

Starting Paper

Women and Economy

workshop

**Socio-economy of Solidarity Workgroup of
the Alliance for a Responsible, Plural and United World**

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Prepared by Cécile Sabourin

(assisted by founding members of the working group)

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Cécile Sabourin

Professor, Département des Sciences sociales et de la santé, Université du Québec in Abitibi-Témiscamingue (UQAT)

Fax: 819-797-2727

E-mail: Cecile.Sabourin@uqat.quebec.ca

Foreword

Many individuals' work and thinking have led us to the point where today we propose to examine the economy explicitly from the perspective of women's participation. While the process aims to be open and constructive in its overall goal of transformation, we can expect that the examination of women's status in the conception of economic theory and in economic life will not go without resistance.

Many writings were of great assistance in the preparation of this document. I thank all those who have contributed; they will recognize elements of their thinking and analysis in what follows.

Introduction

The Working Group on Women and the Economy emerged out of a number of initiatives. In the second issue *Caravan*, newsletter of the Alliance for a Responsible and United World, Cécile Sabourin, ally and professor at the Université du Québec in Abitibi-Témiscamingue, opened the discussion on women and the solidarity economy.¹ Her concern was echoed in the project then underway by ADSP,² who, with Francophone and European partners, were planning a meeting to be held in 1999 on the roles and status of women in the solidarity economy.

In broader terms, this initiative springs from the desire expressed by many allies at the international meeting held in Bertioiga in 1997,³ to address the status of women in globalization as an essential aspect of building a sustainable alliance at the global level. It also follows the international seminar on the social economy held in Montreal, in June 1995⁴ and the symposium Globalización de la solidaridad,⁵ held in Lima, in July 1997.

Drawing on these events, the next pages propose an analysis of the issues concerning women's role in the economy and how women's initiatives and work can be seen in light of some of the socio-economic challenges before us, in particular those being addressed in the work of the Alliance's Workshop on the Socio-economy of Solidarity. As a partial presentation of the challenge of taking women's specific experience into account, these elements of reflection are an initial contribution by the theme group that is in formation.

Recognizing women's contribution to the creation of societies' wealth and well-being implies a shift in economic perspective

¹ Cécile Sabourin, "Economy of Solidarity and Women," *Caravan* No. 2, December 1998.

² Agence pour le Développement des Services de Proximité, France

³ For more information, consult the Alliance's Web site at www.echo.org/en/index.html

⁴ For more information, consult *Les actes du séminaire international sur l'économie sociale tenu les 6 et 7 juin 1995*, Comité volet international de la marche des femmes contre la pauvreté. Montréal: Relais-femmes, 1996. 74 p.

⁵ For more information, consult *Globalización de la solidaridad, Simposio internacional* by H. Ortiz and I. Muñoz, Eds. Lima: GES (Grupo Internacional Economía Solidaria), 1998. 496 p.; "Le symposium Globalización de la solidaridad: des échanges d'idées autour de la notion d'économie solidaire," by C. Sabourin, *Recherches féministes*, Vol. 10, No. 2, 1997. p. 211-217; "Le symposium Globalización de la solidaridad," working document for a presentation at the Université populaire d'été, organized by the Centre de formation populaire in Montreal, August 1997.

Economic theory, be it liberal, Keynesian or Marxist, defines the economy as that which has a price, a monetary consideration and a trade value. Domestic production is not counted in the evaluation of wealth production, although, depending on the country, it represents from 30%-70% of the gross domestic product (GDP). Domestic activities mostly assumed by women form what some people call the “social capital” of a society, in other words, the strength and quality of the social fabric. Paradoxically, the potential for socio-economic development depends mainly on non-monetary activities, where production is not driven by the requirement to maximize profits or accumulate capital. Obviously, a minimum level of trust, civility and reciprocity—learned in the social context of family and friends—is crucial to commercial production and trade. Producers of wealth and what is commonly known as the “market” draw on this particular asset that is the “social bond” as if it was an inexhaustible resource, with no price or cost attached. This ignorance of the fundamental role played by the non-market economy in development contributes to rendering invisible and devaluing a large part of women’s work in society, to the point of keeping it out of official statistics.

A reappraisal of current forms of production and wealth distribution implies a simultaneous critique of all socio-economic spheres: market, non-market and unpaid

By itself, the recognition of women’s unpaid work resolves nothing; women require the means to develop personal autonomy, and for this, most people depend on paid employment.⁶ In other words, no matter how innovative women’s initiatives are, they will have no concrete and long-lasting results if they remain on the fringes of the monetary economy.

Similarly, the struggles for professional equality and access to economic initiatives are insufficient unless domestic work is shared equitably between men and women. The demands imposed by the workplace and difficulty in balancing professional and family or domestic responsibilities create different kinds of pressure on men and women, with the result that women as a social group experience more constraints in terms of professional advancement and access to economic resources.

In numerous well-documented examples in *The Globalized Woman*,⁷ Christa Wichterich shows that women are heavily involved in the economic mechanisms and structures supporting all forms of globalization, but receive no recognition or reward for their work. Worse, they are often relegated to the status of merchandise.

Access to paid work is therefore not enough; it must be accompanied by a critique of the neoliberal model that is now increasing the disparity between the value of capital versus that of labour. A thorough reappraisal is also needed of the division that has heretofore been maintained between the economic and social spheres. These divisions—capital/labour, economic/social—also correspond to a sexual division of assets and contributions to economic life. Everyone knows that men are the majority of the owners and managers of capital and women are over-represented in the occupations and professions linked to maintaining social bonds—the same occupations and professions that the forces of neoliberalism qualify as unproductive, even superfluous. These dichotomies conceal some complex realities, however, given that there is an economic dimension in every sphere of life.

⁶ Income generated from capital and speculation, growing in importance, is confined to a powerful minority.

⁷ *The Globalized Woman: Reports from a Future of Inequality*. Translated by Patrick Camiller. New York: Zed Books, 2000.

It is thus relevant and even urgently necessary to develop a new view of the economy and its dichotomies and to develop actions aimed at transformation—in short, a new paradigm. More than being the victims of globalization, women are at the center and forefront of many constructive actions to resist the negative impacts of globalization, and it is therefore important that we pay particular attention to the initiatives they have developed.

Women's initiatives emerge from diverse contexts

The growth of Western economies resulted first and foremost in certain activities of the domestic sphere being transferred to the commercial sector (market activities), and a transfer of certain family responsibilities to the public sphere (services provided by public institutions). The period between 1945 and 1975 in particular was marked by significant change in terms of women's participation in these rapidly growing professions.

The transition to the service economy accompanying this growth encouraged initiatives by women, in that they were more directly concerned than men with services formerly assumed in the domestic sphere. More recently, transformations in state policies and technological change have once again affected the relationships and conditions for women's participation in offering these services.

Structural adjustment programs in the South and the war against the deficit in the North have occasioned major restructuring of vast areas of social services. Previously either delivered or financed by the State, many services have been judged as unproductive or too expensive, and responsibility for providing them has been left to individuals and communities. Individual and community care services,⁸ social economy enterprises and informal activities have consequently sprung up to provide these services outside the private and public sectors. Women are undeniably more directly concerned than men with this sector of activity that has been flourishing now for several years.

Division of responsibilities between the domestic, market and public sectors and between men and women is contingent on the history, traditions and culture of countries and regions. It follows that the monetarization of economies and expanding scope of markets imposes varying constraints depending on the context, type of development and state policies of the country. Clearly though, these tendencies are firmly established and women everywhere are experiencing consequences specific to their particular conditions.

An impressive array of socio-economic initiatives have been developed by women organizing together in every corner of the globe. Confronted with the deterioration of their living conditions, persistent unemployment and deepening inequality, they are grouping together locally to take control of their situations and stand up to an economic and institutional environment that is unable or no longer able to take their needs into account. In numerous cases these projects are characterized by their collective, family- and community-based nature. The willingness of many women to undertake these projects cannot be initially or primarily explained by an individual expectation of a "return" on her investment. Women's solidarity projects often emerge from a shared vision whose power derives from the bonds that are created and solidified in the process and that are as important as the economic benefits generated by the activity.

⁸ T.N.: in France the term commonly used is "services de proximité."

Observation of women's socio-economic initiatives in several different countries reveals the potential of these activities to develop a new type of entrepreneurship combining economic initiative, social cohesion and the active exercise of citizenship. In the past, and still today, women's efforts have been thwarted by many barriers and forms of resistance linked to tradition and habits that are solidly entrenched in most countries, and developed from the moment women's roles and responsibilities were assigned a place in the hierarchy of gender, knowledge, spheres of activity, etc.

Women's relationship to time and territory and their concern with the quality of daily life therefore influences the manner in which many women develop new initiatives in response to the needs of their families and communities. Care and community services, small-scale production and firms, social economy enterprises, so-called informal businesses and trade of all kinds constitute the diverse range of "economic" activity in different societies. While some of this activity is completely new, most of the time it has sprung from already existing practices previously consigned to the fringes of the conventional economy and perceived as of secondary or lesser importance in social development.

In the current context of market globalization and abandonment of many activities deemed non-productive, we view these initiatives as the economic and social foundation of many societies. Whether they are organized by men or women, they all share the fundamental values that women have been primarily involved in maintaining over the centuries.

Do these initiatives hold the potential for transformation?

Our aim is to discover the potential for transformation inherent in women's initiatives. Termed "solidarity economy," these economic practices are based on the values of solidarity, reciprocity and cooperation; they are conducted in a local context independent of traditional market structures, and they are creating new models for management.

In what way does the solidarity economy question the basic structure of market economies? What is the impact of these women-led micro-economic initiatives on macro-economic rules? What is their capacity to change the rules of the conventional economy?

Women involved in the solidarity economy are faced with at least two socio-economic challenges: the creation of economic activity and employment.

With respect to creation of economic activity, how do we ensure that women-led initiatives in the solidarity economy are not merely small-scale local and cottage-type enterprises that, as Sabourin (Wicherich??) has affirmed⁹ fill the void left by global markets that have merged into the broad world economy.

Inversely, how can we consolidate women's initiatives through specially adapted legal, technical and financial policies, thereby ensuring that their basis in social innovation is not erased as they assimilate into the capitalist economy dominated by the models of the financial elite?

In terms of employment, how do we ensure that these new activities allow women to gain access to fixed employment and contribute to the creation of new social and economic relationships that will not be used to reinforce the deregulation and disintegration of the labour market?

⁹ *Caravan No.2, December 1998*

While these new activities offer women a possibility of escape from domestic or under the table work, the danger is that solidarity economy initiatives will not succeed in overcoming job and income insecurity and escaping exploitation by the State as a source of cheap labour to manage social exclusion. In the North, the political challenge is to avoid development of the solidarity economy by default, to compensate for cuts in state spending due to the increasingly perceived need to conform with criteria of global competitiveness. This danger directly concerns women who are massively involved in the new community enterprises and services that were set up in the wake of the restructuring provoked by market globalization.

In order to meet these challenges, we must transcend the compartmentalization and institutional and bureaucratic rigidity that proponents of the solidarity economy have criticized; they stress the importance of the State's role and its openness to negotiation and co-administration with the networks of civil society. Standards and regulations that are closely adapted to the innovative initiatives developed mainly by women and fair distribution of the wealth that is generated within societies are the only way to assure the viability of "solidarity" activities. This will not happen without women's mobilization and their increased participation in the administration of public affairs.

These transformative initiatives are political projects, but they are also extensions of the traditions and cultures in which they are rooted. For example, micro-credit programs addressed to women in countries of the South that fail to take cultural dimensions such as women's status in the family into account, can have harmful consequences. Linda Mayoux¹⁰ has clearly shown how adherence to strictly financial criteria (women have a higher rate of debt repayment than men) can lead to family deprivation in order to respect payment deadlines, men's use of women to obtain money, or to men's increased withdrawal from participation in daily family life and financial support of the household.

Such dimensions and others yet to be discovered, must be kept in mind when we reflect on women's role in the solidarity economy. Moreover, developments in the solidarity economy must be placed in a global context if we wish to reverse the trend of increasing impoverishment of the majority of women and to change the rules of the game guiding the dominant economy. Women's access to economic initiatives and the creation of other modes of production and wealth distribution must not be separated from an analysis of all the challenges currently facing our planet with respect to the satisfaction of human needs.

Renewal of economic thinking and actions of transformation: challenges for everyone

As we conclude this brief overview, we want to stress that the renewal of economic thinking and the implementation of activities with the power to transform require participation by both women and men and must be rooted in a fundamental reappraisal of male-female relations and of all forms of inequality, regardless of the source. It must be acknowledged that while it is never easy to generate authentic examination of these issues, it is twice as hard to accomplish this in sectors of activity not traditionally populated by women. Even though large segments of the population and many men are themselves victims of the sexist bias imposed on women, economic practice and conceptualization

¹⁰ « L'empowerment, des femmes contre la viabilité? Vers un nouveau paradigme dans les programmes de micro-crédit, » in *Les silences pudiques de l'économie*, UNESCO/IUED, 1998.

are perceived as givens in society and the result of “normal” evolution. As Patricia Amat¹¹ has mentioned, the neoliberal model is a human construction and there is no other solution to the current imbalances than to construct another model that better corresponds to those who are currently less advantaged and the poor.

We cannot separate the economy from the whole range of human and social relations, which is why we attach importance to the themes of participative democracy, access to education at an early age, particularly for little girls, interdependence, volunteer and social awareness work and responsibility. In this vein, the Working Group on Women and the Economy wishes to contribute to expanding the work of the Socio-economy of Solidarity *Pole* by specifically addressing women’s roles and conditions over and above strictly instrumental and organizational mechanisms.¹² While these are essential, they are neither sufficient nor reliable in terms of transforming economic relations. An examination of human activity focussing on access to and sharing of resources to satisfy individual and collective needs and the decision-making mechanisms that determine the choices of production and consumption are more likely to lead us to veritable change. This examination must be conducted at all levels, from local to global.

In conclusion, we want to highlight the extent to which our societies’ existing structures and concepts—the origins of which are rarely questioned—are in fact responsible for the profound imbalances between individuals, groups, ethnic groups and countries. The most eloquent example of this is property, and stemming from this, access to resources. Other than the “market,” which is quickly becoming the principal vehicle for control of resources, wars, compensation to the victors, speculation, underground negotiations, smuggling, and illegal trafficking have been, and still are, avenues to wealth and control of resources. What is women’s place in these activities? Whether it concerns material or non-material (knowledge) resources, women’s contributions and rewards must not be overlooked—any more than the social givens (constructive or harmful) underpinning unequal relations—in the process of analyzing economic problems and discovering paths to transformation.

¹¹ See her presentation in the symposium « Globalización de la solidaridad » : des échanges d’idées autour de la notion d’économie solidaire.

¹² For example, the adoption of legislation, quotas, access to micro-credit, the nomination of a few women to key positions and any other means of recognizing traditionally female work.