform women of the advantages of joint ownership of matrimonial property.

6.2 The Context of Women’s Autonomy

6.2.1 The Impact of Violence against Women

The Samoa Family Health and Safety Study 2000 found the rates of domestic violence and sexual abuse to be high across the country, but particularly high in rural areas and among low-income groups. In rural areas, 53.5% of women reported having experienced domestic violence and/or sexual abuse, compared

⁴ Government of Samoa, Ombudsman and National Human Rights Institution. 2015. *State of Human Rights Report*. Apia.

with 35% of women in urban areas. Women with only primary education were the most likely to be victims of violence. The National Policy for Women of Samoa 2010–2015 outlines research that shows women who have experienced abuse are twice as likely to have poor health, including diminished sexual and reproductive health, physical and mental problems, and suicidal thoughts.⁵

Recent legislation acknowledges the prevalence of domestic violence in Samoa. The Family Safety Act 2013⁶ introduced a broad definition of domestic violence, which applies both to married people and those in de facto relationships, and provides for courts to issue protection orders. The Ministry of Police and Prisons incorporates a Domestic Violence Unit, which helps arrange shelter, medical treatment, and counseling for victims. The unit also works to inform complainants of their rights and prosecute offenders. Police officers cannot discriminate on the basis of gender, and disciplinary proceedings can be instigated against any officer who fails to comply with these duties. However, as reported by the National Human Rights Institution in 2015, the collection of statistical data on domestic violence and sexual abuse disaggregated by gender, age, nationality, and the relationship between the victim and the perpetrator is not taken seriously by the police force (footnote 4). Meanwhile, the Crimes Act 2013⁷ increased maximum penalties for most sexual offences.⁸ The Divorce and Matrimonial Causes Amendment Act 2010 was amended to include no-fault divorce, and states that domestic violence can constitute grounds for divorce.⁹

In Samoa's corporate enterprises, as well as in some government departments, it has become common for staff of both genders to wear an orange shirt on the 25th day of every month. This practice is designed to show that the participating organization is taking a stand against domestic violence.

In early 2016, UN Women Pacific introduced a toolkit to help design projects that will end violence against women and girls.¹⁰ The toolkit was developed by UN Women through its Pacific Regional Ending Violence against Women Facility Fund, with funding from the Government of Australia. It is recommended

⁵ Government of Samoa, Ministry of Women, Community and Social Development. 2015. *National Policy for Women of Samoa, 2010–2015*. Apia.

⁶ Government of Samoa. 2013. *Family Safety Act, 2013*. Apia.

⁷ Government of Samoa. *Crimes Act, 2013*. Apia.

⁸ Pacific Islands Law Officers Network. *Samoa: New Legislative Provisions in Relation to Sexual Offences; Introduction of Family Protection Legislation*. http://www.pilonsec.org/index.php?option=com_content&view=article&id=137&Itemid=113

⁹ Divorce and Matrimonial Causes Amendment Act, 2010 (No. 16).

¹⁰ UN Women Pacific. 2015. *How to Design Projects to End Violence against Women and Girls*. Suva.

that this toolkit be utilized by the Ministry of Women, Community and Social Development, the police and relevant nongovernment organizations, to continue the momentum in addressing domestic violence.

6.2.2 Health and Education

The health of women in Samoa is greatly affected by lifestyle diseases, particularly obesity, hypertension, and adult-onset diabetes. The government's Second Progress Report 2010 on the Millennium Development Goals found that the obesity problem was more advanced in women than in men, with 66% of all women aged 35–64 being classified as obese, and 90% being classified as either overweight or obese. By comparison, 44.9% of men in the same age range were classified as obese, and 81.1% were classified as either overweight or obese. The obesity epidemic in Samoa is a precursor to the increasing rates of adult-onset diabetes, both in women and men. The prevalence of noncommunicable diseases is also causing increasing concern, as the number of women contracting these diseases continues to rise. The maternal mortality rate in 2015 was 51 deaths per 100,000 births, one-third what it was 25 years earlier, and the total fertility rate was 4 births per woman.¹¹

In education, Samoa's Census 2011 found that 96% of Samoa's children aged 6–14 attended school. In this age group, more boys than girls attended primary school at all levels, from year 1 to year 8. For every 100 girls attending primary school, there were 108 boys who attended. However, at age 15, the enrollment rate started to decline strongly for both genders, with male students falling in number more substantially than female students. For every 100 girls attending secondary school, only 92 boys were in attendance. A total of 3,830 students were enrolled in tertiary education, where 52% of students were women and 48% were men.

Of the eligible population in Samoa, 87% have attained the Pacific Secondary School Certificate, 6% have completed a post-secondary certificate, 4% have attained a diploma, and only 3% have completed a tertiary degree or higher qualification. These results from the Census 2011 confirm that Samoa has a long way to go to establish a more qualified workforce that can lead and sustain its desired social and economic development.

¹¹ World Bank. World Bank Samoa Country Profile. <https://data.worldbank.org/country/Samoa> (accessed 9 March 2018); and UNICEF. Data Library. <http://www.devinfo.org/unicefdata> (accessed 9 March 2018).

Literacy levels in Samoa are excellent, with 98% of the population aged 15–24 being literate. While women have slightly higher literacy rates than men at the secondary and tertiary levels, these rates do not translate into increased participation by women in the workforce or in starting a business.

6.2.3 Political Participation by Women

Samoa is a parliamentary democracy with a unicameral legislative assembly consisting of 49 members. These members are holders of chiefly titles, or *matai*, elected from territorial districts. Universal suffrage was introduced to Samoa in 1990, although only *matai* may stand for election.

Samoa's Constitution, which came into force in 1962 after independence from New Zealand, is based on the British parliamentary democracy model, modified to take into account the country's customs. The way of life in Samoa or "faa-Samoa" is based on the *matai* system—a traditional village-based system of government where all community affairs are managed and operated under the village council. The village council is comprised only of men and women with *matai* titles, bestowed upon them by their families. The council plays a significant role in village life, undertaking such duties as establishing village protocols, managing customary land and rights, and recommending disciplinary actions to maintain peace and harmony among villagers.

Some villages do not allow women to possess *matai* titles, or refuse to recognize any titles bestowed upon women. Other villages (such as Letogo, Malie, Saleimoa, and Tanugamanono) restrict female *matai* by prohibiting their participation in village councils. This restricts women's from obtaining the village consensus needed to run for Parliament.

The Census 2011 showed that only 9% of all Samoans had ever become *matai*. Of these 16,787 *matai*, 89% were men and 11% were women. The small proportion of women *matai* has direct and obvious ramifications for the representation of women in the Parliament in Samoa.

Following the general elections of 2006, four women became members of Parliament. As of 2017, five of the 50 members of Samoa's National Parliament were women, up from a low of only two in 2011. At the time of this report, Samoa had just one woman minister, Fiame Naomi Mata'afa, the Minister of Justice. A cabinet minister since 1991, Fiame had previously held the portfolios

of Education, Youth, Sports and Culture; Labour; and Women, Community and Social Development.¹²

The National Policy for Women of Samoa 2010–2015 discusses the formal restrictions on women becoming members of parliament due to the *matai* system, as well as informal obstacles to parliamentary participation by women. Informal obstacles cited by the policy include social and customary attitudes in Samoa about a woman’s “proper” place, and women accepting roles that are supportive to leadership rather than leadership itself.

With the government recognizing that customary norms are the main impediment to women’s parliamentary participation in Samoa, it has initiated appropriate legislative reform. The Constitution Amendment Act 2013 provided that Article 44 of the Constitution reserve 10% of parliamentary seats—which currently translates to five seats—for women.¹³ The Legislative Assembly of the Samoan Parliament voted unanimously in support of the amendment, with the then Speaker of the Legislative Assembly, La’auli Leuatea Polataiua Fosi, calling it “a new dawn for women.”¹⁴ The quota of five places was applied in the general elections held in March 2016.

In 2015, the Government of Australia made a commitment to provide financial assistance to the United Nations Development Programme and UN Women for the Increasing Political Participation of Women in Samoa program. The National Council of Women, Samoa Ala Mai (which means “Awake Samoa”), and the Samoa Umbrella for Non-Governmental Organisations were active in promoting women to be elected, conducting radio interviews and talkback segments that were broadcast nationwide.¹⁵

6.2.4 Women and Employment

Good literacy rates have not translated into improved employment prospects for women in Samoa. In the Census 2011, nearly three times as many men as women were deemed to be economically active (Figure 6.1). The census

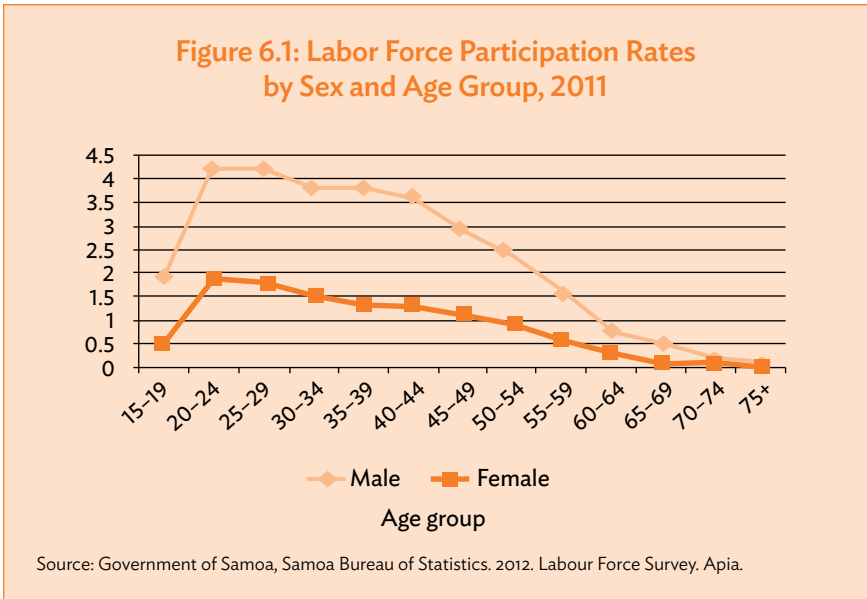
¹² Government of Australia. 2015. *Pacific Women Shaping Pacific Development*; and Pacific Women Shaping Pacific Development. Samoa. <https://pacificwomen.org/our-work/locations/samoa/> (accessed 9 March 2018).

¹³ The Constitution Amendment Act, 2013 states: “[...] (1A) Subject to this Article, women Members of the Legislative Assembly shall: (a) Consist of a minimum of 10% of the Members of the Legislative Assembly specified under clause (1) which for the avoidance of doubt is presently five (5).” Government of Samoa. 2013. *Constitution Amendment Act, 2013*. Apia.

¹⁴ *Talamua Online News Service*. 2013. New Dawn For Women. 24 June. Apia. <http://www.talamua.com/new-dawn-for-women-seats-reserved-for-them-next-parliament/>

¹⁵ *Samoa Observer*. Ala Mai Advocates for Female MPs.

showed that women were more likely than men to be found in professional and clerical work, and that they had a high representation in service and technical industries. Men were more likely to be found in occupations related to agriculture, livestock, forestry, fishery, and the operation of plants and machinery. Women were underrepresented at management level, with only 36.3% of managers being women.



The top three industries where women are most likely to be employed include education (17.1%), commerce (14.3%), and other services (12.1%) constituting 43.5% of overall employment. In contrast, men are more likely to be found working in agriculture (42.4%), other services (8.4%), and transport (6.8%) constituting 57.6% overall (footnote 1). Women in Samoa are also frequently employed in the public sector, accounting for more than 60% of public service employees in 2010.¹⁶

Samoa's Public Service Act 2004 expressly states that, to establish a public service in which decisions are made on their merits and without discrimination,

¹⁶ Government of Samoa, Ministry of Commerce, Industry and Labour. 2010. *Report: Labour Market Survey of Private Sector Employers in Samoa 2010*. Apia.

there must be equal employment opportunity.¹⁷ The public service is therefore a major employer of women and, unlike many employers in the private sector, it provides 8 weeks of paid maternity leave.

The Labour and Employment Relations Act 2013¹⁸ introduced significant changes to Samoa's employment laws, particularly in regard to maternity leave. Some private sector organizations now provide more than the legislated requirement for maternity leave. For example, ANZ Bank provides 6 weeks of maternity leave on full pay, and employees can add their annual leave as well as take up to 6 weeks of unpaid leave. The act also contains a provision (section 19) that prohibits sex discrimination in employment, specifying that women are entitled to remuneration at the same rate as a men for similar work.

The Women in Leadership Advocacy Group is an initiative to improve the working relationships of women in leadership roles in Samoa's public service. As of October 2015, the group was made up of women from a variety of senior positions: one minister (of Justice), 2 other members of parliament, 2 Public Service Commission members, and 21 chief executive officers (CEOs) of government ministries and state-owned enterprises. There was also very strong representation by women who are assistant CEOs in various government departments.

There are no data available to capture gender pay gaps in Samoa. Senior staff at the Ministry of Women, Community and Social Development explained that female professionals, such as teachers, are traditionally paid poorly and that higher-paid positions, such as school principal, are generally held by men. Meanwhile, in organizations such as the police force, there are existing practices that limit what tasks women can do and the promotions available to them, which in turn limits the pay they receive.

One area in which Samoa is failing to make progress is representation by women on the boards of public bodies (Appendix 9). The National Policy for Women of Samoa 2010–2015 states: "While government has made a commitment to include women in the public body boards, the 11% of women on the 23 boards compared to 89% men is an unacceptable difference. The loss of the female perspective is not just a justice/gender equity issue but compromises the optimum performance of the boards."

¹⁷ Government of Samoa. 2004. *Public Service Act, 2004*. Apia.

¹⁸ Government of Samoa. 2013. *Labour and Employment Relations Act, 2013 (No. 7)*. Apia.

In general, the few private sector companies that require boards in Samoa are family-owned and their boards are made up of male and female family members. There is little inclination among such boards to bring in independent directors as, unlike family members, these directors would require payment.

6.3 Women in the Informal Economy

6.3.1 Participation in the Informal Economy

Women in Samoa are reluctant to admit to being engaged in the informal economy, with only 931 reporting in the Census 2011 that they had been engaged in subsistence work such as agriculture or fishing. Only 23 women in the entire population claimed they had been engaged in street vending, reflecting the low regard with which this form of activity is held in the community. Together with the women who are engaged in street vending and subsistence activities, some 3,088 (24%) of the country's 13,118 economically active women are engaged in formal or informal entrepreneurial activity, rather than in formal employment.

The Census 2011 showed that 59% of the working age population of Samoa, roughly 68,000 people, was not economically active.¹⁹ Of the 41% or almost 48,000 who were economically active, 73% were men. The large majority (48,536) of those not economically active said they attended to domestic duties, and 68.4% of those were women and girls.

A 2014 nationwide study found that, of all businesses at the village level in rural Samoa, 34% were owned by women.²⁰ This survey suggests a much higher proportion of female business activity than captured by the census. Further data collection is necessary for the development of informed dialogue and policy development in this area.

6.3.2 Laws, Policies, and Programs

The National Policy for Women of Samoa 2010–2015 states that an increase in the rate of participation by women in the formal economy is integral to the advancement of women and the sustainable development of Samoa. The policy acknowledges that accessibility to, and robust participation in, development

¹⁹ The Census 2011 questionnaire allows respondents to choose only one category of activity—economically active or nonactive—which may skew these results.

²⁰ Centre for Samoan Studies. 2014. *Village Government in Samoa: Do Women Participate?* Toomatagi: National University of Samoa.

programs—specifically those targeting the social, economic, and cultural development of women—can be problematic for women people living in rural areas. Transport, distance, and financial costs can constrain their participation by rural women, making them an increasingly vulnerable group. The national policy prescribes more vocational training opportunities for women in the rural and/or informal parts of Samoa’s economy, which it says will result in improved skills and increased confidence to take on decision-making roles.

Agriculture offers huge potential for income-generating activities for women in Samoa. While several support programs and services targeting women exist in the micro and small business development sector, much work remains to ensure that these initiatives are sustained. This requires having relevant policy and legal frameworks in place, as well as having adequate support services on the ground to provide mentoring and coaching for women operating micro and small businesses.

Samoa has no legislation or specific policy regarding the informal economy, beyond an acknowledgement of the need to support women to transition to the formal economy, contained in the National Policy for Women of Samoa 2010–2015.

Samoa women engaged in programs such as South Pacific Business Development (SPBD) are gradually transitioning to the formal economy. SPBD moved over 300 women clients from microfinance loans to loans for entrepreneurs in small and medium-sized enterprises. However, the rate of transition is slow and many women remain stuck in the informal economy, without their informal activities being properly captured or understood.

The Miscellaneous Fees Amendment Act 2008 introduced fees for street vendors, many of whom are women operating from streetside stalls and in marketplaces to sell handicrafts, fruit and vegetables, and cooked food.²¹ These vendors are required to pay either ST20 per day or ST220 per year in fees. Many people from the public and private sectors and nongovernment organizations, as well as women vendors at the Samoa Flea Market in Central Apia, were of the opinion that these fees are too high for informal economy businesses, and that they discourage informal activity, without any regulatory benefit. This offers an explanation as to why few women are engaged in street vending.

²¹ Government of Samoa. 2008. *Miscellaneous Fees Amendment Act, 2008 (No. 25)*. Apia.

6.3.3 Key Recommendations

The following key recommendations can enable the development of policies and programs that enable women in the informal economy to reach their potential:

- (i) The government should include questions in the 2017 Census to capture part-time informal economic activity by women, including type of activity, hours spent working, and income received. The methodology from the Centre for Samoan Studies 2014 survey “Village Government in Samoa: Do Women Participate?” may be useful here.
- (ii) The government needs to capture specific data on the volume of transactions in informal sector goods, including handicrafts, to understand the value of these goods to the broader economy. Sales of handicrafts are not registered, even when exporting, so the government is not aware of the size of such industries nor how to invest in them.
- (iii) The National Policy for Women of Samoa 2016–2020 should contain specific programming on women in the informal economy.
- (iv) The government should consider support for a women’s entrepreneurial hub to provide business advisory services to women operating in the informal economy and women entrepreneurs in transition, or recently transitioned, to the formal economy. Possible homes for the hub include the Ministry of Women, Community and Social Development; the Community Law Center; or the Women’s Enterprise Network.

6.4 Women’s in the Formal Economy

6.4.1 The Formal Economy and Business in Samoa

Samoa’s company laws were updated in 2006 to reflect modern business practices. Following the introduction of enabling regulations under the Companies Amendment Act 2006,²² the Samoa Companies Registry was commissioned and installed in February 2013. While enabling a shift toward paperless processes, the electronic registry also offers more rapid and efficient company incorporation and maintenance, as well as improved searching and data collation of information on companies and their directors.

Efforts to ease regulatory burdens are also being considered by the Ministry of Revenue, which has already undertaken some reforms to its tax payment

²² Government of Samoa. 2006. *Companies Amendment Act, 2006, No. 18*. Apia.

protocols. Tax statements can now be viewed online and, if the business has an account with ANZ Bank, taxes due can be paid via electronic transfer. The Ministry of Revenue is currently working with the Bank South Pacific to broaden the scope of this payment facility.

6.4.2 Starting a Business: Looking at a Woman's Point of View

Women in Samoa find it more difficult to formalize a business than do men. This scenario can be attributed to a multitude of factors:

- (i) It is particularly difficult for women located in rural areas—essentially anyone living outside Apia, but particularly those on the island of Savai'i—to access business advisory services and government offices.
- (ii) The prevailing social culture and customs may restrict the woman's aspirational sphere to low-level economic activity and the domestic environment.
- (iii) Women can often be time-poor (dual income-earning and domestic responsibilities mean that committing to a formal business may be unrealistic).
- (iv) Women generally have less interaction with, and understanding of, the formal economy and the government than do men, which could result in them being less aware of formalization processes.

The allocation of resources within households means some women may not see the benefits that formalization—and the additional income of any subsequent business growth—could bring, so the incentive to formalize remains low.

The Ministry of Revenue does not maintain gender-disaggregated data on the licenses it issues, which makes it difficult to assess the types of businesses in which women participate. However, it is generally thought that women are mainly engaged in retail activities and tourism. A popular retail activity among women is selling general food items from a small store in front of their homes, and these businesses are often run informally. Because women find it difficult to access land to operate businesses, they prefer to use their homes as business premises.

Women in Samoa's retail sector are facing a new challenge, with increasing foreign investment in retail businesses. Although retail of general food items is an activity reserved for citizens of Samoa under Section 3 (1) of the Foreign Investment Amendment Act 2011, this provision is reportedly poorly enforced. People interviewed for the purposes of this report observed that the legislation

has been circumvented in many ways. One common example was to have a Samoan citizen or citizens named as the business owner, while effective control of the business was in the hands of noncitizens. While such tactics may protect businesses in the short term, their capacity to nurture sustainable and competitive businesses is questionable.

Women lack information on Samoa's licensing regulations and the registration of companies, and this lack of knowledge constrains their business engagement. The taxation system in Samoa is also complex, with income tax payable on income over a threshold amount and the value-added goods and services tax levied at a rate of 15%. Awareness of these requirements should be increased among women entrepreneurs in Samoa. Scope exists to upskill women to engage in businesses that will promote agricultural exports, including the provision of advice on customs procedures, quarantine requirements, labeling laws, and export requirements. Such assistance may also encourage more women to transition from the informal economy and start formal businesses.

Finally, Samoa's outdated Bankruptcy Act 1908 is a deterrent to all businesspeople,²³ as it still has provisions to imprison people who cannot pay their debts. Such provisions are impediments to business entry and entrepreneurial activities.

6.4.3 Business Licensing

There is a stark contrast between Samoa's modern company registration system and the burdens of the country's licensing system.

The Business Licences Act 1998 governs the licensing regime for businesses in Samoa. Before starting a business, licenses for each of the enterprise's activities must be obtained from the Inland Revenue Services Division of the Ministry for Revenue. The need to apply and pay for licenses according to each business activity, and not for an individual business, is onerous and prohibitive for many micro and small business owners. Table 6.1 illustrates the fees for a range of businesses licenses.

²³ Government of Samoa. 1908. *Bankruptcy Act 1908*. Apia.

Table 6.1: Business License Fees

Type of License	Frequency	ST
A business or economic activity undertaken by a company or a trust	Per year	500.00
Commercial traveler	Per year	500.00
Special business	Per day	20.00
Any other business or economic activity	Per year	220.00

ST = Samoan tala.

Source: Compiled by author.

A business involved in food preparation and tourism activities must first obtain both a certificate from the Ministry of Health and an authority letter from the Samoa Tourism Authority, before applying for a business license from the Ministry of Revenue. This means that a tourism operator with a restaurant and a shop needs several approvals to cover all of the enterprise's activities. The Census 2011 showed that 1,389 women in Samoa classified themselves as self-employed, which requires these women to have business licenses. If they were engaging in more than one commercial activity, the cost of the licenses would be so high as to be a deterrent to engaging in business. Furthermore, as several agencies are involved in approvals, protracted delays are common.

Samoa's outdated licensing protocols have been reformed in most other countries (footnote 3). Regardless, the government must keep licensing fees low to encourage the formalization of businesses.

Reforms are needed to digitize business licensing in Samoa. Under the current system that requires personal attendance at a licensing office, the capacity for personal and cultural bias, or for mistakes to be made, is high. Several businesswomen interviewed for the purposes of this report stated that either the Ministry of Revenue had claimed business licenses or taxation had not been fully paid (when they had), or that the ministry had overcomplicated the process of obtaining a license by introducing discretionary procedures. Lawyers reported that there was a lack of consistent decision-making and a lack of transparency from the ministry, and that it does not follow policy or procedures properly in issuing licenses. Women business owners are particularly susceptible to being exploited in this way.

6.4.4 Business Taxation Requirements

All businesses in Samoa are required to obtain a business license, register for the value-added goods and services tax, register with the Ministry of Revenue, and register with the National Provident Fund. This can be a costly and time-consuming process.

When interviewed about further reforms, the CEO of the Ministry of Commerce, Industry and Labour outlined plans to streamline to one business registration number. This number would then be used for the National Provident Fund, to make tax payments to the Ministry of Revenue, and as otherwise needed. The Ministry of Revenue has undertaken some reforms to its tax system, where tax statements can be viewed on line. Tax can also be paid online, if the business banks with ANZ. The Ministry of Revenue is currently working to allow Bank South Pacific customers to also pay tax online.

6.4.5 Promoting Business Models That Suit Women

Incorporating a Company in Samoa

Company incorporation in Samoa is administered by the Registration of Companies and Intellectual Property Division of the Ministry of Commerce, Industry and Labour. Thanks to the introduction of an online registry in 2013, it is now possible to incorporate a company in Samoa in a single day. Model rules are provided that can be used for an entity with a single shareholder or for a private or public company, removing the need to use a lawyer in the incorporation process.

According to interviews conducted with several legal practitioners, however, lawyers are still conducting the majority of registrations on behalf of their clients. One reason given for this was that Samoa's slow and expensive internet access led businesses to outsource registration to law firms. Another was that registration cannot usually be completed online because payment must be made in person at the Companies Registry office. The second reason, however, is not entirely correct: an electronic payment system was introduced in 2016. Yet limited availability of or access to internet banking services and low credit card ownership among Samoan businesses means the electronic payment facility is little used.

While the number of registered company shareholders and directors increased between 2012 and 2015, the proportion of women among them decreased.

The Ministry of Commerce, Industry and Labour's principal registry officer, who is a woman, stated that "most companies are registered by men, and have male directors, and if they are family companies, include female and child shareholders."

Alternative Business Models

The community company model, which has been introduced in other Pacific countries, suits women's businesses because it allows customary land to be used for business purposes and encourages cooperation among shareholders. This vehicle should be considered as an option to promote women's entrepreneurship in Samoa. The community company model has the added advantage of fulfilling community goals alongside the pursuit of income and profit.

Attention should also be given to the limited liability partnership model as a vehicle with low compliance costs, which may encourage women in the informal economy to transition to the formal economy.

6.4.6 Key Recommendations

The following eight strategies are aimed at improving Samoa's formal business environment for women:

- (i) Reform the Business Licences Act 1998 to license each enterprise as an individual business, rather than by each commercial activity, with simple and transparent requirements.
- (ii) Digitize business licensing so that annual applications and payments can be made online and are easily searchable, and so that gender-disaggregated data can be easily collected.
- (iii) Streamline online systems for company registration, business licensing, tax protocols, the National Provident Fund, accident insurance, etc., so these processes can be done using one registration number.
- (iv) Consider the suitability of the community company and limited liability partnership models as business vehicles for micro and small business ventures.
- (v) Ensure the accessibility of online business licensing and company registration in rural areas (until Samoa's submarine broadband cable is operational, partnerships with alternative internet service providers, e.g., post offices or bank branches, should be piloted to enable internet access for business purposes).
- (vi) Reduce or eliminate the daily and annual license fee required from street vendors.

- (vii) Preserve the investment in expanding women’s economic empowerment, which predominantly occurs in the selling of food items, by better enforcing the requirement that this activity be conducted solely by citizens of Samoa.
- (viii) Support importers and retailers who are Samoan citizens to source cheaper goods.

6.5 Women’s Access to Land

6.5.1 Landownership

Land is integral to the identity, culture, and economy of the people of Samoa. The country’s Constitution defines three types of land—customary, freehold, and public—with the vast majority of land in Samoa being customary (Table 6.2).

Some 19% of land in Samoa has been alienated from customary ownership and has become freehold or government-owned land. All citizens of Samoa traditionally have an entitlement to customary land. Under Samoan custom, women and men are both seen as heirs to the land, with entitlements for access. This right is exercised through the *matai* titleholders (chiefs), who determine the distribution of the land within the family group, as well as the leasing of any customary land.

Table 6.2: Proportion of Land in Samoa by Type

Type of Land	Proportion of Country Covered (%)
Customary	81
Freehold	12
Public	7

Source: International Finance Corporation. 2010. *Gender Investment Climate Reform Assessment: Samoa*. Washington, DC. p. 30.

According to the Census 2011, 89% of *matai* are men. This is partly because many villages do not permit women to hold *matai* titles, and partly due to deeply entrenched attitudes that the men within families should be given the first option to take titles. As a consequence, women have limited access to customary land, which in turn inhibits their access to housing, which may be

used as collateral, and restricts their ability to undertake agriculture and other business activities.

Bank representatives interviewed for this report revealed that they would not regard a lease over customary land to be adequate security to grant a mortgage and loan. As demonstrated by the experience in Solomon Islands and Vanuatu, using leases as collateral does not greatly enhance the availability of finance for business (footnote 3).

6.5.2 Customary Land and Women's Rights

As seen in Table 6.2, 81% of the land in Samoa is customary land governed by customary law. Customary land allocated to a family cannot be transferred to a woman (or a man) in the event of marriage, divorce, or the death of her (or his) spouse: the land remains with the *matai* holder. If a woman is living on, or using, the customary land of her husband's family and she is widowed, she usually has the option of remaining on the land (particularly if she has children) or returning to her own family's land. Customary land dealings in the event of marriage, divorce, or death are also governed by customary rules.

Women are rarely involved in making decisions about customary land and often are not able to obtain the support of the community to pursue entrepreneurial activities. Furthermore, social norms such as *fa'alavelave*—customary obligations to share money with family—have a greater impact on women than on men, particularly at lower socioeconomic levels.

Customary land may not be sold or mortgaged (such limitations being enshrined in Samoa's Constitution). The only permitted dealings in customary land are leasing (under the Alienation of Customary Land Act 1965) or acquisition by the Government for public purposes (under the Taking of Lands Act 1964). An ongoing technical assistance project funded by the Asian Development Bank (ADB) aims to strengthen the economic use of customary land in Samoa.²⁴ As part of the reform process, a Customary Land Advisory Commission was established in 2013 to facilitate and promote the economic use of customary land.²⁵ The Customary Land Advisory Commission Act 2013 included a consequential amendment to Section 4 of the Alienation of Customary Land Act 1965 that empowers the Minister of Natural Resources and Environment

²⁴ Asian Development Bank. 2013. *Technical Assistance to the Independent State of Samoa for Promoting Economic Use of Customary Land, Phase III*. Manila.

²⁵ Government of Samoa, 2013. *Customary Land Advisory Commission Act, 2013*. Apia.

to grant mortgages over a lease or license of customary land, and ensures the process of registration and discharge of mortgages in the Land Titles Registration Act 2008 applies to the registration and discharge of such mortgages.

While these reforms have been controversial, they appear to have had no effect on increasing women's access to customary land, or, therefore, women's capacity to use customary land leases as collateral. An interview with a representative of the Ministry of Natural Resources and Environment confirmed that, although women's committees were actively consulted by the Customary Land Advisory Committee—as facilitated by the Ministry of Women, Community and Social Development—the question of how to increase women's access to customary land (or to leases and/or licenses) was not raised or discussed.

6.5.3 Registered Leases and Freehold Land

Women have the same rights as men to own and register freehold land in Samoa. Samoa's freehold land is mostly located around the Apia urban area. The Land Titles Registration Act 2008 introduced a registration system based on the Torrens system, replacing the old deeds registration system. The Land Registry was digitized in 2010, reducing by 4 months the time it takes to register property.

Dealings in freehold land—including transfers, leases longer than 3 years, and mortgages—must be registered with the Registrar of Lands. Gender-disaggregated data was not available from the Land Registry to ascertain the proportions of freehold land owned by men and women or held in joint tenancy.

Women can take ownership public land (land owned by government) in Samoa. Public land is found throughout Upolu and Savai'i and is administered by the Land Board under the Lands, Surveys and Environment Act 1989, which prescribes the method for the lease or sale of such land.²⁶ The Land Board must conduct a public tender process seeking applications from those interested in leasing or buying government land. In some very limited circumstances, such as a need to acquire government land to create a thoroughfare to other land, the government may sell or lease public land without conducting a competitive tender process.

²⁶ Government of Samoa. 1989. *Lands, Surveys and Environment Act, 1989*. Apia.

Although there are no direct gender barriers to women accessing public land for leasing purposes, they may face indirect discrimination in dealing with government officials, particularly if a woman applicant is not a *matai* titleholder.

6.5.4 Key Recommendations

Key recommendations to improve women's access to land in Samoa are the following:

- (i) The Customary Land Advisory Commission should specifically consult on the question of how to increase women's access to customary land, including leases and licenses over customary land.
- (ii) The Land Registry should introduce a mechanism to collect gender-disaggregated data on ownership of freehold, customary, and public land, so that appropriate policies can be introduced to increase women's access to all land in Samoa.
- (iii) Where land is being transferred to the name of one person in a marriage, lawyers should be required to satisfy themselves that the land is indeed intended by both spouses to be transferred to that person's sole name.
- (iv) The government should consider creating (in partnership with nongovernment organizations) an information campaign to inform women of the advantages of joint ownership of matrimonial property.

6.6 Women's Access to Finance

6.6.1 Samoa's Finance Sector

Some 39% of adults in Samoa have bank accounts and a further 12% use other formal financial services, such as credit unions; microfinance institutions; the Samoa National Provident Fund; investments (stocks, bonds, unit trusts, etc.); and various types of insurance.²⁷ Meanwhile, 15% rely on informal finance, such as savings clubs, or obtain credit from unregulated lenders, such as loan sharks or retailers. Tellingly, 34% of Samoan adults are completely excluded from utilizing either formal or informal finance options, but these people may have borrowed from, or lent to, friends and family.

Contrary to global trends around gender and financial inclusion, a slightly higher proportion of women in Samoa (40%) have bank accounts than do men (38%). Also, there are significantly more men (39%) who are excluded entirely from

²⁷ Central Bank of Samoa. 2015. *Financial Services Demand Side Survey Samoa*. Apia.

financial services than are women (30%). While it is important to investigate the reasons for higher financial exclusion among men, the Central Bank of Samoa hypothesizes that the higher level of bank account ownership among women is likely driven by remittance income. A significantly higher proportion of women (48%) receive remittances than do men (39%), increasing their need for banking services and receiving remittance income is positively linked to the fact that the funds will be banked (footnote 27).

Further statistics from the country's central bank show that 71% of adults own a mobile phone, but only 3.7% of mobile phone owners have a mobile money account. Even among adults with bank accounts, only 7.8% have mobile banking services (allowing them to access their bank accounts directly from their phones). Across all adults, 2.6% report having a mobile money account, 3% have mobile banking services, and 0.5% have both. This scenario suggests there are significant barriers to the adoption of mobile technology for financial transactions in Samoa. In discussions with representatives of ANZ Bank, it was reported that 7,000 of their customers use mobile banking, with access being constrained by the fact that Digicel is the only communications network on which mobile banking is possible. ANZ Bank is hoping to work with BlueSky, which services approximately 35% of Samoa's mobile phone users, to increase the availability of mobile banking services.

The Central Bank of Samoa has a strong focus on building financial literacy and inclusion in Samoa, including through a financial literacy program taught in schools across the country. A major focus is on building a savings culture in a country that is highly indebted at the individual, family, and community levels. In Samoa, debts tend to be incurred to meet cultural and community obligations, rather than for acquiring growth-based assets for business.

ANZ Bank is a partner of the central bank in running a financial literacy program called Money Minded.²⁸ However, neither bank maintained data on the number of female and male attendees.

The Unit Trust of Samoa (UTOS) offers an avenue through which diverse groups across Samoa can engage in investment, and has played an important role in building the financial literacy of numerous communities. The minimum investment is only 75 tala (T) (roughly \$30) and this investment is liquid, meaning investors can withdraw at any time. The CEO of UTOS stated there is a tendency for investors, both individuals and community

²⁸ ANZ. <http://www.anz.com/about-us/corporate-sustainability/community/investing/moneyminded/>

groups, to treat the trust as a savings club, where they withdraw their funds at the end of each year to pay for Christmas expenses and end-of-year celebrations. Criticism has been leveled at UTOS for its extensive lending to state-owned enterprises (footnote 3).

Samoa's National Provident Fund is also vital in building retirement funds for people who are formally employed in Samoa, although these people account for less than half of the working-age population.

6.6.2 Informal Sector Financing

Samoa has a strong microfinance offering. A number of institutions cater to women who are in the initial phases of establishing a micro or small enterprise, and to those seeking to access formal finance through a commercial bank for the first time. Four such institutions operate in Samoa.

South Pacific Business Development (SPBD), which operates in Fiji, Samoa, Solomon Islands, and Tonga, provides microfinance in Samoa. It extends to all four of Samoa's inhabited islands, reaching nearly every village. Almost all SPBD clients are women, with just 0.5% of loans going to men who access finance to attend the seasonal workers program in Australia or New Zealand.²⁹ Most banks in Samoa have an exposure to SPBD, which provides wholesale finance.

SPBD uses a group system of lending, whereby a group of women can borrow together and guarantee each other. As of late 2015, SPBD Samoa had approximately 7,000 clients across 370 centers throughout Samoa. Each center has 3–4 groups, with 4–5 women in each group. Each group attends a weekly meeting with a field officer to discuss their progress on the loans, receive any financial or business advice they need, and make contributions to their savings accounts. By using the group lending model, SPBD's default rates have remained low, at only 0.76% for micro loans and 1% for loans to small and medium-sized enterprises. SPBD's plans for the future are to increase its digitization and mobile banking services.

Concern has been expressed about the high rates of interest charged by SPBD—24%–27% per annum, in a country where savings attract only 2.5%–3.0% interest per annum—and the requirement of weekly repayments. If a woman gets into financial difficulty and cannot pay her contribution, the burden of repayment on other members of her group increases. Critics have called the

²⁹ Interview with South Pacific Business Development representative.

high interest rates “entrapment,” and a number of villages have banned SPBD from re-entering their communities. Despite these criticisms, SPBD continues to operate.

For a number of years, Samoa’s Ministry of Women, Community and Social Development offered a microfinance scheme similar to that of SPBD. The scheme, conducted in partnership with the Development Bank of Samoa, commenced in late 2008 but has since been placed on hold.

This microfinance scheme targeted rural areas, where 78% of Samoa’s women and girls live. The ministry partnered with women’s committees, offering unsecured loans with a Grameen group guarantee model.³⁰ Each group had 4–7 members. A total of 41 villages on 2 islands (16 on Upolu and 25 on Savai’i) were registered under the scheme in 2012, with 739 women engaged in income-generating activities.

In 2013, there were 248 projects for Upolu and 476 for Savai’i funded under this scheme. Case studies were collected to illustrate successful projects by 32 women from Vava’u and 4 from Lufilufi (both being villages on Upolu). These projects ranged from retail shops and vegetable gardens to the making of handicrafts, such as sewing and fine mat-weaving. The women interviewed responded that the income generated from their businesses helped build new family homes, meet daily needs for food, and pay for the education of their children. Women were asked to pay for their business licenses as well, and to contribute some income to savings accounts.

The microfinance scheme initially charged interest at a rate of 27% per annum, but this was reduced to 18% when it became clear that default levels were increasing. In the words of the CEO of the Ministry of Women, Community and Social Development, the scheme “failed.” The ministry found that funds were being used for family commitments, ceremonies, and obligations in the village. Repayments were being made, but this was occurring through the income of formal workers in each family, rather than through income generated by the women’s enterprises as a result of the microloans. As women prioritized family obligations over those of the lending group, the loan failure rate rose to an estimated 35%–50% of all groups.

³⁰ The Grameen model uses a group system of lending whereby the group of women borrow together and guarantee each other. The use of the Grameen model has since been replicated in Samoa by microfinance institution South Pacific Business Development.

The ministry and the Development Bank of Samoa are reviewing the failed microfinance scheme. One parameter being tested is whether the program would have been more successful if loans had been given to families, rather than only to women. The scheme's failure has resulted in a range of social issues, such as domestic violence and the disenfranchisement of women, and there is recognition that a model based on family lending may reduce these issues.

It is unclear why the ministry's microfinance scheme failed when the similarly structured SPBD model continues to succeed and grow, although the scheme's administrative oversight may have been a factor. The ministry relied on the good governance of village councils and women's committees to encourage women and groups to comply with the loan repayment requirements, whereas SPBD relies on its own field officers to conduct weekly training and closely monitor the performance, repayment, expenses, and savings of every client.

The third microfinance institution operating in Samoa is Women in Business Development Incorporated (WIBDI), which works with more than 1,000 families in 187 villages throughout Samoa, supporting a variety of income-generating activities. WIBDI equips rural families to cultivate sustainable businesses that maximize farm-based resources. It also facilitates trade with global and regional partners, including The Body Shop, All Good Organics, and C1 Espresso.

To qualify for the WIBDI program, women must first undertake training in microcredit and small business management, and receive a regular wage or income that is not a remittance. The majority of clients in this scheme are self-employed through a WIBDI project, and become eligible for a loan of up to 60% of their savings. WIBDI charges interest on its loans at a rate of 20% per annum. An analysis of loan applications reveals that the three most common reasons WIBDI clients apply for microloans are to pay for school fees, electricity bills, and/or materials for cottage industries.³¹

The fourth provider of finance for women in Samoa's informal economy is the Small Business Enterprise Centre (SBEC), which plays a vital and unique role in the Pacific³² by bridging access to commercial finance for owners of micro, small, and medium-sized enterprises. It does so by providing a 100% guarantee when a bank lends to one of its clients. This model enables women to exit

³¹ Women in Business. <http://www.womeninbusiness.ws/284538/>

³² The SBEC model has recently been replicated in Tonga.

microfinance institutions, and access finance at more affordable commercial bank rates. It also empowers women to transition to the formal sector.

SBEC clients choose the bank from which they would like to access finance (they usually need to have an active savings account with that bank, and to have been a customer for a minimum of 6 months). If they are unable to offer satisfactory collateral at the time they are seeking to borrow money, the bank suggests approaching SBEC for a guarantee.

SBEC clients do not need to offer security to SBEC, but they do need two personal guarantors. To guarantee the loans, SBEC relies on a pool of funds that was granted by ADB in 2000 and is held by the Central Bank of Samoa.

SBEC's business advisory team offers a number of specialized courses in addition to a 7-day training program on starting a business. These additional courses provide training in marketing, budgeting, and customer service. SBEC has recently been accredited with level 2 business training certification from the Samoa Qualification Association.

Finance guaranteed by SBEC is available both to women and men. In the past, women have predominantly attended training sessions alone. However, as part of new security measures, SBEC now prefers married couples to attend jointly and take out loans together, so they both own the debt and are both responsible for its repayment. If need be, both the husband and the wife can then be pursued should loan recovery be necessary.

SBEC is a key partner in the World Bank's Samoa Agricultural Competitiveness Enhancement Project, which has been operating in Samoa since July 2012, in partnership with the Ministry of Agriculture and Fisheries. The objective of the project is to support fruit and vegetable growers and livestock producers to take better advantage of market opportunities and increase their productivity. Another core component is strengthening the capabilities of the government and the private sector in providing extension services to Samoan farmers.³³ Under the project, SBEC and the Development Bank of Samoa provide financing and business advisory support to farmers, and the World Bank provides a matching grant, as well as technical assistance to achieve productivity gains.

³³ World Bank. 2012. *Samoa Agricultural Competitiveness Enhancement Project*. Washington, DC. <http://www.worldbank.org/projects/P115351/samoa-agriculture-competitiveness-enhancement-project?lang=en>

6.6.3 Formal Sector Financing

Representatives of all major banks operating in Samoa stated that they did not discriminate against women. The banks' representatives said that they did not collate gender-disaggregated data on women who utilize their products or services, and that they did not offer products or services, including savings accounts, targeted specifically at women. However, some bank representatives stated a preference for women clients because "they always pay on time." Representatives from the National Bank of Samoa observed that, in their experience, there had not been an increase in the number of women entering formal business from 2011 to 2017 and, thus, they had not experienced any increase in the number of women customers over that same period.

Businesswomen interviewed for the purposes of this report complained that the cost of finance in Samoa is too high, which prohibits pursuing business growth. A representative from the Central Bank of Samoa said the bank is aware of this constraint and is working to lower costs.

Representatives from two banks said smaller loans of less than T50,000 (roughly \$20,000) were mostly for women undertaking retail activity, and loans in excess of T50,000 generally supported enterprises owned by men and corporate businesses. One sector in which women were able to borrow larger sums on their own, or jointly with their husbands, was tourism, where loans were most often approved for resort owners.

None of the banks offered advisory services to assist businesswomen with business plans for growth.

6.6.4 Strategies to Improve Women's Access to Finance

A secured transactions framework allows moveable assets, including long-term contracts and invoices, to be used as security for loans. It is useful where limited access to land inhibits the availability of collateral. In Samoa, this legislation, passed in March 2013, is called the Personal Properties Securities Act (PPSA).³⁴

The PPSA's associated online registry was launched in Samoa on 27 February 2017. This registry that makes it easier to accept movable property—such as machinery, accounts receivable, or inventory—as collateral. It makes credit

³⁴ Government of Samoa. 2013. *Personal Property Securities Act, 2013*. Apia.

possible for all businesses with assets and it ‘unlocks’ the value of these assets to help grow the private sector.

Lenders can use the online registry to secure their claim on assets that borrowers have pledged as collateral, and verify that the asset has not already been pledged elsewhere. Moreover, under the new framework, lenders can repossess a pledged asset in the event repayments are not made, without needing a lawyer and a court order.

It is expected that the convenience and accessibility of the registry will also encourage nonbank suppliers—such as wholesalers, agricultural stores, exporters, and vehicle dealerships—to extend credit, as this can be secured against their customers’ business assets or products.

Prior to the launch of the registry, understanding of how it would operate was low, even among senior bank personnel and lawyers. There was a high level of skepticism among Samoan professionals as to whether the registry would add value, with bank representatives stating they did not intend to use movable assets such as office furniture, stock, and inventories as security. The main concern was that, even when the security over the asset is registered, the property can be easily sold without the purchaser knowing about the claim over it. It was clear that knowledge of the legislation and registry was inadequate.

Furthermore, it seems that neither the Ministry of Commerce, Industry and Labour nor the banks and lawyers are considering how the PPSA could be used specifically to help women access finance. In countries in Southeast Asia, assets such as jewelry and accounts receivable can be utilized as security under similar legislation. Consideration and due consultation with women’s groups needs to occur to identify how the PPSA can best benefit women. Encouraging microfinance institutions to use the registry will foster the registration of a wider variety of securities and also contribute to building women’s credit histories.

The ministry intends to provide public awareness training, as well as specifically tailored training for banks and lawyers. Banks are key to the success of the PPSA, as they will be required to register the assets themselves. Their current doubts regarding the registry must be addressed for the PPSA to be successful in extending access to finance in Samoa.

Despite the introduction of the securities registry, some women still find it difficult to access finance because they lack a credit history. There is an agreement between the Central Bank of Samoa, the country’s commercial

banks, and the International Finance Corporation to set up a credit bureau, which would be useful in providing information about women's financial transactions and credit worthiness. Although the discussion is continuing, such a bureau should collate both positive and negative credit histories in order to give a full picture of transactions.

Other strategies to broaden women's use of financial services include allowing the collective acquisition (through business associations) of disaster insurance products for women entrepreneurs. This would result in greater coverage against unforeseen loss and enable more women's businesses to re-establish themselves after a crisis or natural disaster—highly relevant in a country that has long been afflicted by tsunamis and earthquakes.

6.6.5 Key Recommendations

The following strategies are aimed at alleviating the difficulties women have in accessing sustainable finance and financial services in Samoa:

- (i) Partner with the government to implement gender mainstreaming into programs that deal with the agriculture and fishing industries, as well as support given to export and import promotion.
- (ii) Encourage programs such as the Samoa Agricultural Competitiveness Enhancement Project to lend funds and deliver business advisory support to husbands and wives jointly.
- (iii) Work with the Central Bank of Samoa to introduce a regulation that commercial banks and other financial institutions need to collect gender-disaggregated data on product and service utilization.
- (iv) With donor assistance, help commercial banks to develop products and services tailored specifically for women in business (the Global Banking Alliance for Women³⁵ is a valuable source of inspiration and resources for this).
- (v) Have the Ministry of Commerce, Industry and Labour, with ADB support, carefully design and execute an awareness strategy on the PPSA Registry to increase understanding of its use and potential.
- (vi) Incorporate the collection of gender-disaggregated data into the design of Samoa's credit bureau, to understand the credit behaviors of women.
- (vii) Continue to encourage diverse financial institutions, including microfinance institutions and the Development Bank of Samoa, to use

³⁵ Global Banking Alliance for Women. <http://www.gbaforwomen.org/>

- the PPSA registry, which could enable the collation of data to assess the credit worthiness of women borrowers (who often lack credit histories).
- (viii) In partnership with WIBDI, facilitate the collective acquisition of disaster insurance for women in micro and small business, so they are protected against unforeseen events.

6.7 Dispute Resolution and Enforcing Women's Legal Rights

6.7.1 Overview of Dispute Resolution in Samoa

In rural areas of Samoa, the main route to resolving disputes is to rely on chiefs (*matais*), who dispense customary law at the community level.³⁶

Disputes can also be resolved formally through the courts. The Fa'amasino Feoasoani is a subdivision of the district court. It hears civil matters involving less than T1,000 (roughly \$400) and criminal matters involving less than T3,000. Samoa's Attorney General at the time of this report, Aumua Ming Leung Wai, believed that the Fa'amasino Feoasoani was not helping to address the problem of small debts in Samoa.

Mediation was introduced to Samoa with the Mediation Rules 2013³⁷ and is frequently used at the district court level to settle maintenance arrangements for children and mothers in cases of couples separating and divorcing. For civil matters, mediation is frequently used for contract disputes, disputes in which negligence has caused damage to properties, land disputes, and outstanding debts.

The mediation process is successful 68%–76% of the time, preventing most disputes from going to trial. As a result, the district courts have been able to work through their entire backlog of cases.

³⁶ S. Hedditch and C. Manuel. 2010. *Gender and Investment Climate Reform Assessment Samoa*. Washington, DC.

³⁷ Government of Samoa. 2013. *Mediation Rules 2013*. Apia.

Table 6.3: Mediation Success Rate: Court-Annexed Mediation

Year	Number of Matters Mediated (Court-Annexed)	Number of Resolutions	Number of Matters Unresolved	Success Rate (%)
2013	24	17	7	70.8
2014	60	41	19	68.3
2015	54 ^a	41	12	75.9

^a As of October 2015, with one matter yet to be mediated.

Source: Data collated by researchers from interviews.

Mediation has been demonstrated to be particularly popular among women seeking access to justice. The principal registry officer of the district court's mediation unit observed that more than 50% of parties utilizing mediation were women.

Formal court proceedings have been perceived as inaccessible by Samoan women, but the country's mediation facilities have been designed to ensure accessibility for women. Of the 34 accredited mediators, 21 are women. CEOs with government ministries have also been trained in mediation, as the government uses this resolution process for employment disputes.

6.7.2 Alternative Dispute Resolution

Samoa's Attorney General has proposed having a small claims tribunal for disputes involving up to T300, with no administration required to have such disputes heard before the tribunal. By providing a mechanism to quickly resolve small debt disputes, such a tribunal would be very beneficial for women operating businesses in the informal economy.

Samoa's Arbitration Act 1976 is outdated and requires extensive court involvement to resolve disputes. This law needs to be reassessed in line with international best practice, which is the United Nations Commission on International Trade Law model law.

6.7.3 Bankruptcy

The Bankruptcy Act 1908 (footnote 23) is still in operation in Samoa, and thus the archaic practice of imprisoning people who cannot pay their debts still occurs.

For companies, insolvency is dealt with under Part IX of the Companies Act 2001.³⁸

In receiving assistance with the establishment of a small claims tribunal, the Attorney-General would also like assistance to modernize the Bankruptcy Act 1908 as part of a holistic package to tackle the serious issue of debt resolution in Samoa.

6.7.4 Key Recommendations

Three key recommendations to improve women's access to a fair and efficient justice system are the following:

- (i) The government should promote the use of mediation prior to disputes going to court, which is likely to increase women's access to justice. The Ministry of Justice and the Accredited Mediation Association of Samoa should work with stakeholders such as the Ministry of Women, Community and Social Development, and organizations such as WIBDI and SBEC, to raise awareness of mediation among women who own micro and small businesses.
- (ii) Donors should consider helping Samoa establish a small claims tribunal that can settle disputes for less than T300, with a focus on disputes involving women in the informal economy.
- (iii) Donors should assist Samoa to reform its Bankruptcy Act 1908. This process should be conducted in consultation with the Women's Enterprise Network and businesswomen, to ensure their interests and views are represented.

6.8 Women's Business Networks and Skills Training

6.8.1 Overview of Networking in Samoa

Two main organizations provide networking opportunities for women in Samoa. The Samoa Chamber of Commerce and Industry is Samoa's predominant national private sector organization. As of December 2014, the chamber had 324 members representing a cross-section of Samoa's business community.³⁹ The chamber frequently advocates for the private sector on reform of the

³⁸ Government of Samoa. 2001. *Companies Act, 2001*. Apia, Samoa.

³⁹ Samoa Chamber of Commerce and Industry. 2014. *Annual Report 2014*. Apia.

business environment, and engages in public–private dialogue by sitting on all sector committees for new policies in development by the government.

The chamber’s CEO at the time of this report, Ane Moananu, played a key role in setting up the Women’s Enterprise Network (WEN) to represent the particular interests of Samoa’s businesswomen. WEN was formed in March 2015 and has over 100 members, consisting mostly of women who own small and medium-sized enterprises, with some members from the informal sector. WEN is emerging as a strong representative of women’s voices and experiences, and is attracting funding for its activities (Box 6.2).

The second women’s network is WIBDI (Box 6.1), which works with more than 1,000 families in 187 villages throughout Samoa. WIBDI supports income-generating activities utilizing farm-based resources by providing training courses, microfinance, and links to markets.

WIBDI is looking to further develop international markets, and is in discussions with businesses in Australia and New Zealand that are in the organic, fair trade, socially responsible area. WIBDI is discussing co-branding some new and existing products with potential customers.

WIBDI has also been developing the domestic market in Samoa, commencing its Farm to Table Samoa Program in 2013. The program seeks to supply fruit and vegetables to households in Samoa, as well as to restaurants and hotels. Samoa’s hotels and restaurants import almost 70% of their farm produce, which means local farmers are missing out on a valuable market, while diners (especially tourists) are missing out on quality local produce. The Farm to Table Samoa Program aims to have family farms supplying the majority of restaurants with fresh local produce, and in 2018 WIBDI developed the Farm to Table app to connect farmers to markets.

6.8.2 Overview of Skills and Training Opportunities

The Samoa Chamber of Commerce and Industry and WIBDI both provide training for women entrepreneurs.

The chamber offers 15 training courses a year, with financial assistance from New Zealand’s Ministry of Foreign Affairs and Trade. The various courses cover basic and advanced accounting, marketing, business management, increasing productivity, and management and accounting for nongovernment organizations.

WIBDI delivers direct training onsite at farms, as well as centralized training twice a year. Through this training, WIBDI clients are able to access trade opportunities with global and regional partners, including The Body Shop, All Good Organics, and C1 Espresso. These trade links help nurture organic agricultural enterprises that annually contribute more than T600,000 to rural families. For many of the families, this income means being able to send children to school, to pay utility bills, and, importantly, to have control over their lives, instead of relying on remittances.

Box 6.1: Adi Has the Good Oil on Developing Networks for Women



Adimaimalaga “Adi” Tafuna’i (pictured with supermodel Naomi Campbell, right, at the DVF Awards) is a cofounder and the executive director of Samoa’s Women in Business Development Incorporated. Adi was critical in bringing virgin coconut oil pressing to Samoa and, in 1998, confirmed a fair-trade contract with The Body Shop. She was also instrumental in reviving Samoa’s fine mat-weaving tradition and transforming it into an income-generating activity. Adi was one of

the initiators of the Pacific Organic Ethical Trade community, and has helped other Pacific organizations to become organically certified and to negotiate their inclusion in world markets. In 2015, Adi received the International DVF Award at the United Nations in New York.

Source: Talamua On-line News.

<http://www.talamua.com/women-in-business-developments-adimaimalaga-tafunai-honoured-with-second-global-award/>

6.8.3 Key Recommendations

Three key recommendations to expand networking and training opportunities for women in Samoa are the following:

- (i) Donors should consider supporting the operations and expansion of WEN for 1–2 years.

Box 6.2: Turning a New Page for Women's Networking in Samoa



Fiti Leung Wai, president and chief executive officer of Samoa Stationery and Books, says she has been wanting to see stronger networking in Samoa, particularly among women entrepreneurs. She was very excited about the establishment of the Women's Enterprise Network in 2015, and advises other aspiring and fledgling women entrepreneurs in Samoa to think big and be very self-disciplined.

Source: Author interview.

- (ii) Public-private partnerships could be piloted to establish an entrepreneurial hub for business advisory services to support women who are in the informal economy and in transition, or recently transitioned to, the formal economy, connecting them to technology, investors, and markets.
- (iii) Possible hosts for the entrepreneurial hub could be the Ministry of Women, Community and Social Development or organizations such as the Community Law Center or the Women's Enterprise Network.

6.9 Women's Access to Trade and Markets

6.9.1 Importing

Samoa is a member of the Pacific Agreement on Closer Economic Relations (PACER) and the Pacific Island Countries Trade Agreement (PICTA) between Australia, New Zealand, and other Pacific island countries. It is also involved in negotiations for PACER Plus.

The Samoa Port Authority (SPA) is responsible for the provision and operation of port facilities throughout Samoa, including the international container port in Apia. The Samoa Ports Authority Act was passed in 1998 and the SPA began operations in July 1999. Under the act, the SPA acquired all port assets in Apia and at Mulifanua, Saleloga, and Asau. Samoa has two ports catering to international trade: Apia handles container and break-bulk cargoes and fuel shipments, while Asau is a port of call for small cruise liners as well as an import

port for fuel. The SPA has yet to digitize its operations, and requires personal attendance to complete paperwork requirements and make payments.

6.9.2 Trading within the Country

In the Women's Economic Opportunities Index 2012, infrastructure risk is an indicator within the General Business Environment category. This indicator assesses (among other things) access to transport, distribution networks, telephones, power, and how a lack of access may contribute to loss of income. Although not a gender-sensitive indicator, it can be a significant and disproportionate obstacle to women accessing resources, markets, services, and networks, particularly if coupled with high levels of violence against women.

Infrastructure risk scores are very low in all indexed Pacific island countries, except Samoa.⁴⁰ Businesswomen interviewed for the purposes of this report indicated no significant challenges regarding trading within Samoa.

6.9.3 Exporting and Market Development

Samoa is the second largest exporter in the Pacific, following Fiji. The Strategy for the Development of Samoa 2012–2016 anticipated that this membership would provide the country with significant new opportunities to expand its trade capacities. In this regard, the government needs to build supply-side capacity as a matter of urgent priority. Growth in commodity exports, as an additional source of foreign exchange earnings, is essential for the future growth of the economy.⁴¹ The SPA reported that, since joining the World Trade Organization, there has been a noticeable increase in importation. There has been a major increase in the number of cars imported to Samoa, as well as in construction materials and products from the People's Republic of China.

Samoa has as many of its citizens living offshore as are resident in the country, which means a substantial loss of human capital. This is partly compensated for by repatriation of remittances. The diaspora of Samoans living overseas has the potential to participate in the supply chain of the country's exports, generating business opportunities for Samoa.

The inaugural Pacific Export Survey 2014 revealed that approximately 27% of exporting small- and medium-sized enterprises in the Pacific are run by women,

⁴⁰ M. Sansom. 2011. *The Women's Economic Opportunity Index and the Pacific: Summary*; Wellington: Development Manager: Cross Cutting Issues & Gender; New Zealand Aid Program, Ministry of Foreign Affairs and Trade.

⁴¹ Government of Samoa, Ministry of Finance. 2012. *Strategy for the Development of Samoa*. Apia.

compared with just 11% of exporters in Australia, according to the DHL Export Barometer. One reason for the large discrepancy could be that microfinance programs in Pacific island countries have mainly been aimed at women entrepreneurs, and fair-trade products, from organizations such as WIBDI, are exported. The other explanation could be trade and migration ties, which are closely related to family businesses moving between the Pacific and Australia and New Zealand. This is most noticeable in relation to Polynesian countries, including Samoa. The matriarchs of families often head up small businesses to keep family members in touch when migration occurs.

Samoa's Ministry of Commerce, Industry and Labour is responsible for investment and export promotion, and coordinates attendance at trade shows across the Pacific, Australia, and New Zealand.

Table 6.4: Documents Required to Export

Bill of lading
Certificate of origin
Commercial invoice
Form E (declaration of value to Central Bank)
Insurance packing list
Terminal handling receipt

Source: World Bank. 2015. *Doing Business 2015 Economy Profile Samoa*. Washington, DC.

Funding from the Enhanced Integrated Framework is being used for value chain development in Samoa, including WIBDI's Farm to Table Samoa Program.⁴² Programs with various sources of funding, such as the Pacific Sector Support Facility are in place to assist Samoan businesses with export-readiness challenges such as

- (i) increasing productivity and supply;
- (ii) value adding; and
- (iii) packaging, branding, and labeling.


⁴² The Enhanced Integrated Framework is a multidonor program, which supports less developed countries to be more active players in the global trading system by helping them tackle supply-side constraints to trade. The program is currently helping 51 of the poorest countries worldwide, supported by a multidonor trust fund, the Enhanced Integrated Framework Trust Fund, with contributions from 23 donors.

Women exporters interviewed for the purposes of this report identified building the Samoan brand as a key challenge. Samoa has beautiful, certified organic produce that is being utilized in many of its key export products, but target markets are not fully aware of Samoa's capabilities in this area. A coordinated branding effort to build Samoa's reputation in organic produce could be critical to growing the market for Samoan exporters, many of whom are women.

6.9.4 Key Recommendations

The main strategies to enhance cross-border trade for Samoa are the following:

- (i) Provide assistance in digitizing the SPA processes, and streamlining with customs (this has to be accompanied by awareness campaigns to reach businesswomen, who are active importers and exporters in Samoa).
- (ii) Partner with current purchasers of Samoan products to develop a line of certified organic products for the tourist market.
- (iii) Involve women and women's groups in PACER Plus negotiations to ensure their interests are being represented and met.



Women line up to use ATMs in Honiara. Branchless banking and mobile money services have greatly improved access to financial services in both urban and rural areas of Solomon Islands.

7. SOLOMON ISLANDS

7.1 Introduction

7.1.1 Country Overview

Solomon Islands consists of nearly 1,000 islands and atolls. Its population of 616,000 lives predominantly on six large islands and 300 smaller islands. Over 80% of Solomon Islanders live in widely dispersed villages of just a few hundred people, with diverse cultural and social structures. The country's economy is based on agriculture and primary commodities. Its key industries include forestry, mining, and fishing as well as the production of palm oil, copra, and cocoa.¹

From 1998 to 2003, a period of civil conflict known as “The Tensions” brought government oversight and economic growth in Solomon Islands to a standstill. The deployment of the Regional Assistance Mission to Solomon Islands was instrumental in restoring law and order, and supporting the government to

¹ Government of Solomon Islands. 2012/13. *Household Income and Expenditure Survey National Analytical Report (Volume 1)*.

rebuild the country. Since then, the economic growth of Solomon Islands has been largely driven by the forestry sector and growth in aid funding.

As in many Pacific island countries, Solomon Islands has experienced disruptions to its economic growth. The global financial crisis in 2009 led to a large decline in exports, while natural disasters, such as severe flooding in April 2014, adversely affected many businesses. Despite such disruptions, the rate of economic growth continues to follow a steady upward trend.

However, Solomon Islands' reliance on logging is unsustainable, as is its dependence on aid. In 2011, legal logging accounted for 46% of export earnings, contributed to approximately 17% of total government revenue, and was related to 4.5% of growth in the economy.²

The political situation in Solomon Islands has been unstable, with frequent votes of no confidence in the Parliament and shifting allegiances among its members. The result has been delays in decision-making at the national level, including delaying the progress of much-needed reforms.

As the country continues to grow and security improves, investment in infrastructure and productive industries is essential. Fisheries, mining, and tourism have the potential and capacity to diversify sources of economic growth. Many expect new mining activities in Choiseul and Isabel to eventually replace the revenue and foreign exchange lost as logging diminishes.

Since 2009, the availability of digital services in Solomon Islands has radically changed. The Telecommunications Act 2009 ended the monopoly of Solomon Telecom and led to successful liberalization of the market. In 2014, mobile coverage in the country was approximately 80%.³ Mobile phone penetration is high in Solomon Islands, with almost 70% of the population subscribing to a mobile service in 2016.⁴

Internet access remains comparatively limited and expensive as Solomon Islands is reliant on satellite connectivity. Only 11% of the population had access

² The REDD Desk. REDD in Solomon Islands. <https://theredddesk.org/countries/solomon-islands> (accessed 28 Jan 2018).

³ ADB. 2016. *Continuing Reforms to Stimulate Private Sector Investment, A Private Sector Assessment for Solomon Islands*. Manila. p. 47.

⁴ World Bank. Solomon Islands Country Profile. <https://data.worldbank.org/country/solomon-islands> (accessed 8 March 2018).

to the internet in 2016 (footnote 4). The cost and availability of internet access will improve when an undersea cable currently under construction is connected.

With the growth of mobile phone subscriptions and coverage, mobile banking has seen steady growth. Three banks⁵ operating in Solomon Islands offer mobile banking products that do not require an internet connection. More than 40% of adults with bank accounts have mobile banking services linked to their accounts.⁶ Additionally, the growth of branchless banking through merchant-provided services and ATMs is linked to technology advancements, such as BPAY, and is offered by commercial banks. Such advancements will potentially contribute to increased access to finance throughout the country.

7.1.2 Moving toward Gender Equality: Institutions and Policy

Solomon Islands is a signatory to a number of international treaties, including the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW) (Appendix 3). The Constitution of Solomon Islands (1978) also provides for gender equality, although its effect is diluted by the recognition of customary practices that often adversely impact women. While Article 15 of the Constitution prohibits laws that are discriminatory or have a discriminatory effect, there are many exemptions to this rule. Clause (5) of the same article provides that this anti-discriminatory provision does not apply to personal laws, including marriage, divorce, and inheritance; customary law; and land tenure, which adversely affect women. Customary law, and how it relates to land tenure, traditionally involves village chiefs who are generally men.⁷

The establishment of a dedicated Ministry of Women, Youth, Children and Family Affairs in 2007⁸ has led to the development of gender-based policies and strategies, including the National Policy on Gender Equality and Women's Development 2016–2020 and the National Policy on the Elimination of Violence against Women and Girls 2016–2020. These policies recommend performance targets for women's economic status, and provide guidance for increased gender equality in private sector development. This includes equal access to property rights and royalty shares in the productive sector (agriculture, forestry, mining, and tourism), as well as equal legal protections and equitable

⁵ ANZ, BSP, and Pan-Oceanic Bank.

⁶ Central Bank of Solomon Islands. 2015. *Financial Services Demand Side Survey*. Solomon Islands.

⁷ C. Care. 2000. Customary Law and Women's Rights in Solomon Islands. *Development Bulletin*. 51. pp. 20–22.

⁸ Ministry of Women, Youth, Children and Family Affairs. 2014. *Report Solomon Islands National Review of the Beijing Declaration*. p. 4.

ownership of financial resources and businesses. The 2015 National Strategy for the Economic Empowerment of Women and Girls supplements these policies by identifying systemic barriers, constraining social norms, and other behaviors that discriminate against women, advocating for ways to address these issues.

The Family Protection Act 2014 is another important legislative reform that acknowledges domestic violence as a crime and aims to protect survivors of it. The Evidence Act 2009 removed the corroboration rule that treated the evidence of a person who claimed to have been sexually assaulted with suspicion. Likewise, a number of court decisions have recognized that rape can occur within marriage.⁹

Innovative initiatives to improve gender equality in Solomon Islands' public service include mandating gender focal points and regular gender reporting in each ministry. This mandate is contained as a term in the appointment of the permanent secretaries to office. Another noteworthy measure has been the Political Parties Integrity Act 2014, which includes a clause mandating that 10% of all election candidates must be women (footnote 7). There is, however, a lack of data on how successful these measures have been.

Overall, Solomon Islands is making slow but steady progress towards improved gender equality.

7.1.3 Key Strategies for Solomon Islands

While this chapter proposes nearly 50 specific strategies to empower businesswomen in Solomon Islands, the three recommendations to prioritize in order to drive gender equality are:

- (i) amend labor legislation to increase maternity leave pay provisions with stipulated enforcement procedures;
- (ii) enhance mechanisms for reporting and addressing discriminatory labor practices, and support enforcement of current laws; and
- (iii) provide an entrepreneurial hub in a centralized location, to assist women with starting a business, including preparation of business plans and obtaining business licenses.

⁹ Regina v. Piko [2012] SBHC 89, 14 Aug 2012; Regina v Gua [2012] SBHC 118.

7.2 The Context of Women's Autonomy

7.2.1 Impact of Violence Against Women

Violence against women is widespread in Solomon Islands, with 64% of women in an intimate relationship reporting physical and/or sexual abuse by a partner.¹⁰

This result reflects the entrenched ideas that both men and women hold about acceptable social norms in Solomon Islands. For example, 73% of women surveyed agreed with one or more justifications given for a husband hitting his wife, e.g., unfaithfulness (63%), disobedience (41%), suspicion of unfaithfulness (27%), and that housework was not completed to a partner's satisfaction (23%). Of the women surveyed, 20% agreed that it is acceptable for a husband to beat his wife if she refuses sex (footnote 9, p. 72).

The National Policy on Gender Equality and Women's Development 2016–2020 and the National Policy on the Elimination of Violence against Women and Girls 2016–2020 have led to a number of efforts to curb violence and support survivors. Many programs and organizations are working to support these efforts. The SafeNet initiative is the largest existing program, coordinated by the Ministry of Health and involving a multi-agency effort to support survivors. SafeNet benefits from contributions by the Royal Solomon Islands Police Force, the Social Welfare Division, the Public Solicitors Office, and various nongovernment organizations (NGOs).

The policies of the Ministry of Women, Youth, Children and Family Affairs led to the development of the Family Protection Act 2014. The act provides for a coordinated response from agencies for survivors of domestic violence, creates offences where there previously were none, and provides for increased penalties as appropriate. Prior to the implementation of the act in April 2016, extensive community consultations and awareness programs took place throughout Solomon Islands. However, anecdotal evidence from these awareness campaigns suggests that attitudes to gender-based violence are still quite underdeveloped in many communities, as both men and women are often not aware of their rights. Support from the government, donors, NGOs, and the private sector is essential for the act to have a positive impact.

¹⁰ Secretariat of the Pacific Community for Ministry of Women, Youth & Children's Affairs. 2009. *Solomon Islands Family Health and Safety Study*. Honiara. <http://pacific.unfpa.org/sites/default/files/pub-pdf/SolomonIslandsFamilyHealthandSafetyStudy.pdf>

7.2.1 Health and Education

The Household Income and Expenditure Survey 2012–2013 reported notable differences between genders in terms of household expenditure in rural areas: households headed by men spent a higher portion of their income on alcoholic beverages and tobacco, while households headed by women spent more on housing, utilities, transport, education, and health.¹¹ This reiterates the commonly held view that women’s spending yields higher community benefits. It also further strengthens the arguments for economically empowering women, because it suggests this would result in a healthier and more educated community better able to contribute to economic growth.

Compared to other Pacific island economies, Solomon Islands has relatively good outcomes for overall health indicators, with most health services being free for patients who cannot afford to pay. However, there is considerable geographical inequity within the country, with the number of care providers and services varying greatly from one province to another.¹² The maternal mortality ratio was still relatively high in 2015 at 114 deaths per 100,000 live births, but echoing a trend across the Pacific had fallen by roughly two-thirds in the past 25 years. The total fertility rate in 2015 was 3.9 deaths per 100,000 live births.¹³

In education, women are nearly twice as likely as men to have had no schooling at all (21% of women have had no schooling, compared to 12% of men) and they have lower literacy rates (79% of women are literate, compared to 89% of men).¹⁴

The government’s response to address these discrepancies is demonstrated by the Education Strategic Framework, which commits to providing a full primary education to all Solomon Islanders. The Fee-Free Education Policy, introduced in 2009, has improved enrollment rates in primary schools. In 2013, 90% of all primary-school-aged children were enrolled, compared to 40% of all junior-secondary-school-aged children and 30% of senior-secondary-school-aged children (footnote 11, p. 34). Insufficient accommodation for girls in boarding

¹¹ Government of Solomon Islands, Solomon Islands National Statistics Office. 2013. *Household Income and Expenditure Survey, National Analytical Report (Volume 1) Survey, 2012/13*. p. 46.

¹² ADB. 2015. *Solomon Islands Country Gender Assessment*. Manila. p. 18.

¹³ World Bank. Solomon Islands Country Profile. <https://data.worldbank.org/country/solomon-islands> (accessed 9 March 2018); and UNICEF Data and Analytics. <http://www.devinfo.org/unicefdata> (accessed 9 March 2018).

¹⁴ National Statistics Office. 2009. *2009 National Population and Housing Census Report on Gender*. Honiara.

schools has been a reason for lower participation by girls in secondary schools, and the government is tackling this issue with its development partners.

While the gender gap in education may be closing at primary school level, only 20% of women and 29% of men have completed secondary education, which remains an enormous challenge for a nation trying to develop its labor force and encourage economic participation. Disparity in literacy rates between men and women increase as age increases, impacting their ability to find employment and engage in entrepreneurial activities (footnote 12).

Data from 2012 enrollments show that women make up 38% of the total estimated enrollments in degree and nondegree programs (footnote 10). However, scholarships are essential for many Solomon Islanders to pursue higher education, and anecdotal evidence suggests that there is a lack of transparency in the country's scholarship selection process, with more scholarships being awarded to men than to women.¹⁵

There is also a need for tertiary and vocational education institutions to provide skills necessary for private sector employment, including technical skills and business management training. The government is planning to introduce legislation to establish a Solomon Islands qualification framework and an associated qualifications authority to enable a coordinated approach to postsecondary education.

7.2.3 Political Participation by Women

Women are largely unrepresented in politics and leadership positions in Solomon Islands, and only three women have been elected to Parliament since 1978. At the time of this report, only 1 parliamentary seat out of 50 was occupied by a woman—member for Temotu Vatud, Freda Tuki Sorioicomua, who was the Minister of Women, Youth, Children and Family Affairs.

The Political Parties Integrity Act 2014 includes a clause mandating that 10% of all election candidates must be women (footnote 7, p. 6), which has the potential to change the gender imbalance in parliamentary representation. A Young Women's Parliamentary Group, established in 2011, recognized the need to encourage and support women in the political domain, and has been raising awareness about representation in Parliament.

¹⁵ V. Nagarajan. 2013. *Integrating a Gender Perspective*. p. 14.

Each of the nine provinces in Solomon Islands has a provincial assembly, and here too women are poorly represented. In 2010, only 6 of the 183 assembly members were women.¹⁶ Despite programs to support and train women candidates, the situation has worsened and, in 2016, only 5 out of 172 members of the provincial assembly were women. The need to raise awareness among communities and work to shift gendered norms are necessary if any change in women's political participation is to be witnessed.¹⁷

7.2.4 Women and Employment

Women make up around 46% of the formal labor market in Solomon Islands (Appendix 7), with a higher proportion found among businesses in urban centers. In the public service, 36% of employees are women (footnote 11, p. 46).

As shown in Table 7.1, the occupations in which women are most concentrated are subsistence crop farming, sales and services, skilled agriculture and/or fisheries work, personal and protective services, and teaching professionals.

Table 7.1: Top Occupations for Women in Solomon Islands

Occupation	Number of Women	Percentage of Women Employed
Subsistence crop farmers	62,914	61.3
Sales and services	9,576	9.3
Market-oriented skilled agriculture and fisheries work	7,829	7.6
Personal and protective services	6,657	6.5
Teaching professionals	3,483	3.4
Models, salespersons, and demonstrators	2,772	2.7
Food processing, woodworking, garment production, and other crafts	1,464	1.4
Precision, handicrafts and printing	1,336	1.3

Source: Government of Solomon Islands, National Statistics Office. 2013. *Household Income and Expenditure Survey, National Analytical Report (Volume 1) Survey. 2012/13*. Honiara.

¹⁶ Ministry of Women, Youth, Children and Family Affairs. 2012. *Solomon Islands CEDAW Combined Initial, Second and Third Periodic Report*. Honiara. p. 29.

¹⁷ T. Wood. 2015. Aiding Women Candidates in Solomon Islands: Suggestions for Development Policy. *Asia & The Pacific Policy Studies* 2 (3). pp. 531–543.

The disparity in income earned by women compared to men is clearly evident in both the public and private sectors (Table 7.2), and this too remains unchanged for 10 years or more. Only when employed by NGOs and church-based organizations do women fare better than their male counterparts, albeit in positions that are widely known for being poorly paid.

Gender-based discrimination in the workplace is believed to be widespread in Solomon Islands. This discrimination manifests itself as lower pay for women than for men with the same qualifications, lack of family-friendly workplace policies, and threats of dismissal unless sexual favors are provided (footnote 3, p. 87).

Solomon Islands recently amended its Public Service Act 1988 to include a sexual harassment policy, but no such provisions apply to the country's private sector. The Labour Act 1960 provides for maternity leave and antenatal care, but pay is only guaranteed at 25% of the regular rate, and women can be dismissed if they do not return to work after the entitled 12-week period (footnote 3, p.87). The rate of compliance with these laws is unclear.

Table 7.2: Average Annual Wage and Salary Income by Sector and Gender
(Solomon Islands dollar)

Sector	Men	Women	Difference
Public	34,667	31,050	12% less than men
Private	28,451	17,602	62% less than men
Other (mainly nongovernment organizations and church groups)	12,588	23,737	60% more than men

Source: M. Krook. 2012. All the President's Men? The Appointment of Cabinet Ministers Worldwide. *The Journal of Politics*. 74 (3, July). pp. 840–855. http://mlkrook.org/pdf/krook_obrien_12.pdf

In 2015, there were eight women out of 54 board members governing state-owned enterprises (SOEs) in Solomon Islands (Appendix 9). Reforms to the State-Owned Enterprises Act 2007 include increasing independent oversight of the boards, as well as advertising board vacancies. Such requirements have been welcomed by men who seek greater transparency about the appointment process and increased accountability of the board members.

Box 7.1: Education and Experience are the Keys for Kathy



Kathy Nori illustrates the value that independent and experienced businesswomen can bring to the governance of state-owned enterprises. Kathy was equipped with a solid education in accounting and financial management, as well as long-term experience running a shipping company when she became a board member of the Solomon Islands Broadcasting Commission and Solomon Islands Airlines.

Source: Interview by author.

Efforts to engage the private sector in changing gender roles and proactively promoting women has had success in many countries, including Australia. Three strategies are relevant in Solomon Islands:

- (i) Business leadership and mentoring programs that engage firms and their employees can highlight sound practices of businesses, build networks for women, and provide mentoring both within a business and between associated enterprises.
- (ii) Awards for businesswomen and male champions can motivate other businesses to adopt women-friendly practices. These types of awards are used in both Fiji and Papua New Guinea (PNG).
- (iii) Collection of gender-disaggregated data by firms and chambers of commerce can allow businesses to assess the manner in which good intentions have been translated into action.

Box 7.2: Support Sustains Regina



In August 2016, Regina Pokana was promoted to Sustainability Manager for Guadalcanal Plains Palm Oil. Regina credits her success to the support she has received from her family and her boss (General Manager, Andrew Kerr).

Source: Interview by author.

7.2.5 Key Recommendations

The following strategies are important for encouraging women to enter employment in Solomon Islands, and to assist them in progressing to senior ranks:

- (i) Develop enabling legislation for equal employment opportunities and sexual harassment protections for women in the public and private sectors.
- (ii) Encourage the collation of gender-disaggregated data on employment by companies, and urge large businesses to adopt measures to track gender-friendly policies and workplace environments (e.g., EDGE Global business certification standard for gender equality).
- (iii) Collaborate with the Solomon Islands Chamber of Commerce and Industry (SICCI) to establish a database for qualified men and women to occupy senior roles in SOEs and the private sector.
- (iv) Amend labor legislation to increase maternity leave pay provisions with stipulated enforcement procedures.
- (v) Enhance mechanisms for reporting and addressing discriminatory labor practices and support enforcement of current labor laws (Labour Act).
- (vi) Support measures to increase women's representation in Parliament and provincial councils.
- (vii) Incorporate women-friendly complaints mechanisms in proposed legislation and policies.
- (viii) Increase awareness of ways to deal with the pressures of social norms, through partnerships with business associations, financial institutions, and government departments.
- (ix) Coordinate responses by multiple stakeholders to gender-based violence, including from the private sector.
- (x) Support awards (by chambers of commerce) to businesswomen of the year, and male champions who support women employees.

7.3 Women in the Informal Economy

7.3.1 Participation in the Informal Economy

Solomon Islands has a very large informal and subsistence sector, including high levels of farming, agriculture, fishing, and making handicrafts. The Household Income and Expenditure Survey 2012–2013 indicated that 75.6% of households generated income mainly from their involvement in subsistence-based, market-oriented activities for cash. In rural areas, more than 85% of people earned income from subsistence work in the informal economy (Table 7.3).

Table 7.3: Households Earning Income from Subsistence and Business Activities by Area
(%)

Area	Urban	Rural	National
Household business (nonsubsistence)	28.8	16.2	18.4
Agriculture and forestry	13.6	68.7	59.9
Handicrafts and home-processed food	14.8	24.8	23.0
Livestock	5.9	30.3	26.0
Fishing	4.3	35.3	29.8
All subsistence for cash	30.6	85.2	75.6

Source: Government of Solomon Islands, National Statistics Office. 2013. *Household Income and expenditure Survey, National Analytical Report (Volume 1) Survey. 2012/13*. Honiara.

There are various reasons why women remain in the informal economy in Solomon Islands. Like Margaret Sokaika (Box 7.3), many women find that working in the informal economy offers them flexibility and avoids the need to comply with regulatory requirements. However, it also means that they generally do not have any social protections, including access to insurance and pension funds, and find it difficult to access finance at competitive rates. An in-house report completed by the Solomon Islands Women in Business Association on women in the informal economy states that most women did not have the educational background to determine profitable production levels, keep accurate business records, and calculate profit made. It found that women in rural areas of Malaita and Guadalcanal had less knowledge about accessing finance from commercial banks than did women in urban areas.

Although a number of regional centers, including Auki, Gizo, and Honiara, provided marketplaces for women to sell their produce and network with other entrepreneurs, such places were not available in all rural areas, further constraining the ability of women to make an income and exchange ideas about making their businesses more efficient.

Box 7.3: Remaining in the Informal Economy



Margaret Sokaika, from Rennell and Bellona province, is a successful businesswoman operating in the informal economy. Margaret sells lava lavas (fabrics and/or clothing) in an unlicensed space. She says she enjoys the flexibility in her working life and the income she can earn without having to pay taxes and license fees.

Source: Interview by author.

7.3.2 Laws, Policies, and Programs

Although the Honiara City Council has the power to regulate markets and business activity in Honiara, it is not actively doing so. Piecemeal regulation of activity adds uncertainty for businesses, including those run by women. Three markets—Cemetery, King George, and White River—are operating without council approval. Many small stalls and vendors operate on street corners and on pavements opposite offices. Women working in these markets do not have access to sanitary facilities and are subject to harassment.

During interviews with officers in Honiara City Council, it was stated that a registered association set up an alternate market, the fishing market, in 2003. It also remains unregulated, despite being a thriving market that is open late into the evening and regularly hosting more than 30 stallholders. Officers from the Honiara City Council reported that regulating this activity would be difficult to coordinate, as it requires approval from the Fisheries Department, the Traffic Department, and the Honiara City Council.

The Honiara City Council regulates activities in Honiara Central Market through its bylaws. This regulation includes collection of table fees for market stalls. Interviews with Honiara City Council staff for the purposes of this report supported anecdotal information from other sources that defrauding and harassment of women operating in the markets was common, impeding the manner in which these women can operate their businesses. The council has taken steps to dismiss two staff members on the basis of fraud. It has also tried to employ women as market supervisors, but has problems retaining staff. At the time of this report, a man occupied the role of market supervisor, with a woman deputy.

The Honiara City Council has implemented internet banking payment services, and officers reported that this is a useful facility. There is potential to use mobile transfers to pay stall fees and other council charges, and this should be encouraged in partnership with financial institutions and banking agents. Doing so would decrease the potential for fraud and reduce harassment of women for multiple payments. Consideration should also be given to providing women with the ability to deposit their daily takings into a bank account, through a banking agent, rather than retaining cash on their persons.

UN Women has worked with the Honiara City Council to develop sanitary facilities attached to the Honiara Central Market. An innovation has been the user-pays model that has been adopted for these facilities, with users charged 5 Solomon Islands dollar (SI\$) per visit and cleaning and maintenance subcontracted to a private business.

Plans are afoot to replicate this program in other markets in rural Solomon Islands. This is part of the Markets for Change Project, funded by the Government of Australia under its Pacific Women Shaping Pacific Development Initiative. The Markets for Change program is tasked with increasing safety in markets, developing suitable hygiene facilities, and helping to form a market vendors association in Solomon Islands. This association has the potential to work

with other organizations to supply training services, including financial literacy, business development, and marketing skills.

Other improvements that could be considered at marketplaces include improving security for stallholders; providing increased storage for goods being sold; and constructing facilities to allow sleeping, changing, and showering by women who stay overnight at the markets.

The Government of New Zealand has supported the Honiara City Council in the assessment of its governance structures, although progress had halted at the time of this report. The council would welcome support to improve its bylaws. Doing so would improve governance procedures, including the process for the election of councilors (eligibility to stand for election and eligibility to vote), the manner in which decisions in council are made, and clarification of the powers of councilors.

7.3.3 Key Recommendations

The following strategies are key to enabling women in Solomon Islands' informal economy to operate effectively.

- (i) Collate data from the country's census on the contribution of women in the informal economy to sustaining families and expanding gross domestic product.
- (ii) Support initiatives by the Ministry of Commerce, Immigration, Labour and Industry to create entrepreneurial hubs where women entrepreneurs can seek support on finance, taxation, insurance, and business development, and information on starting or expanding a business.
- (iii) Collaborate with the Honiara City Council, UN Women, the Markets for Change Project, and financial institutions to encourage online payment of licenses and market fees, to reduce the potential for fraud and harassment of businesswomen.
- (iv) Assist the Honiara City Council to amend its bylaws, and provide transparency into decisions on the allocation of leases for shops.
- (v) Work with relevant departments (Fisheries Department and Traffic Department) to regulate market activities on the fringes of Honiara, which will extend protections to market participants and reduce harassment and gouging.
- (vi) Liaise with stakeholders to improve marketplace storage facilities and construct accommodation and hygiene amenities for women who stay overnight in the markets.
- (vii) Support the replication in provincial areas of the user-pays model of sanitary facilities introduced in Honiara markets.

7.4 Women in the Formal Economy

7.4.1 The Formal Economy and Business in Solomon Islands

The government has released a policy for small and medium-sized enterprises in Solomon Islands, although the policy does not contain any specific approach or recommendation to support women in business.

The process for business formalization in Solomon Islands has significantly improved since 2010, and ongoing work in the Ministry of Commerce, Industry, Labour and Immigration promises further improvements. Relatively new business registration laws and company laws are designed to be more accessible to women, although a lack of data makes an informed assessment difficult. The introduction of online business registration and renewal is a welcome initiative that promises greater accessibility for women, but its impact will have to be assessed in due course. Outreach activities have increased awareness of the benefits of formalization among residents of Honiara, but have had less impact on the outer islands.

As part of the Foreign Investment Act 2005, certain business activities are reserved only for citizens of Solomon Islands. The act currently includes a list of 14 reserved activities, which are dominated by women. These activities include market vending, operating a restaurant or cafe within an area of less than 25 square meters, producing handicrafts and cultural artefacts, and cultivating crops exclusively for sale in the domestic market. There were originally 50 reserved activities in Solomon Islands, but staff of the Foreign Investment Division (InvestSolomons) strongly advocated for the reduction of this list to 14 by highlighting the need to weigh short-term gains to local businesswomen against the long-term benefits that may be gained from increased overseas investments and innovative business practices and product development.

Simplifying taxes on business is noted as a priority in the Solomon Islands National Development Strategy 2016–2035, and simplification would likely increase the number of entrepreneurs seeking to enter the formal economy. The Solomon Islands Chamber of Commerce and Industry (SICCI) has called for taxation reform, as has the International Monetary Fund, pointing out that such reform is an important step in attracting investment and generating business start-ups.

There is little knowledge among businesswomen of customs exemptions, the tax-free threshold, or tax rates, and this lack of awareness is a hindrance to engaging in business. While companies pay a company tax of 30% on all profit, personal income is taxed at a progressive rate, with income over SI\$60,000

Box 7.4: Attracting International Investment in Solomon Islands



Lynette daWheya (center) is Deputy Registrar at the Foreign Investment Registry. Lynette assists international companies seeking to establish a formal business in Solomon Islands.

Source: Interview by author.

taxed at a rate of 40%. There are also a host of indirect taxes levied at different stages of product importation and/or manufacture. Micro, small, and medium-sized enterprises are subject to income tax, sales tax, pay-as-you-earn tax, goods tax, and withholding tax. Awareness of the tax regimes is low and compliance is likewise very low.

Equipping women with knowledge on the tax system and, where appropriate, offering assistance with lodging tax returns would encourage compliance. Increasing awareness of the tax-free threshold and the types of tax deductions that may be possible would encourage women to transition from the informal economy to the formal economy.

7.4.2 Starting a Business: Looking at a Woman's Point of View

There is a general lack of awareness among women's groups of the types of business entities available to them, and the process for setting up a business. This shortcoming continues to impede successful engagement by women in entrepreneurial activities. Many women also fear formalization, pointing to the taxes they may have to pay—an attitude that is often misguided.

A lack of awareness on these issues also exists among government departments, such as the Ministry of Women, Youth, Children and Family Affairs as well as leading women's NGOs, including the National Council of Women. This means that such bodies are not able to advise women effectively on how to engage in business activities. A conduit organization, which can distribute information about business opportunities and processes, is needed.

Businesswomen consulted during focus groups for this report stated that harassment was commonplace in Solomon Islands, with no proper strategies to assist women. This impedes the confidence with which women approach financial institutions and government departments to make queries or seek assistance with business start-ups.

While numerous organizations, including financial institutions, offer financial literacy programs and promote concessional loans for women, lack of awareness of these options means that they are underutilized or not accessed. Women in rural provinces are further disadvantaged because, compared to their urban counterparts, they have even greater difficulty in accessing business information or assistance.

7.4.3 Business Licensing

Business licensing requirements are relatively simple in Solomon Islands. Administered by provincial governments, it takes an average of 2 days and costs an average of SI\$2,700 to obtain a business license. These licenses have to be renewed annually, and a separate license is required for each type of business activity.

Table 7.4 gives examples of the fees paid in 2009, 2015, and 2016 under the Honiara City Council. There have since been moderate increases in hotel and liquor licenses, while fees for bakeries, retail clothing shops, and hairdressers have decreased slightly.

Table 7.4: Business License Fees Paid in Solomon Islands
(Solomon Islands dollar)

Business Category	2009	2015	2016
Lawyer services	2,160	2,322	2,322
Secretarial typing services	2,160	2,150	2,150
Laundry services	4,320	4,644	4,644
Pest control	2,160	2,322	2,322
Scrap metal and tin buying agents	2,000	2,150	2,150
General supermarkets	6,480	6,450	6,450
Clothing retail shops	2,700	2,688	2,688
Bakeries	2,160	2,150	2,150
Secondhand clothing retail	1,080	1,075	1,075
Hairdressers and beauty shops	810	806	806
Betel nut	108	108	108
Restaurants	3,240	5,805	5,805
Hotels	12,960	15,000	20,000
Range of liquor licenses, e.g., full retail license	16,200	17,415	17,415

Source: Compiled from information supplied by Honiara City Council.

A number of new business licenses were created in the 2016 schedule, demonstrating a developing market, particularly in the area of digital services (Table 7.5).

Table 7.5: Newly Created Business Categories and Fees Payable, 2016
(Solomon Islands dollar)

Business Category	2016 Fees Payable
Internet marketing services	500
Residential rent (per residence)	500
Asbestos removal services	2,000
Banking services (ATMs)	1,500
Banking services (agents)	500
Mobile phone top-up agents	800

Source: Compiled from information supplied by Honiara City Council.

Although, in theory, the business owner is required to present a lease or tenancy agreement from the landlord of the premises in which the business will be conducted, and the council is required to inspect and approve these premises, this does not occur in practice. Such inspections are only undertaken for business activities with which there are environmental concerns or inherent safety requirements; for example, chemical disposals businesses, hotels, and butcheries.

Field officers from Honiara City Council carry out routine checks to ensure that the activity being conducted by each business is consistent with its license. It was reported by staff from Honiara City Council that many women who operate businesses without licenses are reluctant to come forward and apply for the relevant licenses, fearing that fines may be imposed on them or that they may be required to pay fees retrospectively. Using networks such as SICCI and the Solomon Islands Women in Business Association (SIWIBA) to build greater awareness of formalization among businesswomen, and providing an amnesty for past noncompliance, would encourage more women to have confidence in the system and obtain licenses.

7.4.4 Business Registration

Everyone starting a formal business in Solomon Islands is required to register a business name (unless it is a company trading under its company name). Until as recently as 2014, women were required to provide the names of their husbands to complete the business registration process. The Business Names Act 2014 removed this discriminatory provision and simplified the process.

In November 2016, online business registration was made possible in Solomon Islands, reducing the time taken to register a business name from a few weeks on average to 1-2 days. When staff in the Ministry of Finance and Treasury visited the provinces to raise awareness of the online system, they found that the majority of businesspeople were unaware of business formation or registration processes. They did, however, report an increase in registrations after their visits.

Additional efforts to reach rural areas to raise awareness of business formalization processes should be encouraged. There should also be an attempt to ensure that registration payments can be made online or as mobile transactions.

Agents are frequently used for business registration processes in Solomon Islands, including by women who feel the need to contact agents for assistance. This adds to the expense of starting a business. Women should be able to easily access comprehensive advice and training on starting a business, obtaining

licenses, registering a business name, preparing a business plan to access credit, and completing a tax return. This would help create a conducive environment for entrepreneurial women who often lack the information and confidence to embark on business activities.

7.4.5 Promoting Business Models That Suit Women

Solomon Islands has the most effective and efficient company legislation and company registration process in the Pacific. It also has a responsive registry office, with staff who are able to assist women effortlessly.

Incorporating a Company in Solomon Islands

The process for formalizing a company in Solomon Islands is as follows:

- (i) register a company at Company Haus;
- (ii) obtain a registration number from the National Provident Fund;
- (iii) obtain a tax identification number from the Inland Revenue Division; and
- (iv) determine the licenses required and obtain them from appropriate bodies, usually the provincial government (e.g., Honiara City Council).

The Companies Act 2009 simplified the business registration process in Solomon Islands and paved the way for an online registration system, Company Haus, launched in 2010 by the Ministry of Commerce, Industry, Labour and Immigration. Company Haus is located in Honiara and 50% of its staff, including the Assistant Registrar and Registrar of Companies, are women (Box 7.4 and 7.5). Rather than adopt the complicated and lengthy legislation of other countries, such as Australia, Solomon Islands introduced companies legislation that is simple and suitable for an emerging economy, and does not create unnecessary regulatory burdens. As a result, the registration process is much cheaper and faster: the average time to form a company has been reduced from nearly 3 months to less than 36 hours.¹⁸

The payment process is not quite so efficient. All payments to government bodies, including Company Haus, are centralized at the Ministry of Finance and Treasury. So, while all registration processes can take place online, an applicant still needs to pay the associated fee in person at the ministry in Honiara, or at one of the few provincial payment points, or have someone else do it on their behalf. This is a constraint for people in remote and rural areas of Solomon

¹⁸ ADB. 2015. *Pacific Private Sector Development Initiative Annual Progress Report, 2014–2015*. Manila.

Box 7.5: Assisting Women to Register Companies



Veronica Manedika, Assistant Registrar with Company Haus, says that up to six women seek help to register companies every week.

Source: Interview by author.

Islands. There is scope for improving payment processes with either an online payment system, or through transferring money through a mobile phone. The mobile money option would appear the preferred one, given that over 38% of the population uses mobile phones, while only 4% accesses the internet.¹⁹

The Role of Associations in Solomon Islands

An association is a vehicle used by not-for-profit ventures, such as the promotion of members of a profession or sporting collective, e.g., Solomon Islands Rugby League Association. Such vehicles have been utilized in other jurisdictions as a place where women's businesses can be developed or go through an "incubator" stage. Women-oriented associations are common in other Pacific island countries, including PNG, and have the potential to help women access training or collectively secure supply contracts (whereby the association enters into a contract on behalf of all its members, potentially negotiating better rates and conditions through collective bargaining). Associations may be particularly effective where multiple businesses that provide catering services or produce handicrafts are trying to reach wider markets. The businesses can rely on the association to undertake group marketing activities and negotiate contracts

¹⁹ Government of Solomon Islands. 2013. *2012/3 Household Income and Expenditure Survey National Analytical Report (Volume 1)*. Honiara. p. 17.

to provide services or sell products on cruise ships, at trade fairs, and in retail outlets.

Associations can also be of benefit to emerging enterprises by allowing them to access group training and share the costs of facilities and other administrative inputs. Legislation that provides for the creation of incorporated associations, building in participatory rights for members, should be considered in Solomon Islands.

Alternative Business Models

The Companies Act 2009 introduced the single shareholder company structure, which has merit in allowing a woman to establish a company alone. Using this model, a woman no longer has to find another company director or shareholder, who in the past was often her husband or partner. Since 2013, the act has seen a 41% increase in the number of women shareholders in Solomon Islands companies, and a 36% increase in the number of company directors who are women.²⁰

Company legislation in Solomon Islands and Vanuatu has seen the introduction of an innovative business entity called the community company (Box 7.6). Under this business structure, all shareholders must be members of one community and the company should be focused on promoting community benefits. The community company structure is a useful vehicle to promote and develop women's businesses. For example, it could be used by a group of women producing cocoa, allowing them to utilize customarily held land to carry out their business activities and as collateral for a loan to the community company.²¹ The community company structure can also be used to disburse to the community the benefits of mining or tourism activities.

There are 17 community companies registered in Solomon Islands, and they are being used for a variety of purposes and promoting a variety of community interests. Community companies are involved in developing natural resources such as timber and minerals, undertaking agriculture and reforestation, and assisting church groups with collection of tithes and offerings. Representation of women in these companies appears lower than in proprietary companies, constituting 10% of shareholders and directors. Use of the community company

²⁰ Data from Company Haus as of 30 June 2015.

²¹ Secretariat of the Pacific Community for Ministry of Women, Youth & Children's Affairs. 2009. *Solomon Islands Family Health and Safety Study*. Honiara. p. 49. <http://pacific.unfpa.org/sites/default/files/pub-pdf/SolomonIslandsFamilyHealthandSafetyStudy.pdf>

structure should be encouraged, particularly in relation to the production of cocoa and virgin coconut oil, where women play a major role in the production process and could be shareholders in the community company.

Box 7.6: The Community Company Structure

A community company is a special kind of private company that requires its members be part of a specified community and to promote the interests of that community. The definition of “community” is broad, and can include any group of individuals who share an identifiable characteristic. There are restrictions on the sale of community assets (to protect these assets for future generations). Such a company structure holds promise for women’s business ventures.

One such example is the Kolosori Holdings Community Company, which was established to collect fees from mining activities undertaken by Axiom Mines. The community company’s directors represent different tribes affected by the mining activities, and these directors determine the disbursement of benefits to each tribe. While men hold all the key decision-making positions in the company, an attempt to incorporate women’s views has been made through the establishment of the Kolosori Vaivine Committee of Women, which is consulted on important decisions. Unfortunately, at the time of this report, mining activity had been halted due to legal challenges.

Source: Author’s research.

7.4.6 Key Recommendations

The following recommendations aim to reduce the regulatory burden that overwhelms many women seeking to start a formal business:

- (i) Provide assistance to women through a centralized entrepreneurial hub on starting a business, including preparation of a business plan and obtaining business licenses.
- (ii) In conjunction with the Ministry of Women, Youth, Children and Family Affairs, ensure that the country’s policy on the economic empowerment of women and girls caters to the economic contribution made by women to the informal economy.
- (iii) In conjunction with SICCI, the Honiara City Council, and the Ministry of Women, Youth, Children and Family Affairs, consider granting an amnesty for past noncompliance for women seeking to obtain a business license.
- (iv) Partner with the Ministry of Finance and Treasury to digitalize payments for business and company registration and renewals.

- (v) Encourage the Honiara City Council to digitalize payments for licenses procurement and renewals.
- (vi) Partner with Company Haus and other NGOs to increase awareness of the process for formalizing a business.
- (vii) Support a gender assessment of tax reform in Solomon Islands.
- (viii) Undertake an assessment of the regulatory framework for associations.
- (ix) Develop a pilot to consider the use of the community company structure as a vehicle for agribusinesses with women beneficiaries.

7.5 Women's Access to Land

Women in Solomon Islands find it difficult to access property for use in business, and this is for three main reasons: (i) customary norms on the ownership and control of land limit women's rights to land, (ii) archaic laws that have codified customary norms perpetuate discriminatory practices, and (iii) many formal institutions replicate social norms and often discriminate against women inadvertently.

7.5.1 Landownership

Approximately 87% of the land in Solomon Islands is under customary ownership. The remainder is alienated land and consists of four categories: public land, perpetual estates, fixed-term estates, and leasehold land.

Land reform, supported by the Government of Australia, has been identified by the Government of Solomon Islands as a priority because of the potential for it to create huge development benefits and provide a reliable system for foreign investment.

The government demonstrated its commitment to this agenda through reforms undertaken to the Land and Titles Act in 2015, shifting decision-making from the Commissioner of Lands to the Land Board and increasing transparency. Further amendments to the act, made in April 2016, aimed at opening up alienated registered land and fixed-term estates for national purposes and business development.

7.5.2 Customary Land and Women's Rights

In order for it to be used for business, customary land must be registered under the Customary Land Record Act 1994 and comply with the requirements of

the Land and Titles Act 1988. Under the country's Constitution, only Solomon Islanders can have perpetual interest in land, so those who are not Solomon Islanders usually lease land. This stipulation is focused on identifying boundaries and rightful owners, but it has been controversial in the past. Logging companies have sought to negotiate with influential people within the customary group. These people have generally supported logging and are widely reported as being young men of influential descent, with good understanding of licensing and logging procedures. Women are often excluded from decisions and denied the royalties flowing from such leases.²² It has been stated that powerful male leaders, appointed as trustees, assert claims of landownership and take the overwhelming share of benefits from development.²³ One report highlighted the need to bolster the representation of women in decision-making bodies that oversee land, e.g., by including women on technical land reform committees.²⁴

Although the Constitution appears to provide for equality, its effect is diluted by the recognition of customary practices that often impact adversely on women. While Article 15 prohibits laws that are discriminatory or have a discriminatory effect, there are many exemptions to this rule. Clause (5) of the same article provides that this anti-discriminatory provision does not apply to personal laws, including marriage, divorce, and inheritance.²⁵ Women's rights are weaker than men's rights in many areas, as follows:

- (i) Customary marriages, including polygamous marriages, are allowed under the Islanders' Marriage Act 1945.
- (ii) Divorce has to be on a "fault" basis under the Islanders' Divorce Act, 1960 and the act provides for a claim of damages by a husband from any person who commits adultery with his wife, although no such equivalent provision exists for a wife.²⁶
- (iii) The Islanders' Divorce Act 1960 does not specify how property that has been accumulated by a couple during marriage should be divided. This is often left for a court to decide, and conflicting results can emerge.

²² R. Monson. 2011. *Negotiating Land Tenure: Women, Men and the Transformation of Land Tenure in the Solomon Islands*. Rome.

²³ S. McDonnell. 2015. *Building a Pathway for Successful Land Reform in Solomon Islands*. Canberra. p. 63.

²⁴ S. McDonnell. 2015. *Building a Pathway for Successful Land Reform in Solomon Islands*. Canberra. p. 71.

²⁵ Government of Solomon Islands. 1978. Constitution. Article 15(5) (c).

²⁶ Islanders' Divorce Act, 1960. s 18.

Corporations, financial institutions, and their staff, will assert that they treat women and men in the same manner and do not discriminate. However, as acknowledged by the World Bank's *World Development Report 2015*, evidence suggests that unconscious decision-making is replicating social norms.²⁷ These norms generally pigeonhole women to specific roles, such as household duties or junior administrative jobs, or to specific industries, such as catering or retail. In replicating these norms, women are excluded from employment opportunities in senior administrative and management positions, denied access to capital for expanding businesses, prevented from engaging in nontraditional jobs, and unable to have a say in how land should be used.

7.5.3 Registered Leases and Freehold Land

Approximately 10% of land in Solomon Islands is held under the formal land titling system. Under this system, the government (acting through the Land Board) can grant formal land as either a perpetual estate (a perpetual lease, which approximates to freehold) or a fixed-term estate (a lease defined by a set period of time).

Both a perpetual estate and a fixed-term estate can be bought and sold. Transactions need to be registered to secure title.²⁸ Land reforms in Solomon Islands have focused on making fixed-term estates available for business development.

7.5.4 Key Recommendations

The strategies below are designed to make land more accessible, both as a productive asset and as collateral, for women entrepreneurs in Solomon Islands:

- (i) Where land is being transferred from joint ownership by a married couple to full ownership by an individual, require conveyancing lawyers to verify that it is the intention of both spouses to transfer the land to that individual owner.
- (ii) Support an information campaign (in partnership with NGOs) to inform women of the advantages of joint ownership of matrimonial property.
- (iii) Support reforms to discriminatory legislation, including the Islanders' Divorce Act, 1960 and the Islanders' Marriage Act, 1945, to improve women's access to assets.

²⁷ World Bank. 2015. *World Development Report 2015: Mind, Society, and Behavior*. Washington, DC. <http://www.worldbank.org/en/publication/wdr2015>

²⁸ Registration is not compulsory for leases under 2 years.

- (iv) Consider the manner in which women’s opinions have been included under Vanuatu’s Customary Land Management Act, 2013, and explore how this can be replicated in the Solomon Islands regulatory framework.

7.6 Women’s Access to Finance

Solomon Islands’ finance sector has developed considerably over the last 10 or so years. Branchless banking and mobile money have greatly improved access to financial services, as well as the speed with which transactions can be made, both in urban and rural areas. Such technologies have the potential to help women to access business information and financial services.

7.6.1 Solomon Islands’ Finance Sector

Branchless banking services, which allow people to open accounts and conduct basic transactions such as deposits and withdrawals via individual banking agents who use tablets or electronic funds transfer at point of sale technology, were introduced to Solomon Islands in 2012 and are now offered by all three commercial banks.²⁹ While branchless banking is helping extend financial services to people in rural areas, the agent-banking model relies on agents being engaged across Solomon Islands’ dispersed population and scattered terrain, which is expensive and requires risky movement of cash between agents and banks.³⁰

Mobile phone banking was introduced by ANZ in 2013. A year-and-a-half later ANZ had 24,500 customers mobile banking customers, 15,500 of whom had never held a bank account. Bank South Pacific began offering mobile banking in 2014.²⁹ As of 2015, more than 40% of adults with bank accounts had mobile banking services linked to their accounts (footnote 5). ADB is helping the Central Bank of Solomon Islands develop branchless banking guidelines to help responsibly expand its use.³⁰

The Government of Solomon Islands is focused on financial inclusion and, in 2011, incorporated a national financial inclusion unit with the country’s central bank. The National Financial Inclusion Strategy 2016–2020 aims to improve access to finance and related service delivery. The strategy’s mission is to have 300,000 adults actively using formal or semiformal financial services, and 90% of the population

²⁹ ADB. *Digital Financial Services in the Pacific*. 2016. Manila.

³⁰ ADB. 2016. *Continuing Reforms to Stimulate Private Sector Investment*. Manila.

able to access financial services within an hour from their homes, by 2020.³¹ The strategy also includes the provision of training to build the financial management skills of women entrepreneurs, and integrating basic financial education into the core curriculum from primary school to tertiary levels (footnote 31).

Restricted access to finance is frequently stated, both by men and women, as a barrier to establishing or growing a business in Solomon Islands. However, the lower literacy rates of women,³² as well as their lack of supportive networks and business confidence, mean that women find it harder to access finance. It is reported that only 20% of women, compared with 32% of men, have a bank account (footnote 32) and this statistic is worse in rural areas. This scenario is supported by reports that women in Malaita and Guadalcanal have a poorer knowledge of the requirements to obtain a bank loan than do women in Honiara.³³

Branchless banking allows agents to offer banking services to people living in all areas of a country, and the technology has proven popular in Solomon Islands. Agents in Solomon Islands can open bank accounts, take deposits (17% of adult Solomon Islanders with bank accounts use agents to make deposits), and administer withdrawals (16% of adult Solomon Islanders with bank accounts use agents for withdrawals) (footnote 33) (Box 7.7).

Box 7.7: Julie Answers the Call for Mobile Technology



Julie Haro is a serial entrepreneur, running several businesses that respond to the increased uptake of mobile phones by Solomon Islanders. One business Julie operates supports ANZ Bank's mobile banking by training sales agents on how to use tablet devices to create new accounts and provide mobile bank services across the country. Another of Julie's businesses is

as a sales agent for Solomon Telecom. In this role, Julie buys wholesale and sells retail credit top-ups along with mobile phones.

Source: Interview by author.

³¹ Pacific Financial Inclusion Programme. 2016. *Solomon Islands National Financial Inclusion Strategy*. Honiara.

³² Central Bank of Solomon Islands. 2015. *Financial Services Demand Side Survey Solomon Islands*. Honiara. p. 3.

³³ Solomon Islands Women in Business Association. 2013. *Our Vital Voices: A Report on Women's Access to Sources of Finance and Capital in Solomon Islands Informal Sector*. p. 27.

7.6.2 Informal Sector Financing

A number of financial institutions in Solomon Islands provide opportunities for women to save and borrow small sums of money, primarily for informal business activities. These institutions include savings clubs, credit unions, microfinance institutions, and the National Provident Fund.

Savings clubs encourage people to save in a structured way, for expenses such as school fees and solar panels (Box 7.8). In 2014, there were approximately 200 savings clubs with 6,000 members in Solomon Islands, the majority of whom were women.³⁴ Credit unions represent a small part of the finance sector in Solomon Islands, and could be used to encourage savings among a wider cross-section of the community.

Box 7.8: Savings Club Benefits Shine Through



Dr. Alice Pollard is an executive member of the West 'Are 'Are Rokotanikeni Association, which runs a savings club. The club comprises more than 800 women who have saved money for solar panels, which are now installed at their homes. Dr. Pollard has been encouraging other communities to adopt the “Roko” model to make savings, especially by women, an accepted and regular activity.

Source: Interview by author.

Microfinance is available to Solomon Islanders through a number of organizations, including Oxfam, World Vision, Live & Learn, and South Pacific Business Development Microfinance. These organizations are focused on the informal economy, and there is little evidence of whether such loans lead to business sustainability and growth in Solomon Islands. The National Provident Fund can be used by members to start a business in two ways: (i) a member's funds can be accessed upon retirement and used as capital for starting a business, or (ii) a member's funds can be used as collateral for a loan prior to retirement.

³⁴ Pacific Financial Inclusion Programme. 2014. *Enduring Value: Savings Clubs in the Solomon Islands*. Honiara.

Women make up 29% of the National Provident Fund and, while some have used their funds as collateral, many have used this capital to cover business and domestic expenses.³⁵ Over SI\$71 million was withdrawn from the fund in 2011, 63% of which went to members who sought to retire (possible in Solomon Islands at the age of 50). Increased scrutiny of the governance of provident funds is likely to limit such loans in the future.

7.6.3 Formal Sector Financing

The need to develop a financial sector that provides business finance equally to men and women has been recognized both by the Government of Solomon Islands and the country's donors. However, diverse and uncoordinated programs—such as guarantee schemes, grants for specific activities, and subsidized credit—continually undermine efforts to unify the finance market.

The Central Bank of Solomon Islands has operated guarantee schemes, although there is little evidence of their viability. In 2016, the Ministry of Commerce, Industry, Labour and Immigration and the central bank signed a memorandum of understanding to set aside SI\$3 million for loans to agribusinesses and small-scale industry.³⁶ Meanwhile, the Ministry of Women, Youth, Children and Family Affairs has proposed offering subsidized loans to women through a partnership with a financial institution. The World Bank's Rural Development Program also offers grants to support rural business development.

Competition is growing in Solomon Islands' finance sector, with five large institutions operating in the country: ANZ Bank, Bank South Pacific, Bred Bank, Credit Corporation, and Pan-Oceanic Bank. The lending requirements of these institutions are stringent (collateral, business histories, and a business plan are generally required) and this often deters women from accessing commercial finance. Moreover, the interest rates are high compared with those in Australia, and range between 14% and 20% per annum. Only Pan-Oceanic Bank offers a loan product specifically targeted at women.

7.6.4 Strategies to Improve Women's Access to Finance

While there are no legislative barriers that restrict women from accessing credit in Solomon Islands, discrimination is commonly reported. For example, some bank officials will request permission from a husband for his wife to access credit from joint accounts, even though such permission is not required by law.³⁷

³⁵ Solomon Islands National Provident Fund. 2012. *Annual Report*. Honiara.

³⁶ S. Waikori. 2016. New Loan Scheme for Solomon Islands. *The Island Sun*. 9 July.

³⁷ Secretariat of the Pacific Community for Ministry of Women, Youth & Children's Affairs. 2009. *Solomon Islands Family Health and Safety Study*. p. 47. Honiara. <http://pacific.unfpa.org/sites/default/files/pub-pdf/SolomonIslandsFamilyHealthandSafetyStudy.pdf>

Steps are under way to develop the finance sector in Solomon Islands and improve women's access to financial services. The Credit and Data Bureau of Solomon Islands was established in 2015, and is being utilized by a range of financial institutions. Although this is an important step, the current framework only collates negative information, rather than also supplying positive information on satisfactory payments.

Meanwhile, the World Bank has given support for a platform to facilitate electronic transactions among banks, which will accelerate the speed with which business can be conducted.

Solomon Islands introduced an electronic secured transactions registry in 2009. Its purpose is to register moveable assets as collateral for financing, which is crucial in a country where land is rarely used as collateral. While Credit Corporation has taken up use of the registry and increased its loans, other financial institutions are slowly coming onboard. Developing the uptake of this registry among microfinance institutions operating in Solomon Islands, e.g., South Pacific Business Development, and extending its functionality to collect more information on people's borrowing and repayments, could enable credit histories to be collated in one central and reliable portal.

Discussions with banks for the purposes of this report suggest a low appetite for risk in lending, and that the expense of pursuing and seizing collateral on a defaulted loan might outweigh the benefits of lending against moveable securities. Taking action to seize property can be both time consuming and expensive. Furthermore, ensuring that the location and quality of the moveable property is maintained is difficult for property such as boats or cars where monitoring costs can be high.

The National Strategy for the Economic Empowerment of Women and Girls states that the Ministry of Women, Youth, Children and Family Affairs will work with banks to remove the barriers women face in securing collateral and to develop financial products tailored to women.³⁸

While insurance products, primarily targeting formal businesses, are being developed by financial institutions in Solomon Islands, increased awareness of the benefits of insurance is needed in Solomon Islands. The use of mobile technology to do this—such as by incorporating and highlighting the benefits of insurance products within mobile banking platforms—should be encouraged.

³⁸ Government of Solomon Islands, Ministry of Women, Youth, Children and Family Affairs. 2016. *A National Strategy for the Economic Empowerment of Women and Girls* Honiara. p. 17.

7.6.5 Key Recommendations

The following recommendations explore opportunities to expand access to finance for women operating businesses both in the informal and formal economies of Solomon Islands:

- (i) Support women's access to finance and business development services in line with the National Strategy for Economic Empowerment of Women and Girls.
- (ii) Assess the viability and success of guarantee schemes, including the Small Business Finance Scheme administered by the Central Bank of Solomon Islands and the loans scheme administered by the Ministry of Commerce, Industry, Labour and Immigration.
- (iii) Assess the sustainability of microfinance schemes to check if start-up businesses are still operating after 5 years.
- (iv) Support the uptake of the secured transactions registry by financial institutions, including by microfinance institutions making loans to women through pilot programs.
- (v) Consider support for including positive data in the Credit and Data Bureau of Solomon Islands.
- (vi) Design a pilot project to trial alternative forms of credit assessment, including using repayments of utilities bills and phone bills through mobile phone functions.
- (vii) Develop awareness of insurance products among women in the informal economy, potentially through mobile phone messaging functions.

7.7 Resolving Disputes and Enforcing Women's Legal Rights

7.7.1 Overview of Dispute Resolution in Solomon Islands

The high costs and time taken in enforcing contracts are identified as barriers to doing business in Solomon Islands.³⁹ It has been calculated that enforcing a contract costs, on average, 79% of the claim (compared with 49% for East Asia and the Pacific). To compound matters, it takes, on average, 455 days to resolve a dispute, 270 of which are for enforcement of the judgment.⁴⁰

³⁹ World Bank. 2016. *Doing Business 2016*. Washington, DC.

⁴⁰ Speech by Prime Minister Sogavare delivered at the 8th Australia–Solomon Islands Business Forum, 22 July 2016, Brisbane.

There is no dedicated court to hear commercial disputes in Solomon Islands, and there is no small claims tribunal or other fast-track procedure for small claims. Disputes are usually resolved informally, and discussions with businesswomen for the purposes of this report demonstrated that they are reluctant to access formal court processes in cases of legal disputes.

7.7.2 Alternative Dispute Resolution

The Solomon Islands (Civil Procedure) Rules 2007 provide for assisted dispute resolution, including mediation. In 2009, the advantages of mediation for resolving disputes involving Solomon Islands businesswomen were advocated by the Federal Court of Australia.⁴¹ Subsequently, in 2010, the International Finance Corporation launched a training program to accredit professionals to undertake mediations at the High Court and Magistrate's Court in the provinces of Western, Malaita, and Makira-Ulawa. Unfortunately, this training did not translate into resolutions within the courts and was discontinued.

7.7.3 Key Recommendations

Three key strategies to improve business confidence and dispute resolution in Solomon Islands are:

- (i) Consider establishing a small claims tribunal for disputes involving less than SI\$100,000.
- (ii) Evaluate the potential for reinvigorating the mediation training introduced during 2010–2013.
- (iii) Provide information on dispute resolution in appropriate contact points, including Company Haus and SICCI.

7.8 Women's Business Networks and Skills Training

Although there are several women's associations and government departments committed to the economic empowerment of women in Solomon Islands, the communication channels between these organizations need strengthening.

⁴¹ Federal Court of Australia. 2009. *Solomon Islands: Mediation and Case Management Review*. Sydney.

7.8.1 Overview of Networking in Solomon Islands

While there are a number of formal business networks in Solomon Islands—including SICCI; the Indigenous Chambers of Commerce, Trade and Industries for Solomon Islands; and the Solomon Islands Chinese Association—they do not address the needs of businesswomen in any systematic manner.

The Solomon Islands Small Business Enterprise Centre provides training, advisory services, and mentoring to new and existing businesses. A number of financial institutions, including the Bank South Pacific and ANZ Bank, offer financial literacy programs that cover saving, budgeting, and basic bookkeeping. Some savings clubs, such as those offered by the Rokotanikeni Savings Association and the Fikutaikini East Kwara'ae Women's Association, also offer financial literacy training in regional centers.

The Solomon Islands Women in Business Association (SIWIBA) represents businesswomen in Honiara. The association aims to promote, develop, and empower women and encourage their participation as business owners in the private sector. Over 85% of members operate businesses in the informal economy. SIWIBA, funded by the Government of Australia, has launched “Mere Market,” a monthly event promoting the produce of women in the informal economy. The association also runs a number of training programs, including short sessions on business development services.

SICCI, equipped with a new chairperson and board, has sought to represent the Solomon Islands business community in an inclusive manner. The chamber aims to maintain a regular dialogue with the government on key issues, and should be encouraged to liaise with prominent stakeholders on gender equity, including SIWIBA and the Ministry of Women, Youth, Children and Family Affairs.

SICCI may be best placed to represent women in the formal economy, while SIWIBA represents women in the informal economy.

While the Ministry of Women, Youth, Children and Family Affairs is working with the National Council of Women on the issue of women's economic empowerment, there is little knowledge about the business reforms implemented and their impact on women in the formal and informal economies. Linking these organizations with Company Haus and SIWIBA to raise awareness of innovative business vehicles, such as the single shareholder company structure, should be encouraged.

ADB, with funding from the Government of Australia, piloted a corporate governance program aimed at equipping women with skills for career advancement and improving decision-making in private businesses and SOEs (Box 7.1). This pilot project was replicated by SICCI in 2015.

The Government of Australia has funded the International Finance Corporation to bring together women under an umbrella organization, similar to the Business Coalition of Women in PNG. This program, launched in late 2016, can potentially assist women employed in larger companies to form networks and enable companies to participate in shifting gender norms.

In 2016, the Government of Australia announced a 50 million Australian dollar program for economic growth in Solomon Islands. Part of this strategy involves the establishment of an advisory center, Strongim Bisnis', to support private sector growth and remove value chain impediments in selected markets, initially focusing on the coca, coconut and tourism industries. The program launched in 2017, and includes a focus on the economic empowerment of women.

7.8.2 Key Recommendations

Partnerships between key organizations are necessary to ensure that strong networks can develop and skills be imparted.

- (i) Donors should work with SICCI to advance the position of women in the formal economy, including the creation of a subcommittee dealing with businesswomen.
- (ii) Donors should continue to work with SIWIBA to enhance the place of women in the informal economy.
- (iii) Donors should monitor the impact of the advisory center established as part of the Government of Australia's economic growth program.

7.9 Women's Access to Trade and Markets

7.9.1 Importing and Exporting

The Government of Solomon Islands is committed to attracting investment into the country, and is exploring the creation of a special economic zone. Foreign businesses usually bring employment opportunities for women in administrative roles and in the services sector. At the time of this report, there were 734 Australian investors registered to conduct business in Solomon Islands,

of which 32 were newly registered in 2017. Increased market reform, political stability, and an improved registration process saw 232 new foreign investments registered during 2017, with a total proposed investment value of SI\$1.8 billion (footnote 39). The government has been committed to the Pacific Agreement on Closer Economic Relations (PACER) Plus negotiations, which concluded in April 2017. Although the government sees this as an opportunity to improve market access for exports, there have been concerns expressed about the short term adjustment and implementation costs incurred in compliance with the agreement.

Solomon Islands has trade relations primarily with Australia and the People's Republic of China (Table 7.6). The main exports from Solomon Islands to Australia are wood, gold, animal feed, and vegetable oils.

Table 7.6: Solomon Islands Global Trade Relationships
(%)

Principal Export Destinations		Principal Import Origins	
People's Republic of China	57.7	Australia	27.6
Australia	10.6	Singapore	24.2
United Kingdom	6.3	People's Republic of China	12.0
Italy	5.9	Malaysia	8.4

Source: Compiled by Economic Diplomacy, Trade Advocacy & Statistics Section, Department of Foreign Affairs and Trade, 2016.

Reforms have been under way to improve two-way trade for Solomon Islands. A modernized customs and excise bill has been drafted. The bill aims to introduce transparent decision-making in customs processes and a modern border control system, which will aid trade facilitation and improve revenue collection. The bill is expected to go to Parliament in 2018. Meanwhile, the introduction of an automated system for customs data, designed to simplify the process for all stakeholders, has streamlined and automated clearing procedures.

Despite these improvements, the costs and time taken to import or export are significantly higher in Solomon Islands than in neighboring countries of East Asia or in other Pacific island countries. The time taken to export from Solomon Islands is 170 hours, compared with an average of 126 hours from neighboring

East Asian and Pacific island countries (Table 7.7). The cost to export from Solomon Islands is \$845 per container, compared with average of \$563 per container for neighboring east Asian and Pacific island countries.⁴² The same scenario is repeated with imports, adversely affecting the ability of Solomon Islands to develop trade and investment. Increased charges and decreased productivity in the country's ports in 2015–2016 have further increased costs to import and export.

Table 7.7: Border and Documentary Compliance

Border and Documentary Compliance	Solomon Islands	East Asia and Pacific
Time to export (hours)	170	126
Cost to export (\$)	845	563
Time to import (hours)	145	129
Cost to import (\$)	955	569

Source: Compiled by Economic Diplomacy, Trade Advocacy & Statistics Section, Department of Foreign Affairs and Trade, 2016.

7.9.2 Market Development

Development of Solomon Islands' tuna fisheries could contribute significantly to the country's gross domestic product. Increased investment in tuna processing facilities would create employment and generate economic growth. Attempts should be made to improve the employment conditions for women in this industry. Reforms to the Foreign Investment Act 2005 take a step in the right direction by creating a positive investment environment. However, challenges remain in regulating tuna product food safety and policing illegal, unreported, and unregulated fishing (footnote 2).

The Pacific Horticultural and Agricultural Market Access (PHAMA) Program, funded by the governments of Australia and New Zealand, is well established in Solomon Islands and provides assistance to access international markets. The program's strategy is to improve market access for Solomon Islands' key export industries, having had successes in fisheries, forestry, cocoa, and copra.

⁴² Department of Foreign Affairs and Trade. Economic Diplomacy, Trade Advocacy and Statistics Division. 2016. Border and Documentary Compliance. Presented at the Solomon Islands Business Forum. 22 July, Australia.

PHAMA helps exporters meet the standards and requirements of importing countries, conduct export feasibility studies, and facilitate trade discussions to open export opportunities. While not necessarily targeted at women, the program is available to all women exporters.

7.9.3 Key Recommendations

Five key strategies aimed at expanding opportunities for women to compete in international trade and market development are:

- (i) Support reforms that create an improved business environment for investment, including reforms contained in the customs and excise bill.
- (ii) Improve the provision of essential services accessed by business, including the services provided by the Solomon Islands Ports Authority.
- (iii) Monitor strategies to enhance the participation of women in the tuna industry and other emerging markets.
- (iv) Encourage the design of existing and new programs targeted at women in agribusinesses through PHAMA.
- (v) Support efforts to build international certification for products (e.g., organic, fair trade) and services (ecotourism).



Women sell produce at a market in Nuku'alofa. Most women in Tonga work in the informal economy. Strengthening women's roles in value chains would help more women transition to the formal economy.

8. TONGA

8.1 Introduction

8.1.1 Country Overview

Tonga has a land area of just 750 square kilometers stretching across 176 islands. Of these, 40 islands are inhabited by the country's 103,000 people. The largest island, Tongatapu—where 70% of the population lives and where the capital city, Nuku'alofa, is located—is the hub of Tonga's economy.

Tonga is the only Pacific island country that has never formally been colonized. It has been a constitutional monarchy (a monarchy constrained only by a constitution) since the enactment of the Constitution of the Kingdom of Tonga in 1875. However, following riots in Nuku'alofa in November 2006, in which a large part of the capital's central business district was destroyed, a process of democratization is under way in Tonga, with the first partial representative elections held in 2010 and 2014.

The country's economy is based on agriculture, fisheries, tourism, and a small manufacturing sector that addresses mainly domestic demand. There is also a heavy dependence on remittances from the half of Tonga's population that lives

abroad (mainly in Australia, New Zealand, and the United States). State-owned enterprises operate in a number of sectors, including telecommunications, utilities, transport, and finance.

A significant proportion of economic activity in Tonga occurs in the informal economy, which is dominated by women, as opportunities for salaried employment are scarce. Additionally, many rural Tongans still rely largely on subsistence agriculture and fishing for their existence, including women who work in the fields and hunt along the coast and in the lagoons, catching small fish and gathering various kinds of shellfish.

Major impediments for women seeking to participate in business in Tonga include (i) limited access to regional and international markets; (ii) limited access to finance, particularly in the informal economy; (iii) an inability to own and inherit land, and limited capacity to lease land; (iv) low financial inclusion rates; (v) complicated rules for importing and exporting goods; and (vi) lack of information, skills, and training on all aspects of business operations.

In general, Tongan society is divided into a three-tiered pyramid consisting of the Monarch, the nobles, and the commoners. Within villages, the highest-ranking person is the noble, followed by his talking chief and the noble's clan. The royal family and the nobles dominate, and largely own, the profitable sectors of the country's economy, in particular the telecommunications and satellite services.

8.1.2 Moving toward Gender Equality: Institutions and Policy

Tonga has not ratified the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), despite a government commitment to do so in March 2015 at the Commission on the Status of Women as well as sustained pressure from local women's groups.¹

The country's Constitution does not have an equality and nondiscrimination provision, nor a temporary special measures provision. In 2014, Tonga revised its National Policy on Gender and Development 2014–2018, providing a framework for both government and civil society. In 2015, a memorandum of understanding was signed between the Pacific Community (SPC) and the Government of Tonga, through the Women's Division in the Ministry of Internal Affairs (now located in the Ministry of Education, Women's Affairs and Culture).

¹ Tonga Women and Children's Crisis Centre. 2015. Tonga's Struggle for CEDAW. *Beneath Paradise*. 3 (4). p. 3.

The memorandum was aimed at strengthening the capacity of the government to mainstream gender. The percentage of government funding allocated to gender equality issues was 0.1% of the national budget for 2016.

8.1.3 Key Strategies for Tonga

The three most important strategies for enabling women's engagement in the Tongan economy are the following:

- (i) improve information provision for businesses in the informal economy through the establishment of an entrepreneurial hub, which could be connected to the efficient Tonga Business Centre;
- (ii) encourage the use of secured transactions and gender-disaggregated data to ease the reliance on land, which women cannot access, as the main form of security; and
- (iii) develop a consistent approach to the manner in which finance is made available to women and men through grants, subsidized credit, and commercial credit, in order to gauge the sustainability of these financing facilities over a period of 5 years.

These are discussed in detail later in this chapter.

8.2 The Context of Women's Autonomy

8.2.1 Impact of Violence against Women

According to a national report published in 2012, violence against women is widespread across Tonga.² The study's findings revealed that 79% of women and girls had experienced physical or sexual violence in their lifetime. Violence was mainly perpetrated by fathers, partners, or teachers. The report revealed that 33% of married women or those who had ever been partnered had been victims of physical violence, 17% had been victims of sexual violence, and 24% had been subjected to emotional violence.

A Domestic Violence Unit established within the Ministry of Police in 2007 saw the number of reported domestic incidents increase from 116 in 2007 to 588 in 2010.

² Ma`a Fafine mo e Famili. 2012. *National Study on Domestic Violence against Women in Tonga 2009*. Nuku'alofa.

The government responded to the violence by enacting a comprehensive domestic violence law, the Family Protection Act 2013, which protects a range of persons in family and domestic relationships, and offers a variety of protective and supportive measures. However, section 4 of this act contains a narrow definition of domestic violence, limiting it to an act, omission, or threat that is “beyond the reasonable expectations of family and domestic life” and that causes physical abuse, sexual abuse, or mental abuse or otherwise harms or endangers the health, safety, or well-being of the victim.

Victims have access to emergency, temporary, and long-term protection orders. A compensation order—requiring the respondent to pay “fair and reasonable” compensation in respect of injury, damage, or loss suffered by the victim—can also be made.

Additionally, the police have a range of duties to protect and support victims of domestic violence.³

Although the legislation is comprehensive, implementation of the Family Protection Act 2013 has been limited and domestic violence continues to be a significant problem that impedes the economic empowerment of women in Tonga.

The Women and Children Crisis Centre, Tonga was established in 2010, and is affiliated with the Fiji Women’s Crisis Centre. The center attracts funding and assistance from donor partners to carry out its work with domestic violence survivors.

8.2.2 Health and Education

Poor health prevents Tongan women from participating in paid employment and accessing business opportunities.⁴ State health services are provided free of charge, and the basic health needs of the population are mostly met. The maternal mortality ratio was 124 per 100,000 live births in 2015, which is equivalent to approximately 3 deaths per year, and the total fertility rate was 3.7 births per woman.⁵ HIV/AIDS is not a major health issue in Tonga and there is

³ Government of Tonga. 2013. *Family Protection Act 2013*. ss 12, 13, 14, 15, 26 and 30. Nuku’alofa.

⁴ Government of Tonga, Ministry of Health and Medical Services. 2015. *Annual Report 2014–15*. Nuku’alofa.

⁵ World Bank. 2018. *Fiji Country Profile*. <https://data.worldbank.org/country/Tonga> (accessed 9 March 2018); and UNICEF. Data and Analytics. <http://www.devinform.org/unicefdata> (accessed 9 March 2018).

little incidence of diseases and illnesses related to absolute poverty. The country is, however, beginning to be confronted by a series of more contemporary health issues.

Obesity is a serious problem in Tonga. Around 90% of the population is considered overweight or obese, and over 60% of women aged 15–85 are considered obese. Additionally, 52.6% of girls, compared with 34.5% of boys, are considered overweight (footnote 4). Consequently, diabetes (including gestational diabetes among a large number of pregnant women) and cardiovascular disease have a high prevalence in Tonga, and women are more vulnerable to these ailments than are men.

Tonga has a strong education system comprising 118 schools (107 government schools, 11 church schools).⁶ Primary education between the ages of 6 years and 14 years is compulsory, and the responsibility to ensure a child attends school is placed upon the parents.⁷

The Census of 2011 revealed that 94% of the usually resident population aged 5–14 years was enrolled in school. In the 15–19 years age bracket (school is no longer compulsory after the age of 14), 29% of students were not attending school. Female school attendance rates were higher than male school attendance rates across all age groups.

Beyond secondary school, 16% of the Tongan population had attained higher education, including technical and/or vocational training, diplomas, university degrees, and other qualifications. Higher levels of education were more prevalent in the urban population, compared with those living in rural areas. More women than men had technical, vocational, or professional qualifications, and these qualifications were predominantly held in the fields of teaching, nursing, and hospitality (the latter being an area dominated by women). These are areas in which the Ministry of Education, Women's Affairs and Culture provides courses, making such qualifications easier for women to obtain. The ministry also provides courses to attain certificates and/or diplomas in technical trades, maritime management, information technology, accounting, agriculture, business, police training, defense, and work-related skills.

⁶ Government of Tonga, Department of Education. 2004. *Tonga Education Policy Framework 2004–2019*. p. 7. Nuku'alofa.

⁷ Government of Tonga. 1974. *Education Act 1974*. s. 53. Nuku'alofa.

Despite its positive education statistics (Table 8.1), Tonga has yet to achieve gender equality in employment.

Table 8.1: School Enrollment and Tertiary Qualifications

Education Level	Boys and/or Men	Girls and/or Women	% Girls and/or Women
Primary and secondary enrollment	17,027	16,317	48.9
Tertiary qualification	792	670	45.8

Source: Government of Tonga. Tonga Department of Statistics. 2011. *Census 2011*. Nuku'alofa.

8.2.3 Political Participation by Women

As a constitutional monarchy, Tonga has its executive power vested in the cabinet of parliamentary ministers and its legislative power vested in the King and the Parliament. At the time of this report, there were no women in Tonga's unicameral national Parliament. Prior to 2010, women only had access to 9 of 33 people's representative seats in the Parliament.

Reforms to the country's parliamentary system in 2010 increased the number of people's representatives to 17, with 10 seats for Tongatapu, 3 for Vava'u, 2 for Ha'apai, and 1 each for Niua and 'Eua.⁸

In 2010, 11 women contested the national elections, but none was successful. Ana Maui Taufe'ulungaki, then Minister for Education, was appointed by the Prime Minister, despite not being a member of Parliament. However, as a member of the cabinet, Ana Maui automatically became a member of Tonga's legislative assembly.

In 2014, 16 women contested the people's representative seats, but none was elected. This was despite the government running a 5-day "practice parliament" for women prior to the election. The event attracted 30 participants and was the first of its kind in Tonga, following similar events in other Pacific island countries. Tongan women continue to struggle with the negative social and cultural attitudes that are still held toward their participation in politics and other decision-making processes of the country.

⁸ Government of Tonga. 2010. *Act of Constitution of Tonga (Amendment 3) 2010*. Nuku'alofa.

Women have, however, been appointed as chief executive officers (CEOs) of various government departments. The Department of Inland Revenue and Customs had a woman CEO from 2011 to 2014, while the Department of Commerce, Tourism and Labour appointed a woman CEO from 2014 to 2016.

While the first woman town officer was elected in local general elections in 2004, decision-making mechanisms within Tongan communities and villages are still largely dominated by men. The kava circle, which traditionally involves men sitting together in a circle drinking kava, with a woman serving them, continues to be regarded as the place where politics, economics, and social issues are discussed. The circle brings together men of all levels of status, from senior government officials to the nobility to commoners. It is a place where men are able to receive information on community issues and take part in debates about how to resolve those issues.⁹

8.2.4 Women and Employment

Women's labor force participation has grown only slowly in Tonga's formal economy, due in part to the overall scarcity of salaried or waged employment in the country. According to the 2011 Census, there were 10,354 men and 6,333 women in paid employment in Tonga. The greatest concentration of women was in the public service, which employed 2,619 men and 1,945 women in 2011.

Women tended to be employed in a narrow range of occupations, including teaching and nursing, accommodation and food services, clerical work, and manufacturing (Table 8.2). Men occupied more senior positions than did women, with 755 male managers compared to only 324 women managers across the country in 2011. The cluster of women in a narrow range of occupations contributes to the continuing wage gap between men and women, because the occupations dominated by women attract lower pay than the occupations in which men dominate.¹⁰

The Recognized Seasonal Employer scheme, which operates in New Zealand, and the Pacific Seasonal Workers Pilot Scheme, which operates in Australia, provide a growing number of jobs for Tongan men and women.¹¹ Under these

⁹ O. Guttenbeil-Likili. 2006. *A Woman's Place is in the Home: Advancing Women's Representation in Tonga*.

¹⁰ Government of Tonga, Tonga Department of Statistics. 2011. *Census 2011*. Nuku'alofa.

¹¹ C. Reed et al. 2011. *Final Evaluation of the Pacific Seasonal Worker Pilot Scheme*. https://docs.employment.gov.au/system/files/doc/other/pswps_-_final_evaluation_report.pdf

programs, workers spend up to 6 months in either New Zealand or Australia, where they learn new skills and generate income.

In 2013–2014, 1,538 Tongan workers travelled to New Zealand as part of the Recognized Seasonal Employment scheme and 1,199 went to Australia under the Pacific Seasonal Workers Pilot Scheme. These workers earned 71.2 million pa'anga (T\$) and sent home T\$35.6 million in remittances, up from earnings of T\$53.3 million and remittances of T\$26.8 million in 2012–2013, when fewer workers were recruited through the schemes.¹²

Workers from Tonga currently make up over 70% of participants in the Pacific Seasonal Workers Scheme held in Australia. Subjects taught to participants include budgeting, personal independence, time management, and meeting the expectations of others, as well as practical skills, such as using equipment, pruning, and grading produce.

Neither scheme has gender-disaggregated statistics available that could assist policy makers in determining the need for additional support and/or expansion of services.

Table 8.2: Number and Percentage of Women Salary and Wage Earners

Occupation	Men	Women	% Women of Total
Accommodation and food services	378	803	68.0
Agriculture and fisheries (skilled)	13,977	9,721	41.0
Construction	1,653	0	0.0
Clerks	454	1,301	74.1
Education	900	1,330	59.6
Information and transport	1,128	474	29.6
Manufacturing	808	7,296	90.0
Mining and quarrying	1,423	70	4.7
Professionals	1,920	1,961	50.5

Source: Government of Tonga, Tonga Department of Statistics. 2011. *Census 2011*. Nuku'alofa.

¹² Government of Tonga, Parliament of Tonga. 2015. MPs Learn Millions of Remittances to Tonga under Seasonal Worker Scheme. Nuku'alofa.

Tonga does not have a legislative framework for employment relations. While this lack of employment protections affects all workers, it bears disproportionately on women—who are more likely to be subject to discrimination in pay and working conditions, to be confronted by sexual harassment, and to benefit from maternity and parental leave provisions.

The proposed employment relations bill, drafted in 2013, is modeled on Fiji's Employment Relations Promulgation 2007 and provides strong and robust protection for women employees in Tonga's formal economy. The definition of employee in the employment relations bill is "a prospective employee or person engaged under a contract of service by an employer and includes an apprentice, learner, domestic employee, part-time employee, casual employee or out worker," and may therefore, if enacted, provide protection for some women employees in the informal economy.¹³ Objections from the Tonga Chamber of Commerce and Industry, which considers the terms too generous, have stalled the bill's enactment and, in response, the government has extended the consultation period.

The employment relations bill prohibits discrimination on the grounds of ethnic origin, color, gender, religion, political opinion, national extraction, sexual orientation, social origin, marital status, pregnancy, family status, state of health—including HIV/AIDS status, disability, and trade union membership or activity.¹⁴ It guarantees workers equal remuneration for work of equal value,¹⁵ prohibits sexual harassment by an employer or a coworker,¹⁶ and offers paid maternity leave for 30 days.¹⁷ Although the bill would benefit from the inclusion of provisions for parental leave, stronger provisions for maternity leave, a commitment to minimum wages (rather than a discretion), and the provision of funded child care, it nevertheless represents a good framework to deliver employment protections for women. Its enactment is, therefore, important for the economic empowerment of women in Tonga.

Public servants in Tonga have some workplace protections through the Public Service Act 2002, which requires "a fair, flexible, safe and rewarding workplace that is free from discrimination and recognizes the diverse background of

¹³ Government of Tonga. *Employment Relations Bill 2013*. s 3. Nuku'alofa. <http://www.mctl.gov.to/wp-content/uploads/2013/04/Final-Draft-ERB-2013-April-20131-19Apr13.pdf>

¹⁴ Government of Tonga. *Employment Relations Bill 2013*. s 78, 82. Nuku'alofa.

¹⁵ Government of Tonga. *Employment Relations Bill 2013*. s 26. Nuku'alofa.

¹⁶ Government of Tonga. *Employment Relations Bill 2013*. s 79. Nuku'alofa.

¹⁷ Government of Tonga. *Employment Relations Bill 2013*. s 67. Nuku'alofa.

employees.¹⁸ The Public Service Policy 2010 provides women with 3 months of paid maternity leave, and fathers with 5 days of paid paternity leave.¹⁹

8.3 Women in the Informal Economy

8.3.1 Participation in the Informal Economy

Because opportunities for salaried employment are scarce in Tonga, a significant proportion of economic activity occurs in the country's informal economy. Tonga's main cash crops are squash, coffee beans, vanilla beans, and root crops such as cassava, sweet potato, and taro. Only 30% of women have a regular income and most women work in the informal economy as employees, employers, or market vendors of their own produce and/or handicrafts (Table 8.3). Informal employment is more common in rural areas and on the outer islands than in urban areas.

Many rural Tongans still largely rely on subsistence agriculture and fishing for their existence. Women work with the men in performing heavy agricultural tasks and, in coastal areas, women hunt along the beaches and in the lagoons, catching small fish and gathering various kinds of shellfish. Much of the catch is consumed at home, with the women selling any surplus at the local market.²⁰ The biggest informal activity that women are active in is the sale of handicrafts such as tapa cloth, woven mats, jewelry, baskets, and decorations for clothing (the latter being in high demand from expatriates and urban Tongans).

Women operating businesses in agricultural production face a number of challenges to formalize and grow their enterprises. In brief, these challenges include (i) lack of knowledge and skills in postharvest management (including knowledge of product innovation); (ii) lack of knowledge about complying with standards; (iii) inability to afford appropriate packaging materials for crops; (iv) lack of cold storage facilities at farm sites, markets, and depots; (v) lack of access to efficient transport (rather than relying on public vehicles travelling on poor roads in unsafe conditions); (vi) restricted access to necessary and affordable finance; and (vii) weak communications and alignment of key actors along the supply chain.

¹⁸ Government of Tonga. 2002. *Public Service Act 2002*. s 4C. Nuku'alofa.

¹⁹ Government of Tonga. 2010. *Public Service Policy 2010*. Nuku'alofa.

²⁰ Japan International Cooperation Agency. 2010. *Country Gender Profile: The Kingdom of Tonga*. http://www.jica.go.jp/english/our_work/thematic_issues/gender/background/pdf/e10ton.pdf

Table 8.3: Number and Percentage of Women in the Informal Economy

Occupation	Men	Women	% Women of Total
Full-time homemaker	3,554	10,247	74.2
Subsistence only	5,612	3,937	41.2
Self-employed	4,784	3,956	45.3
Unemployed (looking for work)	192	181	48.5
Handicrafts	2,424	7,238	74.9

Source: Government of Tonga, Tonga Department of Statistics. 2011. *Census 2011*. Nuku'alofa.

8.3.2 Laws, Policies, and Programs

There is no legislation regulating the informal economy in Tonga. There are, however, a number of initiatives run by both the government and civil society to support and encourage women who operate businesses in the informal economy, such as these two:

- (i) The Tonga Business Enterprise Centre is a not-for-profit business development facility of the Tonga Chamber of Commerce and Industry. It has provided business skills training courses for women.
- (ii) The Handicrafts and Cultural Tourism Support Program is a partnership between Tonga's Langafonua Gallery & Handicrafts Centre and the New Zealand Aid Programme. The program, which ended in 2016, aimed to improve the quality and marketing of handicrafts for the tourist market, including the growing cruise ship market (Box 8.1).

Women operating informally in Tonga have little awareness of compliance costs and taxes, often overestimating the degree to which these imposts may affect them following the formalization of a business. Increasing women's knowledge of these regulatory processes and costs, as well as demonstrating the advantages of formalizing a business, is necessary. In the short term, the potential for women to access financial services and insurance products, as well as markets, through associations requires consideration.

Box 8.1: Supporting Traditional Crafts Where Women are Employed



Mosikaka traditional weaving, unique to Tonga, was historically only for the royal family and taught only to a select few weavers. Leseeli Tupou (left), born on the island of Lofanga, revived this lost technique in the late 1980s. Supported by the Handicrafts and Cultural Tourism Support Programme, Leseeli runs workshops to teach other women this fine and intricate skill. She has also taken her work to overseas markets, where it has proved to be very popular. Leseeli says she has benefited from the support provided by the Handicrafts and Cultural Tourism Support Programme and would like to expand their markets.

Source: Interview by author.

8.3.3 Key Recommendations

The following strategies can assist women in the informal economy to make a sustainable contribution to the Tongan economy, and encourage them to consider moving into the formal economy:

- (i) Advocate for the passing of the employment relations bill.
- (ii) Include in the next census and household income and expenditure survey a standardized toolkit to capture women's informal sector participation and domestic contribution.
- (iii) Strengthen women's roles in value chains, particularly in cocoa and coffee, through policy development, which should include (a) training in knowledge and skills in postharvest management; (b) training in complying with standards; (c) assistance with accessing appropriate packaging

- materials for crops; (d) assistance in obtaining finance; (e) support in obtaining cold storage facilities at farm sites, markets, and depots; (f) improved access to efficient transport; and (g) working with stakeholders to improve weak communications in the supply chain.
- (iv) Facilitate performance-based grants for women operating in the informal economy and seeking to remain in the informal economy.
 - (v) Identify partners to establish a women's entrepreneurial hub to support women in the informal economy and to help them transition to the formal economy.

8.4 Women in the Formal Economy

8.4.1 The Formal Economy and Business in Tonga

The formal economy in Tonga is small, with a gross domestic product (GDP) of T\$488 million in 2015. Real GDP growth was 3.1% in 2016. The main drivers of Tonga's economy are agriculture, fisheries, retail, public administration, and remittances, which, at 28% of GDP, are very high.²¹

Business entities operating in Tonga include sole traders, partnerships, incorporated companies, cooperatives, and associations. Data on the number of companies owned by women are not available, although figures indicate that men dominate ownership of formal businesses (Table 8.4). The kinds of formal businesses women tend to operate include food stalls and restaurants, catering services, hotels, secondhand clothes stores, online newspapers, printing services, information technology enterprises, and professional services such as legal firms and accountancy firms.

Table 8.4: Number of Formal Businesses Owned by Women

Companies	Total Formal Businesses	Formal Businesses Owned by Women
979	1,132	200 ^a

^a Including 33 businesses owned by women who are not citizens of Tonga

Sources: Compiled from 2011 Census; and Government of Tonga, Ministry of Commerce, Tourism and Labour. 2013. *Quarterly Business Update April–June 2013*. Nuku'alofa.

²¹ Government of Tonga. 2016. *Tonga Budget 2016*. Nuku'alofa.

8.4.2 Starting a Business: Looking at a Woman's Point of View

Women, both rural and urban, lack information about different types of business entities and the commercial advantages and disadvantages offered by each. In particular, women in the informal economy are often unaware of the benefits of formalizing a business. These benefits can include legal protections, access to insurance and credit, the ability to pursue business opportunities, and the support and representation provided by institutions such as chambers of commerce.

Many women who own small and medium-sized formal businesses lack information on the advantages of incorporating a business into a company, how to access tax incentives for their commercial activities, and how to comply with relevant laws and standards. Increasing women's knowledge in these areas may, for example, give rise to advocating for tax benefits for commercial activities where women dominate. Tax incentives are available for operators in agriculture, fishing, tourism, manufacturing, construction, retail, and social services, but there are no incentives specifically for women business owners.²²

Tonga has simplified the processes for obtaining business licenses and for registering a business. However, awareness of these processes is limited among women in the informal economy, and a general misunderstanding of the impacts of formalization acts as a deterrent from engaging in entrepreneurial activities of any scale.

8.4.3 Business Licensing

The Business Licences Act 2002 requires any person carrying out a business activity to hold a business license, which must be renewed annually. It excludes certain activities like the hawking or selling of fish, agricultural produce, and native articles.²³

8.4.4 Business Registration

The development of an electronic company register and a clear, well-organized website to register business names and license businesses, companies, and

²² Government of Tonga. [2015]. *Government of Tonga Investment Incentives 2014/2015*. Nuku'alofa. http://www.finance.gov.to/sites/default/files/FINAL_%20Inves_Incen_%20Bulletin.pdf

²³ Government of Tonga. 2002. *Business Licences Act, 2002*. s 3. Nuku'alofa.

societies—available to the public 24 hours a day, 7 days a week—has improved the process of formalizing a business for all citizens of Tonga, but particularly for women (Table 8.5). The online facility means it is no longer necessary to travel to the registry in person, and is a model for other Pacific island countries to replicate.

Table 8.5: Process for Registering a Business Name

Action	Cost	Approximate Time
Search of the companies, business names register	Free online	Immediate
Register name in person or by post	T\$50	1 week
Register name online	T\$25	1 week

T\$ = pa'anga.

Source: Compiled from Registration of Business Names Regulations 2014 (Schedule 1).

The first step in formalizing a business in Tonga is the registration of a business name. Every business must, unless operating under the “true name of the sole proprietor,” obtain from the register a certificate of business name registration.²⁴ Since the introduction of the electronic company register, this process has been vastly simplified and registering a business name was described as being straightforward by women entrepreneurs interviewed for the purposes of this report. Staff at the registry have also worked hard to make the service responsive to women’s needs (Box 8.2).

Once a user account is opened, the online registry enables the applicant to register a business name from any location, as long as they have access to the internet and a credit card. This is a major step forward for women who have difficulty travelling or do not have access to reliable transport.

Applying for business licenses can, like the registration of the business name, be conducted online or submitted in paper form, along with a small fee, at the registry office in Nuku’alofa. This system is simple and a good model for other Pacific island countries to consider. The application form is straightforward, requiring only basic information such as the principal place of business and proposed activity of the business. Some businesses may have to obtain other government approvals, permits, or satisfactory inspection results, and submit these with the application form.

²⁴ Government of Tonga. 2013. *Registration of Business Names Act, 2013*. ss 3, 2. Nuku’alofa.

Box 8.2: Building Institutions That Recognize the Needs of Women



Moana Taukolo (left) was chief executive officer of the Ministry of Commerce, Tourism and Labour from 2014 until the end of 2016. Qwen Tuihlamaka is the Registrar at the Ministry of Commerce, Tourism and Labour. These women have been the key to developing the women-friendly Tonga Business Centre, which provides information and services to those starting a business.

Source: Interview by author.

8.4.5 Promoting Business Models That Suit Women

Incorporating a Company in Tonga

Although setting up a company in Tonga can be complex, legal reforms introduced in 2009 have simplified the procedure and introduced the one shareholder company structure.²⁵ Every company must obtain from the registrar a certificate of business name registration (footnote 22) at a cost of T\$50 if the application is by paper or T\$25 if the application is completed online.²⁶ Other documentation required includes written consents from directors, a nominated

²⁵ Government of Tonga. 2009. *Companies (Amendment) Act, 2009*. Nuku'alofa.

²⁶ Government of Tonga. 2014. *Registration of Business Names Regulations 2014 (Schedule 1)*. Nuku'alofa.

company secretary, and shareholders; a draft company constitution; and notice of the registered office of the proposed company. The fee to incorporate a company is T\$400.²⁷ The company must then apply for a business license and pay a licensing fee of T\$100.

The Role of Cooperative Societies in Tonga

A cooperative society is an entity of five or more members, which has as its object, “the promotion of economic interests of its members in accordance with cooperative principles.”²⁸ Cooperatives are viewed as being women-friendly because they encourage collaboration among women, allow for the use of community assets to engage in commercial activities, and accommodate women’s responsibilities to family and community. There are no gender-disaggregated statistics on the use of cooperative societies by women in Tonga. A 1998 study noted, however, that the most successful cooperatives are village consumer stores, 80% of which are managed by women.²⁹

The Role of Incorporated Societies in Tonga

Incorporated societies consist of five or more persons associated for “any lawful” purpose, but not for pecuniary gain.³⁰ To register the incorporation of a society, two copies of the rules, signed by five or more members, must be delivered to the registrar, accompanied by a fee of T\$100.³¹

While it is not allowed to turn a profit, an incorporated society can provide a framework for aspiring women entrepreneurs to gain skills, receive grants, collectively bargain to access markets and inputs, and network and showcase talents that might lead to economic empowerment (Box 8.3).

Alternative Business Models

The community company structure has been introduced in Solomon Islands and Vanuatu. It offers a means of utilizing community assets to conduct a business, wherein all members participate and the assets are protected. Unlike the incorporated society model, a community company is allowed to turn a profit. In Tonga, where there are a significant number of entrepreneurial activities in making handicrafts and tapa cloth, this structure may provide a sound vehicle for the sale of produce and handicrafts created by a community.

²⁷ Government of Tonga. 2010. *Companies (Amendment) Regulations 2010 Schedule*. Nuku’alofa.

²⁸ Government of Tonga. 1973. *Cooperatives Societies Act 1973*. Nuku’alofa.

²⁹ A. H. Emberson-Bain. 1998. Women in Tonga. *Country Briefing Paper*. Manila: Asian Development Bank. p. 62.

³⁰ Government of Tonga. 1984. *Incorporated Societies Act 1984*. s 3. Nuku’alofa.

³¹ Incorporated Societies Amendment Regulation 2010 Schedule.

Box 8.3: “On the Spot” Arts Initiative



Ebonie Fifita is the creative director of On the Spot, which began in 2010 as a project to promote young local artists in Nuku’alofa. In 2012, the gift of an old house close to downtown Nuku’alofa created Art Space as the headquarters of On the Spot. The project grew from a focus on youth to fostering artists of all ages to work, exhibit, network, meet, talk, run children’s programs, host art festivals, and conduct other creative events.

In 2014, Ebonie registered On the Spot as an incorporated society under the Incorporated Societies Act 1988, and has obtained financial support from the Australian High Commission, the New Zealand Aid Programme, and Westpac.

Source: Interview by author.

8.4.6 Key Recommendations

Following are the key strategies to empower women in Tonga’s formal economy:

- (i) Collate data on the number of women’s businesses and their locations.
- (ii) Develop information pamphlets and awareness programs on tax benefits and tax incentives for women.
- (iii) Support financial training, including budgeting and tax compliance workshops for women.
- (iv) Support training courses that build business development skills for women in the formal and informal economies.

- (v) Establish entrepreneurial hubs, which can become a focal point for the transmission of information, skills development, and networking.
- (vi) Collect gender-disaggregated data through all registries to enable informed policy making.
- (vii) Reconsider the effectiveness of the legislative framework for closing a business, including bankruptcy rules.
- (viii) Assess the use by women's businesses of incorporated societies, and consider the introduction of the community company model in Tonga.

8.5 Women's Access to Land

Land is accepted globally as an important form of collateral. However, in many Pacific island countries, it is difficult for women to access customary land for use as collateral. Tonga's unique system of landownership, together with its laws of inheritance, also constrains women's access to land.

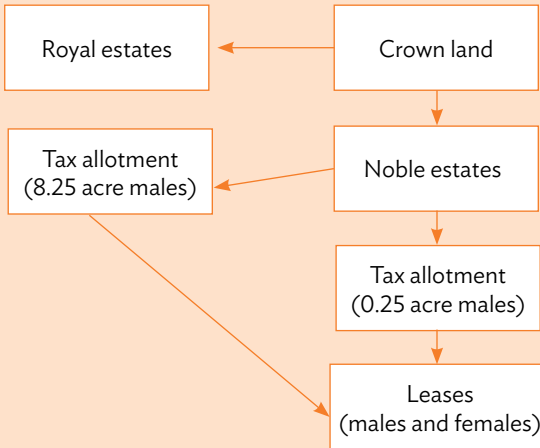
8.5.1 Landownership

The land tenure system in Tonga, regulated jointly by the Constitution of the Kingdom of Tonga of 1875 and the Land Act 1903, favors males. All land is owned by the Crown, the Monarch, the male members of noble families, and male members of commoner families.

All male commoners are entitled to two allotments of land granted to them by noble families. The first allotment is called the tax allotment and prescribes that every male at age 16 receive 8.25 acres of agricultural land. The second allotment is called the town allotment and prescribes a quarter acre of land on which to build a house. These lifetime allotments pass to the eldest son after death. There is no customary land in Tonga and no freehold titles.

As well as being disadvantaged in landownership, Tongan women are disadvantaged by an outdated family law framework.

Under the Divorce Act 1927, divorce is partly fault-based, requiring proof of a matrimonial offence (such as desertion, adultery, or intolerable behavior), although an amendment in 1988 enables divorce after a 2-year separation if both parties do not intend to resume marital relations or cohabitation. A divorce before the end of the 2-year separation period requires proof of a matrimonial offence, which is discriminatory against women. First, it can be difficult for women to leave violent relationships if they have to provide adequate evidence.

Figure 8.1: Land Tenure System in Tonga

Sources: Compiled from the Constitution of Tonga (Revised 1988) and Land Act 1903.

Second, a fault-based system, in principle, interferes with women's autonomy and their right to choose when to enter and leave relationships.³² A better framework would remove the fault-based component and enable divorce if the marriage is "irreconcilable," as is the case in Fiji.

Spousal and child support after a relationship or marriage breakdown is limited in Tonga. Spousal support is available only to a married woman, and only if deserted by her husband.³³ Support is awarded on the basis of the husband's means and what the court determines is just and proper (footnote 33). Adultery by a married woman removes any right she has to spousal support, child support, and custody of her children. Children of unmarried mothers can receive child support, but unmarried mothers cannot receive spousal support.³⁴ Such laws are discriminatory and in urgent need of reform.

Property division after divorce is governed by the Matrimonial Causes Act, 1973 (United Kingdom). Tonga has no land or property division framework for

³² J. Herring, ed. 2001. *Family Law: Issues, Debates, Policy*. Devon: Willan Publishing. p. 34.

³³ Government of Tonga. 1916. *Maintenance of Deserted Wives Act 1916*. s 2. Nuku'alofa.

³⁴ Government of Tonga. 1955. *Maintenance of Illegitimate Children Act 1955*. s 2. Nuku'alofa.

persons in de facto relationships. In determining the division of property, the court must consider income, future earnings, duration of marriage, financial needs, and contribution to the marriage, which includes “looking after the home or caring for the family.”³⁵

Inheritance in relation to goods, if a person dies intestate, is formally equal. However, Tongans can bequeath property through a will and distribute it as they choose. Inheritance of land, however, is not equal because women cannot own land. Ownership of a tax and/or town allotment is hereditary in favor of the holder’s eldest son and his heirs.³⁶ However, when an allotment holder dies, his widow retains a life interest in his land.³⁷ She cannot lease out that land³⁸ and the life interest is subject to the widow remaining married to her deceased husband, and not being found guilty of adultery or fornication.³⁹

A woman (or girl) can become the monarch of Tonga and the holder of royal estates, but first preference is given to sons. However, the daughters and spouses of nobles cannot inherit a noble’s hereditary title and estate.

8.5.2 Customary Land and Women’s Rights

As discussed in section 8.5.1, there is no customary land in Tonga. Rights to land are codified under the Constitution and the Land Act 1903. However, in practice, women still have limited rights to land because of the divorce and inheritance laws already discussed.

8.5.3 Registered Leases and Freehold Land

As mentioned in section 8.5.1, there are no freehold land titles in Tonga. Any person—male or female, from Tonga or not—can apply for a lease that is granted with the approval of the parliamentary cabinet.⁴⁰ Applications for leases can also be made by any religious, charitable, or social organization or an incorporated body. A lease can be granted from a noble estate by an estate holder, or by the Minister of Lands in respect to Crown land, or by a tax allotment or town allotment holder. A person can hold up to 10 leases of tax allotments and five leases of town allotments at one time.⁴¹

³⁵ Government of Tonga. 1973. *Matrimonial Causes Act [Cap 18] 1973 [UK]*, s 25(f). Nuku’alofa.

³⁶ Government of Tonga. 1903. *Land Act*. s 5. Nuku’alofa.

³⁷ Constitution of the Kingdom of Tonga. s 111.

³⁸ Constitution of the Kingdom of Tonga. s 113.

³⁹ Government of Tonga. 1903. *Land Act 1903*. s 80. Nuku’alofa.

⁴⁰ Government of Tonga. 1903. *Land Act 1903*. s 89. Nuku’alofa.

⁴¹ Government of Tonga. 1903. *Land Act 1903*. s 61. Nuku’alofa.

A lease of a town allotment can be granted for a period of up to 50 years with the approval of cabinet, or up to 99 years with the approval of Tonga's Privy Council.⁴² Leases granted to individuals are for a maximum of 50 years. The maximum period for leasing a tax allotment is 20 years.⁴³ A lease is transferable or can be disposed of in a will.⁴⁴ If a lessee dies intestate, the lease remains effective and will become part of the estate of the deceased to be distributed in accordance with the Probate Act 1915.

The process of obtaining a lease, however, can be complicated and expensive. While a woman may be able to lease land from a male relative, such as a father or brother, for a modest rental, leasing from a nonrelative might entail the payment of a high yearly rental, depending on the location of the land. A lease also requires the payment of stamp duty and a year's rent paid in advance. No statistics are available on the number of women who hold leases in Tonga, but indications are that the numbers are few. Some women have, however, shown that leasing land can be successful (Box 8.4).

Although land leases can be used as collateral to obtain finance, the wide discretion of the Minister of Lands and the parliamentary cabinet has meant this does not happen with ease.

8.5.4 Key Recommendations

The following strategies are small but important steps in addressing the issues that restrict women's ability to use land for entrepreneurial activities:

- (i) Reform the family law framework to enable women to access spousal maintenance and property division settlements in accord with modern principles of gender equality.
- (ii) Simplify the leasing framework to increase women's access to all forms of leases.
- (iii) Support an amendment to the relevant legislation to limit the discretion of the Minister of Lands in granting leases, which lowers the confidence of investors and financial institutions.
- (iv) Develop an awareness raising campaign that encourages women to be listed as owners in registered leases, which will help protect future rights.

⁴² Government of Tonga. 1903. *Land Act 1903*. s 19 [3]. Nuku'alofa.

⁴³ Government of Tonga. 1903. *Land Act 1903*. s 56 [iv]. Nuku'alofa.

⁴⁴ Government of Tonga. 1903. *Land Act 1903*. s 124. Nuku'alofa.

Box 8.4: Growing a Successful Business through Diversification



Liz Sullivan began an impressive business career with the establishment of Billfish Bar & Restaurant, a very popular restaurant located on Vuna Street in Nuku'alofa and specializing in burgers, seafood, and steaks.

After the success of Billfish, Liz started a catering business and purchased a liquor store and, after negotiations with local landowners for a lease, revitalized the Waterfront Hotel and Restaurant.

Her latest business venture is the Davina Convention Centre, which she purchased in 2013 and is developing as a space for meetings, conferences, and events in Nuku'alofa.

In 2015, Liz was named one of the four finalists of the Commonwealth Women in Business Awards, an initiative of the Commonwealth Businesswomen's Network.

Source: Interview by author.

8.6 Women's Access to Finance

8.6.1 Tonga's Finance Sector

Tonga has a well-developed banking system regulated by the Government of Tonga through the Reserve Bank of Tonga. Four commercial banks, together with the Tonga Development Bank, are active in providing business loans.

The penetration of mobile phone technology in Tonga offers opportunities to introduce innovative financial services across the islands, although this potential remains largely unfulfilled.

Mobile phone ownership (measured in mobile phones per capita) in Tonga is among the highest in the Pacific, while call charges are among the lowest. Some 76% of adults own a phone and have a mobile phone subscription. As

of September 2013, there were approximately 3,000 subscribers to internet services in Tonga.⁴⁵

Tonga Communications Corporation, which is a public enterprise and falls under the Ministry of Public Enterprises, has a head office in Nuku'alofa and branches in the outer islands of Vava'u, Ha'apai, the two Niuas, and 'Eua. It dominates the market, with a 100% market share of fixed telephone lines, 70% market share of dial-up and broadband internet connections, and over 50% market share of mobile services.

There are three other mobile service providers: Digicel, Inkk Mobile, and Vodafone Fiji. Digicel mobile money operates throughout Tonga, allowing customers to make person-to-person payments, top up their mobile phone account, pay their mobile phone bill, and receive international remittances. For the latter, a remitter in Australia or New Zealand loads funds via a credit card or bank transfer and the remittee receives an SMS when the money arrives.

Despite the broad use of mobile phones and wide internet availability, cash is still generally preferred by Tongans and, although 80% have heard of mobile money, only 6.5% have a mobile money account. In 2012, Digicel introduced mobile payment services in collaboration with the Tonga Development Bank. These services provide an alternative payment method for people without a bank account, credit card, or smart phone.

8.6.2 Informal Sector Financing

Commercial banks offer minimal access to financial services, beyond ownership of bank accounts, to women operating in Tonga's informal economy. Women can more readily access financial services through credit unions or moneylenders, which represent a large proportion of Tonga's finance providers, with many offering short-term credit at high interest rates.

The Tonga Development Bank has programs to support agricultural producers who are registered as associations or cooperatives. However, it does not specifically target women entrepreneurs, and gender-disaggregated statistics on its schemes are not available.

⁴⁵ World Trade Organization. 2014. *Trade Policy Review: Tonga*. https://www.wto.org/english/tratop_e/tpr_e/s291_e.pdf

South Pacific Business Development (SPBD) is a microfinance institution that has been operating in Tonga since 2009. SPBD has extended loans to over 5,000 rural women, providing loans of, on average, \$400 to groups of 4–7 women to invest into businesses based on their existing livelihood skills. The women are given training, ongoing guidance, and motivation to help them grow these small income-generating endeavors and, in the process, work their way out of poverty. The SPBD program has a wide reach, but the loans must be paid back in a short period (from 9 months to 2 years) and the interest rates are very high (around 25% per annum).⁴⁶

A final source of funding for many women starting or operating businesses in the informal economy is the receipt of remittances, which represent 32.9% of Tonga's overseas exchange transactions.

8.6.3 Formal Sector Financing

Tonga has four commercial banks—ANZ Bank, Bank South Pacific, MBF Bank, and the Tonga Development Bank—all of which have head offices in Tongatapu. Outside the metropolitan area, MBF Bank has a branch on Vava'u, ANZ Bank has ATMs on several islands, and Bank South Pacific has a branch on Vava'u and ATMs on several other islands. The Tonga Development Bank is the only bank with branches on the outer islands of Ha'apai and 'Eua as well as the outermost islands of Niuatoputapu and Niuafu'ou.

There is competition in the credit market from institutions such as the Retirement Fund Board and SPBD. Credit unions serving local communities are important in Tonga, where many people live in remote communities and lack transport and facilities.⁴⁷ Credit unions provide a localized service that other organizations, including commercial banks and the government, are unable to match. There are also numerous moneylenders that are not regulated, although they require a business license to operate.

In the formal economy, commercial banks and credit unions provide the most readily available source of finance. The Tonga Development Bank was unable to provide gender-disaggregated statistics on its lending to small and medium-sized enterprises. Barriers restricting women's access to finance in the formal economy include the provision of collateral to secure loans and high interest rates.

⁴⁶ Interview with SPBD representatives.

⁴⁷ Government of Tonga, Ministry of Labour, Commerce and Industries. 2010. *Annual Report*. Nuku'alofa. p. 54.

8.6.4 Strategies to Improve Women's Access to Finance

Without sufficient collateral, loans can be difficult for women in Tonga to access. Women cannot own land and, although they can lease land and offer their leases as collateral, few women take up leases due to the cost—often the lease itself requires a loan—and the complicated procedures related to obtaining a lease.

Tonga's secured transactions legislation, the Personal Property Security Act 2010, helps women use personal property or movable assets as collateral for loans. Such assets include (i) accounts or chattel papers that have been sold, or goods that are consigned; (ii) proceeds of collateral, timber, or minerals, or goods leased for a period greater than 1 year; and (iii) a building or improvement to real property to which a security interest is attached or that is rented for a period exceeding 1 year.⁴⁸ Upon default, the creditor has the right to take possession or control of the collateral. The ability to pledge movable assets may assist women to meet the collateral requirements of financial institutions.

The Tonga Development Bank has begun to use the secured transactions registry for loans secured against contracts for the purchase of products or services that the loan will help produce, which has significant potential to assist women's businesses. The scope for microfinance entities, including SPBD, to utilize the registry, and for its information gathering functions to be extended so it could record women's credit histories in one central portal, remains unexplored.

8.6.5 Key Recommendations

The following strategies will assist in expanding access to finance for women entrepreneurs operating in Tonga's formal and informal economies:

- (i) Assess the effectiveness of microcredit schemes in creating sustainable and profitable businesses.
- (ii) Improve access to finance for women operating in the formal economy by encouraging use of the secured transactions legislation and its registry.
- (iii) Encourage SPBD to use the secured transactions registry.
- (iv) Encourage the use of online payments for all services provided by governments and state-owned enterprises, to expand the use of digital transactions.

⁴⁸ Government of Tonga. 2010. *Personal Property Security Act 2010*. s8. Nuku'alofa.

- (v) Collate data on the use of secured transactions legislation by women.
- (vi) Promote the use of mobile money through awareness campaigns and information pamphlets targeting women.
- (vii) Collate gender-disaggregated data on the loans and grants made by the Tonga Development Bank.
- (viii) Increase awareness of financial products available through mobile functionality.

8.7 Dispute Resolution and Enforcing Women's Legal Rights

8.7.1 Overview of Dispute Resolution

Tonga's court system (Table 8.6) consists of the Court of Appeal (composed of three judges, including the Chief Justice); the Supreme Court; seven magistrates' courts; and the Land Court. There is also a system of Justices of the Peace. The Privy Council (comprising the Monarch, the cabinet, and two governors) hears appeals from the Land Court and advises the Monarch.

Table 8.6: Jurisdiction of Tonga's Courts

Courts	Jurisdiction
Court of Appeal	Final appeal court for decisions by special leave only in proceedings involving T\$20,000 or more
Supreme Court	Civil disputes over T\$500 and appeals from final judgments of civil claims from the Magistrates' Courts
Magistrates' Courts	Proceedings up to T\$10,000
Justice of the Peace	Not directly involved in civil disputes, but will be a contact person
Land Court	Land-related cases under the Land Act, 1903 (appeals to Privy Council)

T\$ = pa'anga.

Sources: Compiled from Supreme Court Act 1903; Magistrates Court Act 1919; and Court of Appeal Act 1966.

A small claims tribunal, often regarded as a speedy means of resolving disputes, does not exist in Tonga. Tonga's judicial system does not provide for specialized administrative or commercial courts, and the country's commercial legal framework is outdated.

According to a World Bank survey of Tonga, it takes 37 procedures to enforce a contract, and 350 calendar days to complete procedures at a cost of 30.5% of the value of the claim.⁴⁹

While women formally have equal access to the court system, few resort to the courts to resolve disputes. It would be useful to conduct research into the use of the mediation facilities of the Supreme Court, to see how many women access these services and what difficulties they experience in the justice system.

Tonga's ability to accommodate women in the dispute resolution process may be enhanced by the increasing representation of women working in the legal system. According to a survey conducted by the South Pacific Lawyers Association, there were 22 women lawyers in Tonga in 2011 (42% of all lawyers); 8 working in private practice and 14 working in government departments. There were no women judges or magistrates at that time. Nine women were members of the Law Society and Bar Association Councils.⁵⁰ By 2014, the number of women lawyers in Tonga had risen to 80.⁵¹ Of the country's 17 justices of the peace, 4 were women and 13 were men.⁵²

8.7.2 Alternative Dispute Resolution

Tonga's Supreme Court Rules were amended in 2006 to give the Supreme Court the discretion to refer a proceeding to mediation. The mediator must endeavor to assist the parties to reach a settlement.⁵³ At the time of this amendment, significant support was afforded to Tonga by the International Finance Corporation to introduce and develop mediation as an efficient means of resolving civil disputes. After 2006, mediations were very successful and typically took 3–4 hours, compared with 3–4 days in court. By 2010, research indicated that mediation was successful for women, who found the informal setting attractive.⁵⁴ However, due to a lack of mediators, the system did not flourish and was cancelled. The possibility of reintroducing such a process should be seriously reconsidered.

⁴⁹ World Bank. 2013. *Doing Business Survey 2013*. Washington, DC.

⁵⁰ South Pacific Lawyers Association. 2011. *Needs Evaluation Survey for the South Pacific*. Canberra.

⁵¹ Government of Tonga. 2014. *Annual Report of the Superior Courts of Tonga 2014*. Nuku'alofa.

⁵² Magistrates' Court (Justice of the Peace) Regulations 2014.

⁵³ Government of Tonga. 2007. *Supreme Court Rules 2007. Order 45*. Nuku'alofa.

⁵⁴ International Finance Corporation. 2010. *Tonga. Gender and Investment Climate Reform Assessment*. Washington, DC. p. 45.

8.7.3 Key Recommendations

The following strategies are aimed at creating a more accessible system of dispute resolution in Tonga, which would increase the confidence of businesswomen to participate in the process:

- (i) Conduct an examination of the conditions under which women access the formal justice system, how frequently they access the system, and their attitudes toward it.
- (ii) Explore the mechanisms women deploy to resolve disputes.
- (iii) Evaluate the efficacy and sustainability of mediation, especially on improving women's access to dispute resolution, and consider the potential for mediation services to be reintroduced.
- (iv) Introduce a small claims tribunal, which may facilitate less formal and more time-efficient resolution of disputes.
- (v) Consider support for means-tested legal representation for women entrepreneurs.
- (vi) Assess the manner in which alternate dispute resolution and mediation pathways can be accessed through hubs, legal help lines, or existing dissemination partners to help women identify their rights.

8.8 Women's Business Networks and Skills Training

Women's business networks can play an important role in representing the interests and concerns of women entrepreneurs to drive policy making and law reforms that promote equitable participation in the economy.

8.8.1 Overview of Networking in Tonga

A number of networks available to women largely support the top end of business in Tonga's urban areas. They include the Tonga Business Network, founded in 2012, which aims to connect and promote prominent local businesses. There is also the Tonga Chamber of Commerce and Industry, which seeks to create training and learning opportunities for business owners, foster a mutually friendly atmosphere for networking among its members, and provide timely and adequate information on the business environment in Tonga.

Other active business associations represent industry-specific interests, such as the Tonga Nurses' Association and the Friendly Islands Teachers' Association. These bodies provide valuable networking and training opportunities, host

business forums, and advocate for a better environment for business and investment.

Networks and organizations targeted specifically at women include the Women in Law Association and Women In Sustainable Enterprises (WISE). WISE is a not-for-profit organization that is committed to advancing the roles of women in business and society by encouraging the development of women in sustainable enterprises. WISE has a mixed mandate to serve women spanning the entrepreneurial scale—from owners of micro and small enterprises to CEOs of large companies. Although its leadership includes some of the most prominent businesswomen in Tonga, WISE's current model of operation has led to the organization becoming relatively inactive, without adequate secretariat resources to focus the leadership on fulfilling its mandate.

A Women's Business Leadership Program run by the Asian Development Bank in 2015 aimed to harness corporate support in Tonga for gender equality and develop supportive networks for women (Box 8.5). All major companies and government departments participated in the program, with several participants gaining the confidence to pursue diverse business activities and actively seek promotion within their organizations.

8.8.2 Overview of Skills and Training in Tonga

There are a range of skills and training opportunities for women in business, although this could be greatly expanded. The University of the South Pacific operates a campus in Tonga, and there are tertiary training institutes for technical and vocational studies. The Tonga Chamber of Commerce and Industry offers a number of training courses, including through the Tongan Business Enterprise Centre, a training organization funded by the Government of New Zealand.

In 2015, Tonga Export Quality Management received a grant of 17,000 Australian dollars from the Government of Australia, supported by the University of Queensland International Development as part of an Interim Skills Development Facility. The grant was to provide participants with the skills and knowledge to produce high-quality crops for export, from seed propagation through to harvesting and packing. The program was initiated because of an opportunity in the High Temperature Forced Air Facility to eradicate fruit fly at Fua'amotu Domestic Airport, and a potential market being identified for chilies and eggplants in New Zealand.⁵⁵ The program saw 50 women from five villages

⁵⁵ B. Wilkinson. 2015. *Outcomes Report: Women in Horticulture Training Programme. Skills Training for Small Scale Horticultural Exports for Women in Villages*. Nuku'alofa.

Box 8.5: The Importance of Informal Networks and Mentoring



(Left to right): Leveni Asitomani (O E Kwikprint), Emele Hia (Bank South Pacific), Norma Lavemai (Tonga Airports), Otolose Tatafu (ANZ Bank), Unaloto Mafi (Pacific Retail), Siena Taumepeau (Tonga Airports), and Sulia Toutai (ANZ Bank).

The Women’s Business Leadership Program conducted by the Asian Development Bank in 2015 relied on “hands on” methods—developing the skills and confidence of talented young women. By involving mentors, leaders, and experts in social media, financial planning, and communication, the program expanded the women’s networks and opened their minds to new possibilities.

“I want to take advantage of the networking and mentoring offered by this program and it is great to have mentors who have done it, to teach younger people how to do it,” said one of the participants.

Source: Interview by author.

on Tongatapu each given 50 chili seeds and 50 eggplant seeds as well as basic farm implements, tools, and other supplies. Unfortunately, during the program, the High Temperature Forced Air Facility lost its certification, so the women were paid T\$10.30 per kilogram of export-quality chilies and T\$1.38 each for export-quality eggplants. Produce that did not meet export-quality standards was sold locally or consumed by the growers. Participants earned approximately T\$150 each from the project.

In 2015, the Interim Skills Development Facility supported 54 places for women in new horticulture courses. This demonstrates the need for training in certification and labeling to make Tonga’s agricultural produce export-ready.

Another training program initiated in 2015 involved 65 Tongans who received Australia Award scholarships or fellowships to study at tertiary institutions in Australia and other parts of the Pacific. Since 1985, there have been 675 Australia Award alumni from Tonga (47% of whom were women), who have graduated with relevant qualifications to address human resource gaps in the regional labor market.

8.8.3 Key Recommendations

The following strategies will help expand women's networks and provide them with the skills to fulfill market demand, both domestically and internationally:

- (i) Partner with WISE to help women running small- and medium-sized businesses to access sustainable financing opportunities.
- (ii) Pilot a program that provides training in organic certification for the tourist market and export (such training is provided by the Pacific Islands Private Sector Organisation in Fiji, which may present partnering opportunities).
- (iii) Continue mentoring programs that create informal women's networks, increase the confidence of participants, and encourage changes to social norms.
- (iv) Conduct annual forums for industry-specific associations to address financing and investment opportunities that may be useful for members seeking to start a business.
- (v) Encourage banks, including the Tonga Development Bank, to consult with WISE and the Tonga Chamber of Commerce and Industry on their outreach activities and subsidized financing programs.

8.9 Women's Access to Trade and Markets

8.9.1 Importing

Over half of Tonga's imports consist of fuel and food. The country's key sources of imports are Fiji, New Zealand, Singapore, and the United States, with New Zealand accounting for more than 31% of total imports. Imports from New Zealand include mainly mutton flaps, lard, dairy products, and fruit. Most refined petroleum products are sourced from Singapore. Goods imported from Fiji include sugar, water, biscuits, furniture, and fish.

Nearly 100% of Tonga's imported goods arrive at the port at Tongatapu. Under the Ports Authority Act 1998, the Ports Authority levies fees for services

rendered, such as berthage, wharfage, mooring, slipway, boat lifter, and tug boat services.⁵⁶ A consumption tax of 15% is payable on goods imported into Tonga.

The use of a customs agent is mandatory in Tonga which adds to the cost of trading across borders. The rate of customs duty depends on the type of goods and the classification in the tariff import duty. There are exemptions from excise taxes on goods imported for a business with a total customs value of T\$10,000 per business (excluding tobacco and liquor), and exemptions from consumption tax on goods imported for a business with a total custom value of T\$20,000 per business. Import duty is exempt on goods imported for a business with a total customs value of T\$20,000 per business. Although the number of women who benefit from such exemptions is unavailable, it is clear that these costs would act as a deterrent to engaging in overseas trade.

8.9.2 Trading within the Country

The main commercial centers of Tonga are linked by road, air, and sea. There are five ports of entry into Tonga: Tongatapu, Lifuka (Ha'apai), Vava'u, Niuatoputapu, and Niuafu'ou. Tongatapu is the main port. Most of the island groups are serviced weekly by interisland ferries, which carry cargo and livestock and depart from Queen Salote Wharf in Nuku'alofa.

Tonga has a domestic airline, Real Tonga, which flies to Ha'apai, Vava'u, and the Niuas from Tongatapu. The airline has very little capacity for cargo.

Six of Tonga's 40 inhabited islands have roads. Tongatapu has 388 kilometers (km) of bitumen road, 130 km of gravel roads, and 1.2 km of unsealed roads, while Vava'u has 118 km of bitumen road, 30 km of gravel roads, and 2 km of unsealed roads.

8.9.3 Exporting and Market Development

Tonga's principal export markets—largely focused on garments, information technology, seafood, and processed food—are found in the Pacific rim. Hong Kong, China takes over 44% of Tonga's exports, while New Zealand receives 16% of exports.⁵⁷ Exports contribute 14% to Tonga's GDP. The country's remoteness, as well as the wide dispersion of its islands, translates into high costs for exports and a lack of competitiveness.

⁵⁶ World Trade Organization Secretariat. 2014. *Trade Policy Review: Tonga*. Nuku'alofa.

⁵⁷ Government of Tonga, Ministry of Commerce, Trade and Tourism. 2010. *Annual Report*. Nuku'alofa.

Exporters are required to hold a valid business license, and foreign investors are generally treated in the same way as exporters. The only activity reserved for Tongan citizens is the exportation of green and mature coconuts. All commercial exports of goods from Tonga must be declared to Tongan Customs and Trade Services before loading at port. Excise tax is not levied on exported goods. For businesses registered for consumption tax, the tax is not levied on the export of goods or services. Exported goods are subject to an inspection fee of T\$20 and a processing fee of T\$2 per customs declaration form. There is no national agency assisting businesses on how to comply with food safety standards for exports.

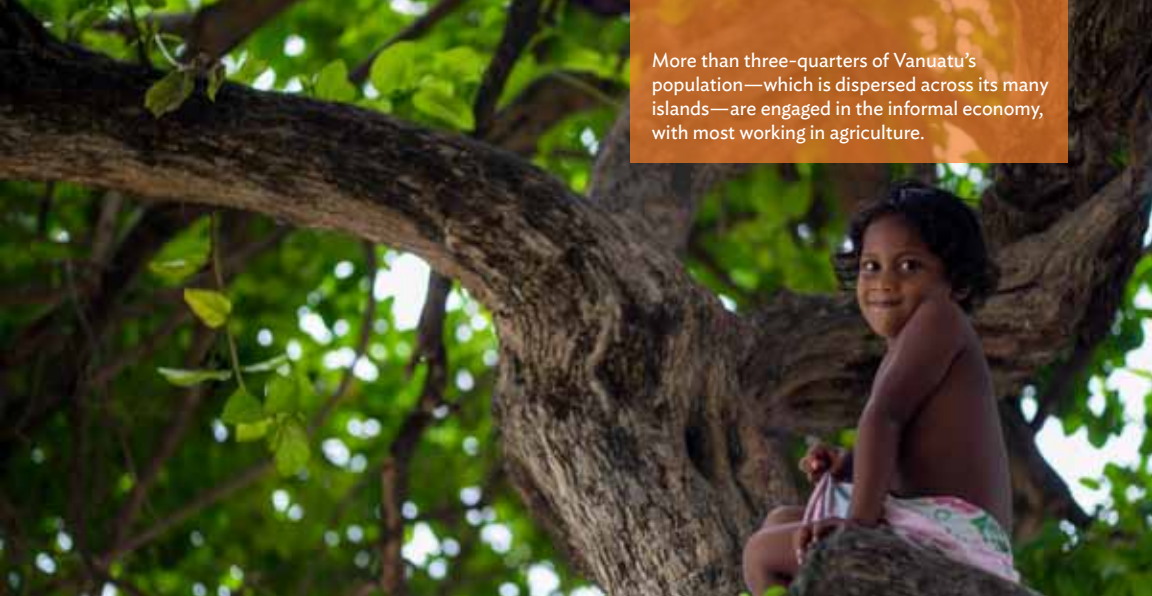
In general, women exporters in Tonga struggle to succeed due to (i) a lack of adequate capacity to produce and market competitive products, (ii) limited options for safe and affordable transportation of goods within country, (iii) a lack of understanding of elaborate and complex customs documentation, (iv) limited availability of necessary skilled labor, (v) inhibited profitability caused by price controls on food items, and (vi) insufficiently developed business networks and exporting skills.

Successful exporting in Tonga requires a solid domestic base. This means having access to quality domestic marketing materials, sufficient resources to expand internationally, a good contact or agent in the overseas market, a well-worked business plan, and knowledge of the foreign market. Such knowledge must extend to labelling and packaging regulations, payment terms, export documentation, and foreign currency management.

8.9.4 Key Recommendations

To prosper in domestic markets and reach international markets, Tongan businesswomen require access to information and training, which can be bolstered by the following strategies:

- (i) Provide training for women on complying with import and export rules and requirements.
- (ii) Work with partners to encourage women to utilize “Made in Tonga” branding (this initiative could be conducted in partnership with Fiji and Samoa, where similar initiatives are being considered).
- (iii) Provide quality control and product development training, including gaining certification for fair trade and organic markets.

A young child with dark skin and curly hair is sitting on a thick, gnarled tree branch. The child is looking towards the camera with a slight smile. The background is filled with lush green leaves, creating a dappled light effect. The overall scene is bright and natural.

More than three-quarters of Vanuatu's population—which is dispersed across its many islands—are engaged in the informal economy, with most working in agriculture.

9. VANUATU

9.1 Introduction

9.1.1 Country Overview

Vanuatu, an archipelago of over 80 islands, is a lower-middle-income Pacific island country, with a population of 270,000 (as of 2016). In 2008, 12.7% of Vanuatu's population was living below the national poverty line.¹

Subsistence work—such as growing or gathering produce, or fishing, to feed families—is the main activity of 32% of Vanuatu's men and boys aged 15 or older, and 28% of its women and girls in the same age bracket.

Vanuatu's economy is in the process of recovering from a major cyclone, Cyclone Pam, which affected the country in March 2015. Future growth prospects depend heavily on how quickly the economy, particularly tourism, recovers.

¹ World Bank. 2016. World Development Indicators. <http://data.worldbank.org/country/Vanuatu> (accessed 20 December 2017).

According to the preliminary estimates for gross domestic product (GDP) in 2017, Vanuatu's economy has continued to expand, showing positive growth of 4.5%.² In 2014, GDP growth was driven mainly by service industries, which contributed 63% of the country's total GDP, followed by agriculture and manufacturing (footnote 1).

The Government of Vanuatu has included private sector development and employment creation in its Priorities and Action Agenda for Vanuatu, 2006–2015.³ It also recognizes that “the empowerment of women has seen little progress” (footnote 2).

Vanuatu has a long history of political instability, with no-confidence motions lodged against successive governments and a number of bribery scandals investigated. This instability affects the legislature's ability to make laws and, even when legislation is passed, a change of government can quickly halt any impetus for reform. This has obvious and serious impacts on Vanuatu's business environment.

Improved telecommunications technology holds promise, but has primarily been accessed by urban dwellers. Mobile phone coverage and use is high in Vanuatu, although possession of a mobile phone is lower in rural households (73%) than urban ones (97%).⁴ Only 19% of the population, most of whom are in urban areas, had internet access as of 2015, and mobile and internet prices are high for the region.⁵ A new submarine cable, the Interchange Cable Network 1 (ICN1)—which links Vanuatu with Fiji and connects into the high-capacity Southern Cross cable between Australia and the United States—became operational in 2014. Unfortunately, the ICN1 only services Port Vila, leaving many islands without the benefits of high-speed internet connections. To provide reliable broadband access for Vanuatu's entire population, consideration needs to be given to linking to the newest submarine cable being installed between Hawaii and Samoa, or to satellite solutions.

9.1.2 Moving toward Gender Equality: Institutions and Policy

Vanuatu's commitment to gender equality is evidenced in Article 5(1) (k) of the 1980 Constitution of Vanuatu, which guarantees freedoms of the individual, without discrimination on grounds of gender. However, this article has to be read

² ADB. 2017. *Asian Development Outlook 2017 Update*. Manila.

³ Government of Vanuatu. 2006. *Priorities and Action Agenda for Vanuatu 2006–2015*. Port Vila.

⁴ Secretariat of the Pacific Community. 2014. *Vanuatu Demographic and Health Survey 2013*. Suva.

⁵ ADB. 2018. *Strengthening the Foundations for Inclusive Private Sector Growth*. Manila.

alongside the Constitution's commitment to customary laws, many of which impact adversely on women's participation in community decision-making and the ability of women to exercise rights over customary land.⁶ Whether the right to gender equality overrides the commitment to customary laws has not been answered, and Vanuatu's courts have called for the Parliament to pass laws to overcome the confusion.⁷

The Government of Vanuatu formally became engaged in promoting gender equality with the ratification of the Convention of the Elimination of All Forms of Discrimination against Women in 1995.

A gender mapping report,⁸ undertaken by the Department of Women's Affairs, within the Ministry of Justice and Community Services, resulted in the National Gender Equality Policy for Vanuatu, 2015–2019.⁹ The report identified four strategic areas worthy of support: (i) reducing domestic gender-based violence, (ii) enhancing women's economic empowerment, (iii) promoting women's leadership and political participation, and (iv) building a foundation for gender mainstreaming. Much responsibility for delivering this support rests with the Department of Women's Affairs, which is tasked with implementing the national policy through strategic relationships with stakeholders. A restructuring of the department is under way and continued assistance—in the form of financial resources from the government and technical resources from donors and the Pacific Community (SPC)—is necessary to ensure that the benefits promised by the gender equality policy will come to fruition.

Overall, there has been a failure across the government to translate gender policies and strategies into implementation. Commitments have been made on paper, but there have often been no budgetary allocations, resources, or champions to activate the policies, strategies, and plans. The result of this inaction is that very little progress has been made on the priorities for equality identified in the gender mapping report, such as economic empowerment, political participation, and addressing domestic violence.

⁶ Government of Vanuatu. 1980. *Constitution of the Republic of Vanuatu 1980*. Articles 7, 30(1), 47(1), 52 and 95(3); V Nagarajan and T McDermott 2013. Empowering Women through Recognition of Rights to Land: Mechanisms to Strengthen Women's Rights to Land in Vanuatu. *Pacific Affairs*. 86 (3). pp. 471–491.

⁷ *Joli v Joli* [2004] VUSU 57.

⁸ Government of Vanuatu, Department of Women's Affairs. 2013. *Gender Mapping Report Actors and Initiatives Promoting Gender Equality in Vanuatu*. Port Vila.

⁹ Government of Vanuatu. 2015. *National Gender Equality Policy*. Port Vila. <http://dwa.gov.vu/images/policies/NationalGenderEqualityPolicyJuly2015.pdf>

Strengthening the Department of Women’s Affairs, by providing the necessary authority and resources (both human and financial) for working across all sectors of government, may assist in the implementation of the government’s gender policies and strategies. However, champions from within the ministry need to be fostered and capacity-building needs to occur.

9.1.3 Key Strategies for Vanuatu

To enable women to become full participants in the economy of Vanuatu, the following three strategies—discussed in detail later in this chapter—should be prioritized:

- (i) consider the establishment of a women’s entrepreneurial hub for business advisory services to support women who are operating in the informal sector, in transition from the informal economy to the formal economy, or recently transitioned to the formal economy;
- (ii) expand the credit bureau to include positive listings, which would be very beneficial to women in gaining access to loans and other financial services;
- (iii) encourage traditional groups to use the community company model for engaging in business activities, which will be of benefit for the large number of cooperatives in Vanuatu and may also allow customary land to be used for business and community activities.

9.2 The Context of Women’s Autonomy

9.2.1 Impact of Violence against Women

Gender-based violence is widespread in Vanuatu. In a national survey conducted in 2011, over 60% of women said they had experienced physical and sexual violence, 21% of whom were left with permanent disabilities, while 68% were victims of psychological violence by their partners.¹⁰ Reforms to Vanuatu’s Family Protection Act (FPA), which came into effect in 2009, recognize domestic violence as a criminal offence punishable by imprisonment.¹¹

In 2008, the Family Protection Unit was established within the Vanuatu Police Force to enforce the implementation of the FPA. In its first year of operations, the unit investigated a total of 461 cases, 107 of which were submitted for

¹⁰ Government of Vanuatu. 2011. *National Survey on Women’s Lives and Family Relationships*. Port Vila.

¹¹ Government of Vanuatu. 2009. *Family Protection Act 2009*. Port Vila.

prosecution. Of the remainder, 101 could not be submitted due to legislative time constraints and the rest did not proceed for unknown reasons. Vanuatu Police Force have established a database to collect sex-disaggregated data, which, as it has improved the reporting of domestic violence and rape incidents to the Family Protection Unit, is helpful in monitoring the implementation of the FPA (footnote 8). The Government of Australia is also assisting the Vanuatu Police Force in implementing the FPA. Along with weak implementation of the FPA, particularly in rural areas, a lack of access to rehabilitation services for victims and perpetrators has been pointed out by stakeholders as one of the main gap in efforts to reduce the impacts of domestic violence.

9.2.2 Health and Education

There has been an improvement in health indicators in Vanuatu, with infant mortality and mortality of children aged under 5 both decreasing since the late 1990s. However, universal access to reproductive health care is not available across Vanuatu, particularly to women in rural areas, resulting in life-threatening situations for many women.¹² The maternal mortality ratio in 2015 was 78 deaths per 100,000 live births and the total fertility rate was 3.3 births per woman.¹³

Although equity is a core value included in the country's Health Sector Strategy 2010-2016, it is acknowledged that Vanuatu's population dispersion and its geography pose significant challenges in delivering services to rural areas. Further challenges are posed by the shortage of health professionals, the frequency of natural disasters, and inadequate recurrent budget allocation for health services.

Vanuatu's 2009 Census reported that the Ministry of Education and Training has made considerable progress toward achieving universal primary education, and had made primary education fee-free in 2010. The Census indicated that roughly equivalent proportions of boys and girls were attending primary school, with attendance being higher in urban areas (91%) than rural areas (85%). At 75%, Tafea province had the lowest enrollment rates for children aged 6-13, with 20% of the province's children never attending school.

¹² Government of Vanuatu. 2012. *Health Service Delivery Profile*. Port Vila. p. 11. http://www.wpro.who.int/health_services/service_delivery_profile_vanuatu.pdf

¹³ World Bank. Fiji Country Profile. <https://data.worldbank.org/country/Fiji> (accessed 9 March 2018); and UNICEF. Data and Analytics. <http://www.devinfo.org/unicefdata> (accessed 9 March 2018).

The 2010 household income and expenditure survey (HIES) data showed a higher number of girls than boys enrolled in secondary education, while the position was reversed for post-secondary education, in which more boys (3,460) than girls (1,980) were enrolled.¹⁴

9.2.3 Political Participation by Women

Vanuatu has the lowest representation of women in Parliament, both in the Pacific and in the world. There have been no women in Vanuatu's Parliament since 2012. In the 2012 elections, all 17 women who contested the elections (out of a total of 345 candidates) failed to win a seat, reflecting the prevailing view that political office in Vanuatu is a male domain.¹⁵ In the snap election of 2016, no women were elected.

Temporary special measures, or quotas, have long been advocated as a mechanism to bring about change in women's political participation. Such measures have been piloted at specific municipal councils,¹⁶ resulting in five women gaining seats on the Port Vila Municipal Council, and five on the Luganville Municipal Council. The Deputy Mayor of the Port Vila Council, Lemara Malaki, has shown how benefits can flow from having women leaders. As a strong advocate for women, Lemara has focused on empowering women in markets, fostering greater recognition of women's contribution to the economy, and promoting social change. The government is now considering quotas for other municipalities.

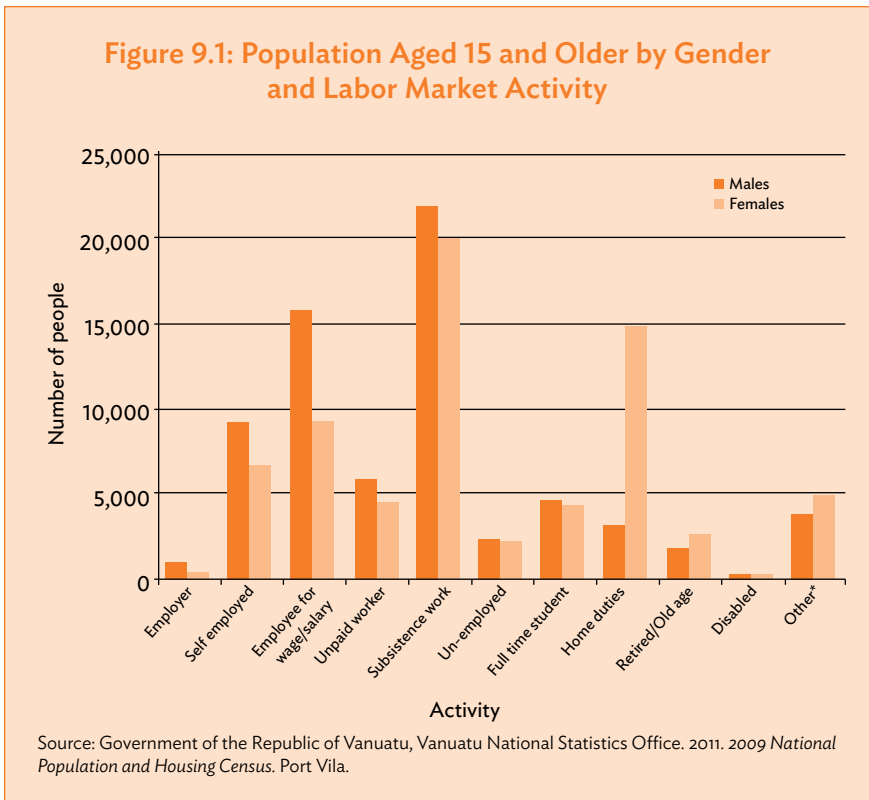
9.2.4 Women and Employment

The 2009 Census found that labor force participation was higher for men (80.4%) than for women (61.4%). Figure 9.1 shows that both males and females (aged 15 or older) are predominantly engaged in subsistence work, with the next most prevalent activity for women and girls being home duties (not classified as part of the labor force). Men and boys are represented more than women and girls in every other category, other than home duties and those retired and/or of old age.

¹⁴ Government of Vanuatu, Vanuatu National Statistics Office. 2012. *Household Income and Expenditure Survey 2010*. Port Vila.

¹⁵ A. Naupa. 2014. *Testing for Electoral Integrity in Vanuatu: A Case Study of the 2012 General Elections*. https://www.academia.edu/19592766/Testing_for_Electoral_Integrity_in_Vanuatu_A_Case_Study_of_the_2012_General_Elections

¹⁶ Municipalities (Amendment) Act No. 11 2013. s4A.



The 2010 HIES showed that 88% of women working for wages or salaries (as opposed to performing unpaid subsistence work) worked in nonagricultural industries. Of these women working outside agriculture, 14% worked in private households as domestic servants, most of whom would have had very limited (if any) social protections and/or formal employment agreements.

The Tripartite Labour Advisory Council in Vanuatu is working to align national legislation with International Labour Organization norms. Amendments were made to Vanuatu's Employment Act in 2008, 2009, and 2010, and there is also an employment relations bill under negotiation.

The amendments to the act introduced annual leave, maternity leave, and minimum wages, all of which have theoretically improved working conditions for women in the formal sector. The amendments resulted in some of the most generous employee entitlements in the Pacific. However, the Vanuatu Chamber of Commerce and Industry (VCCI) has voiced concerns that the expanded leave entitlements make businesses in Vanuatu less competitive than enterprises in other Pacific island countries.

After leave benefits increased in 2009, more than a third of businesses in Vanuatu changed their hiring practices or reduced their staff levels. Astrid Boulekone of the VCCI said, “Women employees are particularly vulnerable, as high maternity leave entitlements make employers reluctant to employ women.”

There is also concern that the draft employment relations bill may further increase maternity leave entitlements. While on paper such entitlements benefit women, they may have a rebound effect and reduce the number of women hired by small businesses. Women who own small businesses and were interviewed for the purposes of this report also identified the maternity leave provisions as a serious constraint to hiring, despite their willingness to employ and develop women on their staff. The bill contains several other provisions to address gender equality—such as provisions prohibiting discrimination and removing restrictions on women working at night—and the legislation ensures equal rates of remuneration for work of equal value.

It should be noted that concerns about perceived threats to competitiveness raised by employer groups and industry organizations are a standard response globally to increased entitlements for women. There are also questions about the capacity of the Department of Labour and Employment Services to police the additional requirements of the employment relations bill, as it has already been weak in enforcing the provisions of the current laws. It has been reported that breaches of the act are common, but complaints are rarely investigated.

In 2015, Vanuatu’s Council of Ministers agreed that all statutory and public institutions must have 30% women’s representation on their boards and councils.¹⁷ However, this is not reflected in practice. On boards of state-owned enterprises only 8% of positions (7 out of 84) are occupied by women (Appendix 9).¹⁸ State-owned enterprise board members have expressed concern over this low figure, advocating for strategies such as gender sensitization programs, quotas, and mentoring of women to take on more senior positions (footnote 16). The Ministry of Infrastructure and Public Utilities has embraced a number of these strategies, including taking a gender perspective in its policy documents and plans, as well as monitoring gender parity and tracking employment data (which show that 27% of its workforce are women). The ministry started a cadet program, encouraging women to apply, and introduced awareness campaigns on gender policies in schools and the media.

¹⁷ Government of Vanuatu, Vanuatu Parliament. 2014. Council of Minister, 156/2014.

¹⁸ ADB. 2014. *Finding Balance 2014: Benchmarking the Performance of State Owned Enterprises in Island Countries*. Manila.

9.3 Women in the Informal Economy

9.3.1 Participation in the Informal Economy

Vanuatu's informal economy is vital to household income and engages more than 75% of the country's working population. Vanuatu's 2010 HIES indicated that more than 60% of workers in the informal economy are engaged in subsistence work, with 99% of those living in rural areas (footnote 13). The sale of fruits and vegetables contributed an average of 8,000 vatu (Vt) to each household each month, while sales from fish and seafood contributed an average of Vt7,100 to each household each month (footnote 13).

In the 2010 HIES, 72% of the income from the sale of agricultural produce, livestock, fish and seafood, and homemade items was earned in rural areas, with 63% of rural households selling cash crops. Informal business activity is also important in peri-urban and urban squatter settlements, where it helps support families that have migrated from rural areas to find work, but have failed to do so.

Vanuatu's main marketplace in Port Vila is dominated by women selling fresh fruits, vegetables, fish, and cooked foods, along with garments and handicrafts (Box 9.1).

Box 9.1: Markets Are Thriving Hubs of Commerce



The Port Vila markets represent a vibrant center of economic activity in Vanuatu. Women dominate in the provision of cooked food and fresh produce, and it is estimated that more than 30 tons of fresh produce are sold here every day.

Markets in Luganville, Malampa, Norsup, and Port Vila have the potential to become a focus for training courses on how to comply with export requirements, how to access finance, and how to start a formal business.

Source: Asian Development Bank.

Women working in markets at Port Vila, Morobe, and Luganville complain of the lack of facilities and ongoing harassment by officials. The UN Markets for Change Project is working toward establishing a market vendors' association to help empower women and improve market governance practices (Box 9.2). Many of the women market vendors interviewed for the purposes of this report had little knowledge of how to access finance, evaluate business options, or take advantage of export and domestic trade opportunities. A pilot program by the Asian Development Bank (ADB), in partnership with UN Women, aims to increase women's business acumen, helping those in the informal economy to succeed in business and potentially move to the formal economy.

Box 9.2: Associations Can Give Women a Voice



Myriam Malau represented Vanuatu's informal economy at the 2nd Pacific Women in Business Conference, held November 2014 in Fiji. Myriam is a member of the local restaurateurs association, and was surprised to find that women from all over the Pacific face similar challenges, including difficulties in developing products and meeting requirements for export. Myriam sees

the benefit of having a continued dialogue with government representatives to communicate the concerns of women members in her association. She plans to work with other members of the association to improve the quality of service to their clients and ensure that their products meet international standards.

Source: Extracted from *Women Must be Empowered if Vanuatu is to Grow*. 2015. *Vanuatu Daily Post*. 3 February.

9.3.2 Laws, Policies, and Programs

The chief executive officer of Vanuatu's Ministry of Trade, Tourism, Commerce and Industry reported that it would be helpful to develop a policy to support the country's informal economy, while assisting businesses to transition to the formal economy as appropriate. However, because there are no valuations on the worth of the informal economy to the broader national economy, there has been little impetus to develop supportive policies.

A change in legislation (the Business Licence Amendment Act 2014) required all businesses in Vanuatu to have a business license, including “open-air vendors.” This was viewed as an additional regulatory burden for micro businesses, rather than a means to help them grow. As a part of the Tourism Ambassador Program, funded by New Zealand’s Ministry of Foreign Affairs and Trade, market vendors were strongly encouraged to obtain business licenses. As a result of the program, the category for open-air vendors rose from 17 licenses issued in 2013 to 91 issued in 2014, and was one of only two categories to show an increase in the number of business licenses issued. In all other categories, there was a significant decrease in the number of licenses issued.

A legislative bill for small business development was proposed and drafted by the government, but its impact on women was not considered. While the policy has the vision to “stimulate sustainable expansion in the private sector by increasing the number of viable micro businesses,” little consideration was given to how it will impact on the 400 women operating stalls in the Port Vila markets, the women selling produce and handicrafts in other municipal and provincial markets throughout Vanuatu, or the hundreds of women who work at the small kiosks and stores around the country.

9.3.3 Key Recommendations

The main strategies to empower women in Vanuatu’s informal economy and help them to transition to the formal economy, are the following:

- (i) Undertake wider consultation with groups that are likely to be affected by proposed policies and legislation, especially women’s groups such as the Vanuatu Women in Sustainable Development Association and the associations representing women working in the Port Vila and Marobe markets.
- (ii) Include questions in Vanuatu’s next census and/or household income and expenditure survey to capture part-time informal economic activity, including type of activity, hours worked, and income earned.
- (iii) Encourage the government to capture specific data on the volume and value of goods sold through the informal economy, including handicrafts, to understand the value of the informal economy to the national economy.
- (iv) Amend the National Gender Equality Policy for Vanuatu 2015–2019 to contain specific programming on women in the informal economy.
- (v) Consider establishing a women’s entrepreneurial hub for business advisory services to support women operating in the informal economy, in transition from the informal economy to the formal economy, or recently transitioned to the formal economy.

9.4 Women in the Formal Economy

9.4.1 The Formal Economy and Business in Vanuatu

Vanuatu's Companies Act 2012 addresses company structures appropriate for the context of this small Pacific island economy. Such structures include the single shareholder company model and the community company model. The act also vastly simplifies the incorporation process, which makes forming a company much more accessible both to men and women. In addition, the Companies Act 2012 features a simple process for company liquidation and insolvency.

To support the legislative changes contained in the act, an electronic company registry was established, which is housed at the Vanuatu Financial Services Commission (VFSC). The online registry means company registration and filing of annual returns can be conducted anywhere that has internet access, and at any time. Information in the registry is publicly searchable, which helps lenders, customers, suppliers, and investors to deal more confidently with companies in Vanuatu.

Gender-disaggregated data are not freely available on the registry. Such data are essential for the development of effective public policy.

9.4.2 Starting a Business: Looking at a Woman's Point of View

There are several processes for an entrepreneur to go through before starting a business in Vanuatu. Although steps to modernizing the country's business environment are under way, better efforts are needed to make women aware of the benefits of formalizing a business and the processes involved.

Any activity must consider the reserved list, which is administered by the Vanuatu Investment Promotion Authority and details the commercial activities restricted solely for citizens of Vanuatu. Although this list protects certain activities for Ni-Vanuatu women, it also restricts business partnerships with foreign investors. Because access to skilled labor is a problem in Vanuatu, fostering collaborations with foreigners would contribute to economic growth.

Entrepreneurs also must register their business names with the VFSC. In other Pacific island countries, including Tonga, this process has been combined with the registration process, which reduces the regulatory burden.

Obtaining a business license in Vanuatu can be complicated and involve considerable expense. Many licenses may be required by an individual business. This is especially so for women running small businesses such as hostels, as they often have less confidence than men in dealing with formal institutions, such as the VFSC, and fewer networks than men to approach for assistance.

Additional confusion has been caused by the Industrial Development Act 2014, which was intended to gather industry data that could shape government programs to assist economic growth. The act provides the Department of Industry (within the Ministry of Trade, Tourism, Commerce and Industry) with the power to regulate all industrial undertakings, defined as manufacturing activities producing value-added products.¹⁹ Concern among women's groups is rife as, under the act, soap producers, kava bar owners, tailors, and food stall operators—all of which are value-adding—are required to obtain a permit. Compliance with the legislation would, in effect, require women who operate small tailoring shops or marketplace food stalls to apply for an industrial permit, incurring unforeseen costs and administrative burdens, or risk having penalties imposed for noncompliance. Clearly, this legislation is not intended for such activities, but its poor drafting and wide discretionary powers may further hinder women's confidence in engaging with the private sector.

Many women entrepreneurs are unaware of Vanuatu's company law regime, the processes for registering as a company, and the advantages of incorporating as a company. The community company model, which has been introduced in Vanuatu, is little known but may be of benefit for women working together in the supply of services and goods.

9.4.3 Business Licensing

The Business Licence Amendment Act 2014 requires all businesses in Vanuatu to have a business license, with the fee dependent on the type of commercial activity carried out.

Businesses generally operated by women, such as catering services, takeaway food outlets, guest houses, cafes, and kindergartens, attract a licensing fee of Vt10,000 for an annual gross turnover of less than Vt4 million, and a fee of Vt20,000 for an annual gross turnover of between Vt4 million and Vt10 million.

¹⁹ Government of Vanuatu. 2014. *Industrial Development Act No. 19 2014*. ss 1, 4. Port Vila.

In the urban centers of Port Vila and Luganville, licenses are obtained at the Department of Customs and Inland Revenue. In all other locations, they are obtained from provincial councils. All licenses must be renewed at the beginning of each year, which creates an administrative bottleneck, while the fragmented enforcement of licensing requirements makes it difficult to compile national data on business activity.

Many licenses required in Vanuatu appear to lack clear application guidelines and transparent decision criteria. It is also commonly acknowledged that the license fees act as a tax in a country without an income tax or company tax. As a result, only some formal businesses have complied with the requirements of the current act. Awareness of these requirements is generally low in the informal economy, so noncompliance is also high.

Some specific business activities, such as those related to tourism, are further regulated in Vanuatu. Businesses undertaking these activities incur additional fees and must navigate complicated and time-consuming legal requirements (Box 9.3). One example is guesthouses, a type of business often run by women. Because operating a guesthouse is classified as a tourism activity, it requires a permit from the local government tourism council, and such permits are only provided to accredited businesses complying with set standards. Many women who operate guesthouses are opting to close their businesses, rather than incur the expenses of complying with standards, obtaining indemnity insurance, and paying for the permit. A second example is women working in markets, both in Port Vila and regions such as Espiritu Santo, Malekula Island, and Tanna Island. These women are required to pay table fees to the Department of Local Authorities. Fees vary depending on the location and business activity, e.g., a fee of Vt400 is charged per day for the sale of vegetables and crops.

9.4.4 Business Registration

In Vanuatu, a business name must be registered and renewed annually for a fee of Vt5000. Late renewal incurs a penalty and, should there be a delay of more than 2 months, the renewal expires. Fees can be paid online, which is an advantage for all entrepreneurs, but especially women who often have to juggle business activities with home duties.

Registration fees are used to raise funds in Vanuatu, which does not have an income tax regime, and these fees are essentially an added tax on business. The possibility of combining the business licensing process with the business registration process should be considered, as it will benefit all entrepreneurs in the country.

Box 9.3: Growing a Business in Vanuatu



Jenny Neil Jones is an entrepreneurial success story. Previously a banker, Jenny, together with her husband, bought a nursery in 2000. They transformed it into a tourist attraction known as the Secret Garden—a documented trail that walks visitors through Vanuatu’s history. It receives tourists every day who are referred by hotels and tour wholesalers in Port Vila, as well as from cruise ships.

Jenny’s entrepreneurial drive has led to the establishment of many more businesses in recent years, including bus tours, convenience shops, a “rasta” food truck, a plant nursery, and a catering service supplying lunches.

Jenny says she still struggles to navigate the legal requirements of doing business in Vanuatu. She is uncertain about how to find, or who to approach for, business licensing information, and is concerned about the costs of engaging a lawyer to learn about this aspect of running a business.

Source: Asian Development Bank.

9.4.5 Promoting Business Models That Suit Women

Incorporating a Company in Vanuatu

The process for formalizing a company is:

- (i) choose a company name (and preferably register this name with the VFSC);
- (ii) register the company with the VFSC;
- (iii) apply for a business license from the Department of Customs and Inland Revenue Services;
- (iv) check whether the Industrial Development Act 2014 applies to the proposed activity with the Ministry of Trade, Tourism, Commerce and Industry;
- (v) register with the value-added tax office in the Department of Customs and Revenue Services;

- (vi) register with the National Provident Fund; and
- (vii) make a company seal as required by the legislation.

The Companies Act 2012 has made the process of registration easier. It also allows for single shareholder companies, which means it is possible for a woman to start a company alone without being forced to partner with family members. Information contained in the registry is publicly searchable, which helps lenders, customers, suppliers and investors deal more confidently with companies. Nonetheless, greater efforts to increase awareness among women of the advantages of incorporation and the process involved are necessary. Meanwhile, it is not clear whether the VFSC is collecting sex-disaggregated data on company registration, yet this would be useful in the formulation of further policies.

The Role of Cooperatives in Vanuatu

Vanuatu's regulatory regime for cooperatives is contained in the Cooperative Societies Act 1987.²⁰ The act accommodates several types of cooperatives, including collectives involved in savings and loans, housing, handicrafts, fisheries, and agriculture. When interviewed for the purposes of this report, the director of Vanuatu's Department of Cooperatives and Ni-Vanuatu Business Development Services stated that one of the department's core functions in fostering cooperatives is the promotion of women in business.

There are over 16,000 members of cooperatives in Vanuatu. At least 8,000 members are in savings and loans cooperatives, of whom 85%–95% are women. The Savings and Loans Cooperatives Program has been set up to encourage women to enter micro and small businesses, with specific training to guide this process. The program does, however, have a restriction contained in section 25 of the legislation that states an individual may only be a member of one cooperative, which seems an unnecessary restriction.

Transactions that commonly take place as a result of involvement in savings and loan cooperatives include buying seedlings to raise crops, purchasing peanuts for roasting, and acquiring sewing machines to make garments. Women have provided feedback that their confidence to generate an income has been built significantly through involvement in the Savings and Loans Cooperatives Program, and that they are often eager to continue to develop their business skills. This is an opportunity that the Department of Cooperatives and Ni-Vanuatu Business Development Services has been forced to concede, as it

²⁰ Cooperative Societies Act, 1987.

does not have the funding, resources, or staff to provide further trainings, or to train participants in more advanced business skills, which it would like to. There is scope for strengthening this department and increasing its role in growing businesses from micro to small enterprises. Better linkages between the department and the VFSC are also necessary, so that women know who to speak to as their businesses grow.

Gender-disaggregated data on the number of women managing cooperatives have been collated, illustrating that there are more women than men operating as cooperative managers in Sanma and Tafea (Table 9.1). Gender-disaggregated data also show that more men attend training in all provinces, except Shefa.

Table 9.1: Gender-Disaggregated Management of Cooperatives, 2014

Province	Women as Managers	Men as Managers	Total No. of Cooperatives	Total Members
Torba	2	15	17	3,259
Penama	14	27	41	1,650
Sanma	67	43	110	4,865
Malampa	32	72	104	1,964
Shefa	22	52	74	4,005
Tafea	42	36	78	336
Total	179	245	424	16,079

Source: Information acquired from the Department of Cooperatives.

Alternative Business Models

The community company model offers scope for women to come together to use community assets for business purposes, and the uptake of this type of entity should be encouraged in Vanuatu.

The community company model was introduced in 2012. Information about it is provided to the public by the VFSC (Box 9.4). There is, however, little awareness among women's associations about the manner in which this model can be used. Increasing awareness and engaging with civil society to encourage the use of community companies for businesses jointly operated by women will help provide traction for this alternative business model.

Box 9.4: A Guide to the Community Company Model

The community company is a type of company designed to assist community groups in utilizing what they own for business purposes. The community company is intended to be run as a business, but, instead of individual owners benefiting from the success of the business, the community as a whole will benefit. The community company can, in some cases, be considered by existing groups as an alternative to charitable trusts and cooperatives.

A quick summary of the community company model is as follows:

- (i) A community company must have a community interest, that is, where the community will benefit from the company's activities.
- (ii) Community companies cannot make any distributions of funds or pay any dividends to its shareholders. The community must receive the benefit.
- (iii) Community companies cannot make loans to directors or shareholders.
- (iv) There is a "lock" on the disposal of assets of the community company.
- (v) Directors must prepare a report on the activities of a community company each financial year.

Source: Vanuatu Financial Services Commission. <http://www.vfsc.vu/how-to-register-a-company/learn-about-the-new-community-company/>

9.4.6 Key Recommendations

Key strategies to help empower women operating in Vanuatu's formal economy are as follows:

- (i) Collate gender-disaggregated data on the number of businesses in Vanuatu that are run by women.
- (ii) Consider the potential for a women's entrepreneurial hub, based in the Vanuatu Financial Services Commission or the Department of Cooperatives and Ni-Vanuatu Business Development Services, to assist in developing awareness of business vehicles and provide advisory services.
- (iii) Increase awareness of the community company model, in conjunction with the Vanuatu Financial Services Commission, and consider piloting such an entity with the Markets Association in Port Vila.
- (iv) Evaluate the need for multiple licenses and permits, and replace these requirements with a simpler system.
- (v) Introduce a framework licensing law to identify the types of activities that will be subject to licensing, and provide a means to screen licenses to ensure they adhere to good-practice principles.

- (vi) Consider partnering with the Department of Cooperatives and Ni-Vanuatu Business Development Services to develop and deliver ongoing business advisory training, particularly to women operating micro enterprises through savings and loans cooperatives (consideration should also be given to e-learning and radio mechanisms to broaden reach).

9.5 Women's Access to Land

9.5.1 Landownership

There are approximately 15,000 registered land parcels in Vanuatu. Some 8,000–9,000 of these are located in the urban centers of Port Vila and Luganville. The remainder are in rural locations, with leases in place over customary land.

Women's access to land and property is vital to their economic empowerment, with its importance enshrined in the Convention of the Elimination of All Forms of Discrimination against Women, the Beijing Platform for Action 1995, and the Millennium Development Goals 1 and 3.

The tension between patriarchal custom and the constitutionally enshrined right to equality was brought before the Vanuatu Supreme Court in a case in which constitutional antidiscrimination provisions were held to override customary land tenure rules.²¹ In fact, Vanuatu's Constitution goes further than a guarantee of equality, providing for positive discrimination in favor of women.²² Unfortunately, however, the Vanuatu Land Registry does not maintain gender-disaggregated data on leases of freehold or custom land, so the proportion of land leased by Ni-Vanuatu women is unknown.

Vanuatu has undertaken a large land reform program, instigated at a National Land Summit in 2006. A key recommendation of the summit was to amend the country's land laws to ensure that decision-making around land use involves women.

The Land Sector Framework 2009–2018, developed by the Vanuatu Ministry of Lands and Natural Resources, guides all government policies and development partner programs in the sector. To support the implementation of

²¹ Government of Vanuatu. 1980. *Constitution of the Republic of Vanuatu 1980*. Articles 5[1] and [k]; and Noel v Toto [unreported]

²² Government of Vanuatu. 1980. *Constitution of the Republic of Vanuatu 1980*. Articles 5 [1] and [k]

this framework, the governments of Australia and New Zealand jointly funded a 5-year land program for Vanuatu called Mama Graon (“Mother Earth”), which began in January 2011. The overall objective of Mama Graon is to develop a sustainable and well-functioning land administrative system that is fair, efficient, cost-effective, and that enhances land tenure security in Vanuatu.

9.5.2 Customary Land and Women’s Rights

The patrilineal system in Vanuatu is found predominantly in the country’s southern islands, while the matrilineal system is found in its northern islands. In patrilineal systems, land passes from father to son, and women have limited rights. In matrilineal systems, land rights are acquired through women, but not by women, and the extent of a woman’s influence over the management of land varies according to her position in the family.²³

In February 2014, the Customary Land Management Act 2013 took effect, with the aim of giving powers to communities and villages to resolve land disputes through customary laws, rather than through the formal court system. It includes an innovative mechanism to help women’s voices be heard in decisions about land use (Box 9.5).

Box 9.5: Balancing Social Norms with Equal Participation Rights

The Customary Lands Management Act 2013 provides a process for identifying customary owners of land, who can then make decisions about land use. With the goal of overcoming customary practices that leave women’s voices unheard, the Customary Law Management Unit advises that decisions on land use should be made in consultation with women and children. The act provides for a complaints process in situations where such consultations have not been held.

However, while the legislation encourages consultation, it is not dictating the nature of the decision, and careful scrutiny of the process is required to see if the legislation can overturn customary practices.

Source: Asian Development Bank.

²³ S. Farran. *Gender, Equality and Pacific Island Countries*. unpublished.

Siobhan McDonnell, who drafted the legislation, stated that a “series of safeguards around appeal rights have been included in the legislative package, in an attempt to allow the voices of women and young men, in particular, to be heard in meetings of nakamals.”²⁴ This suggests that gender equality and the rights of women to be heard were embedded and safeguarded in the new legislation.

Following the launch of the Customary Land Management Act 2013, training and awareness raising workshops took place in 10 pilot locations—6 on Efate, 2 on Espiritu Santo, 1 on Malekula, and 1 on Tanna Island—from February to May 2015. In an effort to continue implementation of the national gender equality policy, the Department of Women’s Affairs developed checklists to ensure that participation by gender was monitored. The data collected reveal that more men than women attended the workshops and, in some cases, there were no women at all.

The Customary Land Management Act 2013 established an independent Land Management Planning Committee to review lease applications and make recommendations, as well as an Office of Customary Land Management to implement the act.

Donald Patterson, the independent chair of the Land Management Planning Committee, noted that, of the eight committee members, not one is a woman. He estimated that 80% of the lease applications were received from Ni-Vanuatu, and 30% of those were from Ni-Vanuatu women. The remaining 20% of applications were from expatriates or naturalized citizens. There were no lease applications from foreign investors. The committee screened over 200 applications, then sent its recommendations to the Customary Land Management Office. This office has been described as “essentially dysfunctional,” failing to register any applications at the time of this report, and leaving the implementation of the act in limbo.²⁵

9.5.3 Registered Leases and Freehold Land

The Government of Vanuatu owns the land in the country’s urban centers of Port Vila and Luganville. It is possible to lease these registered land parcels for

²⁴ S. McDonnell. 2014. Better Protection for Custom Owners: Key Changes in Vanuatu’s New Land Legislation. *Outrigger: Blog of the Pacific Institute*. <http://pacificinstitute.anu.edu.au/outrigger/2014/03/04/better-protection-for-custom-owners-key-changes-in-vanuatus-new-land-legislation/>

²⁵ Interview with stakeholders, October 2015.

30–75 years. They can also be mortgaged and transferred. At the time of this report, there were approximately 9,000 such leases.

Traditionally, these parcels of registered land are leased in a husband's name and, while it is possible for a husband and wife to hold the parcels as joint tenants, the practice is rare. Thus, when women take out leases in their own names, there may be pressure put on them to add their husbands' names to the documentation. There needs to be a concerted effort to raise awareness among women, including women business owners in Port Vila and Luganville, of the advantages of being joint tenants on parcels of lands that are leased by their husbands, and of the option to hold land leases solely in their own names. Research indicates that, where a husband named on a lease dies, male relatives may assume that the lease passes in custom to the male heirs, either directly under a patrilineal system or to the management of brothers and uncles under a matrilineal system.²⁶ An awareness raising campaign should be undertaken by the Ministry of Lands and Natural Resources to inform leaseholders that customary practices do not apply to registered leases over government land in urban areas.

Vanuatu's land registry was digitized in 2013. Temporary staff helped to clear the backlog of registrations at the registry. The staff scanned 14,000 leases and supporting documentation, and implemented an information system to search the registry (although gender-disaggregated data searches are not possible). There is still the need to personally go to the registry to conduct a search, though web-enabled searches could be implemented with government support. Workflow management systems are also in place, so that registry staff can ensure registrations are processed within appropriate timelines. As a result of digitization, the application processing time was reduced from several months to 20 working days.

There is a high level of urban drift in Vanuatu, with people migrating from outer islands to the urban centers of Port Vila and Luganville to seek work. This has seen large squatter settlements and informal subdivisions rise up on the outskirts of the two cities. Residents pay rent weekly or monthly to sublease their plot in the settlement. These payments may be made to the customary owner or the leaseholder of the land being occupied, with rent sometimes paid in the form of labor or garden produce. As with formal leases, there are problems when a woman's husband dies and male relatives arrive to claim the land, despite the plot not being subject to custom.

²⁶ GBA for Women. <http://www.gbaforwomen.org/>

9.5.4 Key Recommendations

Key strategies to enhance women’s rights to land in Vanuatu, particularly for commercial use, are the following:

- (i) Enable gender-disaggregated data to be collected at the Land Registry, which can be used to assess current programs and inform future policies.
- (ii) Assess the manner in which urban drift may have impacted on the ability of women to access payments from licenses and leases, which they have rights to.
- (iii) Conduct an awareness campaign, aimed at women in urban centers, on the advantages of leasing government land in their names, or as joint tenants with their husbands.
- (iv) Undertake an assessment of how the complaints provisions with the Customary Lands Management Act 2013 have been used by women to assert their rights.

9.6 Women’s Access to Finance

Many Pacific island countries, including Fiji and Papua New Guinea (PNG), have experienced an expansion in financial services and providers. Likewise, Vanuatu has seen an increase both in domestic financial institutions and access to the offshore finance sector. However, compared to their male counterparts, women still seem to fare poorly in accessing finance.

9.6.1 Vanuatu’s Finance Sector

Mobile banking is available in Vanuatu through ANZ’s goMoney mobile banking service, which was established in the country in 2014. ANZ also introduced agent-based branchless banking in 2014, through which merchants provide basic banking services such as account openings, deposits, and withdrawals. While this service is effective at reaching dispersed populations across the archipelago of Vanuatu, it can be expensive and has issues of scale for servicing small population bases.²⁷

In Vanuatu, there are two microfinance institutions—the National Bank of Vanuatu (NBV) and the Vanuatu Women Development Scheme

²⁷ ADB. *Digital Financial Services in the Pacific*. 2016. Manila.

(VANWODS).²⁸ There are also five financial institutions through which women can access finance: the Agricultural Development Bank, ANZ Bank, Bank South Pacific, Bred Bank, and the NBV.

Women report that the interest rates charged by all financial institutions are too high, and that there is a common requirement for loan collateral to be land or vehicle security or a 100% cash deposit, placing a significant burden on women who are seeking to develop businesses.

Commercial banks rely heavily on leasehold mortgages for loans, yet, in Vanuatu, women are seldom leaseholders. Lending on the basis of a mortgage over a lease is still a high risk for a bank, due to the multiple years it can take to enforce a mortgage through the court system.

Despite such risks, the ratio of private sector bank credit to GDP in Vanuatu continues to be one of the highest among Pacific island countries. It stood at 68% at the end of 2014, which is on par with the average for upper-middle-income countries. The ratio of nonperforming loans (NPL) to total loans has increased steadily, from 4.9% at the end of 2009 to 14.5% at the end of June 2015—although the NPL increase in the latter ratio can be attributed, in part, to Cyclone Pam, which struck Vanuatu in March 2015. High NPL levels, along with a perception that they will be difficult to address, encourage lenders to charge higher risk premiums on loans. This causes significant difficulties for women, who are more likely to be assessed as higher-risk because they do not possess leases or security (Box 9.6).

The implementation of the Personal Property and Securities Act 2008 aimed to alleviate the issue of accessing finance by allowing the use of personal property, including long-term contracts and invoices, as security. The personal property and securities registry, housed at the Vanuatu Financial Services Commission, is digitized, efficient, and available to all users online. There has been good uptake of the registry by the banks, and Vanuatu's hardware company, WILCO, also supplies goods on credit, utilizing the personal property and securities registry to employ goods as security.

The Asian Development Bank (ADB) and members of Vanuatu's finance sector are developing programs aimed at increasing confidence in the secured transactions framework by piloting lending to women secured against registered "movable" property. Banks that lend on the basis of property such as stock and accounts receivable will contribute to expanding financial markets and stimulate economic activity among women entrepreneurs in Vanuatu.

²⁸ Vanuatu Women in Development Scheme. <http://www.vanwods.org.vu/>

Box 9.6: Multiple Challenges to Accessing Sustainable Finance for Business Development



At a workshop held by the Asian Development Bank's Pacific Private Sector Development Initiative and UN Women December 2016 in Port Vila, a memorandum of understanding was signed to raise awareness of business law reforms in Vanuatu in order to increase their positive benefits to women. Local businesswomen, members of women's associations, and members of the Vanuatu Financial Services Commission attended. Above, a participant holds a summary of the group discussion on the challenges to accessing finance. The summary reflects how social norms and family commitments are linked to accessing finance and successfully operating a business.

Source: Asian Development Bank.

Vanuatu's credit bureau—managed by Data Bureau in Suva, Fiji—was launched in June 2011, with members from the commercial banks and the strong backing of the Reserve Bank of Vanuatu. At the time of this report, there were over 7,700 credit histories registered with the bureau (compared to 1,700 when it was launched) and members, including companies and individuals, had made over 12,376 credit inquiries as of October 2015. Retailers and utilities have not fully utilized the bureau as yet, but the uptake is slowly building, as is occurring in other countries in the region such as Fiji, PNG, and Solomon Islands.

The credit bureau has employed the “negative” reporting model, providing lenders with details concerning individuals' and businesses' credit histories where they have defaulted. This includes listing microfinance defaults. Although the negative model is helpful to banks and other lenders in assessing bad risks, it does not assist entrepreneurs in building a positive credit history. A positive model would be very beneficial to women entrepreneurs, especially if microfinance is included to show their financial histories from when they entered into business. Having access to positive credit histories would also decrease risk for banks and other lenders in assessing applicants.

The Reserve Bank of Vanuatu has identified improving the financial literacy of the country's residents as one of the key pillars of its operations. It has partnered

with the Ministry of Education and Training to provide financial literacy training in schools. A number of banks also participated in this initiative.

9.6.2 Informal Sector Financing

There are three finance providers available to women operating in Vanuatu's informal economy: VANWODS, the NBV, and a variety of savings and loans cooperatives.

VANWODS provides small business loans, financial literacy training, support, and savings services to women owners of micro enterprises in Vanuatu. The scheme was set up by the Department of Women's Affairs in 1996, with 28 members. At the time of this report, it had 7,200 members across Vanuatu.

VANWODS makes loans on the peer-lending model to groups of five borrowers, who act as guarantors for each other. The minimum loan amount is Vt10,000 and the maximum classified as microcredit is Vt150,000. Interest is charged at 20% per annum. There is a minimum amount of Vt5 that must be deposited to a savings account, along with a minimum loan repayment of Vt5 on a Vt10,000 loan. Women who graduate from microcredit can apply for micro enterprise loans, ranging from Vt150,000 to Vt250,000. However, even at this level of borrowing, the group must act as guarantor.

Efforts to assist VANWODS to improve its systems have had limited success. In 2010, VANWODS worked with the International Finance Corporation (the private sector development arm of the World Bank) to develop a business start-up guide for women. This guide was distributed to VANWODS' micro enterprise clients to encourage them to formalize their businesses. Unfortunately, data were not maintained on the impact the campaign had on women, or the number of women who successfully entered the formal economy. In 2012, ADB worked with VANWODS to improve its financial management systems, but discontinued technical assistance in 2015. Change in management at VANWODS has been a difficult issue to resolve.

The second organization providing loans to women in Vanuatu's informal economy is the NBV. With seed funding from ADB, the NBV has been operating a successful microcredit scheme since 2003. The scheme began in Tanna, then gradually expanded to 17 NBV branches (of 27 branches in total), including Port Vila, Luganville, and 15 rural locations.

Clients are required to provide security to access microfinance and, while the NBV uses the personal property and securities registry in urban centers, it does

not in rural locations, where cash security is required. Examples of collateral the NBV accepted through the personal property and securities registry for clients in urban areas included plantation trees, pigs, chickens, crops, kava, and outboard engines.

Microfinance comprises 1% of the NBV's lending, but 40% of its clients. There is a 1.5% default rate on microfinance, where repayments are not made after 60 days. From time to time, the NBV will collect the movable asset or draw on the case security, but will first try to find an amicable solution through negotiations between the client and its lending officer.

When interviewed for the purposes of this report, the Director of the NBV noted that, in Tanna, it is difficult to lend to women as they do not own or lease customary land and the NBV is unable to use the personal property and securities registry on the island. The director stated that Tanna is likely to become a third township in Vanuatu and, when that occurs, government infrastructure will be in place to use the personal property and securities registry.

The NBV also offers financial literacy training, supported by New Zealand's Ministry of Foreign Affairs and Trade. The National Education Program, which aims to build businesses through improved financial literacy, targeted 10% of the adult population in Vanuatu's rural areas. This initiative has had a significant impact on "banking the unbanked" in Vanuatu. The NBV opened over 30,000 savings accounts, which held about Vt1 billion at the time of this report. More than 7,000 of those who opened bank accounts had received microfinance loans, pursuing activities in retail and market vending, and more than 45% of the program's participants were women.

There is no doubt that the NBV's microfinance and financial literacy program has had a significant impact on banking the unbanked in Vanuatu. However, the program has had only minimal success in growing businesses or developing women's entrepreneurial activities. More than 20% of clients with savings accounts have moved on to access microloans, with 5%–10% of those graduating to access small business loans.

A variety of savings and loans cooperatives also assist women in Vanuatu's informal economy. In 2009, the Department of Cooperatives and Ni-Vanuatu Business Development Services launched a savings and loans program, which resulted in 228 active savings and loans cooperatives being created in Vanuatu. It is estimated that 85%–95% of the members of these cooperatives are women. Members can set up regular savings accounts as well as special

savings accounts, and they are permitted to borrow against their special savings accounts. Regular savings accounts act as offset accounts that can be accessed if there is default. There is no data collected on the how these accounts have assisted in developing entrepreneurship of larger businesses.

9.6.3 Formal Sector Financing

Vanuatu's commercial banks do not maintain gender-disaggregated data on their financing activities. When interviewed for the purposes of this report, the Director of the Reserve Bank of Vanuatu indicated an interest in developing a policy to make gender-disaggregated reporting a requirement for banks, to enable effective policy development. Not one of the commercial banks offers products or services directly designed to capture the women's market.

Commercial banks provide loans, using registered parcels of land in urban centers as security. It is estimated that only 5% of loans would be in the names of both husband and wife, with the land title held as joint tenants. Thus, the lending of commercial banks to women is highly constrained.

The NBV is the only bank in Vanuatu to extend loans using registered parcels of customary land as security, but this practice is extremely limited. The NBV also issues seasonal labor loans, to fund the travel costs of those travelling to Australia and New Zealand to work under seasonal labor programs. Approximately half of Vanuatu's participants in this program are women, a statistic unique to the Pacific, and attributable to Australia's request for women to undertake the packing of fruits and vegetables.

9.6.4 Strategies to Improve Women's Access to Finance

Pacific women generally do not have credit histories that are useful in accessing commercial finance. Encouraging the collection of data that can illustrate loan repayments and create such credit histories would be invaluable for women entrepreneurs in Vanuatu. Encouraging microfinance institutions to use the credit registry or the personal property and securities registry would be useful in collecting such data. This may then be accessed by financial institutions when considering loans to women entrepreneurs.

The NBV and the Department of Cooperatives and Ni-Vanuatu Business Development Services have been focused on providing financial literacy programs. Expanding these training programs to include business development and financial accounting will be useful in showing women how they can grow their businesses and make their enterprises profitable.

Using supply-chain financing that combines movable finance products around an anchor business in the supply chain should be encouraged for women's businesses. The potential exists for a pilot program in Vanuatu that replicates the model used in Tonga for financing vanilla.

Vanuatu's recovery from Cyclone Pam significantly hindered businesses for several years following the disaster in 2015, including women's entrepreneurial activities. The promotion of nonlife insurance, including disaster insurance, should be considered for all small business owners in the country. The potential for collective purchase of such insurance, through chambers of commerce or market associations, should be explored.

9.6.5 Key Recommendations

Key strategies to increase women's access to microfinance, small business loans, and other financial services include the following:

- (i) Expand the credit bureau to include positive payment information, and include the activities of microfinance institutions within the bureau (as women constitute the majority of the borrowers from such organizations).
- (ii) Encourage the NBV, microfinance organizations, and commercial banks to utilize the personal property and securities registry to achieve the objective of increasing access to finance for women (this may be done through a pilot program in partnership with donors).
- (iii) Support the NBV to review its microfinance and financial literacy program to design a methodology to increase the proportion of women that graduate from savings to microloans and on to small business loans (this will increase returns for NBV investment in this program, as well as benefit female entrepreneurship in Vanuatu).
- (iv) Work with the Reserve Bank of Vanuatu to encourage financial institutions to collect gender-disaggregated data on products and services to support the development of inclusive policies.
- (v) Support financial institutions to incorporate into their financial literacy programs those modules that improve women's autonomy, including awareness of the impacts of gender-based violence, the benefits of joint-tenancy over land, and the pathways to business formation.
- (vi) Encourage donors to partner with financial institutions to develop products and services tailored specifically for women in business, as proposed by the Global Banking Alliance for Women (footnote 24).
- (vii) Consider the potential for including business advisory services alongside finance for small businesses, thereby helping women entrepreneurs to grow their businesses in a sustainable manner.

- (viii) Increase awareness of insurance products, especially nonlife insurance products such as disaster insurance, that may be purchased collectively for women through chambers of commerce and/or market associations.

9.7 Dispute Resolution and Enforcing Women's Legal Rights

9.7.1 Overview of Dispute Resolution in Vanuatu

Vanuatu effectively has two legal systems: a formal legal system and its system of customary laws, the latter being comprised of customary rules and dispute resolution procedures that vary across the country. As women increasingly operate their own businesses, they are likely to become involved in disputes, particularly contractual and debt-related issues.

The formal court system in Vanuatu has not been able to deliver timely justice for the country's citizens. The process is extremely slow, and a review undertaken in 2013 found significant problems, including lengthy delays in the issuing of judgments and listing of cases. For example, it takes an average of 691 days for a civil case to be decided in Vanuatu. As the courts responsible for dispute resolution visit rural areas only sporadically, businesswomen in these areas have little choice but to resort to the customary legal system or simply forget about resolving the dispute.

9.7.2 Access to Justice for Women

Women interviewed for the purposes of this report expressed having difficulties accessing legal advice through the Public Solicitor's Office, a legal advice center based in Port Vila. From January 2015 to early December 2015, the office represented 253 criminal clients and provided advice and representation to 513 civil clients. One third of civil clients were women, indicating that there is some demand from women for accessing justice through the formal court system.

A vast majority of disputes in Vanuatu are dealt with either in the lower courts (magistrates' courts or the Island Court) or informally by chiefs. Most chiefs are men, and women's views are rarely represented at the nakamal (a village meeting place that can also serve as the village court). Unsurprisingly, this gender imbalance usually works against women plaintiffs.

There is a need for legal advisory services aimed at developing awareness among women of their legal options and their rights and responsibilities in operating a business. Women in Vanuatu tend to leave these tasks to their husbands, often exposing themselves to liabilities and not safeguarding their financial positions.

9.7.3 Alternative Dispute Resolution

The Ministry of Justice and Community Services, in partnership with the International Finance Corporation, introduced mediation to Vanuatu in 2010. Mediators (including three women) were trained and a total of 47 cases were referred to mediation in 2010. Of the 47 cases, only 22 were settled.

The mediation program ceased, much to the regret of business operators and financial institutions, which were looking forward to the speedy resolution of civil disputes and the resulting increase in market confidence and stability.

The preference for alternative dispute resolution processes in Vanuatu is evidenced by several banks having established internal complaints and resolution systems. There is also a strong need to review Vanuatu's bankruptcy regime, to provide individuals with a cost-effective and administratively easy process for discharging their debts.

9.7.4 Key Recommendations

Key strategies for expanding women's access to justice and resolving disputes in a fair and efficient manner include the following:

- (i) strengthen the Public Solicitor's Office and/or the Vanuatu Women's Center to provide legal information, clinics, or help lines for women to understand their rights in business ownership and operations;
- (ii) continue to strengthen case-management processes within the court system, to address delays and reduce the growing backlog of cases;
- (iii) revise the civil procedure rules to establish clear guidelines requiring judges to issue decisions and written judgments in a timely manner;
- (iv) explore options for reintroducing alternative dispute resolution (this should include the potential for resurrecting mediation through partnering, e.g., allowing the Ministry of Trade, Tourism, Commerce and Industry to arrange mediation on business disputes); and
- (v) review Vanuatu's bankruptcy regime, which is outdated and in urgent need of reform.

9.8 Women's Business Networks and Skills Training

9.8.1 Overview of Networking for Women in Vanuatu

There are three main networks that facilitate, to varying extents, women's economic empowerment in Vanuatu.

The Vanuatu Chamber of Commerce and Industry (VCCI) is a major training provider to the private sector and is included in public-private dialogue, advocacy, employer-employee relations, and trade promotion. An example of the chamber's involvement is the Employer's Guidebook produced in 2014 to assist businesses in understanding Vanuatu's new Employment Act. However, the collaboration between the government and the VCCI is not always smooth, often because there is no clear alignment between the interests of the government and those of the private sector.

Although the VCCI does not directly target women, it does conduct microfinance trade fairs in partnership with other organizations, including VANWOODS, the NBV, and the Reserve Bank of Vanuatu, with funding from Bred Bank and the Vanuatu Financial Services Commission. These trade fairs are attended by owners of micro enterprises, a significant portion being women from rural areas and outer islands, who exhibit their products and services while also developing support networks (Box 9.7).

The Vanuatu Women in Sustainable Development Association (VWSDA) was set up in 2010, to remedy the absence in Vanuatu of a peak body that represents the distinct interests of businesswomen, and to recognize the importance of those interests. The objective of the association is to provide support to entrepreneurial women who want to start businesses or expand the ones they already operate. The VWSDA provides a variety of services related to accessing markets, effective marketing, product quality improvement, finding a market niche, diversifying productivity, and business management.

The VWSDA has received funding from a variety of sources, including the Pacific Leadership Program, to undertake its activities. Board members have identified the need to provide a business service center for women, which could offer computer access, sewing machines, skills training, and business development support and advice, as well as becoming an office for the association's core activities such as policy development and advocacy on behalf of businesswomen. The VWSDA is seeking further funding to support these activities.

Box 9.7: From Little Things Big Things Grow



Rona Garae's journey to entrepreneurship has been one of steely determination, to provide for herself and her four children.

In 2005, Rona bought a one-way ticket to Santo, leaving her home in Ambae with her four young children. For many months before that, she saved money through odd jobs and selling crops she grew. In 2008, through her employment, Rona learned about the oil that could be extracted from nangai and tamanu nuts, and began to experiment with making soaps at home.

In 2012, Rona launched her business, Oils of Paradise. In March 2013, the Ministry of Trade, Tourism, Commerce and Industry invited Rona to a microfinance trade fair, where she won first prize for local products. Rona formalized her business and hired two staff to help her. In 2014, she began to export her products in bulk.

Rona has applied for her first loan with the National Bank of Vanuatu, and is hoping to invest this money on packaging, branding, and acquiring new premises for her business.

Source: Asian Development Bank.

The Vanuatu National Council of Women, established in 1980, is the oldest organization representing women in Vanuatu. While not specifically focused on businesswomen, the council addresses the need to increase women's political participation, eliminate gender-based violence, and enhance the economic empowerment of women. It has, however, been through significant governance challenges that have limited its effect and influence.

Associations have been used to help women in specific sectors and industries find markets, negotiate contracts, and improve their skills. One example is the Marobe Tanvasoko Market Vendor Association, which has over 132 members who are involved in the selling of handicrafts, fresh produce, and cooked food. The executive committee of the association is working with the provincial council and market manager to improve its members' access to market space and support further growth of the market house. Another example is Alternative Communities Trade in Vanuatu (ACTIV), which links women entrepreneurs in rural areas to markets (Box 9.8).

Box 9.8: Coming Together to Sell Well



Sandrine Meतोis established Alternative Communities Trade in Vanuatu (ACTIV) with her husband in 2008. ACTIV is a national union of associations, cooperatives, and small producers who are scattered across the Vanuatu archipelago. It is a membership-based organization that represents 115 associations and cooperatives involved in growing food crops and producing handicrafts, comprising some 4,000 ni-Vanuatu people.

Sandrine's original goal was to add value to locally produced, authentic handicrafts and turn them into a commercially viable business—quite an achievement in a market saturated by cheap items produced in Asia.

ACTIV has an innovative business structure. It is the majority shareholder in two business entities: ACTIV Ltd, set up in 2010 as a commercial entity, and Aelan Chocolate Makers Ltd, created in 2013. The two registered companies package and add value to the items purchased from ACTIV members, then sell these items through wholesale markets and shops in Port Vila, such as World of Wonders, Summit Estates, and Kava Emporium.

Source: Asian Development Bank.

9.8.2 Overview of Skills and Training in Vanuatu

The VCCI aims to provide a bridge for underskilled and unemployed people to access the labor market. It also delivers accredited certificate courses in different disciplines as well as additional training to support workers so their competencies and skills are enhanced.

The VCCI provides training in the provinces (mainly in Malampa and Sanma) through Vanuatu's technical and vocational education and training body. These training courses focus on business management, including financial literacy and agribusiness. Although the participation of women in these courses is limited, the VCCI has developed a women's business training program for women working in markets.

The Pacific Business Mentor Training Program, coordinated by the VCCI and New Zealand's Aid Program, was offered from 2011 to 2016 to business owners who had been trading for at least 6 months and had fewer than 30 employees. It required a minimum 6-month commitment from each business owner, but looked for a 12-month engagement. Business mentors from New Zealand assisted participants in developing skills in planning, marketing, finance, and other business skills. Participants who had completed the program stated that they benefited from the training and would like to see it continue. This program, however, ended in 2016.

Diverse organizations also provide training across Vanuatu. VANWODS and the Department of Cooperatives and Ni-Vanuatu Business Development Services offer training to micro enterprises. Vanuatu's technical and vocational education and training body (a program initiated with funds from the government of New Zealand, and integrated into Vanuatu's Department of Trade, Tourism, Commerce and Industry) and the Vanuatu Institute of Technology offer courses in finance, management, and technical subjects such as mechanics. The Vanuatu Agriculture College provides courses in agribusiness and rural business development.

Discussions with women owners of micro enterprises suggested that they remain hesitant to access the business courses on offer, due in part to their limited literacy and basic education. However, the services on offer do seem to be doing their best to address these hesitations and ensure that rural women seeking to start micro enterprises are involved in skills training.

Assistance required by women in the formal sector includes (i) greater information on setting up their businesses, (ii) support on complying with licensing requirements, (iii) better access to business funding at a reasonable cost, and (iv) safeguarding of their assets during business downturns.

9.8.3 Key Recommendations

The following strategies will assist in the development of support networks and training courses necessary for Ni-Vanuatu women to participate and succeed in the country's private sector:

- (i) Following the strong start to the VWSDA, and a high demand among businesswomen for its services, continue support for the organization to establish itself.
- (ii) Support women from Vanuatu to attend the Pacific Islands Private Sector Organisation's Women in Business conferences, to strengthen regional networks and expand market opportunities (this has been successful to date and should continue).

- (iii) Initiate training for women who own small- and medium-sized businesses on how to separate the legal relationships between family and business, and how to protect their legal rights, with such training and ongoing legal advice offered through the VWSDA or the Public Solicitor's Office.
- (iv) Establish an entrepreneurial hub to bring together all relevant stakeholders seeking to promote women's economic empowerment in Vanuatu.

9.9 Women's Access to Trade and Markets

Vanuatu is a signatory to subregional and regional free trade agreements, including the Pacific Island Countries Trade Agreement and the Melanesian Spear Head Agreement (between Fiji, PNG, Solomon Islands, and Vanuatu). Negotiations are still under way for the Pacific Agreement on Closer Economic Relations (PACER) Plus, as well as the European Partnership Agreement.

9.9.1 Importing and Exporting

Regulatory changes introduced through the Customs Act 2013 mean that businesses engaged in trade in Vanuatu are required to use a customs agent for both importation and exportation. The changes also produced better customs systems for paperwork and invoicing.

Discussions with private sector representatives and customs agents revealed that the upgrades to, and expansion of, the Port Vila wharf infrastructure have increased the efficiency of the port and its terminal handling activities for freight ships and cruise liners, with vessels in port for shorter periods.

One of Vanuatu's major customs agents, Fr8 Logistics, reported that it does not have any women clients engaged in importation, although there are a small number of businesswomen engaged in exportation.

9.9.2 Trading within the Country

Vanuatu's 2010 household income and expenditure survey stated that one of the long-term objectives of the government was to improve access to well-maintained roads, wharves, and all-weather airstrips as a means to improve market access and promote business enterprise.

However, businesswomen interviewed for the purposes of this report said that their only means of knowing when a ship was coming in from the outer islands

with their local suppliers' products was by repeatedly calling the ship over satellite phone. There was reportedly a radio station that once broadcast the impending arrival of ships, but this no longer occurs.

Improving maritime transport across Vanuatu's 65 inhabited islands, many of which do not have wharf facilities, would increase trade within the domestic market.²⁹

Mary Navaika, chief executive officer of the Ministry of Trade, Tourism, Commerce and Industry, has suggested the establishment of interisland cooperatives and the development of supply chains through the islands. When interviewed for the purposes of this report, Mary said she would require the ministry to receive advisory services on how to set up these cooperatives and supply chains, including direction on an industry sector or specific business with which to create a pilot project. She would be keen to run a pilot project with a supply chain dominated by women, where a businesswoman in Port Vila sources frequently from women suppliers on the outer islands.

Another priority area for the Ministry of Trade, Tourism, Commerce and Industry is reducing the importation of food to Vanuatu. To do so, there must be improvement in the ability of local interisland supply chains to supply the domestic market, including hotels and restaurants. Funding for such improvement is potentially available through the Enhanced Integrated Framework, a multidonor fund that seeks to pursue value-addition in agribusiness and already provides support to Vanuatu.

9.9.3 Key Recommendations

Key strategies to expand domestic and international trade opportunities for women entrepreneurs in Vanuatu are the following:

- (i) Encourage women from Vanuatu's private sector to be involved in PACER Plus negotiations, to ensure their interests are being represented and met.
- (ii) Invest in training on packaging, branding, and value-adding strategies that women from the informal economy through to major exporters can use to prepare their products for overseas markets.
- (iii) Conduct regular training on meeting export standards, in line with the information covered in the Tourism Ambassador Program, and provide

²⁹ Devpolicy Blog. 2014. Pacific Conversations: Private Sector Development in Vanuatu with Astrid Boulekone. <http://devpolicy.org/pacific-conversations-private-sector-development-in-vanuatu-with-astrid-boulekone-20140306/>

additional assistance to ensure that women entrepreneurs can meet these standards.

- (iv) Improve maritime transport between Vanuatu's inhabited islands, and assess the potential of resurrecting radio broadcasting of domestic shipping arrivals and departures.
- (v) Consider a pilot project to establish interisland cooperatives and develop domestic supply chains between islands.

APPENDIX 1

Summary of Recommendations by Framework Theme

Theme 1: The Context of Women's Autonomy

Recommendation	Rationale	Comment
Introduce legislation prohibiting sexual harassment in the workplace.	There is a need to embed equality norms within workplaces of Pacific island countries.	Only Fiji has this legislation.
Repeal legislation that prohibits women from certain types of work.	Women have historically been prohibited from some types of work, including working at night, underground work, work in prisons, etc.	This is beginning to happen as demonstrated in Solomon Islands.
Bundle insurance products	Devising products that can cover insurance for maternity leave, sick leave, and life insurance will enable women to engage in the workplace in a sustainable manner. Increasing awareness of these products through mobile platforms should be promoted.	This may be a pilot program that could be designed through a partnership between nongovernment organizations (e.g., the Pacific Financial Inclusion Programme) and financial institutions (e.g., MiBank).
Amend legislation to recognize the range of work done by women, and thereby increase the application of employment laws.	In many Pacific island countries, the work done by women as domestic workers is not covered by employment laws, and these women cannot access the advantages of formal employment.	In Papua New Guinea (PNG), Solomon Islands, and Vanuatu, domestic workers are not covered by employment laws.

Recommendation	Rationale	Comment
Encourage awareness of, and discussion on, maternity leave provisions for women.	Increasing commitment of employers will increase compliance with laws that benefit women.	Fiji, Samoa, Solomon Islands, and Vanuatu have legislated for maternity leave. In PNG and Tonga, it is provided for government employees. Kiribati does not have such provisions.
Governments should support paternity leave (to change male perceptions of such leave).	Caring for children should be regarded as a shared parental responsibility. Such reforms have been introduced in Australia and New Zealand.	Few Pacific island countries have such provisions.
Training in nontraditional areas (information and communication technology, prisons, public transport, construction etc.)	Women demonstrate preference for traditional forms of employment (aligned with an unconscious bias). Encouraging groups of girls to undertake training in nontraditional areas, with business support, would bring about cultural change (albeit slowly).	Quotas could be used to underline a preference for girls and women to supply services, including cleaning, painting, driving, and security services. Such policies have had success in the Dominican Republic, India, and Kenya.
Utilize quotas in government contracts to increase employment of women.	Government work represents a significant portion of a nation's gross domestic product, and developing policies to provide preference to companies that employ a specified percentage of women would enable a women-friendly working environment.	A pilot program in partnership with a government department or state-owned enterprise (SOE) would be a good illustration.
Support women's networks that encourage sharing of knowledge and strategies.	Equipping women with access to knowledge and support strategies will help them succeed in employment and business.	Formal women's networks focus on the informal economy. Efforts to encourage professional women's associations should be made, as is happening in Fiji.

Recommendation	Rationale	Comment
Reform tax policies to allow concessions for companies that adopt women-friendly policies such as child care and maternity leave.	Legislation, including taxation laws, can be successfully used to promote gender equity and reduce the departure of women from employment due to child care expenses.	Child care tax rebates and subsidies have been successfully used in many countries, including Australia and New Zealand
Encourage companies to sign up to the United Nations Global Compact.	The take up of best practice will improve the business environment and employment opportunities for women.	For example, the EDGE (Economic Dividends for Gender Equality) system of certification for global equality provides support to businesses to develop systems that promote gender equality.
Create databases with potential women candidates for senior executive positions and positions on boards of companies or SOEs.	As women's networks are still developing, accessing the names and qualifications of suitable candidates for senior positions can be difficult. The creation of databases with relevant information would be useful for businesses seeking to increase gender diversity among their staff.	Ideal partners in creating such a database would be women's business associations, or the chambers of commerce; for example, Japan's Ministry of Women has taken the responsibility for doing so, while in Fiji, the South Pacific Stock Exchange has expressed interest in similar involvement.
Develop women's business leadership and mentoring programs.	There is a need to increase women's representation at senior management levels and on boards of SOEs.	Examples include the Business Coalition for Women's Business Certificate Program in PNG and the Women's Business Leadership Program of the Asian Development Bank (ADB) in Fiji and Tonga.

Recommendation	Rationale	Comment
Encourage awards for model employers and male champions.	Such recognition will encourage others to follow and has been initiated by the Business Coalition for Women in PNG and Westpac Bank in Fiji	Would best fit similar institutions in other countries (e.g., Solomon Islands).
SOEs should enter into agreements with private corporations on the condition that they will provide services or goods that support women's engagement in business.	In so doing SOEs can increase economic opportunities for women.	Such a strategy would be a nudge whereby SOEs enter into a partnership with private firms that will also commit to improving outcomes for women.
Government should set targets for organizations specifying the percentage or number of women employees.	This strategy would increase the number of women employees.	In Solomon Islands, this target was linked to the performance of the department's permanent secretary.

Theme 2: Women in the Informal Economy

Recommendation	Rationale	Comment
<p>Establish an entrepreneurial hub for women in key Pacific island countries.</p>	<p>There is a need to provide women with information, skills training, networks (online and live), assistance with market access, access to trade fairs, training on labeling and logistics, etc.</p>	<p>This hub could reside in different organizations in different countries. To assist women in the informal economy, the hub in Vanuatu could reside within the Department of Women's Affairs within the Ministry of Justice and Community Services. The aggregation points may differ from one country to another.</p>
<p>Improve governance of business models dominated by women in the informal economy.</p>	<p>Associations (PNG) and cooperatives (PNG, Solomon Islands, and Vanuatu) are important vehicles and are frequently used by women in fisheries and agriculture. However, women are often not serviced well by the governance of these entities.</p>	<p>Evaluation of the regulatory framework for associations should be undertaken in PNG. It should allow greater participation by members and make the entity's management accountable for actions and funds; likewise, the regulatory framework for governance of cooperatives in PNG, Solomon Islands, and Vanuatu.</p>
<p>Gather data on women's economic activities to inform policies and law reform.</p>	<p>Gathering such data through the household income and expenditure survey and census of each country would inform policy makers on where women are operating and what types of interventions may be useful.</p>	<p>The 2016/17 census in Palau includes a variety of questions to gather data on women's engagement in informal businesses. In Vanuatu and Kiribati, the effectiveness of family protection legislation is controversial. Information on its effectiveness could be gathered through questions in the census of each country.</p>

Recommendation	Rationale	Comment
Increase women's access to financial services.	This would address one of the primary constraints to women's entrepreneurial activity.	<p>In PNG, the Women's Micro Bank has been specifically set up to cater for women in informal businesses. The bank's approach and success need to be monitored to determine whether its offerings can be replicated in other countries.</p> <p>In Fiji and Solomon Islands, microinsurance products are being piloted. These schemes should be evaluated to determine whether they are capable of expansion.</p> <p>Development banks and central banks should work together to increase women's access to financial services.</p>
Embed training on gender-based violence into all programs.	Incorporating such training into business skills and financial literacy will have a positive impact on a larger number of people.	See example of fisheries and training provided by MiBank and the Pacific Private Sector Development Initiative in PNG (p. 34 and p. 161).
Work with large businesses to enter into contracts with small businesses operated by women.	Such a strategy would increase the opportunities for women running micro businesses and operating in the informal economy.	<p>An example of this is Guadalcanal Plains Palm Oil Limited in Solomon Islands, which collaborated with women to help them start businesses.</p> <p>Also see the example of the Business Coalition for Women encouraging women in informal businesses to supply goods and services in PNG (p. 169).</p>

Recommendation	Rationale	Comment
Assess the impact of microfinance on women's ability to create sustainable businesses.	Women in the informal economy who cannot access finance from banks rely on microfinance. However, there are many complaints about the high interest rates paid and the impact on business sustainability.	Support an evaluation of the role of microfinance institutions in creating sustainable businesses in PNG, Tonga, and Vanuatu.
Encourage corporations to make a contribution to women's economic welfare as part of their corporate social responsibility.	Such a strategy, described as a nudge, would see greater opportunities for women in the supply of services and goods to large businesses as well as employees.	Encourage multilateral banks and partners to enter into contracts with women's businesses. This can include obtaining catering, maintenance, and cleaning services from women operating informally.
Build awareness of the community company model.	This business vehicle allows for profit and community interests to be integrated and may appeal to certain business activities undertaken by communities.	This is particularly suitable in Vanuatu, where the community company model has been introduced through legislation (e.g., it may be relevant for coffee producers in Tanna).
Reform governance practices of associations.	Legislation reform of associations is needed to ensure that women are able to have a voice and role in management.	This is relevant in PNG, where many associations (e.g., fisheries, agriculture) are subject to mismanagement and women are excluded from decision-making.
Build awareness in the informal economy of the benefits of formalizing a business.	This would encourage women in the informal economy to access the legal protections that they currently cannot (e.g., insurance, national provident funds, and commercial loans).	Partnerships between organizations (UN Women, the Markets for Change Project) and the private sector and/or government (Pacific Private Sector Development Initiative, Company Registry) are needed (e.g., Solomon Islands partnership).

Recommendation	Rationale	Comment
Establish pilot programs to demonstrate the potential for new businesses operated by women.	Opportunities for entrepreneurial activities by women need to be identified and encouraged.	An example is the Government of PNG's efforts to develop innovative ways of using by-catch (unwanted fish caught in commercial fishing nets). These include setting up microprocessing systems operated by women in the informal economy.
Public-private partnerships, SOEs, and private corporations and/or multilateral donor organizations enter into a partnership to provide services or goods that increase women's economic participation.	Such a strategy would increase opportunities for women's micro and small businesses.	ADB has successfully provided for contractors to hire women in road-building and maintenance contracts in Solomon Islands.

Theme 3: Women in the Formal Economy

Recommendation	Rationale	Comment
Reform business licensing regulations.	The complexity of business licensing is a barrier for women starting their own businesses in many Pacific island countries, particularly Fiji, PNG, Solomon Islands, and Vanuatu.	Tonga can be used as a model for such reform.
Introduce a new business entity that will encourage women to transition to the formal economy through lower regulatory requirements.	This would overcome the need to register a business and report annually, which often deters women with limited experience of bureaucracy from formalizing their businesses.	These are particularly suitable in PNG, where the regulatory burdens of registration remain a barrier for women to transition from the informal economy to the formal economy. Research into such entities should be undertaken with the Investment Promotion Authority in PNG.
Encourage companies to establish voluntary targets to have a certain percentage of women on boards.	Such measures will increase the number of women on the boards of companies and SOEs, where women's participation is very low.	ADB's partnership with the South Pacific Stock Exchange to develop awareness of having women on boards is the first step in such a strategy.
Enable debate on the regulatory burden of individual businesses requiring multiple licenses and paying multiple fees.	The cost of regulations such as licensing laws are a burden on businesses, particularly micro enterprises operated by women.	One example is Vanuatu's licensing laws, which require small market operators and guest houses to comply with excessive and expensive regulations.
Introduce quotas or preferences in contracts from governments and large corporations to businesses whereby governments only contract with companies that demonstrate policies to economically empower women.	Such a strategy would increase employment opportunities for women in companies seeking to enter into contracts with governments.	Such a strategy may also encourage corporations to develop programs that encourage women's employment and progress.

Recommendation	Rationale	Comment
Encourage government and businesses to adopt digital technology.	Digital technologies benefit women who are time-poor and have travel constraints (e.g., to pay for business and/or company registrations and/or licenses).	This was successfully undertaken in Samoa, Solomon Islands, and Tonga. It can be undertaken in other countries, including Fiji, Kiribati, the Marshall Islands, and Tuvalu.
Establish an entrepreneurial hub for women in each Pacific island country to collate data on skills programs, credit and market access (See Box 2.5 on p.29 for description of an entrepreneurship hub.)	There is a lack of centralized information on credit, skills programs, and trade fairs. Using one body to transmit such information would benefit women seeking to identify markets and access credit.	This could be done by different bodies in different Pacific island countries, e.g., by the Investment Promotion Authority in PNG; by the Ministry of Women, Community and Social Development in Samoa; by Company Haus in Solomon Islands; and by the Financial Services Commission and Ministry of Women in Vanuatu. These hubs could also collect data and provide accounting and tax services for the first 2 years.
Encourage use of positive credit assessment (rather than only negative).	Payments made regularly for services would give women a better credit assessment and enhance access to business loans.	Comprehensive credit reporting, which includes positive information on regular payment to gas and electricity providers, is being developed in Australia for implementation in 2018.
Provide technical assistance to start-up businesses.	Many start-up businesses require tax advice and business planning for the first 2 years to help gain a foothold in the market.	Such advisory services could be provided within the entrepreneurship hub or as a standalone program.

Recommendation	Rationale	Comment
Introduce clear bankruptcy laws, which do not penalize entrepreneurship.	The bankruptcy legislation of many Pacific countries is inconsistent with the notion of risk-taking, and would discourage women's entry to the market (as they may fear failure).	This is relevant to the legislative frameworks in Samoa and Vanuatu. Expanding awareness of the bankruptcy framework would result in informed decisions by women entrepreneurs.
Establish a pilot program to demonstrate the impact of enhanced value chains.	Such a pilot program would provide a precedent for small businesses run by women to negotiate contracts with retail outlets and wholesalers, and could be replicated in future years.	This is relevant not only for individuals but also for associations and cooperatives.

Theme 4: Women's Access to Land

Recommendation	Rationale	Comment
Promote the need to have leases, business assets, and bank accounts in joint names (where relevant).	Although women contribute to businesses, they are not always co-owners of property. Building awareness of the advantages of doing so would assist women's access to business assets and credit, and build their financial history.	This would protect women's rights to matrimonial assets and ensure that they have bank records on asset ownership (necessary for accessing finance).
Work with banks to increase awareness among women of financial products, including savings accounts and insurance products.	This will work to improve women's knowledge of how to use rights to registered land or leases to access financial products that will assist in starting businesses and mitigating risk.	This may be undertaken in partnership with both development banks and commercial banks (e.g., Nationwide Microbank in PNG or the Development Bank of Samoa).
Undertake research on ways to access land that secure women's rights.	<p><i>Making Land Work</i> was undertaken in 2008 and many significant changes to land registration and land use have happened since then.</p> <p>Pacific island governments have explored various ways to utilize land for commercial purposes.</p> <p>Undertaking a renewed study would inform policy makers of new ways forward.</p>	This would be of particular value in PNG, Solomon Islands, and Vanuatu, where governments have indicated commitment to economic growth and utilizing customary land for this purpose. The example of Vanuatu, where women's voices have been incorporated into decisions on land, should be assessed with a view for replication.
Reform inheritance laws.	Customary laws are discriminatory and impinge on women's rights, and debate should continue.	The ultimate aim should be to allow men and women to have equal inheritance rights.

Recommendation	Rationale	Comment
Reform divorce laws.	Only the laws of the Cook Islands and Fiji provide women equal access to marital property upon divorce.	This would promote equality (under formal law) to enable women to have access to marital property and child support.
Promote the need for women to have freehold land in joint names (with their partners).	Joint ownership of land is still not common in many Pacific island countries, and increasing awareness of the advantages of doing so is needed.	This would protect women's rights to matrimonial assets and ensure that they have bank records on asset ownership (necessary for accessing finance).
Increase awareness of the benefits of investing savings in shares.	The finance sector is expanding in the Pacific, with the number of listed companies increasing. Investing in shares has many advantages, including ease of acquisition and disposal, potential to hold assets in one's own name, earning income (with minimal effort) in the form of dividends, and confidentiality of ownership.	Holding shares as assets has many advantages for women. It is particularly relevant in Fiji, where an increasing number of private firms are listed on the stock exchange.

Theme 5: Women's Access to Finance

Recommendation	Rationale	Comment
Support a pilot program using alternative forms of credit assessment.	The current forms of credit assessment emphasize business histories and asset ownership. Alternative forms rely on positive information from repayment of utilities bills and mobile phone usage to assess credit risk. A pilot project that embraces such information would be beneficial to women.	This could be done in partnership with development banks.
Use mobile functionality to increase awareness of diverse financial products, including insurance products and concessional finance programs.	Mobile coverage has wide reach in many Pacific island countries, and using this as a platform for increasing the knowledge and awareness of business women is likely to have success.	These programs could be conducted in partnership with business associations and development banks, which are the central points for such funding.
Increase use of secured transactions frameworks.	The success of secured transactions frameworks requires uptake by multiple financial institutions, and these frameworks must accommodate the use of a range of personal property as security.	Design financial products that will encourage uptake, and work with microfinance institutions to reach more women who run businesses in both the informal economy and the formal economy.
Consider scope for women's businesses obtaining insurance as a collective.	The costs and formalities for obtaining insurance is a deterrent for women. Acquiring such insurance collectively (e.g., through a women's business association) may overcome these hurdles.	Women's associations have greater commercial nuance to engage in negotiations with insurance companies, and bargaining collectively for a group of businesswomen is likely to yield more favorable terms.

Recommendation	Rationale	Comment
Change the information collected by credit bureaus.	The potential for positive assessments to be incorporated into credit histories in credit bureaus will be of benefit to many women, particularly those operating micro enterprises.	Support programs that will incorporate positive assessments.
Support a regulatory framework for digital supply of financial services.	Using mobile technologies to supply financial services overcomes travel and time issues for those living in rural and remote areas. It is occurring quickly in some jurisdictions (e.g., in Fiji and PNG, and slowly elsewhere).	This regulatory framework will need to deal with a variety of issues, including the allocation of risk and the appointment and duties of agents.
Develop frameworks to facilitate alternative sources of finance (e.g., crowdfunding).	Donational funding and equity funding offer promise to women entrepreneurs. However, for this to succeed, confidence in the market needs to be developed, which includes a regulatory framework.	Greater networking of central banks and development banks with regulators in Australia is needed for this to progress and yield significant outcomes.
Introduce secured transactions legislation and registries.	Allowing women to use personal property and movable assets (e.g., invoice financing and long-term contracts) as collateral vastly improves their ability to meet requirements for loans. Legislation has already been introduced in Palau, PNG, Samoa, Solomon Islands, Tonga, and Vanuatu.	Appropriate legislation and registries need to be introduced in Fiji and Kiribati.

Recommendation	Rationale	Comment
Assist development banks to commercialize and articulate their community service obligations (defined as noncommercial, social obligations).	These banks have a mandate to fulfill social goals and have been more likely to assist women. Such goals should be clearly stated and costed to inform policy development.	Fiji is one Pacific island country where its development bank has set aside a specific quota of loans for women in small and medium-sized enterprises, and may be an example of policy that will benefit women and could be replicated.
Ensure that consumer protection frameworks effectively protect women.	Renewed examination of how to protect consumers with vulnerabilities is necessary. Provision of financial services (e.g., insurance, financial advice) have been areas in which fraudulent and misleading conduct has been rife in Australia. As financial markets develop in Pacific island countries, effective laws should be designed to protect women from becoming victims of such conduct.	Examination of consumer protection policies has been taking place in PNG, Samoa, Solomon Islands, and Tonga. This examination should be extended to other Pacific island countries, including Fiji, with a focus on how the laws will impact women.
Design efficient and cost-effective processes for remittance transfers	Women rely significantly on remittances and efforts to improve the cost transfer services should be explored. Development of digital services will assist in transfers.	The example of Fiji, which allows digital transfers (Vodafone), is useful, but the real advantage would be if these funds could be used to pay for services (pay bills, phone top-ups, etc.).
Encourage the collection of gender-disaggregated data in all Pacific island countries.	Having access to such data would enable policy makers to develop policies that benefit both men and women.	The Pacific Financial Inclusion Programme has undertaken a study on financial services (including some gender-disaggregated data) in Fiji, PNG, Samoa, and Solomon Islands.

Theme 6: Dispute Resolution and Enforcing Women's Legal Rights

Recommendation	Rationale	Comment
Advocate for women-friendly institutions.	It is well-documented that women lodge commercial complaints far less regularly than do men (e.g., only 12% of the complaints made to the Fiji Commerce Commission were made by women), and making complaints mechanisms more women-friendly, such as by including women investigators and after-hours consultations, should be explored.	This is relevant to business registries, financial institutions, and customs departments. It also impacts on the ability of women to complain and get redress.
Investigate mediation as an alternative method of dispute resolution.	This dispute resolution method is less expensive and more time-efficient than formal courts, and can include women mediators, which may increase the confidence of women complainants.	Mediation has proven popular with women in Samoa, and this experience may prove relevant to other Pacific island countries. It had limited success in Tonga before being disbanded.
Collaborate with businesses to develop codes of conduct and redress mechanisms.	In Pacific countries where access to courts is difficult and cost of doing so is high, in-house redress mechanisms, contained in codes of conduct, can be effective in resolving business disputes, thereby saving time and expense. Scope for such codes to be women friendly will assist women who run businesses.	These mechanisms could be developed with financial institutions in larger Pacific island economies, such as Fiji, PNG, and Solomon Islands.

Recommendation	Rationale	Comment
Consider the place for small claims tribunals.	Many businesswomen are faced with disputes over relatively small sums of money, and they are put off by the formality and expense of the court system. Such tribunals could operate at village levels and deal with resolving disputes in the informal economy.	This may be particularly suitable in PNG, Samoa, and Tonga. New legislation should ensure that the monetary limit is reasonably high. For example, in Fiji, it is very low and is not of assistance in commercial disputes.
Evaluate the success of past alternative dispute resolution pilot programs.	Carrying out such assessments would provide the opportunity to learn the practices that are best to be replicated as well as avoided. It will assist in the design of new pilot programs.	Tonga and Samoa both had such programs undertaken with the International Finance Corporation in 2010, and may be the appropriate countries in which such an evaluation should begin.

Theme 7: Women's Business Networks and Skills Training

Recommendation	Rationale	Comment
<p>Establish an entrepreneurial hub for women in key Pacific island countries to provide information to women entrepreneurs on how to access skills, finance and markets (See Box 4 on p. 24 for description of an entrepreneurship hub.)</p>	<p>There is a necessity for a centralized service to provide information on finance, skills training, and trade fairs.</p> <p>Such a hub would also direct younger women to the study areas of science, technology, engineering, and mathematics as well as relevant training courses.</p>	<p>The hub would be particularly useful for donors, multilateral institutions, and nongovernment organizations seeking to provide assistance.</p>
<p>Formalize women's business associations.</p>	<p>Many such bodies run informally (e.g., the Women's Chamber of Commerce in PNG). By strengthening such associations, there is potential to engage further with the design of national employment policies and ensure that they take women's needs into account.</p>	
<p>Work with development banks to improve women's access to credit coupled with skills and mentoring.</p>	<p>Providing such technical skills and mentoring with credit will assist in business sustainability and reduce business failure.</p>	<p>A pilot program that includes women, either through mentoring or a quota system, should be attempted. Such programs run by development banks, such as one by the Tonga Development Bank, currently do not specifically target women vanilla growers.</p>

Recommendation	Rationale	Comment
Collaborate with larger businesses to set up mentoring schemes for smaller businesses.	This strategy will assist the growth of micro and small women's businesses while also fulfilling the social business responsibility remit of large companies.	
Expand memberships of business associations to include women in the informal economy.	Usually, women in the informal economy have no voice in policy dialogue and suffer regulatory burdens.	This is particularly relevant in Solomon Islands and Vanuatu.

Theme 8: Women's Access to Trade and Markets

Recommendation	Rationale	Comment
Encourage large businesses to contract with businesses run by women for goods and services.	Such a strategy would provide expanded markets for businesses run by women that operate nationally.	This policy could also be adopted by multilateral bodies and offices of high commissions.
Conduct training courses in labeling and certification.	Many women lack access to information on standards necessary for producing goods intended for export.	The Pacific Islands Private Sector Organisation has been providing such training in Fiji. Partnering with this organization to develop training in other countries should be explored.
Ensure that national trade policies are gender-sensitive.	Women's concerns are often not considered in the design of such policies and, accordingly, they do not assist women in accessing international markets as suppliers or acquirers.	Designing trade policies that consider the impact on women entrepreneurs would provide access to international markets.
Encourage reforms to customs protocols, including simplification and digitalization of processes.	The processes for exporting and importing goods are complex and cumbersome in many Pacific island countries, including Palau and Samoa. This places a burden on women seeking to expand their businesses. Digitalizing port authority processes and simplifying customs are needed.	Such reforms, together with the promotion of certification and training in labeling, would benefit women entrepreneurs.

Recommendation	Rationale	Comment
Partner with companies in Australia seeking to import goods.	Encouraging wholesalers of fresh produce through incentive schemes is necessary to increase access to markets for women in Pacific island countries.	Such partnerships have been formed in coffee, chocolate, and vanilla. However, consideration should be given to encouraging further partnerships and linking these contracts with the secured transactions framework to increase access to finance.
Review the foreign investment regulations of Pacific island countries.	Foreign investment needs to be increased to boost jobs and improve the ability to harness skills in Pacific island countries. Decreasing the regulatory burdens on foreign investors is necessary.	Such investments will increase jobs for women, as well as increase access to new markets and value chains.
Encourage government support for women's businesses through quotas.	Giving preferential treatment, via quotas, to businesses operated by women (in line with government policy) is necessary to expand market opportunities for these businesses.	See Box 2.2, on p. 11.

APPENDIX 2

Constitutional Provisions That Limit Women's Autonomy

Country	Constitution prohibits discrimination on grounds of sex and/or gender?	Constitution recognizes customary law as a source of law?
Cook Islands	Yes	Yes
Federated States of Micronesia	Yes	Yes
Fiji	Yes	No
Kiribati	Partial ^a	Yes
Marshall Islands	Yes	Yes
Palau	Yes	Yes
Papua New Guinea	Partial ^b	Yes
Samoa	Yes	Yes
Solomon Islands	Yes	Yes
Tonga	No	No
Tuvalu	Partial ^c	Yes
Vanuatu	Yes	Yes

^a In Kiribati, every citizen is guaranteed the same rights on the basis of gender. The prohibition on discrimination does not however include sex and/or gender (Constitution of Kiribati 1979, s3, s15).

^b In Papua New Guinea, every citizen is guaranteed the same rights on the basis of gender, but there is no prohibition of discrimination (Constitution of the Independent State of Papua New Guinea 1975, Article 55).

^c In Tuvalu, every citizen is guaranteed fundamental rights and freedoms "whatever his sex." The prohibition on discrimination, however, does not include sex and/or gender (Constitution of Tuvalu 1986, s 11, s 27).

Source: Research by author.

APPENDIX 3

Ratification of Core International Treaties

Country	CEDAW	CRC	ICCPR	ICESCR	CRPD
Cook Islands	Yes	Yes	No	No	Yes
Federated States of Micronesia	Yes	Yes	No	No	No
Fiji	Yes	Yes	No	No	No
Kiribati	Yes	Yes	No	No	Yes
Marshall Islands	Yes	Yes	No	No	Yes
Palau	No	Yes	No	No	Yes
Papua New Guinea	Yes	Yes	Yes	Yes	Yes
Samoa	Yes	Yes	Yes	No	No
Solomon Islands	Yes	Yes	No	Yes	No
Tonga	No	Yes	No	No	No
Tuvalu	Yes	Yes	No	No	Yes
Vanuatu	Yes	Yes	No	No	Yes

CEDAW = Convention on the Elimination of All Forms of Discrimination Against Women

CRPD = Convention on the Rights of Persons with Disabilities

CRC = Convention on the Rights of the Child

ICCPR = International Covenant on Civil and Political Rights

ICESCR = International Covenant on Economic, Social and Cultural Rights

Source: Research by author.

APPENDIX 4

Incidence and Responses to Gender-Based Violence

Country	% incidence of gender-based violence ^a	Legislation introduced	Funding as % of aggregate expenditure
Cook Islands		Yes ^b	
Federated States of Micronesia		Partial ^c	
Fiji	64	Yes	0.1
Kiribati	68	Yes	0.1
Marshall Islands		Yes	
Palau		Yes	
Papua New Guinea	65	Yes	0.02
Samoa	45	Yes	0.3
Solomon Islands	64	Yes	0.05
Tonga	65	Yes	0.1
Tuvalu		Yes	
Vanuatu	60	Yes	0.2

^a Proportion of women aged between 15-49 who have reported physical or sexual violence by an intimate partner.

^b The Family Protection and Support Act 2017 (Cook Islands) contains domestic violence provisions.

^c Kosrae state in the Federated States of Micronesia enacted the Family Protection Act in 2014, but the other three states do not have domestic violence legislation.

Sources: Data collated by author from:

Pacific Community (SPC) National Minimum Development Indicators database. <https://www.spc.int/nmdi/> (accessed 30 Jan 2018).

2016 national budgets of Fiji and Papua New Guinea, and 2015 national budgets of Kiribati, Samoa, Solomon Islands, Tonga and Vanuatu.

Ending Violence Against Women and Girls: Evidence, Data and Knowledge in the Pacific Island Countries. UNIFEM. Suva. 2010.

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Papua New Guinea: Margit Ganster-Breidler. 'Gender-Based Violence and the Impact on Women's Health and Well-Being in Papua New Guinea'. Contemporary PNG Studies: DWU Research Journal, Volume 13. Madang. 2010.

Samoa: Family Health and Safety Study. Secretariat of the Pacific Community. Noumea. 2006.

Solomon Islands: Family Health and Safety Study. Secretariat of the Pacific Community. Noumea. 2009.

Tonga: National Study on Domestic Violence against Women in Tonga 2009. Ma'a Fafine mo e Famili Inc. Nuku'alofa. 2012.

Vanuatu: National Survey on Women's Lives and Family Relationships. Vanuatu Women's Centre. Port Vila. 2011.

APPENDIX 5

Connection between Customary Norms and Access to Business Capital

Country	Do sons and daughters have equal inheritance rights?	Do widows have inheritance rights?	Do women have equal access to marital property upon divorce?
Cook Islands	Yes	Yes	Yes
Federated States of Micronesia	No	Determined by customary law ^a	Partial
Fiji	Partial	Yes	Yes
Kiribati	No	No	No
Marshall Islands	No	Determined by customary law ^a	Partial
Palau	No	Determined by customary law ^a	No.
Papua New Guinea	Partial	Partial	No
Samoa	Partial	Partial	No
Solomon Islands	Partial	Partial	No
Tonga	No	No	Partial
Tuvalu	No	Yes	Partial
Vanuatu	Partial	Partial	No

^a No formal law on inheritance; inheritance is determined by custom, through which the rights of widows vary.

Source: Research by author.

APPENDIX 6

Women's Participation in Informal Sectors (% of total participants)

Country	Full-time homemakers	Subsistence workers	Handicrafts producers
Cook Islands			
Federated States of Micronesia			
Fiji	93	54	91
Kiribati	70	42	76
Marshall Islands			
Palau			
Papua New Guinea	37	67	
Samoa	68	46	52 ^a
Solomon Islands	38	49	64
Tonga	74	41	75
Tuvalu			
Vanuatu	84	48	

^a Categorized in the Census 2011 as "making goods for sale," so broader than just handicrafts.

Sources: Cook Islands Census 2011; Fiji Census 2011; Kiribati Census 2010; Papua New Guinea 2011 Census; Samoa 2011 Census; Solomon Islands 2009 Census; Tonga 2011 Census; Vanuatu Census 2009.

APPENDIX 7

Women's Participation in Formal Labor Force (% of total participants)

Country	Formal labor force participation by women
Cook Islands	53 (2011, 15 years and over)
Federated States of Micronesia	38 (2010)
Fiji	34
Kiribati	44
Marshall Islands	37 (2011)
Palau	39 (2005)
Papua New Guinea	50
Samoa	29
Solomon Islands	46
Tonga	41
Tuvalu	44 (2012)
Vanuatu	43

Sources: Pacific Community (SPC), National Minimum Development Indicators (NMDI) database (accessed December 2015).

NMDI source references: Fiji 2007 Labour Force Report; Kiribati 2010 Census; Papua New Guinea 2011 Census; Samoa 2011 Census; Solomon Islands 2009 Census; Tonga 2011 Census; Vanuatu 2009 Census, Labor Market Statistics; Federated States of Micronesia 2010 Census; Marshall Islands 2011 Census; Tuvalu 2010 Census, Office of Planning and Statistics 2005.

Also see: Asian Development Bank, Gender Statistics (2016).

APPENDIX 8

Sexual Discrimination Protection in Formal Employment Legislation

Country	Maternity leave provisions	Sexual harassment prohibition
Cook Islands	Yes	Yes
Federated States of Micronesia	No	No
Fiji	Yes	Yes
Kiribati	No	No
Marshall Islands	No	No
Palau	No	No
Papua New Guinea	Partial ^a	No
Samoa	Yes	No
Solomon Islands	Yes	No
Tonga	Partial ^b	No
Tuvalu	Yes	No
Vanuatu	Yes	No

^a In Papua New Guinea, public service employees are entitled to 6 weeks maternity leave. However, there are no maternity leave provisions for employees in the private sector.

^b In Tonga, public service employees are entitled to 3 weeks maternity leave. However, there are no maternity leave provisions for employees in the private sector.

Source: Research by author.

APPENDIX 9

Women on Boards of State-Owned Enterprises

Country	Total SOE boards	SOEs with women on boards	Percentage of SOEs with women on boards	Total number of board members	Total number of women on boards (% of total board members)
Cook Islands	5	2	40	30	6 (20)
Fiji	19	11	58		9
Nauru	9	7	78	43	14 (33)
Niue	4	4	100	20	9 (45)
Palau	6	5	83	36	7 (19)
Papua New Guinea	11	6	55	70	7 (10)
Marshall Islands	11	9	82		
Samoa	12	8	67	84	16 (19)
Solomon Islands	8	6	75	54	8 (15)
Tonga	15	6	40	71	9 (13)
Tuvalu	5	2	40	26	4 (15)
Vanuatu	15	5	33	84	7 (8)

SOE = state-owned enterprise.

Source: Pacific Islands Forum Secretariat. Report on the Survey of Women's Representation on SOE Boards in Forum Island Countries. 2015.

Women and Business in the Pacific

This book provides a current and comprehensive analysis of the context in which Pacific women engage in the private sector, as well as a detailed list of strategies to increase their participation in business. Drawing on research and data from seven Pacific countries, it offers a diversity of innovative and pragmatic ways to empower women and enhance their economic opportunities.

Jointly undertaken by the Asian Development Bank's Pacific Private Sector Development Initiative and the Government of Australia, this study is valuable for anyone seeking to support Pacific women and contribute to entrepreneurship, business development, and private sector growth.

About the Asian Development Bank

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 67 members—48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

About the Pacific Private Sector Development Initiative

PSDI is a technical assistance program undertaken in partnership with the Government of Australia, the Government of New Zealand, and the Asian Development Bank. PSDI supports ADB's 14 Pacific developing member countries to improve the enabling environment for business and to support inclusive, private sector-led economic growth. The support of the Australian and New Zealand governments and ADB has enabled PSDI to operate in the region for 11 years and assist with more than 300 reforms.

The logo for the Asian Development Bank (ADB), consisting of the letters 'ADB' in white serif font on a dark blue square background.

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