



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

Manchester Discussion Papers in Development Studies

THE IMPACT OF STRUCTURAL ADJUSTMENT
ON WOMEN: CONCEPTS AND ISSUES

by

Diane Elson
Lecturer, Department of Economics
University of Manchester

DP8801

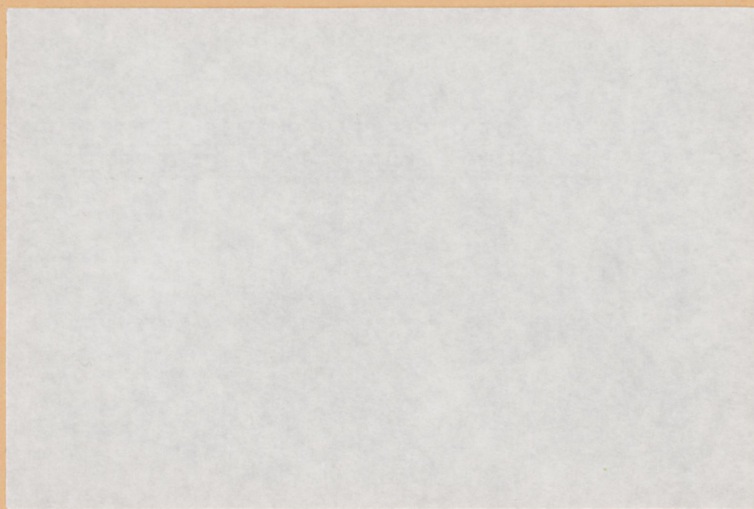


GIANNINI FOUNDATION OF
AGRICULTURAL ECONOMICS
LIBRARY

WITHDRAWN
JAN 09 1989

International Development Centre

Faculty of Economic and Social Studies
University of Manchester
Manchester U.K.



THE IMPACT OF STRUCTURAL ADJUSTMENT
ON WOMEN: CONCEPTS AND ISSUES

by

Diane Elson
Lecturer, Department of Economics
University of Manchester

DP8801

May 1987

This paper was initially prepared in May 1987 for the Women
and Development Programme, Human Resource Development
Group, Commonwealth Secretariat.

Please do not cite without the author's permission

THE IMPACT OF STRUCTURAL ADJUSTMENT ON WOMEN: CONCEPTS AND ISSUES

Introduction

The last decade has been marked by a contrast between rising awareness of the importance of women's contribution to the economy and continued deterioration of the world economy. Encouraged by the UN Decade for Women, many governments have set up Women's Bureaux, or Departments for Women's Affairs. Women's groups across the world have campaigned for proper recognition of women's work both as producers of goods and services, and as reproducers of human resources; and for access to the resources women require to improve the productivity of their efforts. There have been some successes in opening up new activities to women through special training programmes; and in enhancing women's income earning opportunities through projects with women's components, or specifically directed to women. Much of the energy of Women's Bureaux in developing countries has been directed towards women's projects, often in partnership with aid agency officials who have special responsibility for women and development. In market economy developed countries, much of the emphasis has been on introducing new equal opportunities legislation and enabling women to fight their cases through the courts.

But more important to the economic well-being of women than either projects or legislation is the general condition of the economy. Low rates of growth of output and exports and employment undermine the efforts put into projects and legislation. The 1980s have seen not just low rates of growth, but absolute declines in many of the key indicators of economic well-being. The period 1980-82 was one of deep recession in the international economy and subsequently recovery has been very

hesitant. The world economy remains in an uneasy and unsettled state.

In the industrialised market economies, unemployment increased sharply in the recession and has generally remained at high levels ever since. In Europe, for instance, unemployment on average is between 9 and 10 per cent of the labour force.

In most developing countries, the situation has been much worse, the problems of the recession compounded by falling export prices, protectionism, and the mounting burden of debt. Real per capita incomes declined in both Latin America and sub-Saharan Africa between 1980 and 1983. Some Asian developing countries have recovered from the recession: growth rates in South Korea, Taiwan, Hong Kong and Singapore have risen again, and the Indian economy has continued to grow steadily, free from the burden of international debt. But in sub-Saharan Africa, per capita incomes have continued to decline.

There are no signs of a decisive improvement in the international economy. World trade continues to be sluggish; primary commodity prices are at their lowest level since the 1930s; protectionist pressures are growing in the developed market economies and there is even talk of a trade war between the USA and Japan; interest rates remain at an historically high level; the difficulties of debtor nations are intensifying. Large numbers of countries have crippling balance of payments problems.

It is thus of the utmost importance that policy makers concerned with the well-being of women should develop the capacity to analyse the implications of global economic deterioration for women and to make an input into the formulation of policies to cope with that deterioration.

Conceptual Tools: Gender Bias in Economic Analysis

Macro-economic trends and macro-economic policies are usually

presented in a language which appears to be gender neutral. No specific mention is made of gender or of the sexual division of labour. The focus of attention is on the gross national product; on imports and exports and the balance of payments; on efficiency and productivity. Economic policies are supposed to re-allocate resources so as to restore balance of payments equilibrium, increase exports and restore growth rates.

However, this apparent gender-neutrality masks a deeper gender bias. There is a hidden agenda in the procedures of analysis and policy formulation. This hidden agenda covers the process of the reproduction and maintenance of human resources. This process is not explicitly included in macro-economic thinking. The economy is defined principally in terms of marketed goods and services, with some allowance made for subsistence crop production in developing countries. The work of caring for children, of gathering fuel and water, processing food, preparing meals, keeping the house clean, nursing the sick, managing the household, is excluded from the economy. It is, of course, work which largely falls on the shoulders of women, even in the most developed countries. By excluding explicit consideration of this work, and of the resources it requires, macro-economic analysis and policy has a built-in conceptual bias against women.

The Economy and Human Resources

This conceptual bias has important practical consequences. When macro-economic policies are formulated to re-allocate resources, the lack of explicit consideration of the process of reproduction and maintenance of human resources tells against women. For the implicit assumption of macro-economic policy is that the process of reproduction and maintenance of human resources which is carried out unpaid by women

will continue regardless of the way in which resources are re-allocated. Women's unpaid labour is implicitly regarded as elastic - able to stretch so as to make up any shortfall in other resources available for reproduction and maintenance of human resources.

Now it is perfectly true that the process of reproduction and maintenance of human resources is different from the production of any other kind of resource. It does not respond to economic signals in the same way: if the price of a crop falls far enough, it may be uprooted or left to rot; if there is insufficient demand for a manufactured good, the factory is closed and the machinery mothballed, or sold off second hand, or scrapped. But if the demand for labour falls, if unemployment rises, and wages fall, mothers do not 'scrap' their children or leave them to rot untended. Human resources have an intrinsic, not merely instrumental value.

However, women's unpaid labour is not infinitely elastic - breaking point may be reached, and women's capacity to reproduce and maintain human resources may collapse. Even if breaking point is not reached, the success of the macro-economic policy in achieving its goals may be won at the cost of a longer and harder working day for many women. This cost will be invisible to the macro-economic policy makers because it is unpaid time. But the cost will be revealed in statistics on the health and nutritional status of such women.

Terms like 'cost' and 'productivity' and 'efficiency', which play a large role in discussions of economic policy, are in fact ambiguous. What is regarded by economists as 'increased efficiency' may instead be a shifting of costs from the paid economy to the unpaid economy. For instance, a reduction in the time patients spend in hospital may seem to economists to be an increase in the efficiency of the hospital, but may in fact result in a transfer of the costs of care for the sick from the

paid economy to the unpaid economy. The money costs of the hospital per patient fall but the unpaid work of women in the household rises. This is not a genuine increase in efficiency; it is simply a transfer of costs from the hospital to the home.

In considering policy responses to global economic deterioration, we need to be able to make the link between 'the economy' and 'human resources' by way of women's unpaid labour. A key question to ask is: does this policy work by increasing the amount of unpaid labour women have to do? A key input which Women's Bureaux might make into the formulation of macro-economic policy is the provision of time budget data and nutrition and health status indicators with an explanation of how they show the true cost of policies.

Current Responses to the Deteriorating International Environment

Strategic responses may be made at the international level through co-ordinated policies and the formulation of international agreements and institutions; or they may be made piecemeal on a country by country basis by individual governments. So far, internationally co-ordinated strategic initiatives have played a minor role, and most policy responses have emerged in an unco-ordinated fashion from the exigencies of particular national situations.

As yet there has been no attempt to reconstruct the institutions and 'rules of the game' through which the international system of trade and financial flows operate. The basis remains the institutions set up at the end of the Second World War: the IMF, the World Bank, the GATT; plus the international capital markets which have increased immensely in significance in the last 15-20 years. One important defect of this system is that it is asymmetrical as between countries with balance of

payments deficits and countries with balance of payments surpluses. It operates so as to put pressure on countries with balance of payments deficits to reduce their deficits, but puts no equivalent pressure on countries with balance of payments surpluses - though a balance of payments surplus for one country necessarily means balance of payments deficits for other countries. Another important defect, which has arisen with the rise of the Eurodollar market, and international lending by the privately owned banks, is that the finance (liquidity) required to keep the system operating is largely at the mercy of a volatile international capital market. Operators in this market tend to concentrate on how much money they can make each day rather than on the long term requirements for a healthy international economy. The Baker Plan and the discussions of the G5 groups of countries (USA, Japan, West Germany, France and the UK) represent attempts to lessen these defects, but so far their scope and impact have been limited.

For an individual government faced with recession and balance of payments difficulties, and given the international economic system as it now stands, three responses are possible:

- (1) Attempt to finance the deficit by borrowing.
- (2) Attempt to restrict international trading and payment links.
- (3) Attempt to adjust the domestic economy to the changed international environment.

These are not mutually exclusive and governments may attempt to use all three.

There are, however, limitations to the extent to which any government can finance a deficit. If the deficit does not improve, then the sources of funds, whether it be the IMF, the commercial banks, or aid donors, will call a halt and refuse to lend more unless appropriate

adjustment policies are introduced. The one exception is the USA which manages to finance its massive balance of payments deficit because the rest of the world is willing to hold US dollars, because the US dollar is the nearest thing we have to a world currency.

The strategy of simply financing a deficit by borrowing to pay for imports is currently not available to most developing countries. The commercial banks, which were quite happy to lend for this purpose without any strings in the 1970s, will now only make loans available as part of a debt rescheduling process linked to an adjustment programme. The IMF and aid donors will only make balance of payments finance available on condition that an adjustment programme be pursued.

The strategy of restricting international trading and payment links so as to cut back on imports and control capital outflows also has disadvantages. There is a limit to the extent to which imports can be reduced without sacrificing all development. Moreover, if large numbers of countries are limiting imports from each other, this restricts the market for exports from each of them, leading to a contraction in world trade, and an intensification of recession. It becomes a 'beggar-my-neighbour' policy of the sort which did so much damage in the 1930s. The control of capital outflows has fewer undesirable repercussions, but is much more difficult to achieve, and is opposed by the IMF and by the international capital market, in the name of efficiency.

A sustainable strategy must contain some element of adjustment. An individual government trying to completely avoid adjustment in today's conditions would be acting like King Canute ordering the tide not to come in. The important question is not whether to adjust but how to adjust. Adjustment means change; and change means costs as well as benefits, losers as well as gainers.

The International Burden of Adjustment

At the moment, the burden of adjustment is falling disproportionately upon developing countries, particularly upon some of the poorest developing countries. The 'rules of the game' of the international economy are not being adjusted; the countries in balance of payments surplus are doing little to reduce their surplus. Instead, the countries with the least flexible economic structures and the least room for manoeuvre are having to do most of the adjusting. There must be particular doubt about how far and how fast countries dependent upon the exports of primary products can adjust at a time of very low export prices and slow growth in demand.

Forms of Adjustment Strategy

Two types of adjustment strategy are frequently distinguished:

- (1) Stabilisation policies;
- (2) Structural adjustment policies.

Stabilisation policies induce adjustment mainly through demand effects. Typically they involve programmes of fiscal and monetary restraint ('deflation') and devaluation, which reduce real incomes and hence reduce domestic demand for imports, and for goods which can be exported ('exportables'). This reduces the import bill, and expands exports. Stabilisation policies are generally designed to achieve balance of payments equilibrium over a rather short period (one or two years), and emphasise the balance of payments target at the expense of income growth.

Stabilisation policies may be introduced quite independently by governments in response to balance of payments difficulties, but in developing countries, they are usually introduced in response to

conditions set by the IMF before it will grant a loan.

Structural adjustment policies emphasise the supply side. They seek to tackle balance of payments problems by expanding and diversifying the production of exportables. They aim to attain their objectives over a longer time period (three to five years), and stress growth objectives as well as balance of payments objectives. Structural adjustment policies attempt to enable a country to cope with the deteriorating international economic environment by increasing productivity and efficiency, and by shifting to the production of goods with better growth prospects.

Structural adjustment policies may be introduced quite independently by countries in response to slowing growth rates as well as to balance of payments difficulties - examples are Sri Lanka in the late 1970s and Singapore in the early 1980s. They are also increasingly being introduced in developing countries in response to conditions set by the World Bank and other aid agencies. The World Bank has developed a new facility, the Structural Adjustment Loan (SAL). Between 1980 and 1984, 30 SALs were made to 16 countries totalling \$3.2 billion, nearly 10 per cent of World Bank lending in that period. Countries with SALs include Kenya, Jamaica and Malawi. Somewhat similar to SALs are World Bank loans for programmes of rehabilitation of export sectors, as in Ghana and Zambia. Instead of being tied to projects, such loans are tied to programmes of change in domestic policies and institutions ('macro-conditionality').

Stabilisation policies and structural adjustment policies are not mutually exclusive. Actual programmes often contain combinations of the two. An IMF stabilisation programme is a pre-requisite for a World Bank structural adjustment loan. Moreover, in 1986, the IMF set up its own Structural Adjustment Facility providing finance for three-year

adjustment programmes whose content is determined with assistance from both the IMF and the World Bank.

Stable prices, balance of payments equilibrium, growth and productivity are important matters of concern for everyone. But it must be emphasised that there are a variety of means for achieving them. The particular stabilisation and structural adjustment policies advocated by the IMF and the World Bank place great faith in the efficacy of market forces in achieving these objectives.

Adjustment and the 'Magic of the Market'

Though IMF stabilisation programmes have focussed primarily on cutting aggregate demand ('deflation', 'disabsorption') and World Bank structural adjustment programmes on boosting supply and increasing productivity, they have in common an emphasis on reducing the role of the state, and increasing the role of the market, in resource allocation. Both institutions hold the view that a major reason for poor economic performance, and for inability to cope with the deteriorating international economic environment, is distortions in resource allocation; distortions caused, they argue, by government policy, in particular, by over-extension of the public sector and by the use of direct controls and subsidies. These policies are argued to distort prices and hamper the efficient allocation of resources. A major element of both types of programme is the removal of such distortions and a reduction in the role of the public sector.

IMF stabilisation programmes typically consist of deflation, devaluation and decontrol. Public expenditure is cut, including expenditure on social services and food subsidies. Controls over imports and foreign exchange are loosened. The exchange rate may even be determined by a weekly auction of foreign exchange rather than being

fixed by the central bank.

World Bank structural adjustment programmes emphasise improving the incentives for private sector producers (particularly of exports) through changes in prices, tariffs and other taxes, subsidies and interest rates; and releasing resources for private sector use by reducing the resources allocated to the public sector (prevention of the public sector 'crowding out' the private sector).

Privatisation of public sector activities is advocated by the World Bank and other donors as a way of reducing public expenditure and increasing efficiency. Possible methods of privatisation include denationalisation, contracting out, and deregulation. Denationalisation means selling state-owned enterprises to private owners. It has the danger of substituting a privately-owned monopoly for a state-owned monopoly, which, while reducing public expenditure, does not tend to increase efficiency. Contracting-out means that activities formerly performed by state employees are put out to tender by private firms. There is, however, a problem of the enforcement of quality standards. Private contractors may be tempted to cut corners in order to put in a very low bid. Deregulation means the abolition of statutory barriers which prevent private operators from competing with state enterprises; for instance, ending the monopoly of state-owned crop marketing boards. Again, this has the danger of allowing the growth of private monopolies.

It is generally argued that privatisation must be accompanied by increasing competition if any efficiency gains are to be realised. However, the notion of efficiency is not straightforward. Output may be increased because the same amount of labour, in terms of intensity of work and hours of work, is used more effectively. Or output may be increased because more labour is extracted from employees: their hours

of work are lengthened, and/or they have to work harder. Now, in some cases, extracting more labour may be defensible because it can be argued that employees were not really supplying the quantity and quality of effort that they were contracted to supply. But in other cases, the extra output is not secured by getting employees to fulfil the provisions of their contract, but by worsening the terms of their contract. A private contractor may be able to supply, say, cleaning services to the education and health services more cheaply than in-house provision of services, because the private contractor employs women cleaners at worse terms than does the state sector. It is important to ask, how is the increased efficiency achieved? At whose expense?

So far, privatisation has not been significant in more than a few, mainly middle income, developing countries. Bangladesh is the only low income developing country where there has been substantial privatisation, in the form of denationalisation of manufacturing enterprises. In low income African economies, around 5 per cent of public enterprises are estimated to have been closed down or denationalised in the 1980s. One reason is the difficulty of selling loss-making enterprises; another is the real danger of monopolisation in undeveloped capital markets. However, donors are likely to continue to press for further privatisation.

The thinking that underlies IMF and World Bank adjustment programmes is shared by governments of some important donor countries. President Reagan has spoken of the 'magic of the market' and US Secretary of State, George Schultz has instructed USAID officials that policy dialogue should be 'used to encourage LDCs to follow free market principles and to move away from government intervention in the economy'. The Reagan administration claims to follow such principles at home. The lower rate of unemployment in the USA, as compared with

Europe, is attributed by some economists to a greater reliance on market principles in the USA. Others point out that deregulation affects mainly the labour market and the financial market, while regulation of imports is growing. The adjustment strategy of Mrs. Thatcher's government in the UK has been based on cutting back public expenditure, deregulation and privatisation of formerly public sector activities. The UK government has made some aid conditional on agreement of structural adjustment programmes with the World Bank.

Women, the Market and the State

The relation between women, the market and the state is complex. The state does not always operate in the interests of women, and the market does not always operate against the interests of women.

The state frequently plays a major role in perpetuating social, economic and ideological processes that subordinate women. Women are frequently treated as dependents of men in legal and administrative procedures, rather than as persons in their own right. The state frequently upholds patriarchal family forms in which women do not have the same access to resources as men. Examples of public sector projects and programmes which ignore the needs of women as producers and direct resources towards men abound.

The market appears to treat women as individuals in their own right. If women can sell their labour or their products and get a cash income of their own, this lessens their economic dependence upon men, increases their economic value, and may increase their bargaining power within the household. Access to an income of their own tends to be highly valued by women, not only for what it buys, but also for the greater dignity it brings.

However, so long as women carry the double burden of unpaid work in

the reproduction and maintenance of human resources, as well as paid work producing goods and services, then women are unable to compete with men in the market on equal terms. Equal pay and opportunities legislation, and diminution of 'traditional' barriers to women working outside the home cannot by themselves free women from domestic burdens and expectations. Access to markets has benefits for women, but those benefits are always limited, even if markets are entirely free from gender discrimination. They are limited because the reproduction and maintenance of human resources is structured by unequal gender relations, and because the reproduction and maintenance of human resources cannot be directly and immediately responsive to market signals.

Women with high incomes can reduce their disadvantage in the market relative to men by buying substitutes for their own unpaid work - employing cleaners, maids, nannies and cooks. But even this does not obliterate their disadvantage, as they still have responsibility for household management. Women who are not in the highest income groups do not have this option.

If most women are to gain from access to markets, they also need access to public sector services, such as water supplies, electricity, waste disposal facilities, public transport, health care and education, which will lighten the burden of their unpaid work and enable them to acquire the skills they need to enter the market. For all but well-off women, there is a complementarity between state provision of services required for human resource development, and the ability to make gains from participation in the market. For most women, the choice is not between dependence on the state and independence, but between dependence on the state and dependence on a man.

This suggests that most women have an interest not so much in

reducing the role of the state and increasing the role of the market, as in restructuring both the public sector and the private sector to make them both more responsive to women's needs and contributions as both producers and reproducers.

It is necessary to disaggregate the public sector and the private sector. In the public sector, we need to distinguish different categories of expenditure and agency (social services; transport and energy; police, legal system and armed forces; state-owned factories, farms and marketing and distribution facilities - often called parastatals). Within each category we need to examine exactly what is being supplied (primary health care or open heart surgery, for example) and to identify who is benefiting from these activities. We need to examine the relation between producers and users of public sector goods and services. How responsive are producers to the needs of users? What mechanisms are there for users to influence the allocation of resources in the public sector? The structural adjustment required in the public sector may not simply be a reduction in expenditure and costs, but a change in its priorities and in its relation to users of services. The mobilisation and organisation of women who use public sector services may be a way to achieve this.

The private sector needs disaggregating into the formal sector and the informal sector; foreign-owned and locally-owned enterprises; large and small enterprises; those which employ wage labour and those which employ family labour; joint-stock companies and co-operatives; farmers, traders, manufacturers; activities directed by women and activities directed by men. If greater reliance is to be placed on private enterprise - we need to ask whose enterprise? the enterprise of the woman farming or trading on her own account or the enterprise of agribusiness and merchants with monopoly power; the enterprise of a

women's co-operative or the enterprise of a multinational corporation? The mobilisation of women's enterprise in activities that provide a decent income and a basis for sustained economic growth requires support from state agencies, particularly in the provision of credit and training, and in services that free women's time from domestic duties.

The Impact of Adjustment on Women: A Framework for Analysis

The process of adjustment affects households in the following ways:

- changes in incomes, through changes in wages and level of employment for employees, and through changes in product prices and product demand for self-employed;
- changes in prices of important purchases, especially food;
- changes in levels and composition of public expenditure, particularly those in the social sector, including possible introduction or increase of user charges for services;
- changes in working conditions, through changes in hours of work, intensity of work, job security, fringe benefits and legal status; this applies to unpaid work as well as paid work.

These changes will not affect all households in the same way: some will lose and some will gain. Neither will these changes affect all members of households in the same way. The intra-household distribution of resources has to be taken into account as well as the inter-household distribution of resources. This is the crucial point to argue to those who do not see why there should be a particular emphasis on women, and propose to consider the impact on particular socio-economic groupings, or percentiles of households. It is of some use to chart the impact of structural adjustment on the poorest 20 per cent or the richest 20 per cent of households; it is even more useful to chart the impact on the

urban poor, or public sector employees, or own-account small farmers, or agricultural labourers. But within all these groupings there is a strong likelihood of a gender-differentiated impact. When households have to reduce food consumption because of rising prices and falling incomes, available evidence suggests it is very likely that the consumption of women and girls will be reduced by more than that of men and boys. If charges are introduced or increased for education and health services, there is a strong possibility that the access of girls will be reduced. When attempts are made to compensate for reductions in purchased resources by increases in unpaid labour (e.g. buying cheaper food that requires more preparation time), it is likely to be women who bear the main burden.

Available research shows that neither joint decision making nor equal sharing of resources within households is at all common. It is quite possible for the standard of living of wives to be lower than that of husbands; and for the standard of living of girls to be lower than that of boys. Nevertheless, it is generally women who have the responsibility of 'household management', of seeing that members of the household are fed, clothed and cared for. Women are generally closely associated with the 'collective' aspects of household consumption, and their obligation to meet children's needs is generally regarded as stronger than men's. Men's obligation is limited to providing some of the cash or productive assets required by women to carry out their household management tasks. Women, then, must meet their families' needs by 'stretching' the husband's cash contribution with 'good housekeeping', or earning an income themselves, or producing food or clothing themselves, or engaging in barter and petty trade. It is women who must cope and devise survival strategies when household incomes fall and prices rise.

So far, there has been no large scale, systematic, internationally comparative study which disaggregates the impact of structural adjustment within households and focuses specifically on women. At the moment we are forced to rely mainly on inferences from non-gender-specific data on the changes listed above, and on studies of the impact of adjustment on 'vulnerable' groups' such as low-income households and children and the elderly.

Changes in Incomes

Many adjustment programmes include limitations or complete freezes on wage and salary rises in the public sector; and may also include reduction of the degree of price indexation of wages and reductions in the coverage of minimum wage legislation. Employment in the public sector may also be frozen or reduced. Demand deflation, a major feature of IMF programmes, will reduce employment opportunities in both public and private sectors. Urban formal sector employees are thus likely to face adverse changes in their incomes; and there will be a knock-on effect in that part of the informal sector which supplies goods and services to formal sector employees. Wage freezes for teachers, nurses, doctors, clerical workers, administrators, etc., means less demand for domestic servants, for instance.

Women public sector employees will thus be adversely affected. Jobs in the public sector have hitherto provided some of the better urban jobs for women; many of them skilled, professional jobs with a high degree of security. In most cases, far more professional and managerial jobs for women are provided by the public sector than by the private sector. The best career opportunities for educated women have in many countries been in the public sector. In some countries this is no longer the case. In Jamaica, nurses and teachers are leaving the

public sector because of the low levels of pay. Professional women remaining in the public service have been driven to doing extra jobs at night in the informal sector, such as running snack shops.

One category of employment that has expanded for women in some countries is work in export-oriented labour intensive manufacturing. Sri Lanka and Jamaica have set up Export Processing Zones (Free Trade Zones) as part of their adjustment strategy which employ women in garment production. Wages for women in EPZs do tend to be higher than the average for comparable work outside the zones, and employers in the zones have no difficulty in recruiting women to work for them. But workers in EPZs tend to enjoy fewer rights than workers in private formal sector factories outside the zones.

On the whole, the incomes and job opportunities available to women in urban areas have probably deteriorated, though more detailed information on this is required.

In the rural areas, some groups have enjoyed increases in incomes as a result of higher prices for producers of marketed crops. For instance, Ghana increased cocoa prices by more than seven times between 1982/3 and 1986/7 as part of a major World Bank supported programme to rehabilitate the cocoa industry. In most sub-Saharan countries, producer prices for food crops have risen substantially since 1980, mainly as a result of dismantling price controls. For instance, Zambia increased the official (or nominal) price of maize by 142 per cent between 1980-85. However, the impact of high prices for the things farmers sell has been eroded by higher prices for the things farmers buy. Many of the things farmers buy, both consumer goods and production inputs, are imported; and devaluation raises their prices. The real prices that farmers face depend not only on the nominal crop prices in local currency, but also on the prices of what they buy. Calculations

by the US Department of Agriculture show that the real price rise for farmers is much less than the nominal price rise. Though the nominal price of maize rose in Zambia by 142 per cent, the real price rise for farmers, taking into account the rising prices of what they buy, was only about 6 per cent. So the incentive effect is much less than the change in nominal producer prices would suggest. In any case, the impact that such price increases have on women depends crucially on the intra-household resource allocation process. We need to know if extra cash income accrues to men or to women; and if it accrues to men, how they dispose of it. Do they simply increase their personal consumption or do they make part of it available to wives to increase family consumption?

The benefit from higher crop prices also depends on producers' capacity to respond by increasing output. While there is evidence that rural producers do switch from one crop to another in response to changing relative prices, it is far less clear that they will be able to increase output of a wide range of crops in response to a general increase in crop prices. For this depends on their ability to mobilise more of the inputs required - in particular fertiliser, credit, and labour. Women's double burden of crop production and human resource production and maintenance leaves little spare time. There are ample time budget studies showing the long working day of women farmers. Moreover, other elements of structural adjustment programmes may also make increasing demands on women's time; cutbacks in the public provision of rural health, education and water supplies, for instance. There is a limit to the extent to which women can switch time from human resource production and maintenance to crop production. As has already been argued, children will not be left untended because another crop becomes more profitable. The ability of price incentives to reallocate

resources runs into the barrier of human resources. Thus, the provision of public services, which reduces the time women must spend in domestic duties, is complementary to their ability to respond to higher crop prices with higher output.

Even if they do have some 'spare capacity', women may be reluctant to increase their work load because they are unlikely to enjoy the proceeds of extra work. This is likely to happen in cases where production is under the management of men, who then control the resulting proceeds. In such cases, women may refuse to spend extra time weeding and harvesting in their husbands' fields.

The constraints on women's time can also be relaxed by making each hour more productive. But that, too, is going to require public provision, particularly of extension services and credit.

Agricultural labourers will not benefit directly from increased crop prices, though they may benefit if there is an expansion of output which may create more employment. For them, as for urban workers, increased food crop prices will increase their cost of living. It must also be remembered that many poor farmers are forced to sell food crops just after harvest to repay debts, and they, too, have to purchase food for the rest of the year.

Changes in Prices of Consumer Goods

Increased food prices for consumers are major features of adjustment programmes. Where food imports are high, devaluation, which increases the price of imports, will have a substantial impact on food prices. Removal of food subsidies is also a major feature of adjustment programmes. It is advocated as a major contribution to reducing public expenditure. In Sri Lanka, following the removal of food subsidies, prices rose by 158 per cent for rice, 386 per cent for wheat flour, 331

per cent for bread and 345 per cent for milk powder in the period 1977-84. In Zambia, the price of maize meal, the main consumer staple, was raised in one step by 50 per cent in 1985, as the first stage in removing the subsidy.

If wages are frozen while food prices (and prices of other essential items, like kerosene) are rising, then real income will fall. Urban wage earners in Tanzania faced a 50 per cent fall in real incomes between 1980 and 1984, while in Ghana over the same period, they fell by 40 per cent.

UNICEF studies reveal a widespread deterioration in the nutritional status of children and pregnant and lactating mothers in both rural and urban areas in countries with IMF stabilisation and World Bank structural adjustment programmes. Mothers are unable to buy enough food of the right type to feed the whole family, and in many cases priority in feeding is given to adult males.

The intra-household resource allocation system constrains the extent to which total household expenditure can be reallocated in response to rises in food prices. A recent study of one hundred households in low-income areas of Lusaka, capital of Zambia, found that in only a tiny minority of cases was money management a joint responsibility of husband and wife. In the majority of cases, wives were given fixed housekeeping allowances by their husbands, who were generally reluctant to tell wives how much they earned. These women have the traditional responsibility of ensuring that meals are prepared each day for their families, but they do not have a say in the total allocation of household expenditure. They can only determine how their housekeeping allowance is spent. When prices rise, this requires a high degree of ingenuity in making ends meet, involving extra stress and time. Increases in the housekeeping allowance and reductions in

husbands' personal expenditure requires conjugal negotiations which are often fraught with tension. Female-headed households do not face this kind of constraint in expenditure re-allocation - but they are generally worse off in terms of total income because of the poor earning power of most women.

Changes in Levels and Composition of Public Expenditure

Public expenditure on social services has fallen in many developing countries. For instance, in Jamaica, social services expenditure fell by 44 per cent in real terms between 1981/82 and 1985/86. Some schools have been closed and services offered by some hospitals and health centres downgraded. Charges have been introduced for health services, even for the low paid and unemployed. In Nigeria, state governments have imposed fees on both primary and secondary education, and the enrolment rate among poor children has fallen drastically.

However, in Malawi, the government has resisted pressure from the World Bank to increase the prices charged by public utilities and to increase charges for health and education services, on the grounds that this would severely reduce access to services by poorer groups.

Expenditure cuts have often hit recurrent expenditure harder than capital expenditure, leaving schools short of books, paper and pens and hospitals short of bandages and drugs, even while new hospital and school building has gone ahead. The process of project funding in which aid is available for capital expenditure but not recurrent expenditure may be a factor here. Expenditure cuts have also often hit rural services harder than urban services.

In Sri Lanka, a serious deterioration in the delivery of health care has been noted. Large investments in new and more sophisticated hospitals and equipment have gone ahead while rural services and

preventive medicine have remained short of resources. Private practice by doctors employed in the Health Service has been introduced, and studies have found that private patients get preferential access to health service facilities. Privatisation of social services has probably gone furthest in Chile. For example, educational coupons have replaced state-sponsored education. But at a time of recession, poorer households have endeavoured to survive by cashing in their coupons, rather than spending them on schooling. Literacy levels have fallen.

One item of public expenditure has been growing, however, and has reached very high levels in many parts of Latin America, the Caribbean and sub-Saharan Africa. This is payment of interest and servicing foreign debt. In Jamaica, this accounted for no less than 42 per cent of total budgeted recurrent expenditure in 1985/86.

Changes in Working Conditions

It is very likely that for many women, adjustment programmes mean longer hours of work, both of paid work and unpaid work. Maintaining a household on reduced resources takes more time - hunting for bargains, setting up informal exchange networks with neighbours and kin, making and mending at home rather than buying, etc. Increasing agricultural output takes more time. Making a living in the informal sector in conditions of falling demand takes more time. Women are resourceful in devising survival strategies for their families. The involvement of urban women in 'informal sector' activities is likely to grow. For instance, the deteriorating conditions in Jamaica have prompted increased petty trading activity by women. The higglers (as they are known) have made even importing an informal sector activity.

However, there is a difference between survival strategies and activities that can form the basis for sustained growth and development

both on a personal and a national level. There is a trend towards the casualisation of the work of urban women, not just in the 'informal sectors' of cities in developing countries, but also in developed market economies, where 'outworking' at home is growing. The distinction between the 'formal sector' and the 'informal sector' is also being eroded. Women's jobs in the 'formal sector' are being made more 'flexible' - which frequently means loss of security, loss of fringe benefits such as sick pay, pensions and maternity leave, increasing intensity of work. Export processing zones are one example of this trend. The contracting out of some public sector activities in some countries is another. The contracting out of health service ancillary services, such as cleaning, in the UK has led in some cases to women losing their sick pay entitlements and pension rights; suffering cuts in their wages; and facing new work rotas which gave them more wards to clean, and less time to do it in. Increased 'efficiency' in the public sector may be bought at the cost of deteriorating working conditions for women.

The Overall Impact on Women: Information Priorities

Given the present availability of information, it is not possible to present a definitive overall summing up. In many cases, adjustment seems to have led to a redistribution of real income away from urban areas and towards rural areas. It is estimated that in Tanzania, between 1980 and 1984, there was a 5 per cent increase in real farm incomes, while urban wage earners suffered a 50 per cent fall in real incomes. In Ghana, over the same period, farm incomes stagnated, while urban real incomes fell by 40 per cent. Rural incomes have increased relative to urban incomes in Brazil, Chile and Mexico. However, there are still large numbers of rural people living in abject poverty. None

of these general estimates looks at the effects within h

It should be a priority to monitor the impact of ad
following groups of women:

- women in low-income urban and rural households;
- women employed in the public sector;
- women farmers.

Some work is under way on the impact of adjustment o
(notably that by UNICEF on the impact on children). It i
supplement this with specific monitoring of intra-househo
allocation processes. The resources of local research ins
universities could be called upon to conduct sample surve
exactly, within the household, women get access to the inp
require for their work of human resource reproduction and

Statistics should be compiled from information suppli
public sector on the employment of women in the public sec
pay; working conditions; turnover, etc. Co-operation with
trade unions may be fruitful in helping to monitor the ext
conditions have deteriorated. This group of women is undoe
likely to be much better off than women in low-income hous
deterioration in the major source of modern careers for wo
matter of concern.

The position of women farmers needs monitoring to see
extent their incentives have improved, and to what extent t
position to respond to better incentives. These women are
seem to have some chance of benefiting from adjustment, and
to identify any barriers to those benefits being realised.

Modifying the Adjustment Process: Policy Objectives

Considerable criticisms have already been voiced about the costs of adjustment strategies. It is argued that they bear most heavily on the poor and erode the human resource base of the economy. UNICEF has called for Adjustment with a Human Face; the Overseas Development Institute in London has called for Adjustment with Equity. The World Bank has indicated that structural adjustment must include policies for 'strengthening the human resource base'.

There is scope for Women's Bureaux to participate in this dialogue about modifying the adjustment process. One way would be to join their voices to those of organisations like UNICEF who are arguing for protecting the vulnerable during the adjustment process. There is, however, the disadvantage that this would focus attention mainly on women as victims and runs the danger of deteriorating into paternalism. It also tends to focus only on women in low-income households. It focuses mainly on the detrimental impact of adjustment on women, and not on the contribution that women can make to effective adjustment.

An emphasis on women as producers of goods and services and as reproducers and maintainers of human resources may prove more effective. A dialogue with the World Bank could be opened which emphasises that a prime need for strengthening the human resource base is more time for women, and more control over resources for women. Women do not so much need more information about nutrition and health as public services which reduce their unpaid labour, and reform of the social structures that create gender inequality in access to resources. Policy reforms and structural changes need to encompass not just relations between public sector and private sector control of

resources, but between women's control and men's control of resources.

An overarching objective would be to give the Adjustment with Equity objective a 'gender' content. The objective would then be that poor women should not become worse off than other sections of the population in absolute terms; and that better off women (including farmers and public sector employees) should not become worse off than men in comparable social groups. The indicators of well-being should include not just income, but also total hours of work (paid and unpaid) and health and nutritional status. This might be called an Adjustment with Gender Equity objective.

Modifying the Adjustment Process: Areas of Intervention

The achievement of Adjustment with Gender Equity requires greater selectivity in public expenditure cuts, a restructuring of public sector activities, and a greater emphasis on self-reliant food production.

It also requires more finance from donors, to permit a slower pace of adjustment; and provision of appropriate technical assistance and training.

Some reductions in public expenditure are unavoidable, but there is scope for much greater selectivity in the cuts. Before reducing food subsidies, other subsidies could be cut first (for example, subsidies to national airlines). Food subsidies could be redesigned to increase the benefits to poorer women, while cutting overall costs, by removing subsidies on foods consumed mainly by middle and higher income families, and concentrating them on food consumed mainly by poorer families. Or poor families could be cushioned by a food stamp scheme in which they are issued special stamps (or vouchers) which can be exchanged in the shops for food (as has happened in Jamaica and Sri Lanka). But food stamps are not without problems. Frequently, the value of stamps is not

raised in line with food price rises, so that the amount of food they will purchase falls. The system of access to food stamps is also important. They should go directly to the person in the household, almost invariably a woman, who has responsibility for preparing meals for the family. If food stamps are allocated by employers to 'breadwinners', as is sometimes suggested, then some systems of intra-household resource allocation may present barriers to those food stamps being entirely available to the woman responsible for feeding the household. A further problem is that women themselves may, for a variety of reasons, give priority in food distribution to male members of the household, leaving themselves, and their daughters, relatively malnourished. Direct feeding programmes for children and mothers in poor districts may be the most appropriate measure. Such a programme, supported by food aid, now exists in Jamaica.

Social expenditure on education, health and sanitation, can be given higher priority than prestige urban projects, or building new factories that will be unable to operate anywhere near full capacity because of lack of imports. In 1985, Brazil began a social priorities programme emphasising services for the poor which is co-ordinated with a growth-oriented adjustment effort. Within social expenditure, there needs to be restructuring to direct services to the poor. UNICEF proposes an emphasis on primary health care, based on rural and urban community clinics, in preference to expensive urban hospitals. It recommends training of more para-medics and traditional midwives in preference to specialised doctors. Such restructuring could also preserve, or even expand, women's employment opportunities in the public sector, since whereas specialised doctors are more likely to be men, para-medics may well be women. Restructuring could be linked to incentives to public sector employers to work in rural areas or poor

urban districts: jobs in difficult or unattractive environments could be exempted from wage freezes or given special allowances.

If user charges are introduced for social services, these could be differentiated. Fees for university students could be introduced rather than fees for primary schools; or greater increases in charges for electricity, water and sanitation services introduced for those living in wealthier urban areas than those in low-income areas. If privatisation of services is being considered, then privatisation of urban services to local communities could be considered. Local sanitation and cleaning services could be controlled and operated by people in the particular districts they serve.

The danger is that public expenditure cuts are determined by administrative ease and power of organised interest groups. But an expenditure cutting exercise is an opportunity to re-order the priorities of the public sector. A Women's Bureau can intervene in this by requesting statements of the impact of proposed cuts on women, and by suggesting a different pattern of cuts, if appropriate, and a restructuring of the public sector to meet women's needs more effectively. An improvement in the operation of the public sector is vitally important if adjustment is to lead to a sustainable development path. In the longer run, we must develop strategies to enable the public sector to be more responsive to women's needs, and explore the possibilities of giving women users of public sector services a role in the planning and management of these services.

Adjustment is not just about public expenditure cuts and re-organising the public sector. It is also about increasing productivity and promoting growth. World Bank structural adjustment programmes emphasise increasing export crop production, especially through reducing the gap between the price farmers get and the world market price.

Though increasing export crop production may increase foreign exchange earnings when undertaken by one country facing given world market prices, it is questionable whether such a policy is valid when applied uniformly across a large number of developing countries. Since demand for most export crops is growing only very slowly, increased export volume by several countries is likely to depress world market prices and reduce the benefits of increased production. World market prices for primary products, relative to manufactures, are now at their lowest level in real terms since the 1930s.

Expansion of export crop production has not historically benefited women very much, and has often made their position worse. Typically, such crops have been grown under the control of men. Women have been required to work in the fields planting, weeding and harvesting them. But the income accruing from the sale of such crops has been under the control of their husbands. Women have frequently lost access to better land as it was diverted from subsistence crop production under their control to export crop production under men's control. Export crops have always been allocated better seeds, fertilisers, credit and extension services - and that has meant discrimination against women.

Many governments have been sceptical of World Bank arguments, and have argued that local food production for the local market is a less risky growth strategy. However, many of them are attracted to strategies of large scale irrigated and mechanised food production, highly dependent on agribusiness and imported inputs. The results of many of these schemes have been disappointing and the costs substantially underestimated. One of the reasons for the disappointment has been a lack of recognition of the crucial role of women farmers in food production. What is needed is not simply an emphasis on food production, but an emphasis on self-reliant food production. This means

increasing the productivity of small-scale women farmers who do not rely so much on imports, and who grow foods which are staples for poorer groups, like cassava, as well as food grains like maize and rice. There are a whole host of critical policy reforms required here to remove the barriers which exist to increasing the productivity of women farmers. Increasing real crop prices is a necessary condition but it is by no means a sufficient condition. It is essential that more inputs and support services are directed to women farmers, and that strategies are devised for restructuring gender relations to end discrimination against women farmers. This is necessary not just so that women shall reap some gains from the adjustment process, but also it is necessary to assure an effective adjustment process with some real prospects of sustained growth.

An emphasis on self-reliant food production is also likely to bring gains for women in manufacturing employment. Food and Drink manufacturing is a major employer of women and has tended to expand in many countries even during the recession. Food and Drink manufacturing needs to be integrated with local food production. Encouragement should be given to the expansion of small-scale manufacturing units closer to the points where women are producing fruit, vegetables, and livestock products.

The concern in many countries with improving the productivity of local food production gives Women's Bureaux an opportunity to make an impact on policy formulation by stressing the crucial role of women farmers. If their role is ignored, then effective adjustment will not be possible.

To summarise: the two key areas where Women's Bureaux should try to intervene in the formulation of adjustment strategies are in the formulation of public expenditure strategies, and in the formulation of

strategies for food production. Their main aims should be restructuring public expenditure, and enhancing the capacity of women farmers to contribute to a self-reliant food production strategy.

Enhancing the Capacity of Women's Bureaux to Influence Adjustment Policy

Women's Bureaux require enhanced capacity to monitor a variety of indicators of women's well-being, including non-financial as well as financial; and capacity to analyse resource allocation processes within households as well as between households. They also need enhanced capacity to make recommendations for policies on the redirection of public expenditure and the enhancement of women's productivity as farmers.

A useful mechanism would be to call an international meeting of researchers and policy makers with special expertise in this area to pool knowledge and discuss strategies. It would be particularly useful to review any policies adopted to protect the position of 'vulnerable groups' as advocated by UNICEF; and to 'strengthen the human resource base' as is beginning to be advocated by the World Bank; so as to assess their strengths and weaknesses from the point of view of Adjustment with Gender Equity. Since there is a considerable amount of experience in Latin America on this issue, the meeting should involve both Commonwealth and non-Commonwealth participants.

Women's Bureaux personnel will require more training in the appraisal and formulation of macro-economic policies and sectoral policies so as to equip them to enter into a dialogue with Ministries of Finance, Health, Education and Agriculture, etc.

Donor agency personnel concerned with women and development can play a useful role both in enhancing the capacity of Women's Bureaux to

influence adjustment policy through appropriate technical assistance; and through intervening in the discussion of aid conditionality within their own agencies.

Not all Commonwealth countries are faced with IMF or World Bank adjustment programmes; and different countries have different kinds of problems in adjusting to the deteriorating economic environment. But in all countries, adjustment involves some degree of change on the relation between the public sector and the private sector; and in all of them, women's unpaid labour is not specifically accounted for in formulating macro-economic and sectoral policies. On this issue, all Women's Bureaux face a similar task of making clear to the policy makers the links between women's paid and unpaid labour, and between production of goods and services, and reproduction and maintenance of human resources.

Summary and Key Recommendations

1. Progress for women through specifically designed projects and equal opportunities initiatives is being undermined by the deterioration in the world economy. Women's Bureaux need to develop the capacity to analyse the implications of this for women, and to intervene in the design of adjustment programmes.
2. Adjustment programmes are currently designed using concepts which are gender biased because they ignore women's unpaid labour in the reproduction and maintenance of human resources. Terms like 'cost', 'productivity', and 'efficiency' are frequently misleading and conceal shifts of costs from the paid economy to the unpaid economy.
3. Adjustment programmes currently place great faith in the efficacy of market forces, and seek to decrease the role of the public sector and increase the role of the private sector. The relation between

women, the market and the state is complex: the state does not always operate in the interests of women, and the market does not always operate against the interests of women. For most women, there is a complementarity between state provision of services required for human resource development, and the ability to make gains from participation in the market. Women have an interest not so much in reducing the role of the state and increasing the role of the market, as in restructuring both the public sector and the private sector to make both more responsive to women's needs and contributions as both producers and reproducers.

4. The process of adjustment affects households in the following ways:

changes in incomes;

changes in prices;

changes in level and composition of public expenditure;

changes in working conditions, in both paid and unpaid work.

Such changes are unlikely to affect all members of a given household in the same way or the same degree. The intra-household impact needs to be monitored as well as the inter-household impact. Women tend to bear a disproportionate share of the difficulties of adjusting because of their responsibility for household arrangement.

5. At present no large scale, internationally comparative study of the effects of structural adjustment on women is available. Fragmented evidence suggests that urban women are likely to be adversely affected. Rural women farmers may stand to gain - but there are many obstacles to the realisation of gains, given the existing sexual division of labour and gender differentiation of resource control in many countries. These obstacles may not only prevent women farmers from gaining, they may also prevent the adjustment

programme from achieving its national economic objectives. The burden of unpaid work is likely to increase for most rural and urban women.

6. Women's Bureaux need to become active in monitoring the impact of adjustment programmes on women, using health and nutritional data and time budget studies; and surveys which examine the intra-household system of resource control. Priority should be given to monitoring the impact on:
 - women in low-income urban and rural households;
 - women employed in the public sector;
 - women farmers.
7. Women's Bureaux should work towards modifying current adjustment programmes to achieve the objective of Adjustment with Gender Equity. This means an adjustment in which poor women do not become worse off than other sections of the population in absolute terms; and in which better off women do not become worse off than men in comparable social groups.
8. The achievement of Adjustment with Gender Equity requires:
 - greater selectivity in public expenditure cuts and a restructuring of public sector activities;
 - greater emphasis on self-reliant food production;
 - more finance and provision of appropriate technical assistance from donors.
9. The capacity of Women's Bureaux to influence the adjustment process must be enhanced. An international meeting of researchers and policy makers with special expertise in this area should be called, so as to pool knowledge and evaluate strategies. The Commonwealth

Secretariat and donor agencies could play a useful role in facilitating the exchange of experience on the impact of structural adjustment on women; and in disseminating information about strategies for achieving Structural Adjustment with Gender

