

Chapter Five

Strategy For Change

I. INTRODUCTION AND GUIDING PRINCIPLES

5.1 What is needed for the future emerges clearly from what has gone wrong in the past decade. As shown in Chapter 1, rapid economic and social development in all parts of the world led to considerable advances in women's health, education and often their economic situation, from the 1950s to the 1970s. As a result of parallel political developments, awareness of women's needs and rights also advanced during this period and into the 1980s, with changes in laws to assist and consolidate these gains. But though the political process has apparently continued, the economic crisis and the types of stabilisation and adjustment policies followed in the 1980s have brought to a standstill many of the practical advances which women had made earlier, and have actually reversed some of the most fundamental of them like education and health. Economic crisis and inappropriate adjustment has thus robbed women—and society as a whole—of much of the progress earlier achieved. It is also robbing women of what is currently promised under accepted policy. In this respect, the loss of women's welfare in the 1980s is a case not so much of daylight robbery as of theft by stealth in the night—a largely unintended by-product of the economic difficulties of the period.

5.2 To restore the momentum in women's advance, three things are needed:

- a clearer focus on basic goals for women's advance in the longer run;
- action to incorporate specific measures focused on women in current adjustment policy; and

- a system for monitoring women's progress, in order to ensure continuing advance.

It should be stressed that these are needed as a matter of economic efficiency and human welfare, not only of equity. As long as women's skills and energies are inefficiently deployed—under-used or over-used—everyone suffers : their husbands and families, men and children, as well as the women themselves.

5.3 To provide the clearer focus required, our proposals for new strategies on structural adjustment have been guided by the following general principles :

- *greater support for women in all their roles, within a broader policy approach to adjustment, emphasising social equity and economic growth as well as efficiency*

This would require women having equal opportunity to that of men in the use of all productive resources, including land, credit and training. Special efforts and specific measures would be needed to overcome current imbalances and ensure adequate resources for women. We therefore recommend the use of 'structured' markets: that is, the reservation of a certain proportion of credit, foreign exchange and public expenditure to women, in order to ensure that they can obtain access to essential means of production. This can be facilitated by group action among women, in access to and use of productive resources (see para. 5.26).

It would also require giving women more support in their roles as child bearers and carers and home managers. Enhanced access to social services, especially health and education, and basic goods such as food and fuel, would enable women to utilise their time more effectively, allow them to contribute more to the national economy as well as to increase their own income and welfare. To date adjustment programmes have *reduced* social support systems at a time when an *increase* is needed to buttress the overall adjustment process and make it more effective.

The main focus of the adjustment programmes should be shifted from short-term stabilisation to longer-term adjustment; this requires a much less deflationary bias in the balance of the programmes at a macro-level. The reforms themselves should be properly sequenced to ensure full effectiveness and minimise social costs on the poor and vulnerable.

Together, equal opportunity in the use of productive resources, enhanced access for women to basic goods and services, and a longer-term, more growth-oriented adjustment process would

mean an adjustment policy oriented towards the economic and social development of all of a country's people;

- *full integration of women into the decision-making processes, on structural adjustment and elsewhere*

Women should become an integral part of the decision-making process—in governments, international institutions and the private sector, as well as in the home. Achieving this is a necessary element in making structural adjustment and other macro-economic policies more effective in terms of our broader definition of structural adjustment. Here, too, group action can be useful by strengthening the voice and bargaining position of women; and

- *a supportive international environment*

Developing countries have suffered in the 1980s from very large adverse changes in the external environment, including capital flows, interest rates, exchange rates, trade access and commodity prices. They need more time and resources to undertake structural adjustment. A supportive international economic environment, with greater resource flows, more effective procedures for debt reduction and less protectionism, is essential for a resumption of sustained economic growth and development.

5.4 The policy reforms recommended below flow from these general principles. The range of policies covered is wide. Not every policy will be applicable to every country. Variations between situations mean that appropriate policies need to be designed for each context. Some of the proposals could be implemented within a short period of time, but others are longer term and are concerned with issues of development as well as adjustment. But both categories require urgent consideration at the highest level.

5.5 There will be high economic as well as social returns from implementing the proposals, which are designed to ensure that women's full productive and social potential is realised. But there will also be some costs to be met in the short term. While certain of our proposals (such as legal changes) are almost costless, and others very inexpensive, others will need funding. Reallocation of expenditures within and between sectors, improved sources of revenue, including higher charges and taxes on inessential items and tax reform, would provide most of the necessary support; but extra international support may also sometimes be needed. The resource issue is discussed in more depth later (paras. 5.27 to 5.31).

II. DOMESTIC ACTION

Access to Productive Resources

5.6 Women's role as producer is vital to the survival of many poor families, as well as to the national economy. Women face unequal access to productive resources and their role has been made more difficult during adjustment. Measures are needed to enhance support for women's productive role, especially during these difficult periods. Some measures would arise directly out of the adjustment process—for example special employment schemes. But others are a matter of correcting long-term inequities. These have an even more important part to play during adjustment, because they will permit women to avoid unnecessary hardships, to contribute to the sustenance of low-income households, and to play a full role in increasing the productivity of the economy and thereby enhancing the adjustment process. While the specific changes recommended below are vital, the general macro-economic environment is also of major importance to women as producers. A more expansionary economy would generate easier access to jobs at all levels, reducing the necessity for special employment schemes. Growth-oriented adjustment, with greater emphasis on long-term structural change and less on short-term stabilisation, is a vital element of the broader approach which we support.

Employment

5.7 In the short run many stabilisation and structural adjustment programmes create unemployment, as a result of cuts in public expenditure, credit restraint, import liberalisation and changes in relative prices. To offset this loss of incomes and output we recommend:

— *special employment programmes*. Public works schemes can be particularly beneficial to women as the Maharashtra Employment Guarantee Scheme in India has shown. More programmes guaranteeing wage jobs for women, while building up infrastructure, are needed. New types of programmes are also required, to cater for the special needs of women. These include sub-contracting with the formal sector, so as to expand income-earning opportunities for women. But mechanisms are needed to ensure that they are not exploited in the process;

— *selective assistance*. Small and micro businesses in the formal and informal sectors can generate much additional employment. Special measures (ranging from the provision of grants to the furnishing of information) should be enacted to support them; and

— *unemployment benefits*. Governments should where possible establish or improve employment provident schemes to compensate retrenched workers. In some cases such schemes could be wholly or largely self-financing through National Insurance fund arrangements.

5.8 Satisfactory standards at work should also be protected. Governments should enforce existing laws (or implement new ones) on employment protection as regards minimum wages, maximum hours, health and safety regulations, etc., and where possible ensure the provision of basic amenities such as creches; they should also encourage the payment of maternity leave and pension schemes (see also paras. 5.20 and 5.25). ILO standards should be the aim and national standards should be reviewed regularly to ensure adequacy. In this respect we are particularly concerned that in many countries undertaking structural adjustment minimum wages have become insufficient to cover even the most basic food and other essential requirements. Structural adjustment programmes should incorporate guidelines to remedy this. Women, like other workers, should not be discouraged from organising themselves.

Credit

5.9 Governments of developing countries should facilitate the provision of credit to, and offset the discrimination against, women. Women are not inherently a worse credit risk than men—they are often better (as the experience of the Grameen Bank shows)—but present regulations, and the underlying cultural mores, are biased against them. Women often lack collateral, sometimes because the law prevents them holding the title of land or other property and sometimes because they are poor. Where they can borrow, it is usually at exorbitantly high rates of interest from money-lenders and other informal sources of credit. This is not only inequitable for women but inefficient for the economy and inimical to development. To remedy the present position we recommend that:

— *governments ensure a certain proportion of bank loans are reserved for women (and other needy groups)*. This could be facilitated by government guarantees. It should not be seen as discriminatory but as a means of improving the functioning of markets while enabling women to obtain the necessary capital to embark upon productive enterprises. Precedents exist as we have already shown (see above, para. 4.19);

— *more bank or cooperative credit arrangements are set up, oriented mainly or entirely to satisfying the particular needs of women*. Arrangements of this type would enable women to establish small-scale projects such as making clothes, or supplying personal services like laundering. For these and similar purposes women's organisations have set up savings clubs, cooperatives and credit unions (see above, para. 4.21). Formal banking or credit institutions have also been established mainly or solely for women (see above, paras. 4.19 and 4.21). Some of these institutions will need support or guarantees from governments, state or commercial banks and NGOs.

Structural adjustment policies should set out specific means by which women may overcome the conventional requirements for collateral through such arrangements. In addition we suggest the Commonwealth Secretariat circulate information on the experiences of member countries in this area and organise exchange visits to study the measures already taken.

Foreign exchange

5.10 Liberalisation of foreign exchange regulations is an almost universal component of structural adjustment policies. For some poor producers, including women, imports are vital to income-earning activities. Yet under newly liberalised arrangements—such as export earnings retention schemes or auction systems—they may be greatly disadvantaged in obtaining access to imports. We therefore recommend that measures should be introduced to ensure adequate access for sectors vital to women. This could be achieved through an allocation system which reserves some foreign exchange for priority sectors such as agriculture or health, and for special categories of producers including those operating small-scale enterprises.

Infrastructure

5.11 Most stabilisation and structural adjustment packages have involved cuts in expenditure on infrastructure. They have tended to provide more for the needs of large-scale enterprises and to give lower priority to those of small enterprises and farms, and to the informal and service sectors. Yet these sectors will provide most of the employment-creating and income-earning opportunities for women. The provision of infrastructure for small-scale enterprises and farms should be protected and if possible extended during periods of adjustment, and their share of total investment increased.

5.12 Specifically, we recommend that governments provide the means for making greater use of small-scale, decentralised sources of energy (including that from water, wind, the sun and biogas); for gaining easier access to clean water, so as to assist women in their domestic, manufacturing and agricultural activities; also for greater provision of feeder roads, which are vital to small-scale producers.

Marketing

5.13 Marketing is a particular problem in women's small-scale income-earning activities. Privatisation of parastatal marketing organisations forms an important element of most structural adjustment programmes. This could provide new economic opportunities for small entrepreneurs, including women. Women should be assisted to exploit such opportunities through the provision of credit and appropriate training. But

privatisation could also leave gaps in the provision of services like transport and storage, especially in remote areas. These gaps should be filled. We recommend that governments should take the necessary measures to ensure that the marketing services provided to women producers are not curtailed or made much more costly. This may mean retaining or adapting some parastatal organisations. Marketing cooperatives among women should be supported, as these provide better opportunities for women to retain the income from selling their products.

Training

5.14 Reductions in training or retraining, which often result from the public expenditure cuts associated with structural adjustment packages, occur at the very times when such activities are most needed, and lead to an immediate loss in production potential. This must not be allowed to continue. There should be special schemes to retrain retrenched employees, especially from the public sector, for productive work in other parts of the formal economy. Particular attention should be given to training women in technical and entrepreneurial skills. This is necessary if they are to understand and be capable of operating new and appropriate technologies, and thus able to participate fully in modern production processes. Innovative methods of delivering non-formal training should be encouraged, especially for women.

Extension and technical services

5.15 It is essential that women farmers are reached by extension services. We recommend that the programmes of field visits by officers from these services should take full account of the high proportion of farmers who are women. To assist in this, the number of female extension officers should increase. Several countries have taken special measures to ensure that women farmers are able to make full use of extension services (see Box 5.1). These services should also give more attention to the crops and activities in which women specialise.

5.16 Similar technical services should be instituted to help women set up and operate manufacturing and other enterprises, in rural and urban areas. Governments should increase support for:

- services offering information and other technical advice to entrepreneurs setting up and operating productive units, especially small-scale enterprises;
- centres to service and repair machinery and electrical and mechanical equipment used mainly by small-scale producers for agriculture and other basic needs purposes;
- facilities for women to acquire the skills required to establish service and repair centres (see also para. 5.14); and

Box 5.1. Agricultural Extension Services For Women

An increasing number of developing countries are making agricultural extension services available to women, some by innovative means. The following are a selection in Africa:

Kenya: Government is now working through women's groups to double the quantum of extension services reaching women while reducing the cost.

Malawi: Pilot schemes have been started to provide extension services and credit to groups of women farmers.

Sierra Leone: In Pujehun, an integrated agricultural development project supported by technical assistance from Germany (FR) experimented by co-opting women farmers and training them to provide extension advice to their female colleagues. The experiment was successful as the message was given in terms which the other farmers could readily understand. The extension farmers also maintained village plots for seed multiplication and demonstration purposes.

Zimbabwe: An extension worker to farmer ratio of 1:800 means that the farmers—who are predominantly women—receive their agricultural advice through groups or multi-purpose village community workers. Most of the latter are women and their prime responsibility is to stimulate communities, particularly the women among them, to participate in the identification of their needs and priorities and in the formulation of village development plans.

- co-operative institutional arrangements to assist women to gain access to technology as, for example, in the Cameroon for pumped water.

Technology

5.17 Most stabilisation and structural adjustment programmes lead to cuts in R&D, which generally already had an insufficient focus on technologies appropriate to the needs of women, both as producers and as consumers. To make adjustment more efficient and equitable we recommend governments should increase their support for R&D into:

- crops grown predominantly by women for consumption within the household or for sale within or outside the country (examples include 'subsistence' crops like sorghum/millet, pulses and cassava; and 'out-of-season' vegetables or cut flowers);

- improving the design and operation of technologies for small-scale (and other) manufacturing processes which provide much employment and income to women (e.g. power-looms, sewing machines, crop-driers, milling machinery etc.) and for agricultural tools to reduce the burden of their food growing activities; and
- improving the design and operation of technologies embodied in goods and services which will help reduce the time and energy women have to spend on household chores (e.g. better wood-burning stoves to speed up cooking as well as cut down on the fuel consumed and smoke inhaled during use).

Land

5.18 Ensuring women's access to land is fundamental to improving their economic welfare, enabling them to deal better with crises, and increasing their access to other inputs into the productive process, notably credit. It would also facilitate women's greater participation in community decision-making bodies, since economic position is usually of considerable importance to the degree of influence in such bodies. We recommend the reform of inheritance and land tenure laws to remove gender inequalities; the improvement of processes for implementing such laws; and the promotion, wherever possible, of a group approach to the ownership and use of land, especially that newly distributed under land reform programmes or land settlement schemes. In addition, recognising that community lands and forests are critical for enabling rural households in general and women in particular to acquire fuel, grazing, fodder, supplementary food, etc., we recommend that such areas be protected from further privatisation and that women's groups (especially from low income households) be granted preferential treatment in their use.

Environment

5.19 Measures to avoid environmental degradation—for example soil erosion, water contamination, atmospheric pollution—are essential if land and other natural resources are to be maintained in such a condition that access to them will be economically and socially beneficial. This is too large a subject to discuss in detail here, but it is vital that in designing and implementing structural adjustment measures, policy-makers take full account of the environmental implications of their actions. They should recognise, for example, the dangers of expecting countries to adjust by increasing their exports of natural resources, such as timber, at too rapid a pace, as well as the general and inextricable link between poverty and environmental degradation. As far as women are concerned, structural adjustment programmes should ensure that the commercial exploitation of forest and hydrological resources does not impair women's access to fuel, fodder and potable water.

Legal

5.20 Legal reforms are vital for improving the economic, social and political welfare of women. They are needed in relation to ownership and use of land and other immovable property, and to conditions of employment such as equal pay for work of equal value (see also para. 5.8). We recommend such legal reforms, with the aim of improving women's welfare, supporting their productive roles, and promoting gender equality before the law. Such reforms would also help to empower women's organisations as well as strengthen the hands of officials responsible for implementing programmes to benefit vulnerable sections of the population. They would be a critical step towards ensuring that women get a larger and fairer share of a country's resources.

5.21 Progress in many of these areas—notably technology development, land reform, environmental measures and legal reform—will contribute to an equitable pattern of development in the longer term, rather than to short-term adjustment. Nonetheless it is vital that they be incorporated into structural adjustment programmes, to ensure that the programmes are just, and lay the basis for full use of women's productive potential over the longer term.

Access to Basic Goods and Services

5.22 The stabilisation and adjustment programmes undertaken have generally reduced access to basic goods and services, through the rises in prices, especially of food, that have accompanied devaluation, fewer price controls and diminished subsidies; and through decreasing expenditure, and sometimes raising charges, on health and education services. These changes, which have increased women's problems as home managers and mothers, have sometimes had devastating effects on health and nutrition. Any policies towards women as producers which help sustain household incomes will also improve access to basic goods and services. Policies to maintain prices of basic goods, especially food and fuel, at a reasonable level are also needed, as are policies to improve access to social services.

Basic household needs

5.23 The devaluation of currencies, decontrol of prices and reduction or abolition of subsidies, typical of structural adjustment packages, often impact harshly on women's purchases of families' basic goods, especially staple foods but also fuel. Prices of these goods should be held at an affordable level for consumption by low income families, even if this involves subsidies. The budgetary cost need not be large. Nutritional and school feeding programmes should also be protected.

Education

5.24 The budgetary cuts on education which are typical of many structural adjustment packages militate against women. Not only do cutbacks in primary education adversely affect today's mothers, who in an already packed day have to spend more time teaching 'life-skills' to their children, but contraction of secondary and tertiary education means that fewer of tomorrow's mothers will have an opportunity to gain the knowledge necessary for a fulfilling and more productive life. These losses must not be allowed to continue. We recommend that governments restore and expand their education budgets and review their allocation of resources within the sector. It is, for example, essential that there is an assured supply of basic text books. We recognise this may involve some direct recovery of costs. This can be acceptable at secondary and especially tertiary level, where social rates of return are lower and the beneficiaries are usually not among the poor, but fees should not be charged on primary education. In addition, the social mores of some countries, and the lower enrolment of girls than of boys in all three developing regions of the world, mean that governments should make special efforts (by additional subsidies if necessary) to ensure that girls from poor households and rural areas receive education. Governments should also consider reorienting basic education curricula, concentrating on literacy, numeracy and some understanding of the scientific and social aspects of the local environment. We suggest that governments try to counter the reduced school attendance, which is an increasing problem in many adjusting countries, by such means as synchronising the academic calendar with the agricultural calendar, where children's labour is significant, and providing creches in or near schools so that girls responsible for childcare can receive education. Provision of creches at adult education centres would also help to improve mothers' attendance. Governments should encourage the broader provision of education for women. One way might be to give employers tax credits for running adult literacy schemes.

Health

5.25 Adjustment programmes should be designed to protect and extend the number and quality of basic health facilities. Free access to primary healthcare should be maintained and measures taken to ensure there are sufficient community health workers and an adequately resourced referral system accessible to all those in need. Special attention should be given to improving maternal and child healthcare (including family planning services). The costs need not be prohibitive: according to the World Bank, less than US\$2 per person per year would cut maternal death rates by two-thirds. There should be an assured supply of basic drugs: UNICEF has shown that the 30-35 most basic drugs (including oral rehydration salts vital to overcoming diarrhoea) can be made

available at around US\$0.50 per person per year, potentially saving three million lives every year. In this connection we welcome the Bamako initiative in Africa, which seeks to fund the entire maternal and child healthcare programme from sales of basic drugs at very low cost to users, and recommend that governments implement it urgently. Governments should increase their expenditure on potable water and efficient sanitation facilities, which should be provided 'free' or at a subsidised cost that poor families can afford. This would benefit the health of all and save women much time in drawing and carrying water (see Box 5.2). In addition, every government in a position to do so should consider enacting legal provisions ensuring sickness benefits for all employees and paid maternal leave and child benefits payable to mothers. National Insurance schemes could facilitate such provision.

Group Action

5.26 We believe the 'group approach' is very important to women for a number of reasons (see Box 5.3) and recommend that structural adjustment programmes should include measures to promote and support productive and other activities organised by groups. These are especially important in enabling women to obtain loans without collateral and to use common land and other natural resources for productive purposes. Groups can also help in undertaking community projects such as reforestation and well-digging near villages, which would release women from spending so much time on firewood and water collection and enable them to undertake more remunerative work or enjoy leisure. Setting up communal child-care or cooking facilities are other examples of projects that would be particularly cost-effective and beneficial to mothers.

III. FINANCING THE PROGRAMME

5.27 Almost invariably, countries undergoing adjustment are faced with the necessity of reducing large budget deficits. Consequently, when there are such pressures to **cut** expenditure, it is difficult to preserve and increase resource allocations in certain areas.

5.28 Much of the programme to incorporate women's interests into adjustment, which we have described above, would cost governments very little, and important elements like legal changes, which are of critical importance especially in the longer run, would cost them almost nothing. Changes in the allocation of credit or foreign exchange would not involve governments in any expenditure, and by improving the efficiency of resource allocation, would increase income and revenue collection in the medium term. There are, however, some vital areas—related especially to expenditure on women's education and training; primary health services; technology dissemination and development; and

Box 5.2. Women's Unpaid Work in Water Provision

Millions of people depend mainly on women and girls for water supplies which they fetch, can by 20-litre can, and pitcher by pitcher every day. Little girls are taught how to balance containers on their heads and to carry them over anything from a mile to six miles of rough ground. They provide not only the small but vital amounts of water needed for drinking and cooking, but the far larger amounts required for laundry, bathing and cleaning. It is chiefly in non- and newly-industrialising countries that people depend for water supplies on the work of females. Women and girls in many Kenyan households spend 5-6 hours a day. The extent of this particular work and the huge numbers of people, chiefly female, engaged in it may also be gauged from World Health Organisation statistics. They showed that in 1980, in predominantly peasant countries, hardly any of the rural population and only about 55 per cent of the urban populations had water supplies connected to their homes. A further 20 per cent had access to public taps, but supplies to these taps were intermittent.

In rural areas of African countries where women are responsible for providing water, they may organise the whole seasonal range of work in order to make water collection as easy as possible. In Southern Nigeria, for instance, house-building, path and farm clearance are done in the rainy season so that they are free of these jobs in the dry season when water carrying becomes more onerous.

Authorities have been prompted into making safe water available where local industries need large quantities of water, for example fish-processing in Kerala, the north of Sri Lanka and the coasts of some West African countries. Those forced to use stand-pipes by mischance will appreciate the work of fetching every drop of household water.

Extract from "Revaluation of Women's Work" by Sheila Lewenhak, 1987.

special feeding schemes and food subsidies for low income households—which would involve government resources and for which financing might present a problem, especially at a time of budgetary cuts. Nonetheless, this problem can be overcome, even during adjustment, by redirecting expenditure from low to higher priority areas, as many countries have shown. In Zimbabwe, for example, expenditure on primary education doubled during the 1980s, after resources had been redirected from lower priority areas, including defence.

Box 5.3. The Group Approach

A critical component of measures to minimise the negative effects of structural adjustment on women is ensuring their greater access to and more effective use of productive resources. This requires a shift from an approach focused on the individual to one which gives greater scope to groups.

In credit disbursement, for example, NGO-sponsored loan schemes, such as those of the Grameen Bank in Bangladesh, the Self-Employed Women's Association and the Working Women's Forum in India, have had notable successes in reaching poor women, generating additional income (often in significant amounts) and ensuring repayments. Loans are made exclusively to the poor, without collateral and often conditional on the recipients forming small groups. Though they are made to individuals, there is either group liability or implicit group responsibility for repayment. In the rare instances where government credit has been disbursed through a group approach, as in the Small Farmers' Development Project in Nepal, it has been a noteworthy success.

In land distribution programmes, the group approach can avoid fragmentation through inheritance laws or loss to money-lenders or male relatives. It gives members joint rights to the land, e.g. for cultivation or grazing, and allows no-one the right to despoil land. This approach has been successfully used by groups of poor rural women in parts of India, e.g. Bankura in West Bengal and Udaipur in Rajasthan. Other examples of group cooperation can be found in the traditional systems of common property resource management existing in many parts of South Asia, as in the distribution of water in irrigation systems, the protection or regeneration of forests, and the allocation of grazing rights on village pastures.

The forms that groups take (cooperatives, associations, trade unions etc.) and the sizes to which they grow, vary considerably, but certain common lessons can be drawn. First, that groups require considerable economic and social homogeneity among their members. Secondly, the activity must not pose severe management problems when carried out on a group basis and the community of interest must outweigh conflicts of interest. Thirdly, that compared to approaches oriented towards individuals, those involving groups are more:

- efficient in channelling resources to the poor or for the purposes desired;

- equitable in distributing benefits from the use of resources;
- effective in providing incidental benefits, e.g. in improving the bargaining strength of the poor vis-a-vis the rich, or in exerting peer pressure against wasteful expenditure by individuals or groups, or in enabling women to challenge unequal relations within the family; and
- able to exploit economies of scale.

5.29 In designing public expenditure cuts, the budget needs to be looked at *as a whole*, and priorities explicitly determined, so that the cuts fall on low priority areas and resource allocations for higher priorities can be sustained. In practice, most countries have made cuts in a much more haphazard way, according to administrative ease, and without explicit consideration of priorities within or between sectors. Moreover, most stabilisation and adjustment programmes have placed excessive emphasis on expenditure cuts, and insufficient attention on finding additional sources of revenue. Increasing taxes, for example on cigarettes to help reduce the rapid rise in smoking, especially among women, offers one important source of potential revenue. Raising charges on non-priority government services offers another.

5.30 In summary, domestic sources of finance for a programme such as we have proposed include:

- *reorienting expenditure within sectors*. Examples include switching resources from urban hospitals to primary healthcare, or from tertiary to primary education. In Indonesia, for example, despite a 50 per cent cut in the overall budget, resources for child development and survival were maintained and those on immunisation increased. Most health expenditure cuts fell on urban hospitals;
- *redirecting expenditure between sectors*. Smaller allocations for sectors like armaments, which are not economically or socially productive, or for “prestige” projects with low economic returns, can provide the resources for many beneficial outlays. In Zimbabwe, an improvement in the security situation facilitated a shift from defence which fell from 44 per cent of the government’s current expenditure in 1980 to 28 per cent in 1984; whereas that of education and health together rose from 22 to 27 per cent in the same period;
- *introducing charges for non-priority services not used by the poor*. Student loans for tertiary education, for example, have been introduced in Ghana;

- *making greater use of community financing for local services.* Community labour built 38,000 latrines in Ethiopia, for example, and has been used for school construction in much of West Africa. In one area of Benin, generic drugs were sold under community leadership at a substantial mark-up over costs, but still much below normal retail prices. The revenue financed not only the drugs but also 85 per cent of the operating costs of the primary health care undertaken;
- *increasing taxes on the consumption of luxury goods and low priority items.* In some parts of Australia the state governments have imposed a levy on cigarette companies (in addition to federal taxes on cigarettes), which is used for health and other socially beneficial programmes, some of which are specifically targeted at women. In Brazil the government has created a fund for operating programmes in nutrition, health and education and for supporting small farmers. The fund is financed by an additional 0.5 per cent tax on sales and a 5 per cent surcharge on corporate income tax, and in 1982 it received \$300 million from these sources;
- *reforming the tax system through closing loopholes and simplifying procedures.* Such reforms have raised considerable sums, for example in Australia, Ghana and Jamaica; and
- *obtaining support from external donors* (see next section). These sources can be of considerable importance. For example they committed \$85 million to Ghana's PAMSCAD, a scheme set up to help vulnerable groups during adjustment (see Box 4.1).

5.31 There is no question that the programmes we have proposed can be financed in these and other ways, given the requisite political commitment. The economic cost of **not** financing them is far greater than the accounting costs of doing so. Cuts in education, training, health and nutrition undermine future economic potential, while investing in women, in the ways suggested above, offers high economic returns (see Box 5.4) and would mean that the programmes became self-financing after only a few years.

IV. INTERNATIONAL ACTION

5.32 The external economic environment of the eighties, which has increased the need for developing countries to adjust their economies, has made it much more difficult for them to do so. Increasing debt, high interest rates, sharply diminished external resource flows, growing protectionism, inadequate commodity prices, adverse terms of trade—all need to be addressed by the international community. Improvements in each are vital if sustained global economic growth at an adequate

Box 5.4. The Case for Investing in Women

First, women already contribute heavily to the economy and family—usually far more than is reflected in official labour force and national income statistics. Women produce a large share of the developing world's food crops. They find almost all the fuel and water for household use. And almost everywhere, it is primarily women who care for children and meet the family's basic needs. Moreover, women are moving beyond agriculture and home-based activities; women now account for about one-quarter of the developing world's industrial labour force, and vast—albeit uncounted—numbers of women work as self-employed entrepreneurs in the fast growing informal manufacturing, trading and service sectors.

Second, women often lack the means to work at full or even moderate levels of productivity. They face special gender-based constraints (social, legal, administrative and technical) on access to information and technology, education and training, resources and services—in short, to factor and product markets. They also face special constraints on mobility and time use which limit their capacity to respond to the opportunities that do exist. The result is a loss in productivity and efficiency to the economy and reduced income for women and their families.

Third, expanding opportunities for women makes good economic sense—and in some cases will be more cost-effective than making the same investment in men. Investing in women can make development programmes both more effective and more responsive to the poor; it can improve family welfare; it can improve the management of natural resources and so promote environmental sustainability; and it can reduce fertility and, hence, slow population growth.

(Extract from World Bank Sector Strategy Plan for Women-in-Development Division, FY89–91.)

rate is to be achieved in the 1990s. It is essential that a series of measures be taken which lead to a more supportive environment in the economic relations between nations, and give some renewed content to the phrase 'international economic cooperation for development'.

External Resource Flows

5.33 Developing countries continue to require an increase in external resources to avoid detrimental cuts in short-term expenditure and to help build up the productive capacity necessary to expand output and exports. The fall of over one-half in total net flows of capital to the

developing world between 1980 and 1987 has had disastrous consequences for economic growth and the poor, especially as it coincided with the implementation of adjustment policies. Both official and private net transfers have been falling; official net transfers* were \$34 billion in 1981 but only \$8 billion in 1988; private net transfers were \$8 billion in 1981 and became negative in 1988 when there was a net outflow of resources of \$42 billion†. It is vital that both improve, with an increase in official flows, and a reduced outflow on private account, through lower interest rates and debt reduction.

5.34 We add our voice to the call for all member countries of OECD's Development Assistance Committee to adhere as soon as possible to the internationally accepted target of providing official development assistance (ODA) at a rate equivalent to at least 0.7 per cent of GNP. At present their average is under half this figure, with no Commonwealth developed country having achieved the target‡. We recommend in particular that countries set up intermediate targets with definite time-frames so as to expedite a move towards the 0.7 per cent target. We also support a substantially increased share of ODA being channelled to low-income countries and through multilateral channels. Specifically we recommend larger funding for agencies such as UNICEF, UNFPA and WHO, which devote a high share of their resources to activities of benefit to women.

5.35 Bilateral aid agencies should set aside a specific proportion of ODA to be used in projects and programmes of direct benefit to women, a concept already adopted by the United States. More generally, full account of women's interests must be taken when formulating all aid projects and programmes. In this respect we welcome the special measures some agencies have taken to ensure that women-in-development issues are fully integrated into planning procedures and operational modalities (see Box 4.6 with regard to CIDA) and recommend others to do the same.

5.36 The IMF and the World Bank, which are the main sources of international finance during stabilisation and adjustment, also need enlarged resources. This is especially important because many countries have become heavily indebted to them, which is likely to impede country flexibility in implementing policies fostering growth and development.

*Net transfers are defined as the net capital inflows of all kinds less the outflows for amortisation, interest and dividends on existing capital.

†Data relate to a sample of 98 developing countries for which details are available to the United Nations.

‡ODA as a proportion of GNP in 1988 was as follows: Canada, 0.50 per cent; Australia, 0.46 per cent; Britain, 0.32 per cent; and New Zealand, 0.27 per cent.

The recently agreed general capital increase in the World Bank will enlarge the non-concessional resources available for structural and sector adjustment lending, particularly to middle income countries; a substantial expansion is also required in the resources of the Bank's concessional arm, the International Development Association (IDA), whose replenishment is currently under negotiation, if low-income countries are to receive sufficient resources for their programmes. In addition a substantial expansion is required in the IMF's quotas, which determine the availability of its non-concessional resources, and in its concessional SAF/ESAF facilities. Both institutions have already recognised the need to take some account of the impact of adjustment on vulnerable groups; they should now give effect to this by paying much more attention to integrating women's concerns into the design, implementation, monitoring and appraisal of adjustment programmes (see para. 5.53 below). They should also devote more resources towards specific interventions to help support women undertake their four main roles.

5.37 Foreign direct investment is another vehicle for channelling resource flows to developing countries. Public sector agencies, such as the International Finance Corporation, have a major role to play as a catalyst enhancing such flows. The long-standing African and Caribbean Project Development Facilities and the IFC's recently-established African Enterprise Fund, help small entrepreneurs prepare and fund projects. These agencies should pay greater attention to women entrepreneurs so as to enable them to undertake more economically remunerative and productive activities.

5.38 The debt overhang and huge debt-servicing obligations are among the main features inhibiting economic growth and development in many developing countries, especially in sub-Saharan Africa and Latin America/Caribbean. Debt reduction is essential. Some measures have been implemented but as yet they are on an inadequate scale. For some countries, the major problem arises from official debt; for others—especially in Latin America and the Caribbean—the critical issue is debt owed to the commercial banks. We recommend that those OECD countries which have not already done so, should follow the lead of Britain, Canada and others which have undertaken a policy of ODA debt forgiveness for a number of low income countries. We also urge speedy implementation of the consensus, reached by industrial countries at Toronto in 1988, on relieving sub-Saharan low-income countries of their non-concessional official debt. This consensus should be broadened to cover debt-distressed countries outside sub-Saharan Africa. Moreover, it is important that the debt relief provided has an immediate impact in reducing transfers out of these countries and that it is not undertaken at the expense of reduced aid flows.

5.39 Orderly debt reduction is also essential for middle-income highly indebted countries. We welcome the initiative by US Treasury Secretary Brady and support the introduction of new mechanisms to speed-up debt reduction. We strongly recommend that debt-swaps are encouraged for programmes related to the concerns of women.

International Trading Environment

5.40 In addition to a more supportive international financial environment, there are many other areas of the international agenda where much needed reforms would help the implementation of our recommendations. They are too numerous to mention here but one vitally important and topical area concerns the international trading environment.

5.41 Protectionism is greatest or has increased most for many of the exports in which women are heavily employed. The Uruguay Round of multilateral trade negotiations in the GATT is not scheduled for completion until the end of 1990. But already sectors of critical importance to women's livelihoods are proving among those most difficult for the negotiators to make progress. In reviewing their strategy for the remainder of the Round, developed country (and other) negotiators should pay greater attention to the interests of women and the poor, especially in developing countries. For women, it is specially important that there is an early and full integration of the textiles and clothing sector into the 'normal' disciplines of the GATT, and that significant progress is made in reducing non-tariff measures (including those grey area 'voluntary' export-restraints taken outside GATT auspices, on such items as consumer electrical and electronic goods, and footwear). In agriculture, there should be improved access to industrial countries' markets for non-traditional products such as out-of-season vegetables, in which women are finding increasing employment.

5.42 Other measures are also required to help women derive a better livelihood from the production of food and raw materials. Structural adjustment programmes have contributed to depressed international commodity prices by increasing supply (e.g. through World Bank SALs for cocoa tree planting in West Africa). These prices need supporting. All policymakers should take full account of the effects of their commodity production and export decisions on international prices. We recommend that:

- national policymakers coordinate their actions internationally, if necessary through production controls;
- international mechanisms (including the Second Account of the UNCTAD Common Fund for Commodities) be used more intensively and given greater support, to encourage commodity diversification; and

- a new international mechanism be established to make funds more directly available to compensate certain categories of producers, e.g., low income farmers, for falls in prices or earnings.

V. DATA AND MONITORING

5.43 In the preparation of this Report the lack of accurate, regular and prompt gender-disaggregated data, both nationally and internationally, was immediately apparent to us. Better data are vital to formulate more effective and beneficial structural adjustment programmes, and to monitor and evaluate their effects. Data needed extend over a range of economic and social indicators, including the ownership of and access to productive resources such as land, housing and credit; employment and unemployment (in the formal and informal sectors); wages and earnings; literacy and education; morbidity and mortality; birth weights and infant mortality; life expectancy; and nutrition. Data on some of these items need to be collected fairly frequently, say quarterly; on others, at longer intervals. It is also important that such data are disaggregated by rural and urban areas and, to the extent possible, by income class. We recommend that governments and appropriate international organisations take the necessary steps to collect and disseminate such information.

5.44 We also recommend that data on women's work and employment be gathered in such a way as to reflect the full extent of women's contribution to the economy and the household, taking explicit account of home-based economic production as well as domestic work. This would involve, among other things, redefining concepts of 'work', etc, and amending procedures for data collection to embrace all 'economic activity' undertaken by women, including that of a casual, part-time or seasonal nature. Suitable micro-level time-allocation studies could form the basis for improving the definitions used and questions asked in large-scale data collection procedures to better capture women's multiple roles and contributions.

5.45 Regular monitoring of the impact of structural adjustment measures is also vital, so as to ensure that any negative effects are mitigated and there is maximum realisation of the opportunities provided for improving women's productivity and welfare. We recommend the undertaking of base-line surveys at the start of adjustment and regular follow-up thereafter; also detailed case studies to examine the impact of specific adjustment measures on women.

5.46 To ensure that the opportunities inherent in the adjustment process are seized widely, requires publicity. We recommend that details of the programmes, schemes, legal and other reforms undertaken should

be disseminated, not only nationally and regionally but especially at community level, and in different media.

VI. SECURING IMPLEMENTATION

5.47 A broadened approach to structural adjustment, so as to include more gender-sensitive policies, requires high-level commitment, in developed and developing countries, and in financial institutions and development agencies. It is essential that decision-makers recognise not only the need to reverse the negative effects of structural adjustment on women, but that women constitute a vital resource for carrying out the process. Making better use of this resource will entail modifications to the roles which women and men play in the economy and in society as a whole.

5.48 This will require a political commitment which will be translated into administrative and institutional action. Greater control by women over their economic and social roles is a pre-requisite to improving their situation. Key elements of this process will be:

- the empowerment and organisation of women themselves;
- affirmative action to incorporate women into the decision-making processes, both nationally and internationally;
- institutionalising women's concerns, nationally and internationally; and
- general education on 'women's issues'.

5.49 The empowerment and organisation of women requires, among other actions:

- dealing directly with women on all matters involving their lives. Planners must not assume that women's concerns are automatically taken care of;
- assisting women's organisations to make greater use of their political power in lobbying government. In Canada, women's groups have been successful in having women's issues debated prominently in federal elections; and
- ensuring legal recognition of women in their own right and not in relation to male family members. In most countries this is crucial in inheritance laws, and thus for land access.

5.50 Affirmative action includes:

- establishment of targets for employing women in the public and private sector—as, for example, in Canada;
- appointment of women to key decision-making positions, nationally and internationally—as, for example, in UNFPA;

- reservation for women of parliamentary seats—as, for example, in Pakistan; or of places as trade union officials—as, for example, in Australia; and
- assignment of women to areas of work where women's needs must be recognised—as, for example, of agricultural extension workers in Zimbabwe, where women form the majority of rural workers.

5.51 Institutionalising women's concerns includes:

- strengthening government machinery, by placing women's organisations, especially women's bureaux, in strategically powerful positions within government and giving them wider-ranging powers to intervene in government (see Box 5.5 on the Zimbabwe experience);
- incorporating women's concerns in all aspects of government activity, through the establishment of women's units in all government ministries, reporting to centrally placed women's bureaux;
- establishing Cabinet and Parliamentary Committees to review legislation and programmes to incorporate women's concerns; and
- strengthening machinery dealing with women's concerns in development agencies and in the multilateral system (not only in the UN but particularly in the international financial institutions), and ensuring that such machinery has the power to influence the system as a whole on all aspects of adjustment (see Box 4.6 on Institutionalising a Strategy in Canada).

5.52 General education on women's issues includes:

- supporting women's lobbies, as above, and groups involved in women's issues generally;
- removing gender bias from all educational and information material; and
- training staff on the role of women in development. A very successful short course developed by Harvard University has been used by a number of development agencies.

5.53 Specifically, we emphasise that the negotiating process on structural adjustment must fully incorporate the interests of women, especially poor women. At present it is managed by central banks, finance ministries and the international financial institutions, which do not take women's interests into significant account. This must change.

Box 5.5. Institutionalising Women's Concerns in Zimbabwe

The Government of Zimbabwe is in the process of strengthening the planning and economic analysis function through national machinery for women's affairs. This is designed to incorporate women's concerns in the formulation and design of macro-economic policies through the:

- establishment of focal points in ministries;
- use of women's bureaux as focal points for monitoring and evaluating programmes to ensure that women's concerns are taken into account;
- development of gender sensitisation in training programmes for personnel administering national machinery, including finance and economic planning ministries; and
- empowerment of women through using village community workers to
 - encourage communities, particularly women, to participate in identifying their needs and priorities for local development;
 - promote socio-economic activities and identify possible external technical resources—i.e. government or NGOs;
 - assist in mobilising women to fill their quota in village and ward development committees; and
 - conduct meetings for disseminating information on women and communities.

We recommend that:

- finance, budgetary, economic planning, 'aid' and other government departments establish women's units as an integral part of their administrative structures and consult women's affairs ministries, bureaux and other women's organisations when formulating, negotiating and implementing structural adjustment policies and programmes;
- women's affairs ministries and women's national bureaux be strengthened in economic analysis and project appraisal. This would enable them better to negotiate with 'economic' ministries, so that all aspects of stabilisation and structural adjustment policies and programmes have gender dimensions, and to monitor the results;
- women's organisations concerned particularly with economic issues (women's sections of trade unions, self-employed, business or professional women's associations, women's cooperatives,

associations of women farmers, etc.) be adequately financed. The provision of resources directly to their members can enhance the sustainable growth of production;

- other women's groups be assisted in the collection and dissemination of information, in lobbying and mobilising public opinion, and in promoting changes which lead to improved policies for women; 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.

VII. PROPOSALS FOR COMMONWEALTH FOLLOW-UP

5.54 To ensure that the proposals we make in this Report are given the fullest consideration, we recommend the Commonwealth take steps to initiate and secure joint sponsorship with appropriate UN organisations for a small international meeting. This would consist of high-level officials involved in adjustment policies in a selection of countries. Officials from the international institutions—particularly the IMF, the World Bank and the United Nations bodies which have been involved in structural adjustment, such as UNICEF, UNDP and the UN Branch for the Advancement of Women—would also participate. The meeting would seek to synthesise proposals for, and reach consensus on, the policy goals for a broader adjustment strategy fully reflecting women's interests; it would also focus on the ways in which such a strategy would be implemented.

5.55 The Commonwealth should encourage intensive discussion of the issues concerned, using the opportunity provided by our Report. This could be done by supporting regional Commonwealth meetings, including at Ministerial level. These meetings could serve to help governments develop improved structural adjustment programmes and be better prepared to negotiate them with international financial institutions and bilateral donors. They should focus on the economic aspects of structural adjustment as well as on the socio-economic aspects arising from the impact on women. They could also serve as a preparatory process for the Commonwealth Meeting of Ministers Responsible for Women's Affairs in 1990, which we hope will make this subject a main agenda item. In addition, regional meetings could discuss and help to promote and disseminate these ideas.

5.56 Follow-up is required in other fora, not only to monitor the action taken but to assess the need for further modifications to structural adjustment strategies and packages. At a Commonwealth level this

might best be done at meetings of Finance Ministers and Ministers Responsible for Women's Affairs. There are also opportunities for developing countries associated with the European Community to ensure that any new mechanisms for structural adjustment incorporate the women's dimension. At a more global level the United Nations will doubtless wish to further its involvement in the issue of women and adjustment through the Branch for the Advancement of Women, Centre for Social Development and Humanitarian Affairs. This could also involve more wide-ranging bodies like the UN Second Committee or the Economic and Social Council and more specialist forums like the UN Commission on the Status of Women.

5.57 Such follow-up, to be effective, will need political impetus. This would be assisted by a Commonwealth Declaration, defining structural adjustment in terms of how people—especially women—are affected; summarising the elements of broader policies and programmes which would minimise the adverse effects on the poor and vulnerable—especially women—and maximise the utilisation of the productive potential of available resources—again, especially women; and making proposals on how and when these new packages might be implemented.

5.58 There are other vehicles for influencing events. The media are particularly effective. The women's dimensions to development and structural adjustment, and alternative adjustment policies giving greater attention to their requirements, need to be documented and disseminated in the popular press. Films may be an even more effective medium of communication, and to make our message more graphic and compelling we requested the Commonwealth Secretariat to make a video. Its images will not only complement this Report but doubtless for many recipients tell the story far more persuasively. But whatever means of communication is used, the message is clear: action is needed now; "adjustment with a human face" is not enough; what is required in the last decade of the century is "development with a human face".