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THE EFFECTS OF STRUCTURAL ADJUSTMENT PROGRAMS ON WOMEN IN DEVELOPING COUNTRIES

Abstract:

From the late 1970s onwards, a growing number of developing countries have undergone an increasing amount of fiscal asymmetries and depreciations in the way in which prosperity is formulated in their productive sectors. When attempting to balance their costs and to engender an environment in which further growth can occur, a number of Middle Eastern, African, and Latin American countries have implemented several different organisational plans. This is called Structural adjustment programs which aim to provide a lasting economic stability, producing a sustainable growth and emerging a functioning market mechanism in accordance with the global economy in countries that applied. This paper purposes to analyse the effect of this SAP, which proposed by World Bank and International Monetary Fund to developing countries, on women socially and economically. These programs may reduce purchasing power due to its main principles such as free market (possible higher prices for basic necessities such as electricity, water), minimizing some services (health care, social care etc.), macroeconomic policies (cut backs wages) and devaluation. Hence, women may have to take place in the workforce as lower paid and unskilled labour, since previously obtained family income is no longer efficient. This process may lead women to exposure to violence both in business and family life. Besides deduction of social services might increase the burden of working woman. This study will start with an introduction part which will include historical background and aims of SAP. Secondly, SAP will analyze in the context of Feminist perspective and also the topic of feminization of labour force will discuss with examples from different countries. Thirdly, the impact of SAP on women and in this context, the relationship of women's economic participation and SAP will be debated. Consequently, women's inequality may limit their ability to take full advantage of better macroeconomic and microeconomic conditions and this is ignored by WB and IMF. This program seems to be gender neutral and far away from eliminating these gender inequalities but it indirectly increases, public expenditure on education might be effective to reduce it. Also some other social impacts on women will be tackled in this part. Finally, some solutions and critics on the issue will be given. As methodology, secondary data is used. Various data will be utilised from various developing countries to demonstrate its negative effects. Additionally, other studies in the literature have reviewed to see all the related impacts in different developing countries.

Keywords:

SAP, World Bank and IMF, women, workforce participation in developing countries, gender inequality, indirect violence on women

1. Introduction

From the late 1970s onwards, a growing number of developing countries have undergone an increasing amount of fiscal asymmetries and depreciations in the way in which prosperity is formulated in their productive sectors. These obstacles were caused by external factors, including global downturns and the crisis in oil, not to mention their external and internal strategies. When attempting to balance their costs and to engender an environment in which further growth can occur, a number of Middle Eastern, African, and Latin American countries have implemented several different organisational plans and guidelines. These are called Structural Adjustment Programs, or SAPs. SAPs generally include some, if not all, of the following procedures: the depreciation of inflated currencies; a closer tie between national prices with international prices by removing input, foodstuff, and import subsidies; a highlighted importance on trade goods and the incremental removal of constraints placed on their country's competition by other countries not interested in that country's national interest; the privatization of most public sector ventures; and cuts in government expenditures made to the public sector, including freezes on salaries and limitations on hiring new government employees (Gladwin, 1991).

Many have contended, however, that the SAP framework do not address gender concerns in an adequate enough manner. An SAP's primary aims are that of i) creating a macroeconomic equilibrium and ii) allocating resources in such a way as to increase a country's economic growth. ii) Usually is solved via the liberalisation of trade, orienting the economy towards exporting, increasing the importance of the private sector, etc. Its not addressing gender issues are in lieu of SAPs' not taking into consideration matters of distribution. This is one reason why a report made by the World Bank regarding the policy reforms made during the 1980s does not make any mention of gender issues. Furthermore, the only mention of matters of distribution is that of whether the farm inputs of small, independent farmers were affordable. Only in later years did matters of gender become important. But, even when they were later incorporated in such reports, they are only dealt with on the micro, and not on the macro, level.

One of the most vital elements of national economies for improving the living standards of individual households are women. They constitute an essential part of any labour force and form the core of agricultural economic systems, supplying the requisite labour for producing domestic crops and other products for export. Women's partaking in gainful employment in the official and unofficial sectors of a country's economy has been significant and has been growing in most countries.

This essay will focus on how SAPs affect the economic participation of women; furthermore, it shall elucidate upon the barriers which gender relations create for the process of adjusting a nation's economy for the purpose of further developing it. It shall be argued that the best way to offset the adverse effects of adjustment is to make the most out of the principal income-generating activities of the poorer sectors of the populace by improving their ability to access employment possibilities and assets and

by increasing the productivity of those assets. Subsequently, the project's ability to promote the economic participation of women will be examined and assessed.

2. The Structural Adjustment and Feminization of the Labour Force

SAPs usually consist of macroeconomic policies aimed at balancing a nation's economy coupled with trade reforms. One result which these kinds of programs have had on those nations which have implemented them are that their export sectors. Industries in developing countries which specialise in exports (e.g. Bangladesh) usually are feminized. Data from the Census of Manufacturing Industries illustrates that the employment rate for females has grown from 3.04% in 1985-86 to 15.29% in 1991-92 (Hundkeer N.D.). Such industries, however, also tend to be labour-intensive and thus utilise "unskilled" labour. Many case studies have demonstrated that women have a "comparative advantage" in industries, or zones, which are primarily export-oriented and which, in turn, incorporate a particularly labour-intensive production process necessitating only a little—or even no—formal training. Wood (1991) illustrates that, between the 1960s and the mid-1980s, countries which increased the amount they exported also demonstrated a rise in the relative demand for female labour in those national industries which specialised in manufactures. For example, in Ecuador, the participation of females in the national economy rose from 40% in 1978 to 52% in 1988 (Tanski, 1994). This also occurred in Honduras, where the rate of female participation increased from 13% in 1974 to 26.8% in 1983 (*ibid*). With the introduction of SAPs, and pressured by the increased amount of international competition, employers began to favour women workers seeing as they received lower wages (perhaps because they did not expect to be able to make more than that wage), thereby eventually leading to those companies exchanging their men workers for women workers. It can be concluded, then, that trade reforms suck women into the labour market so as to exploit their both being cheaper—not to mention more flexible—workers.

There is other evidence, however, which shows that feminization is not a necessary consequence of SAP implementation (Cagatay and Berik, 1991, 1994). Furthermore, other proof has been provided which demonstrates that the feminization of countries which occurred due to a shift from import- to export-oriented economies are reversible (*ibid*). For example, defeminisation can occur after companies' adopting methods which call for more "skilled" labour or increased mechanization (*ibid*).

It has also been shown that the implementation of SAPs also causes women to be pushed into joining the labour force as well. As is commonly recognised, such policies also usually worsen the distribution of income. This, in turn, forces the family members of low-income grossing groups to gain employment for the purpose of compensating for diminishing family earnings, thereby pushing women into the labour market (Tanski, 1994; Sadasivam, 1997).

3. The Feminist Perspective

SAPs are usually written with language which give the impression of being gender-neutral, but which, in fact, are biased in the favour of males. This is because SAPs are usually formulated in terms of GNP, the balance of trade, tradable and non-tradable goods, etc.—all of which with apparently genderless repercussions. Women, however, are not conveyed any importance in these plans; but then again, neither are men. They are depersonalized evaluations which simply deal with the abstract ideas of the “supplier” and “consumer” of resources (Sadasivam, 1997).

As already mentioned in the introduction, one of the aims of SAPs is that of liberalising trade by deregulating labour markets, financial markets, and agricultural prices, and by the removal of trade barriers. Feminist economists are critical of those kinds of economic reforms for three reasons. First of all, this type of reform primarily emphasises the "productive economy;" in other words, it focuses on covering costs and creating profits. As a result, the construction of a "reproductive economy," which would be able to meet the needs of, and sustain, humans, is ignored. The macro-economical models of mainstream economics assume that reproducing and maintaining human resources will carry on irrespective of the ways those resources are reallocated. These simulations hide the large influence that the production and maintenance of the supply in labour (via childbirth and childcare, shopping, cooking, and housework) have on the economy. Reforms made to the economy which call for reductions in state-run services and the laissez faire of market forces do not take into consideration how those kinds of modifications affect whether an economy becomes a productive or reproductive one. Since reproductive economies are maintained with the voluntary nonmarket labour (of which the majority is assumed by women), macroeconomics makes the assumption that there exists an endless supply of (potential) female employees. It also assumes that this potential workforce is able to compensate for and modify to any and all fluctuations made to the "reproductive economy" which result from the macroeconomic policies of the SAPs, such as the state ceasing to fund state-run financial aids and facilities, not to mention increases in taxes and market prices. By taking into consideration voluntary household labour (or, in other words, by making such labour “visible”) and by evaluating it as an input which has been manufactured, feminist analyses have redefined the conditions requisite for the proper working of a waged productive economy (Cagatay, 1995). This way of thinking about the topic calls into question the theoretical foundation of women's inconspicuousness, illustrating how that invisibility obfuscates the economic and social costs of SAPs on the working lives of women. Feminism critiques this in at least three ways.

With relation to SAPs, the first critique that feminists make is that male partiality does not reflect female volunteer work in terms of productivity and efficiency. A hospital run with public funds, for example, may metamorphose into a more efficient entity by rearranging its expenses and by sending its patients back home sooner. This efficiency, however, is attained by taking the expenses from the productive economy and transferring them all to the reproductive economy, in which women's volunteering to

take care of domestic convalescents makes up for the shortage apparent in hospital care (Hundkeer, N.D.).

Secondly, feminists use gender as an investigative tool by making it a type of economic and social variation which has an effect on the sharing of jobs, salaries, and capital, not to mention the output of those jobs and the performance of actors in the economy. Feminist economists have contended that sex, like ethnicity and class, is one of the most important categories which lead to the division of labour between reproductive and productive deeds in the majority of societies. Productive economies which generate revenue-generating activities are directly related to the market, while reproductive activities, such as taking care of both old and young people, preserving cleanliness and health, and being responsible for water and sustenance are voluntary and usually those activities which women are in charge of. Feminist economics distinguishes these two sorts of activities (i.e. the productive and the reproductive). Furthermore, they maintain that, when considering macroeconomics, both activities need to be analysed.

Thirdly, the economic analysis made by feminists results from their coming to an understanding of the gendered nature, not only of the economy but also of the essential social organisations, including governments, households, markets and businesses which have an effect on macroeconomic results. Such an evaluation demonstrates that economic organisations and practises mirror and help to maintain extant gender prejudices by not being able to realise that gender-based labour divisions and one's ability to gain and utilise the resources which underlie budget shortages, economic growth rates, and balance-of-payments (McGee, 1991).

4. The Impact of Adjustment on Women

During the late 80s, a number of researches were conducted in order to evaluate how SAPs influenced gender (Altomore 1991, Gladwin 1991, Palmer 1991). Generalizing about the cumulative outcomes of SAPs is challenging due to the fact that their specific attributes differ from one country to the next, not to mention the numerous policy tools which are a part of the SAPs which have the proclivity of having disagreeing results. The beneficial influence of higher producer prices for agricultural workers may be countered by the greater manufacturing costs (which, itself, is a result of a higher rate of inflation and the eradication of all fertilizer, seed, and fuel subsidies. The evaluation of SAPs impact on particular groups of people is impeded as well with the lack of adequate statistical resources, not to mention by the ambiguity as to whether changes in trend within specific groups of macroeconomic gauges can be accredited to SAPs. A rise in poverty at the microeconomic level, for example, is not necessarily a consequence of SAPs, for it might have also been a result of economic recession. In addition, it is also difficult to discern how the economy would have developed even without such SAPs. Furthermore, poverty's influence differs the effects of poverty differ from one region to another. For instance, cuts made to government spending with relation to marketing and with relation to infrastructure (which helps in the delivering of inputs to farmers) will injure farmers in the most isolated areas of those countries which

implement SAPs. Those types of agriculturalists are often not responsive to incentives in price given the fact that middlemen will merely increase their margin in returns immediately after the augmented manufacturer prices are publicized, with additional contributions generally being hard to obtain.

Evaluating how SAPs affect women is challenging because their effects vary from one social group to another (unskilled workers, landless labourers, informal sector workers, and small farmers) more obviously than between male and female. Notwithstanding these restrictions, a number of researches illustrated the adverse effects of SAPs on women. Case studies developed by Altomare (1991) in the Ivory Coast, Pakistan, Jamaica and Ghana found that females and that the dependents of households headed by females are apt to struggle a bit more than males and the dependents of households headed by males during economic downturns since they are usually worse at the beginning. During the implementation of SAPs, females became a kind of “shock absorber,” as it were, cutting back on their own expenditures and working for longer hours so as to make up for losses in domestic revenues (e.g. when their spouses become unemployed). In addition, females are the ones who hurt the most because of decreases in public spending since they are oftentimes more reliant on those services in lieu of the roles that they play as mothers. The contraction of public services therefore shifts many of its old responsibilities to women. Furthermore, if there were more women in the public service sector than men, that contraction may ergo also have a more marked influence on the female population of that society. SAPs also affected the agricultural segment of nations’ economies given that they emphasised exports over imports, thereby forcing women to budget their time in other ways. Indeed, in some circumstances, this re-allotment of their time compelled them work longer hours in order to produce cash crops mainly controlled by men. This added emphasis on exports sometimes brought about a decrease in the amount of farming land available to women for the purpose of growing food for either their personal intake or for local trade which, in turn, impeding their ability to satisfy their family needs .

As Altomare (1991) opines, there are three alternative ways that SAPs have influenced the economic lives of men and women. According to theory, SAPs’ effect on both genders will be more or less equal in those countries in which they both have uniform access to resources, as well as to public education and transportation. On the other hand, SAPs did not affect the economic differentiation of the genders in those countries in which women almost had no participation in the economy at all (e.g. Pakistan). In those countries in which economic participation is not based on equal terms (i.e. the majority of Asian and African countries), however, the implementation of SAPs resulted in women losing their relative economic station no matter how substantial their economic participation was. This is due to the fact that the women in those countries do not have adequate access to resources, not to mention transportation and education, thereby making it extremely difficult for them to take part in the newfound growth offered by such reforms.

5. Women's Economic Participation and Adjustment

Collier et al. (1994) have found that the division of labour in terms of gender may impede SAPs from achieving its economic aims of improving a nation's economy since those programmes treat the labour of both males and females as being merely different elements of production. They argue that the free trade model, which forms the theoretical backbone of SAPs, is a model which incorporates flawed mobility factors. The labour which males and females provide are considered separate resources, and its distribution varies throughout the many segments of the economy. For example, in Africa, there are more females who produce non-tradable crops (food production) and who work in casual activities which do not require much knowledge of technology, with the men usually dominating the sector specialising in trade, such as the growing of export crops or that of being employed as wage labourers in estate agriculture, mines and cities. SAPs, however, are planned in such a way that incentives will be given to channel resources into the manufacturing of tradable goods (contra non-tradable goods). And this, in turn, has the devastating effect of eventually reallocating female labour to jobs which do not entail the growing of food.

Female labour is also more stationary than that of male labour. As Collier et al. (1994) posit, there are four separate processes which explain why females' economic activities are limited based on gender differences. The process firstly mentioned is that of the discrimination of women in both credit and labour markets. The second one relates to the implementation of models which guide gender roles: e.g. the jobs which men originally worked at are dispersed only over the male members of society by means of an instrument which does not convey them to the female members of that same society. The third one occurs as a consequence of the unequal dispersion of duties and rights amongst the men and women of a household. And the fourth is that of reproduction, a process which places further strains on the health—not to mention the time—of women, thereby increasing their inflexibility. Consequently, those segments of the economy which are less dependent on these kinds of constrictions are usually those segments which women demonstrate more activity.

There are other scholars who highlight the comparative disadvantage of females in terms of employment. For example, some contend that the employability of a household can be analysed in terms of each of its member's opportunity costs with relation to time. These opportunity costs, consequently, govern each member's relative comparative advantage in diverse types of production. The higher opportunity costs which women accrue due to their role as the bearers of children encumbers women from participating in the market economy. In this regard, Elson (1992) mentions 'the reproduction tax on women's work — women's work which is not valued by the market economy — which needs to be removed to allow markets to operate efficiently.' In Lockwood's (1992) opinion, however, these gender-specific restrictions did not occur because of socio-cultural tradition but, on the contrary, are the result of the history of colonial imperialism. Women started to be discriminated against in terms of their economic position when plantations and mines were first established. This, in turn, led to many men being siphoned off into those types of work sites, both in Kenya and in southern Africa in

general. Women also began to be discriminated against when men became responsible for growing cash crops, thereby relegating women to be more responsible for ensuring the food supply.

Other scholars focus their examinations on how women contribute to the economy by analysing the growing feminization of agriculture (the process by which female farmers gain ever more responsibilities as farm labourers and operators). They contend that the concept of the free competitive market which underlies SAPs is not the most effective method for the allocation of resources by illustrating that that kind of market does not and cannot work sufficiently at the microeconomic level in sub-Saharan Africa (Gladwin 1991). Ideally, female farmers should have profited from those programmes because they were specifically intended to rejuvenate the agricultural sector of the economy and to bring local prices in line with international market prices. Nevertheless, the stratification of society at both the household and village levels, and the disparities which exist in the power relations which govern who can receive access to the means of production, as well as who regulates those means, have impeded female workers from answering to increasing incentives to produce and manufacture. As Lele (1992), Gladwin (1991), and Goheen (1991) have all mentioned, women often are not able to own the land for farming, and neither do they have the know-how, credit, or agricultural inputs, not to mention the fact that, in many states, women are not even allowed the right to produce cash crops.

Furthermore, Palmer (1991) maintains that the growth of the population is a significant limitation to the development, both economically and socially, aimed at by SAPs. For example, the positive correlation between large female economic participation and education rates and birth control in Kerala, India, has confirmed the hypothesis that female socio-economic status influence fertility rates. Palmer thus proves that SAPs have had a negative impact on women and argues that economic growth can only be attained if substitute economic programmes are implemented for the purpose of enhancing the status of women.

6. Conclusion

The unequal distribution of the costs and benefits during the process of implementing SAPs have been illustrated with the experiences of various female mothers, wives, reproducers, producers, labourers in both industry and agriculture, as well as crisis managers. The innate prejudices which exist in the majority of societies against females and the natural inclinations of neoclassical economics which are blind to considerations regarding gender have both proven to obfuscate the fact that women have become ever more encumbered economically. This is obvious when one takes into consideration the fact that the health and well-being of women have been waning in those economies which enacted an SAP.

As was clearly demonstrated in the section which dealt with the “Feminist Perspective,” the design of SAPs were not successful in sufficiently addressing matters of gender. This is because SAPs focus primarily on the development, productivity, and

liberalisation of markets which, in turn, have ignored all types of inequality, including that which exists between men and women. It also flouts organisational characteristics and limitations and considers the economy as a single homogenous whole. Indeed, most of the effects of these macroeconomic policies (i.e. in terms of working environment, employment, the liberalisation and privatisation of wages, food security) have all been passed over unnoticed.

Furthermore, the measures enacted by SAPs, such as increasing exports, have increased the amount of women employ in the formal manufacturing sector, as well as in informal occupations (e.g. street sellers in Peru, as well as the readymade garments industry in Bangladesh). However, this rise in female employment, however, has to be weighed against the lower wages, occupational safety and job quality in the formal and informal segments of the economy.

Suitable macroeconomic policies should emphasise, not only productivity but also fairness. Productivity, however, does not simply imply a change of proprietorship (i.e. privatization) but a much broader set of policies, such as structural support and the superior regulation of markets, as well as intercessions providing for the betterment of women.

As noted above, SAPs have had a great influence on the participation of women in the workforce. This is due to the fact that SAPs primarily focus on the development and productivity of countries' economies by encouraging investments in the private sector, deregulation, privatisation, and trade liberalisation. As a result from all of these measures, however, women have been badly treated (e.g. reducing family incomes and their losing their jobs). In order to increase family earnings, women must work in any sector of the economy that they can, be it formal or informal. And even though these measures have resulted in a greater amount of productivity and a greater amount of employment, the amount of work that women have to do has increased and their living standards have declined; e.g. when women have to work at home in order to nurture their children while also having to add to the family budget and work outside of the home in both the formal and informal sectors of the economy.

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