

# business as usual

by Pinky Aragon Choudhury

NOT

A market-driven economy does not guarantee equitable development. Yet, it is estimated that by the year 2000—four short years from today—more than 90 percent of the world's population will live in countries strongly connected to the market-driven, cut-throat competitive world economy. Will the poor women of the Pacific Rim benefit from open trade, from investments and from the economic and technical cooperation being promoted by the 18 member economies of APEC (Asia-Pacific Economic Cooperation)?

Bob Hawke, then Prime Minister of Australia, introduced the concept of Asia-Pacific Economic Cooperation in 1989. His idea was an informal forum where the agenda is defined by a process of consultation among the countries of the region and not by treaties and formal agreements. This is why the terms “state” and “government” are never used in any of APEC's official literature.

APEC includes Australia, Brunei Darussalam, Canada, Chile, People's Republic of China, Hong Kong, Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, Chinese Taipei, Thailand

and the United States of America. APEC's 18 members account for 56 percent of the world's Gross Domestic Product and represent 46 percent of the world's merchandise exports. APEC economies account for 30 percent of the world's land area and nearly half of the world's population.

## SMEs

High up on APEC's agenda is the development of small and medium enterprises (SMEs). SMEs have material assets that range from US\$57,000 to \$750,000. A survey of the APEC secretariat in 1994 shows that SMEs comprise over 95 percent of all enterprises and 32 to 48 percent of employment in the APEC community. APEC's Third Small and Medium Enterprise Ministerial Meeting held in Cebu City, Philippines, 5 to 6 September this year hailed SMEs enormous contributions to the APEC economies as sources of growth, employment, income, trade innovation, entrepreneurship, and opportunity for people.

## RUN BY WOMEN

Along with early female education, women's increased participation in entrepreneurship was singled out by APEC heads of state as one of the key factors for higher sustained economic growth and steadily-reduced pov-

erty. Studies show that women are in SMEs as entrepreneurs, managers, officers and laborers. That women work in SMEs and that the number of women-controlled business is on the rise are facts “consistent in both developed and developing countries.”

Recognizing this and the fact that APEC is unstoppable, 63 women leaders gathered to launch a network that means to press for the inclusion of gender concerns in the action agenda of APEC leaders meeting in the Philippines in November. “We accept it [globalization] and face the challenge of protecting the women who will be badly hit by a market-driven economy,” said Aida Gordon, president of her own food processing company and until her retirement, the most senior woman executive of San Miguel Corporation, one of the Philippines largest private business groups. Gordon, like most of her group, is comfortable with globalization.

Andrina Lever, managing director of Expansion International Advisory, not only accepts globalization; she is excited by it. “In developing countries and countries in the ASEAN (Association of Southeast Asian Nations) region that are experiencing explosive economic growth, the sheer number of





APEC's senior women leaders smile and pose for posterity. They're not the ones to suffer the evils of trade liberalization.

opportunities and the demand for a larger work force are creating opportunities for women in business that were never available before. Throughout Southeast Asia, entrepreneurship has become a very important occupation for women. Entrepreneurship is on the rise."

### OPPOSITION

As the well-dressed and well-heeled women of the newly launched network held a press conference inside the posh Diamond Hotel, sweating and shouting women workers picketed outside. Members of the Philippine Kilusang Manggagawang Kababaihan (KMK), or the Movement of Women Workers, protested what they called the conference's cosmetization of APEC. The women inside, they said, were merely "pushing for safety nets." They, in contrast, are questioning the very framework of APEC itself.

"Globalization, for which APEC was established, is depriving women of their lands, homes and jobs." Nanette Miranda, a

former industrial worker and now KMK secretary-general says that in the Philippines, "labor flexibilization schemes, sanctioned by the state through anti-labor laws, enable capitalists to hire and dismiss women workers as they please. This has not only worsened job insecurity for women who are employed but has also meant women's actual loss of jobs. Those who manage to remain in their jobs continuously suffer violations of their basic rights."

Precision Garments is a recent example. Using laws that are overly friendly to capitalists but inherently hostile to workers, Precision was able to wiggle its way out of its responsibility and commitment to its women workers simply by changing its name. This, despite the sacrifices of the women which included the arrest of 17 workers last September 1996 for striking against low wages and management violations of provisions of their collective bargaining agreement.

Miranda adds that because of these, there is great "cost in terms of emotional, mental and physi-

cal stress on women."

Criticizing the government of Fidel Ramos, who has reaped credits for the country's more than seven percent economic growth, Liza Maza said that the Ramos government has done nothing by way of critical reforms or instituting policies to solve women's poverty and gender inequality. Instead, it merely puts "forward palliative measures" meant to delude people into believing that it is possible to soften the impact of globalization and trade liberalization on impoverished and working women everywhere.

Dr. Martha Tilaar, founder, president and director of Indonesia's leading conglomerate of cosmetic and herbal products companies, is concerned about women's unpaid labor. She reports that Indonesian village women are 40.11 to 43.94 percent more likely to *have* to work in family industries than their urban counterparts. "One-third of the labour in small family industries [in Indonesia] are women who are mostly members of the family. The percentage of women who do



not get paid for their labour is higher than those who do.”

Tilaar also points out that the low education of many household entrepreneurs will have an effect on the “kind of technology being used and the obstacles this brings to the quality and marketing of products produced in villages.”

Thailand, where SMEs in export sector are also mostly women, “female workers in SMEs (in both the formal and informal sectors) can lose their jobs because SMEs lose out to multinationals which have much greater capital, employ high technology, have better management systems and marketing skills, and which can produce the same products at lower costs,” says Dr. Yada Praparapun of the Bangkok-based Ramkhamhaeng University. Because these women usually have low skills and fewer opportunities than males to enter training and retraining programs, the women are the first to lose out when SMEs close shop or relocate to a neighboring country in search of cheaper labor. The same thing happens when SMEs start operating as sub-contractors and as informal businesses.

Older female workers, despite having greater experience, are the first to be replaced because of their declining physical ability. Of course, “they will find it very difficult to find a new job. In fact, these older women may end up permanently unemployed,” says Praparapun.

Remedios Ignacio-Rikken, national coordinator of the non-governmental organization PILIPINA (National Organization of Filipino Women), singles out the issue of poverty. Many village women simply have no savings that would make them eligible to join loan-giving societies in the first place. Rikken was formerly the executive director of the Na-

tional Commission on the Role of Filipino Women (NCRFW) where she helped implement the Loan Revolving and Capability-Building Fund for Poor Women.

“It was here where we saw the effectiveness of NGOs to reach the poor, especially the women among them,” she says. NGOs are particularly effective, Rikken adds, if these groups have overhead support to continue training women until they could be integrated into normal cooperative processes.

Yet, Rikken warns that semi-literate and illiterate women must also be strengthened in their personal skills and awareness of their rights. Women are often familiar only with their own limited market and do not have the capacity to assess product development needs in response to changing demands or opportunities outside this market. “Even if poor women may receive skills and management training and have access to credit from NGOs, they have very little idea of business planning and bookkeeping to manage an enterprise on their own.” The result is unanticipated loss of income.

### **EVEN THE MONEYED**

Though their problems will be different from the workers, women capitalists will have to contend with difficulties too. Lever believes that the challenges faced by women in SMEs are the same as those faced by any small- or medium-sized business owner. But she concedes that the challenges are often greater, simply because they are women.

“Women,” Lever says, “face difficulties in access to capital, being taken seriously, balancing family life with working life, maintaining growth and competitiveness, responding to the need to create wealth and a company of value which will contribute to

their retirement, and confidence to do business internationally or to expand beyond a comfortable size, geographical area or into new business ventures.”

The premise and promise of APEC is that market-driven prosperity will bring about economic growth, and that trade and investment liberalization will release the creative energies of economies and consequently generate jobs and wealth. But there is a flipside to this picture of bliss being painted by the movers of APEC, a flipside admitted even by those who agree with globalization.

Market-oriented development brings about not only gender-differentiated development; it also affects different women differently. Benefits will accrue to groups and sectors already competitive—those already in possession of resources. Dr. Patricia Licuanan, chair of the Main Committee of the 1995 United Nations Fourth World Conference on Women, underscores the absence of any guarantee from the market economy that there will be equitable development. For APEC to benefit various groups, including women in poverty, governments will have to step in and implement commitments they made in Beijing. ☺

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