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WOMEN IN BUSINESS IN FIJI **Key findings from the December 2007 scoping mission**

INTRODUCTION

This report is based on an AusAID study to Fiji in December 2008 which served to profile women's businesses for an upcoming regional publication and broadly explore issues for female entrepreneurs. This report summarises the main findings of the study and makes recommendations for donors, Government and Non-Government Organisations (NGOs) to consider.

KEY FINDINGS

Fiji has made commendable progress in creating a legislative framework that supports women's rights. The Fiji Government's Strategic Development Plan 2008–2011 states the commitment to '... enable women to participate fully in the socio-economic development of the country.'¹ The Women's Plan of Action has several aims, including to 'review laws that are disadvantageous to women' and 'allocate additional resources to develop women's micro-enterprises and encourage financial institutions to review lending policies to disadvantaged women and young women who lack traditional sources of collateral.'

The current political turmoil in Fiji has brought uncertainty to previous government commitments and policies on gender issues and has affected women's businesses in Fiji. Many women entrepreneurs interviewed report they are affected by political developments emotionally as well as in business. Several were facing bankruptcy and business closure. Their experiences in running businesses would indicate that the positive global assessments on the ease of doing business in Fiji may not realistically reflect reality for women.

Government efforts to assist women in business have been limited and largely restricted to microfinance. In its Plan of Action, the Ministry for Women, Social Welfare and Housing identifies activities to increase women's access to finance and address legal barriers to women's participation in the economy, although the focus is on women at the microenterprise level, rather than on larger businesses owned by women that have significant job-creation potential.

Women, especially those in the private sector, still remain a largely untapped resource in Fiji's economy. The economy appears to have contracted in 2007 by around 4 per cent, compared to real Gross Domestic Product growth of 3.6 per cent in 2006. The modest recovery forecast for 2008 is expected to come from the services sector (where women's businesses predominate). The Strategic Development Plan goal to reduce poverty by five per cent annually has not yet been met. Indeed, by most accounts, poverty in Fiji is increasing.² Enabling women to play a larger role in the economy might improve the country's economic performance.

Women's economic potential remains under-used. According to data from the 2004–05 Employment and Unemployment Survey, women make up only 31 per cent of the economically active population

¹ Strategic Development Plan 2008–2011, Ministry of Finance and National Planning, November 2006. See section on Gender Equality and Women in Development, pp. 27–29. This plan has not received official status and may not reflect the strategic directions and priorities of the interim Government.

² World Vision 2006, 'How are the neighbours?'; United Nations Economic and Social Commission for Asia and the Pacific/United Nations Development Programme/Asian Development Bank (ADB) 2007, The Millennium Development Goals: Progress in Asia and the Pacific.

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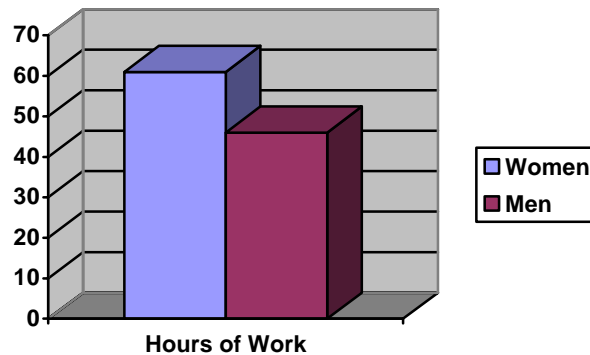
in Fiji, and their formal unemployment rates are higher than men's (6.5 per cent versus 3.5 per cent)³. Women who work have higher qualifications than their male counterparts—among wage earners, a significantly higher

28 per cent of females had attained senior secondary compared to only 18 per cent of males, while 17 per cent of males had no schooling, compared to 8 per cent of females. Although the income gap has decreased over the last decade, women still earn, on average, 19 per cent less than men.⁴

Interestingly, women with certificates and diplomas earn slightly more than men (on average 3 per cent), indicating the obvious benefits to women of obtaining a degree.⁵

With household work, women work, on average, 31 per cent more hours per week than men (Figure 1), though this includes unpaid household work.

Figure 1 Average hours of total work per week by the economically active population (including household work)



Source: Narsey (2007)

A number of measures seek to address issues facing women in the labour force. The Employment Relations Bill, for example, provides for equal opportunities in employment by prohibiting discrimination and ensuring equal rates of pay for work of equal value. Still, apart from receiving lower average salaries, women are less likely to be in senior level positions. Women make up 46 per cent of those employed in the public service. Of this, only 14 per cent are at the senior executive level and 13 per cent at the Deputy Secretary level. Only 8 per cent (3 out of 23) are Chief Executive Officers at the helm of the public service.⁶ Women are also underrepresented on key private sector bodies that lobby to Government, making it less likely that issues affecting their businesses will be brought to the table.

The Government also requires employers to ensure measures are taken to eliminate sexual harassment in the workplace. Despite this, sexual harassment remains—a survey by the Fiji Women's

³ Narsey, W 2007. *Gender Issues in Employment, Unemployment and Incomes in Fiji* : (based on the 2004-05 employment and unemployment survey) Suva, Fiji: Vanuavou Publications. Funded by AusAID.

⁴ One reason for this figure is that men hold second and third jobs. Due to unpaid household work, women do not have the time for additional paid work.

⁵ Narsey, W 2007. 'Gender Issues in Employment, Unemployment and Incomes in Fiji', Suva, Fiji., Vanuavou Publications.

⁶ Government of Fiji, March 2005, Statement of Minister at the United Nations. Recent reports suggest this figure has decreased further since the coup.

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Rights Movement, for example, found that 33 per cent of women workers reported sexual harassment and 77 per cent of these never made a formal complaint.⁷

Also, Government policy requires that 50 per cent of those serving on boards of state-owned enterprises and public bodies and commissions should be women, a goal that has never been met. While this figure had reached 23 per cent in 2005, the Ministry for Women, Social Welfare and Housing noted it was closer to 13 per cent at the time of interview. The Ministry, and some women interviewed, indicated this is because not enough women are put forward by Government and also because women are less willing to serve on such boards since the coup.⁸ While it is likely that some men are also reluctant to serve on such boards, time did not permit a comparative assessment.

Fiji has only 19 per cent of registered businesses in women's names. Female businesses tend to be smaller younger, are less likely to export, have lower revenues and are more likely to be sole proprietors rather than limited liability companies (Table 1). They are overrepresented in hotels and private education sectors, and underrepresented in organisations with mixed and Indo-Fijian origins.⁹ There is no recent data on informal sector activity, but one estimate notes that women make up 36 per cent of those engaged in informal sector activities.¹⁰

Table 1 Company legal structure in Fiji

	Total (%)	Male (%)	Female (%)
Sole proprietorship	38	35	52
Limited liability	51	55	34
Partnership	8	7	12
Joint venture	1	1	0
Other	1	1	2

Source: Based on International Finance Corporation (IFC) – Pacific Enterprise Development Facility (PEDF) small to medium enterprise (SME) Business Survey Fiji 2003, sex-disaggregated data provided by Tebbutt Research.

The country's political situation in light of the 2006 coup has had effected the economy as a whole, in particular many women-owned businesses. A large share of these businesses is in tourism and services, and these have been affected by the drop in tourist numbers resulting from the coup. Not only has overall tourist numbers dropped, but many remaining tourists have been using tour packages and large resorts and, in doing so, are bypassing the smaller businesses in which women predominate (such as hostels, backpacker inns and associated businesses). Women also report increased difficulty in obtaining needed government permits and licenses, and in dealing with Government generally. Some were outspoken against recent government changes and said they faced harassment, including even brief imprisonment for one woman entrepreneur. They also mentioned corruption as an issue.

⁷ Cited in: ADB 2006, 'Country Gender Assessment: Republic of the Fiji Islands', Pacific Regional Department and Regional and Sustainable Development Department, Philippines.

⁸ Interview with Ms Litia Mawi, Permanent Secretary at the Ministry for Women, Social Welfare and Housing. *Fiji Times* Online 2006, 'Women not on equal terms.' March 9. Available online: <http://pacific-womens-bureau.blogspot.com/2006/03/women-not-on-equal-terms-fiji-times.html>

⁹ IFC – PEDF SME Business Survey Fiji 2003. The IFC's SME Survey included 301 respondents (58 female), whose businesses focused on manufacturing, services and trade. While this data is not representative, it provides useful information on the trends and challenges facing women's businesses in Fiji.

¹⁰ Booth 1999, quoted in: ADB. 2006, 'Country Gender Assessment: Republic of the Fiji Islands.' Pacific Regional Department and Regional and Sustainable Development Department, Philippines.

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While there has been an increase in women receiving microfinance loans, gaps in financing remain for women at the small and medium enterprise level. A number of microfinance organisations are successfully reaching women microentrepreneurs in Fiji by providing loans and associated basic training. The ANZ Bank, for example, has a rural banking program which reaches out to disadvantaged groups in remote areas through mobile banking. Some of these programs are government-run or funded, such as the National Centre for Small and Micro Enterprises (NCSMED) – Fiji Council of Social Services (about 80 per cent of clients are female) or the Women’s Social and Economic Development Program, run by the Ministry for Women, Social Welfare and Housing, which offers below-market interest rates and training for women, has an 80 per cent repayment rate, and is not yet sustainable without government support. However, the latest government budget includes a 50 per cent cut for microfinance, which will effect operations since microfinance providers are already competing for the limited government and donor resources available.

The IFC’s SME survey found access to finance was not a high priority among businesses surveyed, yet interviews with women entrepreneurs highlighted this as a key issue. Sex-disaggregated information on women’s access to bank loans is lacking as is lack of collateral (some women said they are asked by banks to bring a male guarantor when applying for a loan). Women entrepreneurs also face challenges when dealing with bank officials for financing. Those with personal or family connections to bank staff have better chances of securing financing than those without such connections. Fiji has a credit reference Data Bureau although it has found it difficult to convince companies to become members and share credit information that could ultimately help women with good repayment records.¹¹ The UNDP Pacific Center has planned to conduct a financial sector survey which will shed light on this issue, especially if gender data is gathered and analysed.

Banks, both Pacific-based and foreign, do not seem to have not made systemic inroads into the women’s market in Fiji. Women of all nationalities reported difficulties in when dealing with banks. Several said they experience discrimination by managers of Australian banks in Fiji, in contrast to their experiences with these same banks in Australia. They reported difficulty in opening bank accounts without their husbands, felt unwelcome by bank staff and were not taken seriously as customers. While Westpac puts on its annual Women in Business awards, which are much appreciated in the women’s business community, no commercial banks seem to focus on or reach out to the women’s market—there is potential to service this market. Establishing a stronger focus on women entrepreneurs through a targeted program of lending and providing service would help remedy the problems women report with accessing bank financing beyond the microenterprise level.

Lack of land rights may contribute to women’s poor access to finance. Few ethnic Fijians of either sex own land in their own right, but women from most parts of the island are excluded from inheritance rights in customary land, and usually do not receive land rents. Land inheritance tends to be from father to son. In most cases, leases are issued to men as heads of household or as registered farmers or business proprietors. Many women interviewed note more generally problems with acquiring land, either for personal or business use, and with disputes over land titles.

Even though Fiji ranks quite well, at 39 out of 181 countries, and compares well to its regional neighbors in the World Bank Doing Business report, women interviewed paint a more detailed picture of the challenges they face in running businesses. Fiji slipped in the Doing Business rankings throughout 2007, due to a limited number of reforms in the country. In the

¹¹ Interview with Jinita Prasad, Chief Executive Officer of the Stock Exchange.

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previous year Fiji registered one reform in the area of ‘enforcing contracts’ but its regional neighbors have done little else in this area. The Doing Business report suggests that in Fiji these areas need to be improved: trading across borders (rank 111); closing a business (rank 114); and registering property (rank 77).

The obstacles women face include starting a business, securing licenses and dealing with associated infrastructure. Problems encountered include lengthy processing times, inexplicably ‘lost’ files, changes in rules and changes in responsible agencies. One businesswoman echoed the views of many when she described dealing with the bureaucracy when starting a business: ‘Every day we banged on people’s doors and followed up. It took a really long time and the rules kept changing.’ While many challenges faced by women would equally apply to male entrepreneurs, women’s ability to negotiate more favorable outcomes is more limited, including by their lower social status.

Figure 2 The rank of Pacific Island countries for the Ease of Doing Business indicator in the World Bank Doing Business Report



Source: World Bank. *Doing Business in 2008*. Washington, DC.

Women report that numerous requirements and government delays in administrative processing intimidate and discourage them, and have often resulted in business losses. For example, recent changes to the Foreign Investment Act have impacted on women negatively through its restricted list of activities for foreign businesses. A foreign investor is restricted to certain areas of business, such as tourism, and needs a certain level of capital, local partnerships, etc. This affects women because a large share of local women’s businesses are led by expatriate women (who will now have a harder time meeting the new requirements), but also because by discouraging foreign investment in tourism, women who predominate in the industry as employees are negatively impacted.

Poor information and telecommunications infrastructure, including access to the Internet, isolates women. These are significant barriers to doing business, especially for women on remote islands and in far-off communities where these services either do not exist or are not always reliable. It also often deters potential visitors from visiting these areas and means business people must travel to Suva to conduct many transactions such as obtaining licenses and making routine payments. Poor infrastructure in these areas also keeps many businesswomen marginalised and unable to establish positive networks with other women in business.

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Restricted access to justice means women's grievances are less likely to be heard and addressed. Women are underrepresented among officers of the law, making up only 17.6 per cent.¹² Women lawyers interviewed also note that many women in Fiji do not understand their rights and lack the confidence (as well as the funds) to seek legal opinions.

A more detailed analysis of the legal and regulatory challenges facing women in business, as well as a review of relevant legislation and regulations that impact on them, would improve understanding and help address these issues. These could be conducted in collaboration with a local women's advocacy or a lawyers' organisation. Officials from the Ministry for Women, Social Welfare and Housing as well as women's NGOs strongly support such work.

The largely traditional view of a woman's place in society and cultural norms are also significant barriers for women entrepreneurs and women managers of companies. A number of women interviewed noted this as a significant constraint, including not being taken seriously as a businesswoman. According to one woman: 'It's a lot worse for women. If you are a woman in this country trying to do business, it's almost impossible.' Providing positive role models of businesswomen and mentoring among women in business, as well as between established businesswomen and young girls, can be an initial positive step. A large number of women interviewed wished for more such efforts.

Poor access to knowledge on business success is another barrier. Fiji has closed the education gap at the secondary level, where girls now outperform boys (Table 2). The number of males with certificates, diplomas and degrees, however, slightly outnumbers females.

Some microfinance institutions run training programs providing basic business and finance skills for women, although they focus on the small to micro enterprise sector. The 2003 IFC SME survey did not indicate a large difference in training usage by women and men. Interestingly, however, it did indicate that women are much less interested in training on financial management, accounting and taxation than men (69 per cent of males versus 55 per cent of females indicated interest in purchasing this type of training). While the Secretariat of the Pacific Community funds a Community Education Training Center in Suva that offers a short business course, more assistance is needed to promote positive role models and woman-friendly business training. Establishing a women's business network to mentor newer entrepreneurs and offer support to experienced entrepreneurs would also be an advantage.

Many women, particularly in the handicrafts industry, lack much-needed knowledge of product development, pricing, how to best tailor their products to compete with Asian imports, and how to successfully reach the export market. There is potential for women to earn

Table 2 Highest education attainment (by gender)

Highest education	Vert ? %		% (female to male)
	Female	Male	
A No schooling	13	12	8
B Primary (C1 to C7)	26	29	- 8
C Junior Sec (F2 to F4)	40	39	1
D Senior secondary	14	12	17
E Certificate or diploma	6	7	-11
F Degree/PG	1	1	-14
Total	100	100	0

Source: Narsey 2007.

¹² 5th Pacific Islands Chief of Police Women's Advisory Network Conference: *Future Directions of Women in Policing* 1 to 2 July 2008. Conference report.

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more money in the handicrafts industry who use traditional materials to make mats, baskets, bark cloth, and other traditional handicrafts for sale, if they receive some product development advice. However, their products remain primitive and poorly developed, and they have not been able to compete with the cheaper and better-made Asian products sold to tourists. The protection of intellectual property rights is therefore a challenge, as products based on traditional Fijian knowledge and skills are being manufactured in, and sold by, other countries. The opportunity exists to strengthen women's local products, to help broaden their appeal to tourists and better reach international markets. Programs that train women on related issues such as pricing, product design and marketing would have significant value for women in this industry, as many interviewed agreed. There is also a need to analyse issues relating to the value-chain—for example, poor transport and infrastructure, limited communications, remoteness and quarantine regulations—to enable women to handle the broader issues that impact on handicrafts and other industries in Fiji.

Recent job losses in the garment/footwear industries have disproportionately affected women. A survey by the Ministry of Industry and Industrial Relations concluded that the garment industry employed 10 105 workers, of which 75 per cent were women.¹³ The number employed has shrunk to between 4500 and 5000 today, resulting in significant job losses for women.¹⁴ Despite this, a garment factory supervisor interviewed said there were no responses to a recent newspaper ad for jobs in the industry. Work in the garment industry is considered an undesirable occupation, which many women increasingly shun. The AusAID-funded textile, clothing and footwear Productivity Support Program seeks to address some of the issues causing this, such as morale and productivity, and an initial factory visit indicated high satisfaction and increased productivity as a result of the program.

A number of good civil society organisations (CSOs) are advocating for women's issues in general, but women in business are less well organised. Business association membership is low across the region, especially with women. The Women in Business NGO brings together more than 100 women in business for monthly networking lunches and cocktails. However, its reach is limited mainly to Suva and it does not yet offer a wider range of services for its members. Women in Business wants to expand its services by establishing a resource center for members that would include legal advice, mentoring and training. It is seeking funding from, among others, the Economic Union (EU) for doing so. Many women interviewed expressed high interest in and the need for stronger networking and exchanging of experiences.

A number of donors actively support gender issues in Fiji, but do not necessarily target women in business. The EU, through a private sector development component of its grant program, has funded some related gender work, such as a beauty skills training program by the National Council of Women. The ADB has also commissioned a review of laws and legislation affecting women, with associated advocacy activities, and recently completed a Country Gender Assessment. The Fiji Women's Rights Movement was contracted to conduct promotional activities on the Family Law Act, the draft industrial relations bill and anti-sexual harassment policies. The United Nations Development Fund for Women is planning on a regional Gender, Economic Security and Rights Program, which would include strengthening women's economic capacity as entrepreneurs, the legal and regulatory environments for women's equal ownership and access to economic resources. A strategic approach to supporting gender and private sector development (PSD) issues in Fiji, through interrelated activities, is detailed in the recommendations section.

¹³ Chandra and Lewai 2005.

¹⁴ Interview with Peter Bennett, Team Leader of the AusAID-funded textile, clothing and footwear Productivity Support Program.

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Noting stagnant growth performance, the World Bank strategy for the region focuses on ‘creating an environment conducive to fueling sustainable economic growth and job creation’ (Regional Engagement Framework FY 2006–2009 for Pacific Islands). The regional framework emphasises building government capabilities for service delivery by improving public expenditures in key areas and improving incentives for private sector-led job creation. Within this context, while the strategy does not refer to gender, focusing on gender issues is relevant and fitting, given its potential to contribute to economic growth and private sector development.

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RECOMMENDATIONS
(Sections highlighted are highly recommended)

Issue	Recommendation	Estimated budget (USD)	Comments
<p>Legal and regulatory issues</p> <p>There is a lack of knowledge on specific legal and regulatory barriers facing women in business. More detailed analysis of these issues is needed, including a review of relevant legislation and regulations that impact on women in business—to increase understanding and help design appropriate interventions.</p> <p>The Equal Employment Policy has not translated into practice. Women are still paid less than men and under-represented in key senior positions. The target of having 50 per cent of women on boards is far from being reached.</p>	<p>Carry out detailed analysis of the legal and regulatory obstacles women face in participating in the private sector. This should include training on advocacy, media and public-private dialogue and developing plans for engaging on the report’s key recommendations (in partnership with relevant local organisations).</p> <p>Improve dissemination of information on worker’s rights Work with the Ministry of Women to compile a list of women who can be nominated to boards. Ensure gender and PSD issues are on the agenda of policy makers. Ensure that future PSD activities undertaken by donors account for the challenges women in the private sector face.</p>	<p>(ca. 200K for gender and growth assessment (1 year) plus 200K for follow-up work (1 to 2 years), and \$50 000 for training.</p> <p>Part of ongoing programming budgets.</p>	<p>This would include costs of publishing the report. Full costs of follow-up activities would be determined during the report assessment stage. Current advice is to wait for the political situation to stabilise before undertaking this.</p>

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<p>Access to markets</p> <p>Many women, particularly in the handicrafts industry, lack much-needed knowledge of product development and pricing, as well as how to best tailor their products to compete with Asian imports and successfully reach the export market.</p>	<p>Provide access to training for women in the handicrafts industry, to help improve competitiveness. This could entail training on product design and quality, marketing, pricing, and linkages with potential international buyers.</p>	<p>\$50 000 for initial scoping mission and training. Up to \$250 000 for follow-up programs</p>	<p>The cost of the full program would depend on the consultant's initial assessment and recommendations for future actions.</p>
<p>Access to finance</p> <p>While a number of microfinance organisations have reached out to women in micro subbusinesses, women at the SME level still struggle with obtaining the finance they need for their business success.</p> <p>Though many women in business report lack of access to finance as a top priority, data on women's access to finance at the SME level is lacking.</p>	<p>Strengthen women's access to finance beyond microfinance by encouraging commercial banks to strengthen their focus on women SMEs.</p> <p>Carry out the regional financial-sector exclusion study. Once findings are available, disseminate the findings, in particular to commercial banks, to increase awareness about women's access to finance and their potential for securing finance.</p> <p>Sex-disaggregate data and analyse it for the impact on financial literacy and rural banking on rural households.</p>	<p>To be determined</p> <p>Funding for dissemination activities, such as workshops.</p>	<p>Survey already planned, so funding would be only to disseminate findings and analyse sex-disaggregated data.</p>
<p>Women's advocacy and women's associations</p> <p>A number of CSOs advocate for women's issues in general, but women in business are less well organised. They need more positive role models,</p>	<p>Support the Women in Business NGO or another similar women's business association. Funding would be for association strengthening, as well as study tours and sharing</p>	<p>\$50 000 to \$100 000</p>	<p>Study tours can be organised with individual organisations or women..</p>

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especially to help them deal with traditional cultural views in Fijian society.	of experience (for example, through the Australian Businesswomen's Network), and building of resources (for example, legal advice, databases of women in business, and training).		For a pilot project that could be handled by a technical college, training center and the Women in Business NGO. This would include publishing and disseminating costs as well as two consultant visits.
	Help support mentoring between women entrepreneurs and between young female students and established women's businesses.	\$30 000	
	Promote positive role models by publishing and widely disseminating a report on women in business.	\$30 000	