

## Round Table – Marilyn Waring, 25.11.2007, Tuebingen

### **Marilyn Waring: Why – in your opinion – are the UN-rules of national accounting crazy?**

When I was a member of parliament, women groups came to me with different examples of being treated in a different way from men.

One I especially remember: She was a farmer with her husband but she did not appear on the wage-list of the farm. One day she had a major accident on the farm and she had to be replaced by one shearer, one farm-hand and one household. But when we asked for the insurance to cover her replacement labour, the government said, this was not available, because she was not a worker. So over nine years I had many examples like this. For example, women who were not in „paid-employment“ apparently could not need child-care-facilities or if a member of the family was ill or had a disability and they looked after them, they were not workers. But if anybody else looked after them - they were workers. So over years of these stories you start to ask questions. And as the chair of the public accounts committee, I had the opportunity to ask many questions. I talk about becoming an „artist“ in asking the „dumb questions“ but I think we all need to be like that – all the time.

I began to understand that this was not just a problem in New Zealand. These rules, who govern us in every country were written in 1953 and they were called the UN Systems of National Accounts.

So as chair of the public accounts committee I asked to see them but treasury told me, there was no copy of the rules in New Zealand. And because we have this special relationship to Australia, I said: „Well, get them for me from Australia!“ Two weeks later they came back and there were no copy of the rules in Australia.

So if the entire system is running by rules which no one has to read, you know, you live in a system with propaganda.

After I retired from Parliament, I went to New York to read the volumes of rules - I think I was crazy. There were shelves of volumes of books and the deputy of the library of the UN in New York told me, that apart from Sir Richard Stone, who wrote the rules, I was the only person stupid enough to come to read them all.

These were the rules, that stated that the consumption of the own produce by non primary producers is of little or no importance. What that means is: All the work that women do unpaid - productive work, reproductive work, service work, in the households, in the communities, as volunteers - is of **little or no importance** for this economic system!

And I realized, that this also included all subsistence agricultural work which was overwhelmingly done by women on the whole planet and was the reason many communities stayed alive....That's really how I came to it.

### **How do these rules of national accounting affect the possibilities of survival of women worldwide?**

There is a very simple equation that operates in economics: When the ministers are setting up a calculation for the forthcoming year and if you are not visible as a producer in the nation's economy, you will be invisible in the distribution of resources.

I give you a very simple example: The language that is used about health care, presumes that primary health care is what happens when you go to visit the general practitioner, the doctor. But primary health care is what happens in the home and it's usually done by people called mother, daughter, and grandmother. In Canada for example we know that 40 percent of primary health care is conducted in the home. Can you imagine what would happen to the health budget if 40 percent was directed at the primary health care givers? We also all know about the earliest intervention in health care: Economically it's the most efficient and the most effective but there are very vested interests, that no budget be distributed to the real caretakers.

And I give you another example: Because we do not "go to work", the household can not be called an „enterprise". But as you know, enterprises are allowed to keep buying new machinery and claim depreciation for it each year. Sometimes agricultural machines might only operate for two or three months a year.

We, in New Zealand and in Germany, we use machines in the household and we use them nearly every day. Now the household, in terms of production, reproduction and services is the largest sector of developed countries economies. For example in Australia: Household-work is the equivalent three times all mining and mineral extraction and ten times the value of all factory. So I said to the government: "If the single largest sector doesn't need depreciation, why does any other sector need it?"

These are the kinds of ways to begin to think to challenge the existing system

One more example: Even when a woman is breast-feeding, she is not producing anything. She is "un-economic". But what is happening is more valuable to the child than anything else, the child could be given. Infant formula can not compete with the quality of breast-milk. And because there is no market price for breast-milk in economics, there is no „replacement-equivalent", so economics just leaves it out.

### **And how does this lead to human rights violations against women, even to violence against women?**

I woke up very early this morning because I was thinking about this question in the context of where I am...in Germany. I have been interested for many years in the possibility of using human rights pathways to challenge the status of this unpaid work.

In Europe you have the best access to the European Human Rights Commission, the court of the European Union. When you exhaust and you have no satisfaction on the first level, then you can go to the European body

I am interested in this word „servitude".

This word was included in article 8 of the European Human Rights Convention, to make it clear that people could be happy in the „servitude". But that did not mean, that they had human rights in their work.

No one has ever challenged the meaning of the word „servitude“. And it seems to me that many women find themselves in a situation of „servitude“.

Let us think of a mother with a child of extensive disability. She is on duty 24 hours a day, 7 days a week. But she will not be on a contract to a health authority, because she is a mother, not a worker. And so she does not have safe and healthy conditions of employment, reasonable rest and leisure, access to further education as well as holidays paid. In fact you can keep going through all the labour rights and she does not have them.

I think it is obvious to all of us, that she is not on leisure and yet the state says, she is not a worker. So it seems to me, she must be in servitude.

I use this example when we are talking about the „developed world“. But I think that we need to talk more about human rights and the way in which this economic system treats women in other parts of the world.

For example, about the fact, that women and girls are traded. Trafficking is the 3rd largest criminal growth industry in the world. In 2005 it was estimated that 2,5 million people were trafficked - mostly women.

You must remember, that all market activity, whether it is legal or illegal, is counted in the economic system. So, in order to get economic growth, it is very good to traffic arms, drugs and women and children, because it all counts.

### **How does this function?**

The central bank can always count how much money is in circulation and measure the difference between the reported legitimate business transactions and the amount of money that is actually being transacted. The system calls the difference between what is measured and what is really there “the statistical discrepancy”.

I give you a very good example of that: You know that Greece has trouble getting into the EU. On 29th September 2006, Greece announced that it was 25 percent richer, because it was including prostitution and money laundering, and in that way it's national debt suddenly dropped under the 3% limit, which has been defined as maximum by the EU.

### **How does this situation affect especially women of indigenous people?**

I grew up in a town called Taopiti which is the burying place for the Tibury tribe. So I was surrounded by things which have no economic expectation, but these things have a particular importance with respect to the environment.

For example at indigenous peoples tribes: If you want a meal for this evening, you take only what you will need this evening and you must not take more than that and you must not sell what you gather, because the food is free to you; and if you are not greedy there will be enough for everyone. You must also allow for regeneration. I learned these things very early.

I remember when I was 15 years old, I got sent to a school to be finished off and at this school there were only 6 Maori women. This school was a huge culture shock to me because I had never seen a Mercedes Benz, a Jaguar or a BMW before in my life. And so I came from one

value system to a completely other value system what made a big impression on me. But it was another 15 years before I understood the global context for that shock.

Some of us saw at this film festival the remarkable film „Our Land, Our Life“ about the Shoshone women in the USA – there we also saw the clash of values.

And one thing we all have to remember is, that our human rights environment is about individual human rights. So indigenous people have been deliberately excluded because in the international community there are no communal human rights.

We have human rights for children, for women, for prisoners, for disabilities – but these are all individual rights. And we have no UN convention for indigenous rights. So that tension, that value tension cannot even be translated into legal rights.

I was talking about how illegal activity counts for growth.

Traffickers are so sophisticated now, that they have travel offices and employment offices to appear legitimate. People are trafficked for labour, for sex, for human body organs, for many purposes. The international organisation for migration said at the beginning of this year, that the trafficking in women and girls for sexual exploitation was now worth 16 billion US\$ a year - and that is just in Latin America. This international organisation says that traffickers have a net profit of between 13 and 16.000 US-Dollars on every woman trafficked. In the United Kingdom, they think that there are probably 10.000 victims just in London.

So economics helps to justify this enslavement of women. There is no incentive for any corrupt government to do anything about trafficking or sex tourism, because the economic development and growth statistics are so dependant on this kind of industry. They will loose their GDP focus if they tried to stop these activities.

I think that it is only our ethical and moral campaigns to force political parties to make policies against trafficking that might make a change in our own countries.

If I was to make the economic argument then I would say that if these women were free to be educated to undertake some kinds of training to go to university then the state would get their return also in terms of the other economic productivity and the legitimate taxes that would be collected. But it does break my heart to have to make an economic argument. We should not have to do that.

**Within our Filmfestival we have dealt also with the issue of the feminicides in Mexico, especially among women textile workers. And we had to see, that there is a total interdependence between the illegal drug trafficking and political parties, police, courts of justice and some economic enterprises, and that this makes it impossible to stop the murders of women. Have you also investigated the connection between the legal and the illegal economic activities? And how they affect women?**

One of the problems with the system of national accounts is: it has no debit side. It's strange to us, that an accounting framework has no debit side but those are the international rules. So most countries never ask the question about whether an economic activity is legal or illegal. Economically they don't care as long as the GDP goes up.

In a way women are just a piece of property in this economic system. So they can trade our bodies because we are cheap exploited labour and desperate enough, so they can always replace us.

Drug traffickers in illegal activity and textile manufacturers in legal activities have the same view of women: That is that they will always find some of us desperate enough to work for them. So we become very exploited and usually women do not violently fight back. In situations like the border between the US and Mexico you might think twice before you start a fight with a group of men as you have to expect that they might be armed and the women will not be armed.

And we also have to think about how NAFTA impacts on that border. Factories want to locate where labour is the cheapest, but where trade is done in a free trade zone. We find the same kind of story in free trade zones around the world. And we have stories of women trade union activists found dead through Asia, Africa, Central and South America, so there are similar stories.

**What could be the perspectives? Which could be the alternatives for this kind of national accounting and the resulting political measures? What can be done on the macro- and on the microeconomical level? What were important arms in this fight that you have waged? In which arenas did you wage this battle (parliament, reserve bank, university)? And at which level you have have been able to gain a battle, in which aspects?**

In 1993 the UN changed some of the rules in the system of national accounts. They now use a concept called „the boundary of production“ where they moved that boundary to include subsistence and informal work.

This is good in theory but the countries that have the most informal and subsistence work do not have the statistical capacity to measure it. So while the rule was changed, nothing changed.

When I address this issue in different countries I try to be aware of what is available or possible. It's very important, you can see from my stories today, to also have a sense of humour to try to deal with these things.

For example in the film I talk about how to play with census tools. You have the census of population, the census of business, the agricultural census, which are the three I have played with.

There is just one rule: Tell the truth!

So even if you are an unproductive and unemployed and economically inactive housewife you fill in the census as a worker.

So when they say „How many hours in a week do you work?“ As most of you do paid and unpaid work, you count all the hours that you work. So instead of 45 hours it might be 97 hours. So all what you do is to tell the truth. And when they ask you for your job description you use words like “manager”, “supervisor”, my favourite is “logistics analyst”. You see what I mean.

And so, every time, every census form, or survey form comes to you, instead of thinking „Oh what a nonsense“, you think: „Oh, what fun!“

In Canada usually now, women come together, to fill in these forms. They all bring food, and they all sit around and they share filling it in.

Then, when you are thinking „Oh, I don't really want to go to that political meeting“, you think of some really good questions about GDP and go and ask them. Very few politicians understand how this system works, so you can stand and ask them what would they do to eliminate illegal activities from the GDP. Most of them don't know that illegal activities are counted in the GDP. It's good if a little group of you go and sit very separate and you each have a simple question. You can drive them crazy.

I was actually quite serious talking about servitude and the possibility of a challenge for several reasons. Anybody who lives in a country that has ratified the European Human Rights convention has a faster access than anyone else in the world. For example in the Pacific we have no regional human rights body.

Also most states who have signed the European Human Rights Convention, have also ratified the optional protocol of the CEDAW convention (on the Elimination of Discrimination against Women) and CEDAW is very, very important. If a country has accepted the optional protocol of CEDAW, this is the only class action available in the world. One of my dreams is that one European country take a class action to change, what “servitude” means.

I tell you about some other activities, people are doing around this system. Some activists are trying to establish a different accounting framework. It's called the „genuine progress indicator“. This indicator says, that the system has a debit side. For example, in the transports sector you have the market transactions but you also have on the debit side all the pollution costs, all the motorvehicle accidents. The work with this „genuine progress indicators“ mostly registers no growth or a diminution in growth.

I have a couple of websites:

[www.gpiatn.anc](http://www.gpiatn.anc)

[www.pembina.org](http://www.pembina.org)

Google: Redefining progress

There is still a problem, which is that these frameworks continues to measure value in monetary terms. So these are good tools to demonstrate what is wrong with the current growth measurement, but for really good policy planning they are still a problem. This is because too many characteristics become abstracts. I think, that we need a variety of indicators because I don't like it when the environment is measured in dollars, I want to know, how much lead is in the air, how much dioxin is in the water and I don't want to know, what they think it's worth.

Although I am just an activist, I argue about the size of the household sector and I make my point by measuring it in dollars. I am conscious of just using this as a tool and not thinking that this is a solution. For the activity of women, men, boys, girls, I am interested in using time.

If you want to make strategic policy, time is one of the most important statistics to have about how people spend their time. If you search the OECD you will find major European time-use studies. Time-use studies can be used from communities like Tuebingen to whole countries.

In fact, in the Reserve Bank of New Zealand, where I am a member of the board of directors, we have established a multi indicator system of evaluation, in order to measure the well-being of the people and the economy. This includes time-use studies, different to the usual exclusive measurement of the monetary cycles. This has been a progress.