

## **Executive Summary**

The economic crisis of the 1980s, and the types of stabilisation and adjustment measures taken in response to it, have halted and even reversed the progress in health, nutrition, education and incomes which women had enjoyed in developing countries during the previous three decades. In the 1980s, despite greater national and international commitment towards gender issues, most women have suffered disproportionately during the widespread economic and social disruption that has occurred in much of the developing world. This Report analyses the impact of the crisis and structural adjustment on women and proposes measures to make the process more effective and beneficial, both for the women themselves and for the societies and economies in which they live and work.

2. The essence of women's distinctiveness lies in the multiplicity of their roles. Most men can confine themselves mainly to being producers. Most women, in addition to being heavily involved in economic production, take prime responsibility as home managers, child-bearers and carers of children and the elderly. Both women and men are also community organisers. In consequence, women work longer hours than men, usually with smaller resources, fewer opportunities and lower rewards. Inequities, in fact, typify gender differences. As has been pointed out in the literature on the UN Decade for Women, women account for half the world's population, perform two-thirds of the hours worked (though are recorded as working only one-third of those hours), receive one-tenth of the world's income, and have one-hundredth of the world's property registered in their name.

3. These asymmetries mean that women almost always face more severe constraints and harsher choices in their use of time than do men, and this difference has been magnified by economic recession and structural adjustment. With falls in individual and family incomes, women are obliged to devote more time to their role as producers, i.e. to earning incomes in cash or in kind. This, in turn, requires an intensification of effort by women in other directions, because their

other roles have to be carried out in less time, while often becoming more difficult to accomplish. Greater effort is needed to provide for their families on lower incomes—to purchase basic goods from the cheapest source, and to safeguard their children's health and education at a time when structural adjustment is causing a fall in the 'social wage'.

4. The adjustment programmes being pursued diminish the services available to women in their non-producer roles, without assisting them in their role as producer. As a result, they have damaged the human and capital resource base available to society: this is not only the cause of much current suffering but will have serious future consequences.

5. Our aim in this Report is to propose a broader approach to adjustment, fully incorporating women's concerns, and to identify measures to bring this about. Having considered the evidence on the impact of the crisis and subsequent adjustment on women, we are convinced that short-term stabilisation measures have too often been in conflict with long-term development goals, and have caused hardships severe enough to invalidate the process. It is only by recognising the economic necessity of protecting the social base, particularly as it affects women, and by incorporating these concerns into policy, that adjustment can achieve the desired results. In other words, adjustment policies which fail to incorporate women's concerns fully are not only unjust and cause unnecessary hardship but also imperil the effectiveness of the policies themselves. We must stress that our proposals will not be adequately implemented if they are seen and incorporated only as marginal additions to the present adjustment efforts. The problem of existing adjustment is **not** its omission of a few projects for women—but its failure to take adequate account of the time, roles, potential contribution and needs of half of each country's population.

## THE CRISIS IN PERSPECTIVE

6. In many developing countries, the crisis of the 1980s halted the substantial economic and social progress which had been made by women during the preceding three decades. In the earlier period per capita income grew at 2 per cent per annum in low income countries and 4 per cent in middle income developing countries. Social progress in the developing world paralleled or even exceeded economic progress. Women shared in this progress, with increases in life expectancy (44 years in 1950 to 61 years in 1980), in primary school enrolment rates (37 per cent in 1950 to 44 per cent in 1980), and employment levels (37 per cent of the workforce in 1950 to 42 per cent in 1980). Their position nevertheless remained significantly unequal to that of men.

7. By the early 1980s very large imbalances had emerged in the balance of payments of many developing countries, the result of deteriorating terms of trade, increasing developed country protectionism and slower growth in world trade, as well as a sharp deterioration in the capital account caused by high rates of interest and a collapse of voluntary bank lending. Adjustment became inevitable. Resources (including labour) had to be reallocated to more productive uses, economic structures changed, and lives altered. The pace of adjustment, required under the auspices of external agencies such as the IMF and the World Bank, contributed towards the difficulty of combining these processes with economic growth. The adjustment programmes were designed without consideration of their impact on human conditions. Recently there has been more recognition of the poverty dimensions of adjustment, but little action has been taken and there has been no explicit account taken of women's specific needs and concerns. And for many developing countries the crisis has continued.

8. The 1980s have been a period of almost continuous adjustment in many countries of Africa, Latin America and the Caribbean. But their external payments positions are still far from satisfactory. In Latin America, major improvements in the trade balance have been virtually wiped out by a massive outflow of resources (of around \$150 billion from 1982 to 1987), while in Africa imports have diminished by nearly 8 per cent per annum, with a devastating effect on investment. Per capita incomes have fallen substantially—by over a quarter in Sub-Saharan Africa and by around a sixth in Latin America and the Caribbean. In both continents the human condition has worsened correspondingly. There have been declines in real expenditure per head on health and education services, rapidly rising food prices and falling real incomes among poor households. There is evidence in many countries of rising rates of malnutrition and falling educational attainments; in some, infant mortality rates have risen. With few exceptions, the previous steady progress in social indicators has been halted or reversed in both continents.

9. Women have been at the epicentre of the crisis and have borne the brunt of the adjustment efforts. They have been the most affected by the deteriorating balance between incomes and prices, by the cuts in social services, and by the rising morbidity and child deaths. It is women who have had to find the means for families to survive. To achieve this they have had to work longer and harder. Yet they have had no role in the design of adjustment programmes which have in consequence ignored their needs and concerns.

## WOMEN'S ROLES, CONTRIBUTION AND SITUATION

10. The ways women are affected by structural adjustment depend on their role and situation in the economy and society, and the contribution they make to each. As producers, women have accounted for an expanding proportion of the labour force, being especially important in agriculture and the informal sector and increasingly so in manufacturing. Yet they continue to earn less than men, even for the same work, and are almost without assets, especially as regards land. Their economic contribution, moreover, is grossly under-recorded in official statistics: adding household work alone would increase estimates of world production by at least one-third. As managers of household consumption, women have had to ensure that their families' basic needs are met; but in general they have done so while having little control over family income allocation. As mothers, they are primarily responsible for their children's welfare and, as daughters, they are relied on for the welfare of aged parents and parents-in-law; they also play a large role as community organisers. The net result is that women consistently work longer hours than men—16 hours a day in parts of East Africa, for example. Their health, education and general welfare have often suffered as a consequence.

## THE IMPACT OF CRISIS AND ADJUSTMENT ON WOMEN

11. The evidence shows that women have generally been ill-served by structural adjustment policies and programmes. As producers, many of them have lost their jobs in the formal sector; and when this has happened, they have found it more difficult than men to gain another, partly as a result of discrimination arising from the "male breadwinner ethic". Moreover, the falls in household income have led to an increase in women's search for employment outside the home. In the few adjusting countries where women's employment in the formal sector has increased during the 1980s, this has by no means been commensurate with the need for more jobs. As food producers women have gained less than proportionately from the better terms of trade for agriculture, and any expansion of agricultural wage-earning opportunities for women has not kept pace with the extra numbers seeking such work. The result of these changes in employment and in the labour force has been to throw many more women into insecure jobs in the informal sector. In that sector, however, there has been a drastic decline in earnings (often much greater than the fall in other sectors), even for longer hours of work. Yet despite the meagre returns, women's informal sector earnings have been crucial to the survival of poor families during the crisis of the 1980s, especially in Africa, the Caribbean and Latin America, as our case studies confirm.

12. As home managers, women have been adversely affected by the reduction or abolition of subsidies on food and other basic goods, while their role as mothers has been made more difficult by reduced social services. The effects have often been catastrophic. In Ghana, at the peak of the crisis in July 1984, even the upper middle civil service salaries could cover barely 10 per cent of the minimum nutritional diet of a five-person household. And per capita health expenditure in 1982 was one-fifth of that in 1975/76, the country losing half its doctors between 1981 and 1984. In Zambia in 1985, despite free primary education, parental expenditure on basic items necessary for one child to attend school was over one-fifth of average per capita income. Children's health and education have suffered accordingly, particularly if they are members of female-headed households, which have been among the worst affected.

13. Women's own welfare has also suffered. Their use of time has been subject to special demands in trying to undertake each of their main roles with diminished resources and greater difficulties. Their health has been adversely affected by increased hours of work and by reduced availability of food and healthcare facilities. Less healthy women are less efficient, reducing their productivity and thereby diminishing national income and national welfare below its potential. In total, therefore, the structural adjustment programmes adopted have reduced the resources available to women in their roles as home managers, mothers and community organisers, while making additional demands on them as producers. The trade-offs in undertaking their multifarious roles have become almost impossibly difficult, for poor women especially.

## SO LITTLE ACTION

14. Awareness of the problems which the poor and the vulnerable face as a result of stabilisation and structural adjustment programmes is increasing among international agencies and governments. Both the IMF and the World Bank have now become more conscious of the human costs of adjustment, but only in a few recent cases have special measures been taken to protect the poor and other vulnerable groups from bearing the costs disproportionately. A number of UN bodies have been providing limited support for poverty alleviation measures related to adjustment programmes, as have some bilateral aid agencies and international NGOs. Certain developing country governments have also acted, seeking at least to maintain expenditure on key sectors—such as primary healthcare/education or nutrition—of benefit to the poor. Food-for-work schemes and compensatory measures for retrenched workers have also been started.

15. While these new orientations are very welcome, they are still much too little, too late and in general are not being given the resources and priority they deserve. Moreover, as we ascertained from a survey we had commissioned, rarely has attention been given to women as a specific category, and virtually no measures have been incorporated specifically directed to their needs. Any benefits women have attained from compensatory measures have been only incidental. They have not prevented devastating setbacks in crucial areas such as maternal and child health services, basic education and training, childcare, and the provision of credit, extension and other support services to help women as producers.

### STRATEGY FOR CHANGE

16. Our survey has led us to conclude that a much broader approach to structural adjustment is urgently required. Women's concerns need to be explicitly incorporated as integral elements of the objectives, content, monitoring and international support for structural adjustment. This should be done as part of a more general broadening of adjustment, to focus more directly on human needs and long-term goals for sustainable, environmentally-sensitive development. We are convinced that this is possible and will increase the efficiency and sustainability of adjustment efforts, as well as their acceptability. We are also convinced that the time has come for such an initiative—and that the Commonwealth can play an important part in bringing it about.

17. We believe this broader approach requires adjustment policies and programmes to be designed in such a way as to incorporate the following three general principles:

- *an emphasis on social equity and economic growth as well as efficiency;*
- *full integration of women into the decision-making processes;*  
*and*
- *a supportive international environment.*

18. In sum, we are looking for an overall policy stance which is oriented towards all the people, meeting basic needs and achieving equality for women, always informed by the need for administrative practicality. Before setting out our proposals in detail we summarise below the six general areas we believe should be given priority consideration for action.

*Six General Areas for Action by Governments,  
International Agencies and Non-Governmental Organisations*

- I. Broaden the approach of national governments and international agencies to structural adjustment, so as to:
  - (i) clearly incorporate women's concerns in the basic objectives of adjustment, as part of a more general widening of adjustment objectives to focus on human needs, environmental protection and sustainable development in the long term;
  - (ii) take account of women's special needs in and contributions to economic production; household management; child rearing and caring (and often caring for the aged); and community organisation, by incorporating measures which:
    - (a) increase women's productivity and ease their time burdens in all their roles;
    - (b) enhance women's opportunities for remunerative and productive work by ensuring greater access to credit and key services, and implementing employment creation schemes specially tailored towards women's needs; and
    - (c) restore momentum for women's advance in the longer term by giving priority to education, health and other goals for women in the 1990s.
  
- II. Institutionalise women's concerns through the strengthening of government and other official machinery by:
  - (i) placing women's bureaux in strategic areas of a country's decision-making processes;
  - (ii) establishing women's units in key economic Ministries and development agencies, and ensuring that they participate fully in all decision-making related to structural adjustment and other concerns of women;
  - (iii) setting up Parliamentary and administrative committees to review legislation and programmes to ensure that all concerns of women are adequately addressed.
  
- III. Involve women fully at all levels of the decision-making processes; introduce anti-discrimination and affirmative action legislation to assist in breaking down the gender segmentation of the workforce; implement measures to ensure women have equitable access to education, training and employment opportunities, and receive equal pay for work of equal value and equality of treatment in all aspects of the law; and undertake publicity and information campaigns to promote a greater sharing by men of domestic and family responsibilities.

- IV. Provide a supportive international economic environment for the broader approach to structural adjustment in developing countries by:
- (i) increasing external finance for areas supporting women during adjustment; targeting a specific proportion of aid flows to measures which directly benefit women; and initiating debt swaps in support of such measures;
  - (ii) increasing net resource transfers both from the public and the private sector through additional aid flows and debt write-off by aid donors; lower interest rates, substantial debt reduction, and additional financial flows from the private sector; improving access to developed countries' markets, especially for labour-intensive manufactures, where women are heavily involved; and supporting primary product prices.
- V. Ensure the provision of:
- (i) accurate, regular and prompt gender-disaggregated data on critical economic and social indicators (including access to land and credit, rates of employment and earnings, levels of education, morbidity, mortality, and nutrition); and ensure that the data on women's work and employment reflect the full extent of their contribution to the economy and the household (including home-based work);
  - (ii) facilities for regularly monitoring the impact of specific adjustment programmes in operation and disseminating the results;
  - (iii) detailed surveys and analytical case studies so as to help design more appropriate policies and programmes which mitigate any adverse effects and realise opportunities for improvement.
- VI. The Commonwealth to:
- (i) take steps to initiate and secure joint sponsorship with appropriate UN organisations for a small international meeting of high-level national and international officials involved in structural adjustment policies. This meeting should seek consensus on the policy goals for a broader adjustment strategy, fully reflecting women's interests, and focus on ways in which such a strategy would be implemented;
  - (ii) encourage regional meetings and workshops so as to foster intensive discussion, decisions and actions on the issues discussed in our Report.

### *Specific Recommendations*

19. As a result of our investigations, and in the light of the general principles and priority actions just described, we recommend the following specific changes, designed to support women in their four roles.

Our proposals deal first with the *domestic action* which we believe governments should themselves take in the structural adjustment process.

20. We start with women's role as a producer. Concerning their *access to productive resources*, we recommend that governments design adjustment programmes which:

- employment*: take special measures to employ women (for example, through public works schemes), assist (including through grants for setting up small businesses) or otherwise compensate women and other workers who become unemployed as a result of structural adjustment; ensure satisfactory labour standards for those still at work and review them regularly to ensure adequacy;
- credit*: ensure that a certain proportion of bank loans are secured by women, and establish special credit arrangements to help them overcome existing disadvantages, including requirements for collateral;
- foreign exchange*: ensure that in foreign exchange allocation, some foreign exchange is reserved for priority sectors of special concern to women, so that they can purchase vital imports;
- infrastructure*: provide more feeder roads and small scale decentralised means to generate energy and obtain access to water, so as to help those small enterprises in which women find their greatest employment and reduce pressure on women's time use;
- marketing*: ensure that the disbanding of state marketing enterprises does not lead to a reduction in services enabling small producers, including women, to sell their output and acquire inputs; encourage women's participation in marketing, including marketing co-operatives, so that they have better opportunities to retain the income from selling their products;
- training*: restore and expand training budgets, with special schemes for retrenched employees, especially from the public sector; reorient programmes so as to give special attention to providing women with technical and entrepreneurial skills; experiment with innovative

- extension and technical services:* delivery systems for non-formal training, especially of women; ensure women have adequate access to agricultural extension services and that there is more emphasis on the activities in which women specialise, such as food crops; increase government provision of and support for technical services and repair centres which women can use in establishing and operating manufacturing and other non-farm enterprises;
- technology:* promote more long-term R&D into activities or goods of special interest to women as producers or consumers;
- land:* reform inheritance and land tenure laws to remove gender inequalities; improve the processes for implementing such laws; protect communal land rights (e.g. for grazing) from privatisation through promoting group ownership;
- environment:* ensure that structural adjustment programmes protect the environment in which women live and work, for example by safeguarding their access to fuelwood, fodder and potable water; and
- legal:* enact reforms ensuring women have equality before the law in all aspects of their daily lives, and ensure that such laws are effectively implemented.

21. It is also vital that women have sufficient *access to basic goods and services* to be able to carry out their roles as home managers and mothers satisfactorily. These functions provide critical support to the operations of the monetary economy and the nurturing of the human resource base of the future. We recommend that governments design adjustment programmes so as to:

- basic household needs:* maintain prices of staple food and fuel at affordable levels for low-income families (even if this entails some measure of subsidy) and protect nutritional and school feeding programmes;
- education:* restore and expand education budgets and review resource allocation within the sector so as to assure supplies of basic text books; avoid charging fees on primary education and make

special efforts (including additional subsidies if necessary) to ensure that girls from poor households and rural areas receive education; reorient programmes towards basic education; and take special measures to avoid pupils dropping out (rescheduling school calendar, provision of creches etc); and

—*health:*

protect and if possible extend the number and quality of basic health facilities, especially for maternal and child healthcare; maintain free access to primary healthcare; provide enough community health workers and an adequate referral system; ensure a sufficient supply of basic drugs at reasonable prices; increase expenditure on potable water and efficient sanitation facilities.

22. Women's access to productive resources and basic goods and services can be enhanced by *group action*. In designing structural adjustment programmes, governments should encourage such action, which can be particularly beneficial in respect of access to:

—*credit:*

enabling women to obtain loans without providing collateral;

—*land:*

assuring women the use of common land without fear of losing rights to others such as money lenders or male relatives;

—*water:*

allowing women to take part in decisions on the distribution of water through irrigation systems;

—*fuelwood:*

enabling women to participate in decisions on the use of forestry resources for fuel and other purposes;

—*childcare:*

allowing women to spend more time on economically productive activities through the provision of communal childcare facilities; and

—*cooking facilities:*

saving women time in food preparation by the use of communal cooking facilities.

23. Some of our recommendations will cost governments little or nothing at any time and all will pay for themselves in the long term. But some *financing* will be necessary in the interim. Most of this can be generated internally by reorienting expenditure within or, more importantly, between sectors, or by raising extra revenue—either by introducing user charges for non-priority uses or by increasing taxes on

luxury items and reforming the tax system. But in many cases a balance will be needed from external sources. It is most important for these resources to be made available, and we recommend all governments to act accordingly.

24. An *external environment* more conducive to sustained economic growth and development, and more supportive to adjustment, is essential if developing countries are to be able to follow more expansionary policies, combining adjustment with growth; finance and trade are especially important. We recommend that:

—*external resource flows:* all developed countries reach the internationally accepted official development assistance (ODA) targets as soon as possible, channel a higher proportion of their multilateral ODA to agencies whose activities are of particular concern to women, and direct a specific proportion of their bilateral ODA to projects and programmes of special benefit to women;

the resources of the IMF and the World Bank be substantially expanded to assist in debt reduction and meet expanding development needs; enlarged funding and much greater attention be given to integrating women's concerns into the design of structural adjustment programmes implemented under their auspices, as well as into the monitoring, appraisal and follow-up procedures; measures for orderly debt reduction be agreed with all developing countries in need of them.

—*international trading:* in the present round of GATT multilateral trade negotiations, governments pay greater attention to the interests of women and the poor, especially in developing countries, and reduce protection of those products of particular importance to these groups;

all policymakers consider coordinating their actions affecting commodity prices, if necessary through production controls, making full use of, and giving greater support to, international mechanisms to encourage producers to diversify, and exploring the establishment of new mechanisms to compensate producers directly for falling prices.

25. Enhanced *data collection, monitoring and evaluation facilities* are of critical importance to effective policy-making in this area. We have suggested a range of economic and social indicators needed. In general we recommend:

- more accurate, regular and prompt *gender-disaggregated data*;
- a *better conceptual basis* to data so as to reflect women's full contribution to the economy and the household;
- improved procedures for *monitoring and evaluation*, including case studies on women's roles and activities during adjustment; and
- more and quicker *dissemination* of the details of programmes, schemes and reforms undertaken as part of structural adjustment in order that the opportunities thereby provided can be seized as soon and widely as possible.

26. To *implement* the broader approach to structural adjustment recommended will require much political commitment, translated into administrative and institutional action, as well as women having greater control over their economic and social roles. Key elements of this process will be the empowerment and organisation of women themselves; affirmative action to incorporate them fully into all decision-making processes, both nationally and internationally, in the private as well as the public sector; institutionalising women's concerns (again both nationally and internationally); and generally educating the public on 'women's issues'. We set out detailed actions required in respect of each. Specifically as regards structural adjustment, we recommend that:

- government departments formulating, negotiating and implementing structural adjustment policies and programmes establish women's units as an integral part of their administrative structures and consult women's affairs ministries, national bureaux and other women's organisations;
- women's affairs ministries, national bureaux and other women's organisations be strengthened in their ability to undertake economic analysis and project appraisal techniques;
- women's organisations concerned particularly with economic issues be adequately financed;
- other women's groups be assisted to collect and disseminate information relevant to structural adjustment, to lobby and to promote improved policies for women in this area; and
- international financial institutions (especially the World Bank) involve their women and development units more fully in the design, implementation, monitoring and appraisal of structural adjustment policies and programmes.

27. Putting our proposals into practice will need *initial impetus from appropriate institutions*. We recommend the Commonwealth take steps

to initiate and secure joint sponsorship with appropriate UN organisations for holding a small international meeting of high-level officials involved in structural adjustment, from governments and the international institutions. This would seek to synthesise proposals for, and reach consensus on, the policy goals for a new adjustment strategy which reflects women's interests, and to discuss how it should be implemented. Commonwealth regional meetings would help to secure discussion and dissemination of these ideas and actions, as could meetings of Commonwealth Finance Ministers and Ministers Responsible for Women's Affairs. To provide political support for the process, we recommend a Commonwealth Declaration stating the human effects of structural adjustment, summarising the main elements of a broader approach, and proposing how this might be implemented.