

## THE ROLE OF THE STRUCTURAL ADJUSTMENT PROGRAMMES IN THE DEEPENING OF GENDER IMBALANCE IN THE LESS DEVELOPED COUNTRIES (LDCS)

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### ABSTRACT

*The structural adjustment programmes (SAPs) were introduced by the World Bank with the view to correcting economic, human and trade crises which prevail throughout the economies of the third world countries. However, these programmes have not achieved the desired impact in the economies of the countries. An evaluation of the role of men and women as producers and reproducers in some sectors of the economy clearly indicate the differential impact of the policies.*

*The adverse effects of such programmes fall disproportionately on women, and these have resulted in an increase of their workload and pressure on their time. The major elements in an adjustment strategy that may incorporate men and women into the adjustment process in an equitable way must ensure that special attention is paid to the low-income households*

**Keywords:** *Structural Adjustment, Producers, Reproducers, Human Face, Alternative Strategies and Gender Roles Needs.*

### INTRODUCTION

#### Background:

There are economic, human and trade crises which prevail throughout the third world countries. Davies and Clark elaborate that there is economic crisis which indicates that "incomes have fallen, expenditure on social services has been cut, debt and debt servicing bills have increased and the general economic decline has hit the third world countries very hard" [1]. The human crisis which includes a cut in expenditure on social services has been directly

traced to increased rates\* of diseases, malnutrition and child mortality. There is also a trade crisis which is explained by the constant pressure to earn foreign exchange to pay for debt services. The Structural Adjustment Programmes (SAPs), which are believed to generate wealth in the countries so that everyone benefits, have failed to produce the desired impact, and created hardships for families.

### DEFINITION

#### Structural Adjustment:

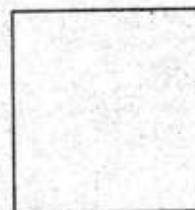
(SA) is made up of policy changes, which may be introduced at a stroke, but which take longer to make an impact on the economy of a country" [1]. They are identified more with the World Bank (WB). Thus, SA is a term which is frequently used to describe a programme or package of economic reforms advocated by the WB and often associated with heavily indebted countries.

#### Productive Roles:

These consist of work being done for pay in cash or in kind to maintain the household. This includes employment in both the formal and informal sectors of the economy. This work both contributes to the national product and generates income for the household. Women labour force is mostly prominent in agriculture and the informal sectors and in industry [2].

#### Reproductive Roles:

They are, as used in this article, not only child bearing, but child care, food preparation, house cleaning, and all the other tasks that are



Kofi Osei Akuoku

necessary to keep daily life running smoothly for the household. The child bearing and child care responsibilities "guarantee the maintenance and reproduction of the labour force" [3].

#### **Objective of SAPs:**

The WB and IMF were set up as "financial police force" to ensure the return to more orderly economies after the second world war. However, the events of the 1980's showed the complete failure of the world economic system with "depth of cracks" in it, especially in the third world countries. The SAPs have been introduced to reduce the economic imbalances, increase exports, mitigate the mass sufferings of the people, especially the vulnerable group and to correct the balance of payment deficits.

#### **Policies and Conditionalities of SAPs:**

The SAPs consist of expenditure reducing and switching policies. These include formal currency devaluation to discourage imports and encourage exports, trade liberalisation through the abolition of price and import controls and giving more access to foreign and multi-national companies. They also include the reduction of government expenditure in the social welfare sectors through privatisation, introduction or raising of user charges and withdrawal of subsidies including those for food. The retrenchment of workers, wage restraints, the privatisation of government enterprises and parastatals are some of the policies of SAPs. It must be noted that the emphasis is on export-led economic growth and further shifts in the orientation of an economy towards the international market [4].

There are costs associated with the adjustment coupled with the unpleasant conditionalities. However, "governments that will not accept them find aid swung away from them to governments that will" [1]. The plight of these governments are worsened by internationally isolating them and they are not considered as economic or political 'good bets'. They embark upon their own programmes to correct the imbalances in their economies by having to

print money which leads to desperate inflation. It is very clear that it is the vulnerable group/poor people who suffer most during these periods of high inflation, when the prices of basic foods and services go up faster than anything else.

#### **IMPACT OF SAPs**

##### **Men and Women As Producers:**

The impact of SA on men and women as producers is felt through the effects on employment, incomes and conditions of work.

##### **Formal Sector Employment:**

Demand restraint, which involves cuts in government expenditure, credit control, cuts in public sector employment and in real wages, has in actual sense, tended to reduce or restrict both formal sector employment and wages. Hence, public sector retrenchment has affected both sexes. Available evidence has revealed that civil service retrenchment has affected a large number of women who are mainly workers in the lower grades. Thus, women are more prone to lose their jobs and are unlikely to gain others than men. The likelihood of men finding jobs results from the fact that they are considered as breadwinners [5]. The unskilled female workers, particularly women heads of households, are the most vulnerable to SA policies. For example, in Brazil women in unskilled positions who lost their jobs were much less likely to find jobs than women in skilled positions. As a result, women household heads who suffered drops in real income were forced to take low status wage work such as domestic service, while unskilled women in male headed households remained unemployed.

Another aspect of the impact of SAPs is that when men loose their jobs or when wages fall, women are compelled to enter the labour force in order to replace the lost incomes for the household. "But there is no guarantee that women will find employment" [5]. In the Latin American countries of Chile, Brazil and Costa Rica, the supply of women's labour increased significantly without the corresponding

available jobs for them.

### **Export Oriented Manufacturing:**

In the developing countries for example, the export-oriented manufacturing employs women than men and employment prospects seem more positive for women in this sector. However, import liberalisation, which is part of SA package, has reduced operations and contracted female employment.

Moreover, for countries which have large numbers of females employed in traditional industries, the import liberalisation that often accompanies export promotion may mean that the gains in women's employment in the export-oriented sector are offset by losses in traditional industries [5]. The technological change may also reduce much female employment in the traditional sectors, for example, in India [5]. Thus, when there is general economic contraction and rising unemployment, the Export Processing Zones (EPZs) may prefer to employ women without the burdens of child care and other domestic responsibilities or men who are prepared to accept female wages. The female employees may also face the risk of redundancy. In the case of established export manufacturing countries, demand may fall because of technological developments. The Philippines and Malaysia provide examples [5].

### **Agriculture:**

The SA policies have improved conditions for farmers which may include raising agricultural prices, improving access to credit and inputs such as fertilizers, pesticides and technology. However, with the removal of fertilizer subsidies, this increase has been offset by price increases in fertilizers and other farm inputs needed for production, which effectively meant a reduction in real household income.

As a result, households are not self-sufficient in food, which require women to work outside to obtain more income to supplement food needs which are mostly inadequate. Zambia provides an example of a similar situation where women household heads farmers could not obtain credit

to purchase inputs to enable them expand their output [5].

Women have been neglected in terms of access to inputs, pricing policy and land reform in favour of men. Furthermore, the production of food crops for subsistence or local market by women does not benefit from the improved incentives. However, the production of cash crops receive adequate incentives but are considered as 'men's crops'. In Ghana, for example, the producers of export crops (cocoa and cotton) have received sufficient incentives, but which have hardly affected the production of subsistence crops, and in which women are heavily involved. The increase in agricultural price and improved incentive for crops which are controlled by men means that there will be an increased demand for female family labour, in order to expand output. The switching of female labour very often is at the cost of producing food for family needs. The increase in rice production in Sri Lanka and maize production in Zambia are typical examples [5].

### **Informal Sector Employment:**

The adjustment policies have either reduced income-earning opportunities or increased numbers in the informal sector as a result of formal sector retrenchment, and more people desperately seeking for some sort of livelihood [5]. This has given rise to a significant increase in labour force absorbed by the informal sector which has also resulted in the decline of average income during the period of adjustment [6]. The effect has been remarkable on woman who are always offered opportunities for income generating work in the informal sectors. Sri Lanka offers a classic example [5].

Another element of SAPs is the deregulation of credit markets which provides impetus to smaller borrowers including women, who have to rely on the informal credit markets, often paying exorbitant interest rates. But it turns out that small borrowers including women do not benefit due to lack of collateral, high cost of administering loans and socio-cultural barriers which continue to inhibit women from easy access to credit.



### **Changes In Hours Of Work And Working Conditions:**

The SAPs have had a gender differentiated impact on the total length of the working day [7]. In the case of women, it means longer hours of work, both of paid work and unpaid work. This has resulted from the fact that women have to maintain the household on reduced resources which take more time to search for bargains and cheap food.

To increase agricultural output to supplement the food needs of the household takes more time. Furthermore, making a living in the informal sector in the conditions of falling demand takes more time and has consequently forced women to undertake 'dead-end' activities. Dennis points to such a differentiation in the informal-sector trading in Nigeria [6].

Work has also been casualised which extends to include male skilled workers in the formal sector. Labour market deregulation and privatisation of the public sector activities have made jobs flexible which means the loss of job security, loss of rights to sick pay, pensions and maternity leave.

### **Men And Women As Reproducers**

#### **Increases in Prices for Basic Items:**

The effect of the price decontrol, devaluation and reduced subsidies may lead to increases in prices for basic items including locally produced ones such as rice, milk, wheat flour and kerosene. However, while the prices of basic items increased rapidly, wage restraint as a key part of SAPs, generally kept incomes very low. The impact, therefore was evidently severe on men and women.

The sharp rise in prices on household consumption coupled with a decline in real wages have in no doubt greatly affected women given a situation where husbands provide fixed housekeeping allowance to their wives. For example, in Ghana, even the upper middle civil servants could not cover 10 per cent of the minimum nutritional diet of a five-person

household. Thus, women as home managers play a leading role in family survival strategies by taking on income-generation activities, especially in the informal sector to contain the fall in household income. Added to this is the fact that women are engaged substantially in subsistence production to provide for the food needs of the household. In Lusaka for example, almost 50 per cent of food of the lowest income group is being provided through cultivation by women in urban vegetable plots [5].

As a result of weak financial position, women purchase foods which are less processed, spend more time trying to find cheap foods and gathering fuel wood and water, which add to the pressure on their lives. This often leads most households to change their overall consumption patterns. A reduction of daily meals from three to two has been reported by women working in the informal sector in Dar-es-Salaam, which suggests a decline in calorie intake [5]. A notable increase in malnutrition amongst females than males in most household is a commonplace.

Again, the higher pricing of agricultural inputs which is part of the package, has caused rising food prices, and created hardships to the rural food deficit household, many of which are headed by females. A case in point is in Bangladesh where the rural families produce less food than they consume due to the fact that they may be landless and have very small and relatively unproductive holdings [5].

### **Education:**

The effects of the cuts in expenditure on education have been evident in poorly maintained school buildings, shortages of teachers, lack of teaching aids and equipment, larger classrooms and general decline in enrolment/attainment rates. The budgetary cutbacks have shifted the burden of education from the state to the family who are already in a chaotic financial position as a result of low household incomes and therefore unable to cope with the pressure. In some countries, governments have introduced or increased

school fees and this has contributed to low male and female enrolment rates [9], for example, drop-out rates increased in some states in Nigeria following the introduction of fees. For the poor women headed households, the adjustment measures have intensified pressures not to send children to school or withdraw them early so that they can use them in other ways. For example, in rural Mexico, women send their children to work in agriculture for wages [5]. Older female children have also been kept out of school to look after younger children while their mothers are away at work.

With resources increasingly constrained resulting from the adjustment measures, the lower enrolment of girls than boys is more marked for poorer households. Thus, increased poverty has led to a slow down in secondary school enrolment and a deterioration in the sex ratios. It is therefore worth noting that "educational underdevelopment today means human under-development tomorrow" - both for men and women [5]. Consequently, preference is given to boys before girls under such circumstances. But one should not lose sight of the fact that long run set-backs in women's education may in turn have repercussions on family education and upbringing of future generations of children.

#### Health:

One cannot overstate the fact that the cutbacks in health expenditure have greatly reduced the standards of health care and the outreach capabilities of health and nutritional programmes. The most affected are women and children who cannot reach the clinics and hospitals to enjoy maternal and child health services. For rural women, such trips to clinics and hospitals can be costly both in time and money. In Zambia, it was revealed in a survey in 1987 that women were concerned with having to spend longer time caring for sick children and staying with them in hospital which kept them away from direct productive tasks [5]. In the face of these hardships, women may forego treatment of children and themselves if the illness is not critical, at the

cost of increased morbidity and longer time spent at home caring for the sick.

The cutbacks in health service have taken place in the name of efficiency. "But in practice, it has involved no more than shifting of costs from the monetary to the non-monetary economy with an increasing burden of care falling on women"[5]. The economic crisis and adjustment policies which have led to the introduction of user fees, have compelled women to spend a large proportion of household income on medicines and immunisation.

The reductions in household incomes coupled with rises in food prices and the severe cutbacks in health services are the main causes for the deterioration in children's nutrition and health. In my opinion, the increasing pressure on women to seek work outside the home has greatly affected infant feeding practices and children's nutrition, especially where women work for very long hours outside the home for very low wages. Hence, SA measures have adversely affected the overall children's nutrition. In Ghana, the deterioration in nutrition was very pronounced whilst in Zambia, the malnutrition-related deaths increased [5].

Again, infant mortality which has increased due to diminished nutrition and higher morbidity as a result of recession and SA has also increased the burden of stress on women [6]. Thus, the long-run consequences of malnutrition and ill-health, particularly among women and young girls, may be very serious.

#### EVOLVING ALTERNATIVE ADJUSTMENT STRATEGIES

If the negative impact of SAPs on men and women are to be avoided, the present SA policies may have to be radically altered with a human face. Any attempt to correct the problem must aim at generating positive effects so that women benefit. The approaches to the increasing alternative adjustment strategies may be illustrated by reducing male bias in SAPs, reviewing the macro-policies, redesigning

policies to incorporate women, providing support policies and monitoring the impact of adjustment policies. Productive potential may be fully realised and their welfare enhanced during the process of adjustment.

### **Diminishing Male Bias**

Male bias in SAPs consists of bias concerning the sexual division of labour, failure to take into account the unpaid work of women and treating the household as a homogenous unit. To overcome male bias, it is important to 'win the recognition of the significance of gender divisions in work and consumption for the process of resource reallocation and determination of living standards' [8]. This may be achieved by having dialogue with economic policy makers in government and international institutions, such as the WB, and with non-governmental women's organisations.

The society may be restructured to make it more accountable to women as well as the labour, financial and other markets in order to make them responsive to women's needs. This requires a change in the balance of power in the relation between women as users of public sector services and those who provide them, and women as buyers and sellers and the merchants and employers they deal with.

The form of the SA must also be considered which very often fails to value the output of women's unpaid work in human resource production and maintenance. Consequently, it is essential to put some form of control over accumulation in the hands of women who use investment productively, particularly for the upkeep of the household. The SA design that seeks to diminish male bias must redress women's lack of control over resources by redirecting credit facilities and technical assistance to individual women farmers, traders and artisans [8].

Thus, as cited in the case of low-income women in Ecuador 'joint decision-making or sharing of resources within the household was not common' which also illustrated the intra-household conflicts that emerged concerning the

distribution of resources [10]. The SA therefore must seek to support women's responsibilities within the household by providing the resources women may require to discharge those responsibilities.

### **Macro-Policies:**

"Much of the cost of adjustment policies has arisen from the sharp deflationary element" [2]. As a result, it is important to adopt more expansionary macro-policies to reduce the recessionary elements in SA, so as to avoid any deflationary posture in order to achieve adjustment through growth rather than contraction. To achieve the aforementioned policies, the timescale in terms of IMF finance and conditions should be extended and that WB and IMF should provide more net finance for the adjusting countries. Additional finance in the form of new flows of money with lower interest rates and generous rescheduling/write-offs of existing debts, may be pursued. In the process, the adjusting countries may be allowed to control imports so as to increase output and employment levels. The world economic system generally should support expansionary adjustment among developing countries, for example, by instituting mechanisms to support and uphold commodity prices. The expansionary adjustment is preferred by adjusting countries because domestic policies are not complicated which include less tight budgetary and credit restrictions, support for investment, selective import controls and that unnecessary deflation is avoided. It has been argued that changes in the macro-policy reforms should be gradual.

### **Redesign of Adjustment Policies**

#### **Meso-Policies:**

They may be used to design expenditure cuts to protect certain services and certain groups in the society particularly the vulnerable groups [11]. For example, a cut in public expenditure may fall more or less heavily on different sectors and within sectors on different groups. Women in low-income groups typically suffer in an unguided market where resource allocation



takes place because they have weak purchasing power and are not credit worthy. There is therefore the need for a structured market which is essential for the allocation of resources where certain proportions may be reserved for particular groups such as women entrepreneurs. The use of structured market has been successful in getting resources to the Self-Employed Women's Association (SEWA) in India [12].

#### **Sectoral Policies:**

Policies relating to the various economic activities in the economy can also be used to facilitate the reallocation of resources within each sector. For example, shifting expenditure away from curative and hospital health care towards preventive and primary health care, may ensure considerable improvement in the health of women and children. Emphasizing vocational and technical training at basic school level may equip the girl-child with employable skills. Shifting resources from other levels of education to the basic level (Free Compulsory Universal Basic Education-FCUBE) may increase the number of girls entering and completing school. Since illiteracy rate is higher among women/females than men/males, women in particular could be encouraged to participate in non-formal education where the emphasis should be placed on issues which could improve the situation of the women. Female participation rate in agriculture is estimated to be 60 per cent in Ghana [13]. This is very significant. Consequently, a fund could be set up from which women's groups in agriculture could draw assistance

#### **Institutional Change:**

There must be significant institutional changes designed to improve the access of men and women to resources. Female access to resources must be enhanced and to do that may require land reforms and new credit institutions such as the Grameen Bank in Bangladesh where women form the 70 per cent of the membership and receive 56 per cent of the disbursement [14]. Efforts should be made to ensure that extension

services, which are often male-dominated reach female farmers. It is argued that educational inequalities are one of the basic explanations for women's lower incomes and worse employment opportunities than those of men. Consequently, there is the need for a reform in female education which lags behind male in most economies due to the effects of SAPs.

#### **Support Policies:**

Women who bear the brunt of low household incomes due to loss of incomes by men as part of SA measures need essential support services to prevent the worst suffering.

#### **Employment Schemes:**

The governments should launch effective and extensive schemes to provide basic employment and incomes to people who are adversely affected by the SA measures. However, "while these schemes are valuable in maintaining incomes, they also impose new time demands on women" [2]. For example, time demands may conflict with agricultural as well as domestic tasks.

#### **Food and Nutrition:**

Ensuring adequate food supply is the prime objective of any government during crisis and at normal times. But this objective has always not been met during periods of adjustment. Therefore, it may be necessary to provide free food for very needy groups particularly young children, pregnant and lactating women and tuberculosis patients which may be delivered through health clinics or schools as cited in the Botswana experience [11].

#### **Support for Communal Activities:**

The community may support poor households by providing communal shopping, cooking and child caring facilities and also supporting local health and educational facilities with labour, materials and sometimes money [2]. The state may support these sorts of activities through active encouragement, the removal of legal

obstacles and the provision of small amounts of money.

#### Monitoring:

It is essential that the effects of SA on women and low income households are monitored regularly and rapidly during adjustment periods. In essence, progress may be assessed and the design of programmes is modified accordingly. Hence, a great deal of attention should be paid to the monitoring of the human dimension in the same way as the monetary and social variables.

#### CONCLUSION

There is now a considerable evidence from the literature which shows the negative impact of SAPs on the lives of the population particularly women in countries where they have been implemented. The evidence from the case study makes it imperative for countries to pursue strategies to improve the lot of the population during periods of SAPs so that the results may be beneficial and welcome.

One cannot overstate the fact that it is the inherent biases which have led to the neglect of women's productive capacity and inhibited the successful implementation of a number of measures under SAPs. It is therefore important that women are incorporated into the adjustment process rather than just being protected against the adverse effects. In order to achieve this, a number of measures have been outlined in the strategies for increasing gender awareness in SAPs.

It is worth noting that the alternative strategies, if put in place, may alleviate unnecessary hardships, be more equitable and increase the efficiency of the programmes in both economic and social terms.

Many of the criticisms concerning the negative impact of SAPs have been launched at the IMF and WB and governments of the developing countries. There is little evidence to support that WB and governments' claim that the negative effects of SAPs are transitional. I believe that such complex processes cannot succeed if they are directed by outsiders and

that governments of the developing countries should have genuine conviction for the successful implementation of the SAPs.

It should also be noted that economies do not only work through market relations. "Given the complexity of gender relations within small holder households, the invisibility of women's work both in rural and urban sectors, and the multiple and complex roles women actually perform, market-only policies such as SA are likely to have specific, and probably negative effects on women" [9] and men as well.

I will therefore conclude that in my opinion, adjustment may benefit the people if they are initiated by the people for the interests of the people.

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