THE STRENGTHS AND THE LIMITS
OF STRATEGIES USED BY LOW INCOME WOMEN
TO COPE WITH THE EFFECTS OF STRUCTURAL ADJUSTMENT

by

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ABSTRACT

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THE STRENGTHS AND THE LIMITS OF STRATEGIES USED BY LOW INCOME WOMEN TO COPE WITH THE EFFECTS OF STRUCTURAL ADJUSTMENT

The main focus of this paper is to examine the impact of the economic crisis on women's projects and to assess what strategies women from low-income households have employed to minimize and overcome the constraints of adjustment. This is integrated with a study of labor force formation, and patterns of change in domestic work and domestic relations. Increasing women's access to resources means that development projects for women have to address crucial redistributive and political issues which affect these domestic relations and domestic work.

The case study establishes a link between macro-economic processes and the changing circumstances of women through the project framework. The case study illustrates that long-run changes were induced in the social and economic organization of rural life and work in response to and as a result of structural adjustment, and increased proletarianization and commoditization of the peasant economy.

The efforts of the women to resist the negative effects of adjustment were not enough. The immediate income effects and other gains of the project were outweighed by the effects of these long run processes.

But macro processes do not occur in a vacuum. They are the outcome of specific policies. The question then becomes in which ways and under what circumstances can structural adjustment policies be designed and implemented to promote the development efforts of the poor?

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Chapter One

1.1 Scope and Methodology

The aim of the paper is two fold. Firstly, to examine the effects of structural adjustment programmes on income generating projects for low-income women, and more importantly, to highlight the strategies women have devised to minimize and cope with these changes. In order to more fully understand the scope of the issues, I also will examine the preceding developments that created the need to implement structural adjustment programs in over half the countries in Africa.

Why should any special attention be paid to the work and the lives of women, as distinct from the poor in general? The negative effects of SAPs in general have been well documented by UNICEF and others (Jolly et al, 1987). Although adjustment has had a detrimental effect on men and women in developing nations, it has had more serious negative consequences on the poor and rural residents than on urban dwellers, and on women generally in all areas compared to men. (Loutfi, 1980: 2). In Sub-Saharan Africa, women represent some 51% of the population. The work that women do falls mainly in the subsistence sector. Studies conducted by Dixon (1982:558-9) show that women account for 45% of the agricultural labor force in Africa. Other studies show that in some areas women account for up to 70% and 80% of rural agricultural production. (Clark, 1985). In addition to the unrecorded
services of the home, they grow about 80% of the food. Women however, earn only about 10% of money wages. (Spring, 1989:333).

It is difficult to quantify and make visible the ways in which women make their contributions to the economy; the constraints on their contributions; and the interactions among their work patterns, the accessibility of inputs and their benefits of production. (Holcombe, 1988). It is generally women who have the responsibility of household management and must cope and devise survival strategies when prices rise and household incomes fall.

This paper will not focus on the detrimental impact of adjustment on the women, but rather on the strategies African women have employed to minimize and overcome the constraints of adjustment. What are the ways in which women have coped with the economic crisis? What actions have been taken by women to hold onto and increase their access to productive assets?

The paper is in six sections. The first Chapter states the objective of the study and the methodology of the paper. The second chapter will give an overview of the history of structural adjustment and stabilization programmes as they pertain to Africa. The third chapter will give a theoretical and conceptual framework to understanding some of the gender specific aspects of structural adjustment programmes. The fourth chapter will give a brief background of the history of SAPs in Tanzania. An analysis on critical macro indicators are given, following a brief introduction of the project’s background.
Chapter Five is an analysis of the micro level impact of SAPs on the Women's Appropriate Food and Technology Project (WAFT) in Tanzania. The last chapter will make some preliminary conclusions and recommendations for future strategies relating to SAPs and women by outlining some policy measures and strategies that policy makers in development might consider in order to mitigate the impact associated with SAPs on women and children.

Chapter Two focuses on the broader issues of major relevance to the crisis. This first section is a brief background of the history of structural adjustment programs in Africa. In the 1800's Africa was called "The Dark Continent" by the European explorers because little was known about it by them. An article titled "Laggardly Africa" in The Economist, (April 7, 1990:15) implies that as the century draws to an end, much more is known about Africa, and yet in some ways much still remains the same. The stories behind the statistics out of "Black Africa" continue to spell gloom and doom.

Africa's debt in 1988 was 115% of GDP, compared with only 28% in 1980. Debt-service payments, capital flight and worsening terms of trade will draw a net 5.5 billion out of Black Africa this year. What Africa does pay in servicing debt absorbs more than a quarter of the value of its exports.

The growth of GDP per capita has been 0.7 per cent for sub-saharan Africa in the 1970's, and was negative in the 1980's.(Bevan:xv). What this means is that the living standards of a large number of the poorest people in the
world were steadily deteriorating. (Bevan, 1986:xvi).

The main international interlocutors in the adjustment arena have been the IMF and the World Bank. The programmes of the two institutions differ somewhat in emphasis. The IMF focuses largely on the need for devaluation and control of domestic credit which in turn usually requires reductions in public sector deficits. The IMF deals with an unsustainable deficit in the current account of the balance of payments of a country. The time horizon for stabilization programmes is itself short because of the short pay-back periods for resources made available by the IMF. (Bevan: xvi).

By contrast, the objective of structural adjustment lending from the World Bank "is to support...measures specifically designed to strengthen countries balances of payments over the medium term. In addition, the World Bank is interested in measures that affect the efficiency of resource use, especially trade liberalization, incentives for exports, domestic pricing policy, the allocation of public investment and increased institutional efficiency, particularly in the public sector.

The United Nations Programme of Action for African Economic Recovery (UN-PAAERD or alternatively referred to as the Africa ALternative Framework) argues that the short time frame of stabilization programmes compromises the goals of long term adjustment and growth. In order for adjustment to be successful, the dialogue between African countries and the IMF/World Bank should occur within the longer policy time frame of the
Macro economic policies can modify the situation of women through a complex set of relationships. (United Nations, June 1988:2). To understand how women are affected by structural adjustment programs one needs to consider both the social and economic determinants of the crisis, and their interaction in shaping women’s circumstances. Chapter Three will outline a conceptual framework to analyze the differential ways that the economic crisis impacts on low-income women in ways that may be different from low-income men. The use of gender sensitive concepts can assist planners in devising programs and projects for women that lessen the negative effects and, maximize the positive effects of adjustment packages.

Africa has a wide range of eco-climatic zones and socio-economic classes. As a result, women do not participate in agriculture in the same ways. What may be grown as a food crop for home consumption by women in one area may be grown as a cash crop for sale in the domestic or international market by women (or men) in another.

SAPs have not affected all women in the same ways. The situation of women varies widely within and between classes. A cross-section view of women in any society would reveal a broad mosaic of upward, downward and lateral movement of households and of women within them. (Loufti:3). One policy that may assist one group of women can very well hurt another group of women.
Chapter Five will analyze a project administered by the United Nations Development Fund for Women (UNIFEM) in Tanzania to illustrate the strengths and limits to rural women’s strategies to increase productivity, incomes and standard of living under structural adjustment. How can we learn from these strategies and incorporate them into policy making?

Extensive use is also made of project reports by World Education on Tototo Industries, a women’s group enterprise on the Kenya Coast (1986). Inferences are also made from non-gender specific data on studies of the impact of adjustment on “vulnerable groups” such as low income households and children and the elderly. (See Jolly et al). Although SAPs have not affected all women in the same ways, lessons can be learnt from the case study which can be applicable to similar circumstance elsewhere in terms of devising strategies that will minimize the negative effects of SAPs on women.

The road to development and basic needs for all has proved much more complex than anyone ever imagined. One is reminded of the story of the wayfarer who upon asking the way to Dublin (or Kampala?), receives the reply, “If I were you, I wouldn’t start from here”. This expresses the predicament many African countries are in. Most are already facing intractable deficits and falling standards of living. Small nations which are trade-dependent on a few primary, agricultural commodities, and vulnerable to external shocks are all too likely to end up “here”. (Bevan, 1986:xx).

Some of the world’s poorest people live in these countries. Their everyday
lives have become not just a struggle to maintain and improve their standard of living, but rather, one against entering a life-threatening state of critical poverty. Policies that improve their prospects have great significance for their economic welfare. (Bevan:xi). An understanding of how the crisis affects people and their communities is an understanding of how these same groups struggle for survival and improvement. (Boesen, 1986:12). This hopefully will increase our understanding of not only how SAPs cripple these efforts but emphasize the need to adopt and implement SAPs that will support and promote these efforts.

The last chapter will make some conclusions from the study and suggestions regarding what seems to be the next logical step in planning compensatory projects under structural adjustment programmes (SAPs) to reduce the burden on women and the poor. A change in the macro-environment can promote the development efforts of the low-income African countries and the poor in general. Changing the way that SAPS are implemented would go a long way to turning the tide in favor of the poor. Those of us concerned with poverty alleviation think that such a change -- is critically overdue.
Chapter Two

2.1 The History of Stabilization and Structural Adjustment Programmes (SAPs) in Africa

The international debt crisis will not go away. It is the central issue in the dialogue between developing countries in the Southern hemisphere, whose economies are disproportionately affected by international aid flows, and the more developed countries in the Northern hemisphere, who provide most of the resources for international aid transfers. The crux of the debt crisis is the inability of the majority of African countries to generate revenues through exports to pay their import bill and finance development initiatives. Over half of the countries in Africa face problems with repaying their foreign debt.


As of 1988, 32 African countries had adopted some form of structural
adjustment package with the International Monetary Fund (IMF)/World Bank. In Africa, the 1980's have seen not just low rates of growth, but absolute declines in many key indicators of economic and social well-being in Africa. In many African countries real per capita incomes declined between 1980 and 1983. (Elson, 1987:2). Budget deficits. Cutbacks. Subsidy removals. Food riots. Devaluation. Wage freezes. Privatization. Market prices. "This has been the economic language of the eighties" and the trend for the nineties (Elson:46). In order to look beyond the impact of the economic crisis one must examine the preceding developments that led up to its creation.

What developments led to the crisis in debt, and general malaise in African economies? For our purposes, a general overview of events in the international economic environment from the mid-1970's to date will suffice. In 1973 to 1979 the world economy, (especially developing countries) suffered a series of shocks that were without precedent since 1945. An analysis of the influence of the international economic environment on the balance of payments crisis must distinguish between the internal, and external origins of instability in the 1970's. External shock is when a country's access to foreign capital changes suddenly, either increasing or subtracting from the flow of imports.

Monetary and capital flow mechanism led to changes in a country's export earnings. The most important sources of fluctuations appear to be externally generated changes in trade volumes or trade prices. These are transmitted to the domestic economy through changes in the ability to import essential intermediate inputs, or through changes in prices of traded
There were several sets of external shocks from 1970 through 1980's. The decade of 1970 to 1980 saw an unprecedented rise in worldwide inflation, reinforced by multiple increases in oil prices. The first one was the impact of increasing oil revenue on oil-exporting and oil-importing countries. (Black, 1981:viii). Global inflation and oil price shocks contributed significantly to the balance of payments deficits in many developing regions. The recession in international financial centers of industrial countries in the latter part of the period, (resulting in increased protectionism on their part, and a decrease in the demand for exports of the less developed counties), contributed to the balance of payments deficits in most of the developing regions. (Bell, 1981:152).

With the establishment of an oil cartel, oil-exporting developing countries faced development prospects with high expectations. This was reflected in increased consumption and investment, both externally and internally. Long term investments projects were launched, many of which were import-substitution oriented, offered no viable payoffs in the short run, and portended future financial liability. (Cline, 1981:8). For example, in 1975, Tanzania embarked on an ambitious import-substitution industrialized drive. Many of the factories were paralyzed due to the lack of critical inputs when the oil price increases of 1978-79 meant development resources were diverted to pay for oil. In oil exporting countries, there was a bias in allocation decisions towards consumption as opposed to investment. This bias neutralized goods. (Elson:46)
the long-term investment benefits in oil-exporting countries. Today, countries such as Nigeria, although to a lesser degree, face the same financial balance of payments constraints as most non-oil developing countries in Africa.

In 1973/74, the oil-importing countries adjusted to what they perceived to be a new, permanent international order. Some opened their economies, (Ivory Coast) increasing market shares to offset the balance of payments effects of external shock. The oil prices of 1973 to 1974 seemed manageable through external financing and increased export revenues boosted by the beverage and mineral (copper) boom. (Cline:3). The increase in foreign borrowing allowed successful adjustment to occur up to 1979.

But what goes up must come down. The 1975-1976 recession in developing countries dampened prices and volume demand for third world exports. The developed countries adopted anti-inflationary policies and measures designed to reduce their balance of trade deficits. High unemployment fueled protectionist pressures in the developed countries, such as the increase of non-tariff restrictions. (Gupta,1984:95). With the second shock oil price increases of 1978-1979, the long/short term costs of adjustment for the oil-manufacturing African countries escalated rapidly. This set of oil price shocks occurred at a time when most of these countries had exhausted their financial slack from the first shocks.

The third set of shocks came in 1980 to 1981, with the increase of real interest rates, closing off financial borrowing on the open market as a viable,
long term strategy toward achieving adjustment. The higher costs of borrowing had an adverse effect on countries which had adopted an open-economies strategy in the early and mid 1970's. The increase in real interest rates and oil prices led to severe debt problems as import costs and the costs of financing adjustment soared. The situation was further compounded by the decline in coffee prices.

Non-oil exporting "success" countries such as Kenya and the Ivory Coast went from boom to bust. They had incurred long run expenses and investments, at a time when there was no cartel, and acted as if high export prices for their crops during the boom were a permanent, and not a cyclical phenomenon. In the late 1970's they were caught between expansionary policies dependent on deflated and varying export earnings, and locked in expenses incurred from the export boom. To finance their deficits, many non-oil producing developing countries turned to loans from transnational banks, and concessional flows from bi-lateral and multi-lateral sources such as the IMF.

The deficits proved to be neither self-financing nor self-reversing. For the non-oil exporting countries this meant the need to address the critical problem of mounting current account deficit, to bring the balance of payments problem under control.(Holcombe, 1988:4). By the early 1970's, several countries had adopted stabilization programmes in order to reduce inflation following the recession and the deterioration of the terms of trade. Many
African countries are now faced with severe balance-of-payments problems. Adjusting the economy becomes a necessity when the capacity to obtain external financing reaches its limits. At the beginning of the 1980’s, growing indebtedness and recession meant that most African countries could only get financing from the World Bank and other external financing agencies on condition that an adjustment policy was implemented. The main actors involved in development finance and the international dialogue of adjustment are the World Bank, the International Monetary Fund, Western governments, the United Nations agencies and African governments.

Packages of adjustment or stabilization measures now appear to be classical instruments of economic policy for most African countries. The IMF stabilization polices and the World Bank adjustment policies are complementary. For most developing nations facing balance of payments difficulties, receiving additional capital for investment from bilateral and other private sources is contingent on implementing IMF/World Bank structural adjustment package. However, it should be pointed out that adjustment is not a long term development strategy.

2.2 Policy Responses to the Crisis

a) Adjustment Policies

Two different types of adjustment policies can be distinguished: trade policies, and adjustment policies which include both stabilization and structural
adjustment policies.

i) The IMF and Stabilization Policies

The International Monetary Fund has the general mandate for watching over the international monetary system. The goals of the IMF are to promote viable and consistent balance-of-payments policies among its members. The IMF does this by recommending stabilization policies to various countries facing balance of payments problems. IMF stabilization policies are measures aimed at correcting a country's short term balance of payments disequilibrium, control inflation and reduce demand. The IMF contends that the balance of payments disequilibrium is due to the uncompetitive nature of exports. This in turn, is due to the high level of real wages, too many imports owing to excess total demand; and distortions in resource allocation, as well as flight of capital; caused by too much government intervention in the market. (Girvin, 1988:172).

The main policy tools to achieve this balance of payments are demand deflation measures through devaluation. Devaluation increases the price of imports and decreases domestic demand for foreign imports. A fall in the import bill helps to balance government budgets. Devaluation, makes exports cheaper thereby increasing their competitive value.

The IMF approach to the balance-of-payments problems of developing countries stems from three basic assumptions: The first is that there is sufficient flexibility in the economies of these countries to permit shifting of
resources without undue cost. The second is that the problems are viewed as short-term in character, and can be resolved in a short time frame. Lastly, that the price mechanism and the market system are intrinsically superior to planning and physical controls in the allocation of resources, and are better able to bring about the required adjustment. The underlying premise is that the most cost effective way of satisfying a budget constraint is to let the market decide how it is to be done.

ii) The World Bank and Structural Adjustment Policies

Adjustment can also be seen as the long term objective of a restored external balance, allowing for growth and productive employment. The World Bank administers programs with this longer time frame of adjustment in mind. It is a planned policy response to the debt crisis. In the long run the policies are aimed at reordering the structure of production, with a focus on improvement in efficiency of economic resource allocation, and the diversification of agriculture and industrial products.4

Trade Policies

Theoretically, the restoration of external balances can be pursued through a pure trade policy that aims at increasing exports and reducing the level of imports. In reality, however, there are barriers to the smooth implementation of a trade policy. Increases in export volumes may not generate significantly higher revenues, especially when faced with falling commodity prices. Increasing the volume of exports is itself, not an automatic process.
Developing nations may need increased funding in order to increase the volume of exports. For example, substitutes to replace critical inputs may not be readily available. A reduction in critical inputs for production can lead to a further fall in GDP. This was the case in Tanzania in the late 1970's when factories experienced massive under-utilization due to a lack of critical inputs of spare parts for machines, and transportation vehicles.

Scarce foreign exchange and the emphasis on increasing productivity in areas of foreign exchange earners means food imports take secondary priority to much needed productive inputs. (UNIFEM, 1985). In other cases, resources have been directed from the domestic sector to the export sector generating imbalances in food equilibrium as energy and resources are directed toward generating cash incomes at the expense of food for home consumption. In 1960, Africa enjoyed 98% self-sufficiency in food. In 1980, this dropped to 86% self sufficiency. (Spring, 1989:340).

Drought, famine and war further aggravate the situation in countries of the Sahel, such as Ethiopia and Sudan. The issue of decreasing food sufficiency is all the more pressing in the face of budget constraints and decreasing export revenues. Twenty percent of the African population is deficient in caloric intake. One third of all children die of hunger before they reach school age. Some countries such as Nigeria, have experienced increased dependence not only on expensive food imports, but food aid.

There are also practical limits to implementing SAPs. For example, in 1988
political circumstances forced the Zambian government to renege on its IMF agreement. The Zambian government was faced with urban riots and a politically explosive situation in response to the removal of food subsidies and minimum wages to control central government deficits.

The case of Zambia warrants attention because it illustrates the dilemmas faced by African governments when confronted with implementing IMF stabilization measures and World Bank structural adjustment programmes. Strapped with foreign debt and increasing current account deficits, many are finding it financially and politically unfeasible to meet even meet interest payments on the debt. Zambia owes $1.2 billion to the IMF and World Bank alone in loans that may not be written off or rescheduled. (Economist, 12/7/90:15). Most of the African countries have similar scenarios and are in need of debt relief.

There are limits to restoring adjustment policies through trade policy alone. Given the constraints of increasing the supply of exports and restricting the levels of imports, adjustment policies have to adopted along with a trade policy. The majority of African countries already face contracting economies, falling agricultural and mineral prices, and protected markets from their export products. These factors all combine to paint a grim picture of increased hardship and poverty in the decade to come.

The World Bank/IMF’s Approach to Structural Adjustment

The World Bank/IMF policy framework within which to resolve the

The views of the World Bank and the IMF are seen as convergent regarding Africa's failure, thus far, to adjust. According to the World Bank, such constraints have included excessive state intervention in market activities by inefficient government administered parastatals, price fixing of minimum wages, price subsidies of production inputs such as fertilizer, and consumer items such as food. The state has also overinvested in non-productive sectors such as education, medical facilities and other social welfare services. (Mbilinyi, 1989). These policies have resulted in drain on government budgets and weakened the capacity of the governments to generate revenues for productive development finance.

The World Bank's approach complements the IMF's stabilization policies. This approach to adjustment focuses on increasing supply through measures that increase productivity. Underlying these concerns are three main issues: the level of real wages (wage increases and an overvalued exchange rate), the level of aggregate demand (due to fiscal deficit and monetary expansion), and
the degree of government intervention in the market (in the form of restrictions on trade and payments, state economic activity, price controls, and the lack of business confidence.

The IMF points out that, for the most part, African countries remained dependent on external financing to meet the combined adverse balance of payment effects of external shocks, losses in export market shares, and increased import shares. The World Bank and IMF argue that African countries have failed to supplement external financing by domestic adjustment. This failure is blamed on the unwillingness and/or inability of the African governments to remove internal constraints which blocked domestic adjustment.

The World Bank points to three “megatrends” in Africa that are partially to blame for Africa’s incapability to successfully adjust to and promote sustainable growth. (World Bank, 1989). The first trend is identified in Africa’s failure to control rising population growth rates which tend to “eat up” any increases in productivity and GDP. Secondly, the persistence of low productivity rates and continued dependency on a few primary commodities for export earnings continues to make African countries more vulnerable to the instabilities of the international commodity market.

A renewed focus on improving the science and technological base to build up Africa’s human resource base would facilitate the transition from an economy based on production of primary agricultural goods to one based on manufacturing. At the same time, the World Bank, recommends that Africa
put investment resources in agriculture which supports the bulk of the people and, has over the years, been Africa’s "traditional comparative advantage". It is in this sector that the majority of the population makes a living. Paradoxically, the engine for renewed growth for African economies is to remain the primary, commodity sector, which in many ways has been the source on vulnerability to market fluctuations and low returns to exports.

2.3 The African Alternative Framework


In June 1987 a follow up conference was held in Abuja, Nigeria to review and appraise the responses of the African countries and the international community to the African economic crisis and prospects for Africa’s accelerated and long term growth. The proceedings were published in a
document called the Abuja Statement (1987). The UN-PAAERD, the Africa Priority Program and the Abuja Statement will all be referred to collectively as the African Alternative Framework to Structural Adjustment. The African Alternative Framework to Structural Adjustment Programs (AAF) was an attempt to present an alternative to structural adjustment as it is now being implemented by the IMF and World Bank.

2.4 Points of Contention between the World Bank's Approach to Structural Adjustment Programs and the African Alternative Framework -- Which way out of the Crisis?

The main objectives of the World Bank and African Alternative Framework Structural Adjustment Programme (AAF-SAP) is to create an enabling environment for sustainable development to occur. The main areas that have been pointed out as priorities for increasing growth are agriculture (food sufficiency, increased productivity and diversification), investment in human capital, and deceleration of population growth rates. Where do the two approaches agree and where do they diverge significantly in terms of achieving these goals?

The primary focus of the AAF is meeting essential needs such as the production of food, and not the promotion of traditional goods for export. The long run goal is industrial development through regional institutions and cooperation. The AAF starts with the premise that what the World Bank sees
a strengths, indeed are part of the problem. Focusing on Africa’s “traditional strengths” as the World Bank advocates in its latest document, ignores current reality in the international market today. Primary commodity prices are still low on world markets, protectionist pressures are increasing in the developed market economies. In such an environment, how far and fast can countries dependent on exports of primary products adjust at a time of very low export prices and slow growth in demand? (Elson:6).

The main argument put forth by the African Alternative Framework is that solving the long term development needs of Africa requires more than stabilization. Orthodox IMF stabilization policies aimed at restoring balance of payments equilibrium and World Bank adjustment programmes geared toward removing internal constraints to growth, have, thus far, failed to address the underlying structural problems that inhibit growth in African economies. These structural problems underlying Africa’s malaise include outward oriented economies dependent on a few primary commodity prices for export earnings. Even if African governments were to adopt the recommendations of the World Bank structural adjustment programs and the IMF stabilization policies, existing rigidities in the external environment can and often do negate adjustments in the internal environment.

These rigidities are the reasons for the failure of SAPs. They are mainly related to extraneous factors over which African countries had no control. For example, oil price increases in excess of what had been anticipated, higher
than anticipated international inflation and interest rates. What is required to promote sustainable growth in Africa is a structural transformation in the way African economies are integrated into the international economy. Changes in the internal environment need to be accompanied by realignments in the external environment, such as less protectionism and increased access to markets for African-processed products. For example, the AAF argues that the smaller the country, the less effective is its international bargaining power, and therefore the less persuasive is the argument that improved access to markets abroad depends on liberalization of access to its own market. From a trade policy point of view, almost all developing countries are small. (Bevan:xi).

The African Alternative Framework argues that in determining the appropriate policy mix it is important to distinguish between those elements which a developing country is itself responsible for, and those elements that are due to factors beyond its control. Such a policy mix needs to focus on the amount of balance-of-payments support, the conditions for the provision of that support and the period over which adjustment should be programmed. (Dell:155). "The concept of unilateral adjustment, with one group of countries at best neutral, and at worst frustrating the adjustment process of the other group is not acceptable to African countries in the adjustment process." (Dell:167).

What is required is a theory and strategy of adjustment to balance of payments which takes into account the fundamental origins of the deficits and which places such adjustment within the perspective of a longer term
strategy of economic and social transformation. The conditionality needed is one which facilitates the linking of the balance of payments adjustment to a strategy which addresses the structural requirements of development and viability. (Girvin, 177).

What does this mean in practice? The nature of the problems associated with SAPs and the time horizon necessary for SAPs to be successful could more suitably be implemented under the longer time frame of the World Bank as compared to the shorter time frame of the IMF. It will also require some form of debt forgiveness so that Africa countries can invest more resources in development and an increase of resources to the most debt-strapped countries. No attempt so far has been made to change the way the international trade system operates. The finance relied upon to keep the system going is largely at the mercy of the international capital market. While pressures are applied to countries that have balance of payments deficits, the same pressure does not apply to countries that have trade surpluses.

To overcome the "debt trap" to development, African governments have increasingly turned their attention to increasing the possibilities of bi-lateral barter trade agreements, and stimulating more south-to-south trade. The later is evidenced in the creation of trade zones such as the Preferential Trade Agreement (PTA) by East African countries. Although efforts at promoting regional growth to date have been less than successful, the AAF sees sustainable growth occurring through regional efforts and bodies which will create economic viability. For example, regional cooperation would promote
the economic viability of the transportation system, railways, and airline networks, from coast to hinterland.

The AAF disagrees with the World Bank regarding the appropriate role of the market versus the state in the allocation of resources. On the one hand, the AAF believes that there is a role for the free market, and an equally important role is the role of the state. On the other hand, the World Bank holds that in the face of resource constraints, the market is the most cost effective way to allocate resources. Nowhere is this clash more evident than in the area of privatization of public enterprises. The AAF points out that many development institutions, such as producer and marketing corporations and regional development banks were created to fill a specific need in the development process -- specifically, the lack of a developed banking system and the absence of an indigenous entrepreneurial class. The financial institutions were meant to mobilize resources in an innovative manner. Although they have not done this, the answer is not to do away with regional bodies and development bodies, but to ask, how it is possible to increase their entrepreneurship and innovative behavior?

The implementation of a successful development strategy requires a considerable degree of state intervention in economic processes leading to socially optimal production and income patterns, over time.(Girvin:176). Moreover, contrary to free market "open door" policies, foreign governments and donor agencies already intervene directly in markets, such as the domestic
food market. Opening their doors to U.S. farm surpluses and international agribusiness increases the vulnerability of African governments to fluctuations in world supply and to the market power of multinational firms. It is the role of the state to protect its citizens against the risks and losses of international trade. Participation in the world economy requires effective management of the domestic economy. (Berry, 1989:64).

There is a serious divergence between the AAF and the World Bank over policy orientations geared toward equity. Although the World Bank is open to selective subsidies on the production side, there is no agreement on the items considered consumer items, such as food subsidies versus health or educational subsidies. In Malawi, the government has so far resisted pressure from the World Bank to increase the prices charged by public utilities, health and education services on the grounds that this would have severely reduce access to services by the poor. (Elson:23). Designing SAPs, in the first place in such a way so as to avoid the initial negative impact on the poor, is preferable to assuming an additional loan to cushion the impact of SAPs on the poor.

Both of the programs speak the language of transformation. Critical to the success of both strategies is the need to secure self sufficiency in food production, a skilled work force, and slower population growth. No matter which path is chosen, is reversing Africa’s decline feasible without specifically targeting women? What linkages are made between success in these three areas and women’s participation in the development process? A comparative
analysis of the policies of the World Bank and the African Alternative Framework beg the issue.

One may ask, why should women be taken into account within each policy framework? Firstly, because women in the agricultural sector make up half of the labor force. Essentially raising their productivity (and incomes) is raising the subsistence level, and securing food security. One of the reasons for the disappointment in agriculture and increasing food sufficiency has been a lack of recognition of the crucial role of women farmers in food production. (Elson:33).

Raising agricultural productivity is but one of several policy goals that Africa has to achieve. Employment creation is another. The agricultural sector will remain the largest employer of labor force in Africa for the foreseeable future. In Africa, food production plays a central role in employment and household expenditures. The issue of job creation and providing services becomes very critical in the face of increasing rates of unemployment in the urban and rural areas alike.

For some countries such as Kenya, women on average bear eight to nine children. With an annual growth rate of almost 4 percent, the population of Kenya will double from 25 million to 50 million by the year 2,000. Such exponential population growth rates eat up any increases in gross domestic product. Studies show that there is a positive correlation between increased education for women and lower fertility and birth rates.
An increase in agricultural productivity may be possible without specifically targeting women in Africa. (Gladwin and Mcmillan, 1989). However, it is hard to envisage a turnaround in Africa's crisis that will meet the objectives of sustainable and equitable development as outlined in the African Alternative Framework and the World Bank’s strategy for recovery in Sub-Saharan Africa:From Crisis to Sustainable Development. In the next chapter, I will outline a conceptual framework to allow us to understand how the failure to specifically incorporate gender analysis into policy initiatives undermines the viability of both strategies.
Table 2.1
Per Capita GNP and GDP Growth Rates, Sub-Saharan Africa 1965-80, 1980-87

<table>
<thead>
<tr>
<th>GNP Per Capita Growth Rate</th>
<th>GDP Growth Rate</th>
<th>Population Growth Rate</th>
<th>Per Capita GDP Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethiopia</td>
<td>130</td>
<td>2.7</td>
<td>0.9</td>
</tr>
<tr>
<td>Chad</td>
<td>150</td>
<td>0.1</td>
<td>5.1</td>
</tr>
<tr>
<td>Zaire</td>
<td>150</td>
<td>1.33</td>
<td>1.6</td>
</tr>
<tr>
<td>Malawi</td>
<td>160</td>
<td>5.8</td>
<td>2.6</td>
</tr>
<tr>
<td>Mozambique*</td>
<td>170</td>
<td>-2.6</td>
<td>190</td>
</tr>
<tr>
<td>Tanzania</td>
<td>180</td>
<td>3.7</td>
<td>1.7</td>
</tr>
<tr>
<td>Burkina Faso*</td>
<td>190</td>
<td>-5.6</td>
<td>2.1</td>
</tr>
<tr>
<td>Madagascar</td>
<td>210</td>
<td>1.6</td>
<td>0.3</td>
</tr>
<tr>
<td>Mali</td>
<td>210</td>
<td>3.9</td>
<td>3.4</td>
</tr>
<tr>
<td>Burundi</td>
<td>250</td>
<td>3.5</td>
<td>2.6</td>
</tr>
<tr>
<td>Zambia</td>
<td>250</td>
<td>1.9</td>
<td>-0.1</td>
</tr>
<tr>
<td>Niger</td>
<td>260</td>
<td>0.3</td>
<td>-1.9</td>
</tr>
<tr>
<td>Uganda</td>
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<td>0.8</td>
<td>0.4</td>
</tr>
<tr>
<td>Somalia</td>
<td>290</td>
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<td>2.2</td>
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<tr>
<td>Togo</td>
<td>290</td>
<td>4.5</td>
<td>-0.5</td>
</tr>
<tr>
<td>Rwanda</td>
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<td>5.4</td>
<td>4.6</td>
</tr>
<tr>
<td>Sierra Leone</td>
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<td>2.6</td>
<td>0.7</td>
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<tr>
<td>Benin</td>
<td>310</td>
<td>2.1</td>
<td>2.8</td>
</tr>
<tr>
<td>C.A.R.</td>
<td>330</td>
<td>2.6</td>
<td>2</td>
</tr>
<tr>
<td>Kenya</td>
<td>330</td>
<td>6.4</td>
<td>3.8</td>
</tr>
<tr>
<td>Sudan</td>
<td>330</td>
<td>3.8</td>
<td>-0.1</td>
</tr>
<tr>
<td>Lesotho</td>
<td>370</td>
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<tr>
<td>Nigeria</td>
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<td>1.4</td>
</tr>
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<td>Liberia</td>
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</tr>
<tr>
<td>Guinea</td>
<td>-</td>
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<tr>
<td>Senegal</td>
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<tr>
<td>Zimbabwe</td>
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<td>4.4</td>
<td>2.4</td>
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<tr>
<td>Cote d'Ivoire</td>
<td>740</td>
<td>6.2</td>
<td>2.2</td>
</tr>
<tr>
<td>Congo People's Republic</td>
<td>870</td>
<td>6.4</td>
<td>5.5</td>
</tr>
<tr>
<td>Cameroon</td>
<td>970</td>
<td>5.1</td>
<td>7</td>
</tr>
<tr>
<td>Botswana</td>
<td>1050</td>
<td>14.2</td>
<td>13</td>
</tr>
<tr>
<td>Mauritius</td>
<td>1490</td>
<td>5.6</td>
<td>5.5</td>
</tr>
<tr>
<td>Gabon</td>
<td>2700</td>
<td>9.5</td>
<td>0.6</td>
</tr>
</tbody>
</table>

*Incomplete Data
Countries listed in order of increasing GNP per capita.
Chapter Three

3.0 Gender Specific Aspects of Adjustment: Some Concepts and Issues

Are low income women affected in different ways by structural adjustment? Do women face particular constraints that limit their optimal utilization of the benefits and opportunities created by SAPs? The purpose in asking these two questions is to provide a conceptual framework to isolate some of the gender specific aspects of the effects of structural adjustment programs on women both for analysis and policy making. The concept of gender here is used in the sense of "a recognition and understanding of the different needs of women and men in low income communities." (Moser, 1989:12).

An analysis of the underlying assumptions behind economic development theory with regard to 1) the division of labor within the family and 2) the structure of low income households will show why it is necessary to distinguish the effects of adjustment not only on the basis of income groups, but also on the basis of gender.

3.1 Economic Policy and the Needs of Women

The first assumption is that the "household" consists of a nuclear family with a male head, a wife and children. Within the family there is clear division of labor where the male is the chief breadwinner and the women is the housewife, and homemaker. (Becker, 1981), (Moser, 12). The primary
responsibility of the woman is assumed to be reproduction and management of the house. Women and men within the households are assumed to have equal control and access to resources affecting the household. "This sexual division of labor is seen as the "natural" order and it is ideologically reinforced". (Moser:13). Examples of policies and bias based on this assumption include paying women wages lower than men because it is assumed that women are making a secondary income; Educating boys at the expense of girls, with the assumption that women get married and "are taken care of" whereas men will have to "work to support a family". Introducing agricultural extension services and new technologies to men in a household even though women may be the farmers. (Staudt, Kenya:1974).

Macro economic trends and policies are presented in language that appears to be gender neutral. Under adjustment, the focus of policy is on imports, exports, balance of payments, efficiency and productivity. The economy is defined in terms of market goods and services, public versus private, production versus reproduction, economic versus non-economic. This very definition is, in and of itself, gendered in that it ignores much of the work performed by women in low income households in developing countries.

The work of women, which falls mainly in the subsistence sector, involves gathering fuel and water, growing and processing of food, and caring for children, the sick, elderly and managing the household economy. (Elson:3). "Women’s work" is presumed to be confined to the subsistence sector. It does
not enter the market for exchange. Because it is usually done in close proximity to the home, it is seen as "natural" and "non productive." (Molyneux, 1979). (Moser: 14).

Oftentimes there is not such a sharp distinction between the "public" and "private" domain where women perform the tasks of production and reproduction of the labor force. Typically women perform a wider variety of tasks than men, however fewer of these tasks are compensated in cash. For women, the "economic" and "non economic" come together in the ordinary business of living, rearing children, managing households and human reproduction. Using a bi-polar conceptual framework that attempts to separate the two, limits the scope of analysis of the effects of SAPs on low income women because it focuses on only one aspect of "women's work".

Households Headed by Women

The second assumption relates to the structure of low-income households which are widely assumed to be patriarchal in structure. The structure of many low-income households in Africa and other developing countries challenges this patriarchal model of the household and the sexual division of labor. Low-income households in Africa are, in reality, heterogeneous in structure. Next to the nuclear and extended families headed by male, the most important type of household are households headed by females. There is no male, permanently because of death, separation or choice, or long absences because of migration, or refugee status. It is estimated that one third of the
world’s households are headed by women, and this is a growing phenomenon worldwide. Approximately one third of rural households in Malawi and two-third of households in Lesotho are now headed by women. In urban areas in Latin America the figure is as high as eighty percent. ((Spring,1988:336).

What is “Women’s Work”?

Women play a “triple role” in most low income households. (Moser:13).

Women’s work includes reproductive work (the childbearing and rearing responsibilities) required to maintain and reproduce the labor force; Productive work, as primary and secondary income-earners, in agriculture and in the informal sector enterprises located in the home (piece rate work) or in the community. (Moser:13-14).

In such low income households in rural and urban areas in Africa, women work as primary and secondary wage earners. The lack of recognition that women have productive income-earning roles means that their economic functions are not identified. Their contributions as secondary earners and producers of food are crucial to household subsistence. Women produce 80 percent of the food crops for domestic consumption in Africa. Increasingly, men farm only part time or have left entirely due to migration in mines, agriculture plantations, local employment and urban areas. (Guyer:1984).

Women also engage in community development by planning, managing, and organizing the provision of items of collective consumption such as water, schools, and other community needs. Policy analysis oftentimes does not mention the sexual division of labor nor how the policies do, in fact, affect women differently than men. Consequently, analysis and policy formulation
fail to focus on the crucial role played by women in the process of reproduction of labor and maintenance of human resources.

Moser points out that planners and policy makers in government and international agencies see themselves as planning for people. (Moser:14). Yet, irrespective of the planning context, the tendency is to see women's needs as similar to those of men and plan accordingly. The needs of women, because of their triple role in society, are in reality quite different. The three different roles that women perform cannot be separated from each other. It is their very inter-dependence that is the critical determinant in identifying women's needs. A broader definition of development is necessary in order to fully understand how structural adjustment programs affect women, and in what ways programs can be devised to counteract and overcome these effects.

A basic conceptual framework for the analysis of structural adjustment in the 1990's, and its influence on the circumstances of low income women requires incorporation of factors that are also socio-economic in nature. For example, the changing family structure and changing behavioral norms. In many cases such data does not exist, however qualitative judgments can be made by observing changes in working conditions, through changes in hours of work (longer hours, both of paid and unpaid work), intensity of work, job security, fringe benefits and legal status.(Elson:25,116).
3.2 A Framework for Analysis of the Impact of Adjustment on Women

It is difficult to distinguish the varying ways in which SAPs influence the situation of women, from the "effects of both the internal and external factors which made adjustment necessary, and the condition of under-development, tradition and custom which preexisted in most African countries." (CSDHA-UN, 1988).

Many of the casual linkages between adjustment programmes and changes in the situation of women that are outlined in this section are indirect, reflecting the interaction of a complex set of relationships. (Rajapaske, 1988:6).

This section will identify some of the various paths by which adjustment policies affect the situation of women.

A. WOMEN AS REPRODUCERS

How do you identify that women are affected differently by adjustment on the basis of gender? For example, how does a decrease in real income of a household affect women, especially in terms of the budget she has available? Changes in income and prices constitute a causal chain through which adjustment modifies the situation of women. A characteristic of this first chain is that it is monetary, and in theory measurable through changes in income, wages and level of employment, changes in product prices and product demand for self employed workers. (UN SWEC/1988/WP.2:5).

The rising numbers of unemployed male breadwinners, the fall in incomes, shifts in the structure of unemployment, and reduced family budgets have
meant that women are more and more involved in dealing with the daily crises that accompany restructuring. (Holcombe, Unpub:4). A central question in this paper is: What are the various ways that women are finding to compensate for such changes in the labor market?

i). Changes in the price of important purchases, especially food

Adjustment can influence the situation of women through the increase in the prices of consumer goods. The effects of devaluation on prices of imported goods and the removal of subsidies combine to increase food prices. The removal of a price subsidy on maize meal in Zambia in 1985 increased its price by 50 percent. (Elson:22). Wage freezes and the removal of food and fuel subsidies, mean a fall in real income. Under structural adjustment, urban wages in Tanzania faced a 50 percent fall in real incomes between 1980 and 1984, while in Ghana over the same period, urban wages fell by 40 percent.

Women, cross culturally, in their role as reproducers, are centrally concerned with the problem of consumption within the home and must devise survival strategies when household incomes fall and prices rise. (Rajapaske:11). A time study in Cameroon showed that women only bring in 17 percent of the total outside cash earnings through crop sales or petty trade but spend 80 percent of their income on food purchases. (Spring:338). A reduction in income means that women, who are the principal reproducers of the household, are often compelled to stretch household income by processing unprocessed food themselves. In the urban areas, high food prices force
women to grow food in backyards, in an attempt to make ends meet. Sometimes, women will engage in alternative income-generating activities such as peddling food items in the market. All these responses result in greater time-use and energy at work and less time for leisure and rest (Rajapaske:7). Table 3.1 shows the time and energy allocation by sex and village in the Central African republic. Women on average had 1.58 hours less rest and sleep than men.

ii. Relationships within a Household

Joint decision making and equal sharing of resources within households varies according to the nature of authority relations and women’s autonomy within the home. Thus, changes in income and prices may not affect all household members in the same way. It is possible for the standard of living of wives to be lower than that of husbands and the standard of living of girls to be lower than that of boys. For example, when women are faced with increased food prices and fixed budgets, one solution to maintaining household members consumption is to reduce their own intake. According to UNICEF studies, the nutritional status of women has, over the years, deteriorated. This is especially true in the case of lactating and pregnant women. (UN SWEC/1988/WP.2:6). It is not enough to consider the impact on particular socio-economic groupings, or households by percentiles. Within all these group there is a strong likelihood of a gender-differentiated impact. (Elson:17).
The distribution of resources within the household has to be taken into account as well as the distribution of resources between households. Intra-household resource allocation systems constrains the extent to which total household expenditures are reallocated in response to rises in food prices. Such allocation requires conjugal negotiations. How is it, for example, that women get access to the resources and inputs they require for their work of human resource reproduction and maintenance?

iii Paid and Unpaid Work

Adjustment has modified the working conditions of women. The economic downturn and the restructuring of the global economy worldwide is directly related to the shift toward more women entering waged and unwaged work. In most instances women are working longer hours in paid and unpaid work, both in the informal and formal sectors. Typically it entails low pay, and long hours. The growth of the informal sector is, in part, a reflection of this trend since many women have been forced into new areas of work, such as piece rate work at low pay. This trend has been labeled the “feminization of poverty”. Such work is of increasing significance to low income households.

B. WOMEN AS PRODUCERS

i). Changes in Public Expenditures

Women as primary and secondary income earners in agriculture, and the formal and informal sector, are also affected by SAPs. Although, the reductions in the public sector employment are supposedly gender neutral, the
concentration of women in the teaching, nursing, social work, and civil service areas means that cuts in these sectors disproportionately affect women. The decrease in wages curtails effective demand for goods and service. The spill-over effect into the informal sector, lowers the demand for goods and service in the informal sector. (UN SWEC/1988/WP.2). Overall, women's income and job opportunities seem to have deteriorated during periods of adjustment.

Adjustment affects women in urban areas differently than women in rural areas. The structure of the economy and the share women represent in the different economies also determines the importance of the repercussions of adjustment on women in different countries. Whereas women typically comprise a small proportion of the total public sector employment, in rural areas the pattern of employment is different in that women comprise a significant proportion of the work force in agriculture.

ii). The Terms of Trade

Adjustment seems to have led to a redistribution of real income away from urban areas and towards rural areas in Tanzania. (Mbilinyi, 1988). Some producers have enjoyed increases of income as a result of higher prices for producers of marketed crops as indicated by the increase in producer prices for food crops in most countries. Decontrol of prices may benefit rural women in higher farm gate prices for marketed goods. In Zambia the price of maize increased 142 percent between 1980-1985. (RajaPaske:6).

To what extent are women in a position to respond to better incentives?
The benefits derived from higher crop prices depend on the capacity of the producer to respond by increasing output. Increasing output depends, in turn, on the ability of the producer to mobilize more inputs, in particular fertilizer, credit, and labor. Such mobilization of resources boils down to access to cash or credit and other supportive services. Typically, women have limited access to formal credit and government extension services.

The impact of high prices for the goods farmers produce for sale has been eroded by higher prices for the imported items bought by farmers in the traded sector. The impact that such price increases have on women depends crucially on the intra household resource allocation process. Women agricultural producers are the group who seem to have some chance of benefitting more from adjustment. Access to markets has benefits for women, but those benefits are limited even when the market is free of gender discrimination. There is a limit to the extent that women can switch time from human resource production and maintenance to agricultural crop production. Moreover, women are less likely to be exposed to information because of their lack of daily mobility. (Moser:26).

iii). Constraints to Production

Studies have shown that women spend as much time on domestic duties as they do on farm work. (Boserup:1970). If increasing efficiency means a shift of costs from the paid to unpaid economy, then a key policy question to ask is: Does this policy work by increasing the amount of unpaid labor
women have to do?

The ability of price incentives to reallocate resources runs into the barrier of the need to maintain human resources. The underlying assumption seems to be that women's unpaid work will carry on regardless of changes in the macro environment, yet women’s unpaid labor is not infinitely elastic. At some point women's capacity to reproduce and maintain human resources -- collapses. (Elson,1988:14).

That point has been reached, in some of the poorest developing countries. For example, in Uganda successive years of declining per capita income, social and political turmoil, has pushed many low-income households to the point where the line between employing survival strategies to stay buoyant in extreme poverty, and falling into critical (life threatening) poverty is very thin indeed. These changes are reflected in the fall in production of food/output, and worsening statistics in the area of health and nutritional status of such women. (Elson:4).

iv). The Changing Sexual Division of Labor

Adjustment influences women's attitudes towards job seeking. Rising female employment and underemployment during the crisis can be explained by the fact that more women than men are actually seeking work. (Rajapaske:8). The sexual division of labor has given way to expediency in many places. Women are compelled out of economic necessity to seek employment. This results in the relaxation of traditional norms, such as the seclusion of women. Studies show that a variety of labor and cultivation patterns exist between men and women, and that these patterns far from being rigid shift with time.
In agriculture, women work on both food and cash crops and perform many farm operations such as land clearing, plowing, cotton spraying and tobacco nursery planting that are commonly believed to be done by men. Correspondingly, the content of what is "women's work" changes, and is not solely determined by women's biological role in reproduction, rather by a variety of factors which include economic necessity, class, and what society prescribes as "women's work" (gender ideology).

C. WOMEN AS COMMUNITY MANAGERS

In what ways and under what conditions have women come together to solve common problems? Women, in their gender-ascribed roles as wives and mothers and as an extension of their domestic work, take on the responsibility to organize against cutbacks in provision of public services. Adjustment also modifies women's situation through a rather qualitative and more social chain of effects which is not easy to measure.

i). Changes in Public Expenditure

Measures such as privatization of public sector enterprises invariably result in cuts in welfare services which, while not directly contributing to increases in gross domestic product, nevertheless augment the quality of the life of the populace. (Raj:5). Although poor women's employment opportunities may not have been much directly affected by public service because they have less access to them, indirect taxes can have a significant effect on poor households
by increasing the cost of basic needs. (UN SWEC/1988/WP.2:9).

For example, in Nigeria, state governments have introduced fees for both primary and secondary education. If school fees rise many children do not go to school. Girls may be more affected than boys. It is women who are left with the children to educate them informally as best they can. Lessons from Chile, (where privatization has gone the furthest), show that leakages in targeted programs for education have resulted in an increase in the illiteracy rate.

Budgetary cuts in welfare services and the undersupply of essential drugs due to lack of foreign exchange have had a deleterious effect on the health sector. In Uganda, service fees are now charged at public hospitals. (Topic, February 28, 1990). When hospitals lack medicine, it is mainly women who strive to find alternative means of health care for themselves and their children. Some countries, such as Malawi and Tanzania have resisted increasing the prices of public utilities services.

Price deregulation results in steep increases in the price of fuel and other essential goods. Availability of water is being curtailed by budget cuts in recurrent expenditure, such as the maintenance of rural water supplies. Women bring home 93% of the water and 95% of the firewood. (Spring, 1989:333). It is women and children in the rural areas who have to walk ever increasing distances to find diminishing sources of fuel to meet their “wifely duties” of providing a hot meal each day.
The result of these policy is that poor women have decreased opportunities to income and services as the economy contracts. At the same time, there is an increasing demand on women's time to fill the gaps created by cuts in social services, the increased costs of goods and services and the fall in income. (Mbilinyi, 1988:549). In their role as community managers, women are often involved in vital, but largely unrecognized work. This includes mobilizing for community facilities, maintaining such facilities and organizing reproductive activities such as cooking and child care. Because women are involved in the provision of community services, women confront government around issues of basic infrastructure services such as water, electricity, sanitation, as well as the provision of social services such as clinics, schools, community, and religious centers. (Moser: 23-24).

ii). Constraints because of role in production

The burden of social reproduction is most felt by women. Because women’s triple role is not recognized, neither is the fact that women are severely constrained by the burden of simultaneously balancing the three roles of production, reproduction and community-managing work. (Moser: 14). There are different needs attached to the different roles. Balancing the three roles leads to conflict. For example, in a recession, women’s needs-as-provider to work more hours conflicts with the needs-as-organizer to have more free time to volunteer and mobile.

Chapter Five will look at some of the strengths and the limits of low-
income women's organizing strategies under the constraints of adjustment. Structural adjustment, as it is now being implemented, minimizes the value of tasks necessary for social reproduction, while promoting a pattern of growth based on exploitation of the socio-economic vulnerability of women and the poor. (Atrobus:1989). "The structural adjustment required in the public sector is not simply a reduction in expenditure and costs, but a change in its priorities and in its relation to users of services." (Elson:15).

3.3 Class and Gender

An understanding of the class dimension of rural women's work is basic to any development initiative. Has the situation of poor women differed that much from poor rural men? The economic condition of these households varies considerably, depending on the marital status of the woman, the social context of female leadership, her access to productive resources and income, and lastly the composition of the household. (Loufti:4). The role of women in the household and in society does not change in linear progression. Structural hierarchies cut across and through these units. Women's positions, their entitlement and rights to resources vary across regions by class, ethnic groups, caste, culture and religion. (Moore:1988). All these forces come together to shape ideas about the composition and boundaries of the household and individual's member's rights to the resource base, and the relationships between members of households and between households. Each country has its
unique insertion into the international economic order. Until this relationship is grasped, there may be a tendency to off load the blame of mismatched national priorities which operate against women on an all embracing economic crisis. (UNIFEM, 1987:4).

3.4 An Alternative “Women in Development Model”

Deterioration in the payments balances of a country cannot exclusively been seen in terms of developments in the economic sphere, of changes in the relationships between certain economic variables such as import prices, export sales, capital flows, money supply and fiscal expansion. (Girvin:169). At a more profound level, it also reflects changing socio-political relationships within the country, within households and between men and women.

To operate within the definition of “economics” as is, is to maintain the status quo and power relations between men and women. It is to accept that indeed women’s work outside the market, within the home is “non economic” and of lesser worth -- socially or economically than men’s. Using a conceptual framework that views the activities of men and women and members of households as outcomes of negotiations and power relations allows us to understand that the definition of economics is also a result of this power struggle. Responding to the needs of low income women will entail increasing women’s access to resources and increasing women’s autonomy. This entails changing relations of authority within the households.
Table 3.1

Time Allocation by Sex and Village in the Central African Republic
(Average Time Spent in Hours and Minutes per Day over a Year)

<table>
<thead>
<tr>
<th>Activity or Crop</th>
<th>Village 1 Men</th>
<th>Village 1 Women</th>
<th>Village 2 Men</th>
<th>Village 2 Women</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hrs Min</td>
<td>Hrs Min</td>
<td>Hrs Min</td>
<td>Hrs Min</td>
</tr>
<tr>
<td>Cotton</td>
<td>2 0</td>
<td>2 0</td>
<td>2 26</td>
<td>2 8</td>
</tr>
<tr>
<td>Food Crops</td>
<td>0 23</td>
<td>1 54</td>
<td>0 39</td>
<td>1 5</td>
</tr>
<tr>
<td>Other Crops</td>
<td>0 5</td>
<td>0 3</td>
<td>0 12</td>
<td>0 4</td>
</tr>
<tr>
<td>Subtotal Agricultural Activities</td>
<td>(2) (28)</td>
<td>(3) (57)</td>
<td>(2) (17)</td>
<td>(3)(17)</td>
</tr>
<tr>
<td>Domestic Activities</td>
<td>0 17</td>
<td>3 37</td>
<td>0 10</td>
<td>3 40</td>
</tr>
<tr>
<td>Other Work Activities</td>
<td>2 44</td>
<td>0 36</td>
<td>2 5</td>
<td>0 44</td>
</tr>
<tr>
<td>Non-work</td>
<td>3 18</td>
<td>2 9</td>
<td>2 52</td>
<td>2 28</td>
</tr>
<tr>
<td>Rest and Sleep</td>
<td>15 13</td>
<td>13 41</td>
<td>15 36</td>
<td>13 51</td>
</tr>
<tr>
<td>Total</td>
<td>24 0</td>
<td>24 0</td>
<td>24 0</td>
<td>24 0</td>
</tr>
</tbody>
</table>

Chapter Four
Structural Adjustment Programmes in Tanzania

4.1 Tanzania: Background

In a turbulent Africa, Tanzania is a special case. It has combined a high degree of political stability with a development strategy that emphasizes basic needs, prominent state control and leadership, and a socialist orientation. (Svendsen in Boesen, 1986:60). This chapter will give a brief background of structural adjustment and stabilization efforts in Tanzania from 1975 to date and the short and long-term government policies implemented to counteract the negative effects of the crisis. The following account on the economic background of Tanzania is intended to provide the framework within which to review the impact of SAP's on selected income-generating projects for women in Tanzania. (UNIFEM, 1990:12).

Tanzania gained independence in 1961, and in 1965 joined with Zanzibar to form the United Republic of Tanzania. In 1967 the government embarked on a socialist course nationalizing banks and many industries. Producer and marketing cooperatives were converted into state parastatals. Until the late 1980’s, it was a highly controlled economy. With a population of 25 million, it is the fourth most populous nation in Africa. (1989 est). (EIU, 1990:10). Although it is listed among one of the poorest of the developing counties, averaging US$250 per capita, Tanzania’s demonstrated commitment to the social and economic welfare of the poor is reflected in high literacy rates and
health indicators. (See Table 4.1). In 20 years of independence Tanzania has raised life expectancy from 42 to 51 years, and adult literacy from 10% to 79%. This is among the highest rates in the World Bank’s "low income" category. (Helleiner, 1987:1507).

Tanzania is a raw-material producing country. Seventy one percent of the population is rural, and the majority of the peasants in agriculture, grow food for domestic consumption and export crops. (See Table 4.2). Coffee and tea are the most important crops grown accounting for 44% of total export value in 1988. (EIU:77). How did Tanzania weather external shocks in the 1970 and 1980 decades? What policy tools were used to try and cope with the multiple shocks, and how effective were they?

Since independence Tanzania's links with the world economy have undergone drastic changes. Until 1978, Tanzania had a rate of growth well above the sub-saharan African average. The GDP in Tanzania increased by five percent per year under the first five year development plan (1964-1969). An increase in population (of 2.7% per year) meant per capita increased by 2.3 percent per year. Under the second development plan, (1969-1974), gross domestic product increased by 4.8 percent per year. (See Table 4.3). The growth of the gross domestic product, however, did not reflect the underlying trends within the economy.

Real per capita GDP declined every year since 1975. It is estimated that real per capita income fell by 15-20% between 1979 and 1984-5. Agricultural
production exceeded population growth, but was unstable. Much of the increase in gross domestic product was due to the expansion of public administration. Whereas in 1972, budget appropriations for defence spending were 11.9% of current expenditures, in 1987 this figure rose to 15.8%. Current expenditures on education and health fell from 17.3% and 7.2% to 8.35% and 5.7% respectively. (See Table 4.4). Most importantly, an increasing share of the development budget was externally financed. Approximately 60% of the development budget in 1977 to 1979 was coming from external sources. (See Table 4.5)

Balance of Payments Crisis

The Tanzanian crisis manifests itself primarily in the foreign-exchange balance, in government budget deficits, and in industrial and agricultural production figures. Tanzania has been facing a severe balance of payments crisis since the mid-1970's. (See Table 4.5). In 1974, Tanzania was ranked high, by the World Bank, on the list of "most severely affected economies" by external shock. (Weaver,1981:343). The roots of the crisis stem from a combination of factors.

These included the sharp increase in the price of fuel (1974, 1979) and other imports, successive droughts (1974-75, early 1980's) and severe food grain shortages, rapid inflation, and falling production due to foreign exchange and input shortages and an inefficient marketing and production system. (Bevan:7).
Table 4.1
Tanzania: Economic Structure and Performance

<table>
<thead>
<tr>
<th>Population (Millions) 1989</th>
<th>23.8a</th>
</tr>
</thead>
<tbody>
<tr>
<td>of which:</td>
<td></td>
</tr>
<tr>
<td>Urban (%)</td>
<td>29.0</td>
</tr>
</tbody>
</table>

| GNP per capita (1989)     | 240.0 |
| (1980 US$)                |       |

| GDP growth 1965-1983      | 3.0   |
| (Annual average)          |       |
| 1984-1989                 | 3.4   |

| Agriculture:              |       |
| Share in GDP (1989)       | 64.9  |
| Growth 1989 (% pa)        | 4.2   |
| Food Production per capita|       |
| (1979-81 = 100, 1985-87)  | 90.0  |
| Food aid 1981-2 (tonnes'000) | 254.0 |

| Export Growth 1970-82     | -5.8  |
| (dollar value % pa)       |       |

| Net inflow public capital 1987 | 61.0 |
| ($US million)                  |      |

| Reserves -- months of import coverage (1987) | 0.3 |

| Government Revenue (% GNP 1987) | 16.3 |

| Government Expenditure (% GNP 1987) | 20.9 |
| Of which:                            |     |
| On health and education (%)          | 14.0 |
| 1987                                 |     |


a estimate.
The break up of the East African Community in 1978 and the war with Uganda all combined to throw the already faltering Tanzanian economy into the deep economic crisis of the 1980's. (Boesen, 1986:9).

Table 4.5 shows the balance of payments estimates for Tanzania for 1970 to 1987. In 1970-73, Tanzania more or less balanced its payments with the outside world. In 1970-73, the current account deficit was 5% of GDP. In 1981 the current account deficit rose to 11.8% and to 17.3% of GDP in 1987. (World Bank, 1988:260). In 1981-1982 Tanzania held reserves sufficient for the supply of imports for only six days, despite substantial net inflows in excess of $200 million dollars. In 1987, Tanzania had increased import coverage to only nine days. (World Bank:263). The trade account (exports over imports) was in deficit every year, from 1967 to 1987. In 1989, the trade deficit remains at $764.7 million dollars (Current).

Within this period, Green estimates that Tanzania received "no more than 15-20% of the financing it would have required to offset the external blows to its current account in the 1978-84 period." (Green in Helleiner, 1987:1507). Tanzania's total financing requirements for 1990 are estimated at $1.3 billion. Of this, $550 million will be grants and $315 mn will be soft loans disbursed through the World Bank. (EIU, 1990:16).

External Trade

The movement of imports and exports is central to the onset of the crisis and to its resolution. Tanzania, like most developing countries relies on its
exports to generate foreign exchange, not only to pay for imports, but also to finance its foreign debt. The value and growth of exports, and changes in commodity prices are an indicator of the ability of a country to generate revenue to pay the debt and finance development.

The structure of imports changed between the mid 1970’s and the 1980’s. (See Figure 4.1). In 1981, only 10% of merchandise export value was used to buy oil. In 1987, oil imports consumed 56% of export value. (World Bank, 1989: 238). In 1965, manufacturing imports accounted for over half of total imports as the government increased investments in its import-substitution industrialization efforts. In 1987-89, priority has been given to infrastructure rehabilitation and maintenance.

Even though export prices were higher throughout the 1970’s than at the end of the 1960’s, they were subject to wide swings that introduced great instability in export revenues and balance of payments, and lent increased uncertainty to planning development expenditures. The only years of sizeable export growth were in 1976 to 1977, this in value, not volume. The drop in value of exports in 1975 was due to the drop in the prices of cotton, sisal and cashew nuts. 1976 and 1977 were price boom years for coffee and tea. The collapse of coffee prices in 1978 translated into a fall in foreign exchange revenues and import strangulation that left many of the new factories in textiles and manufacturing operating at minimum capacity. Manufacturing output contracted at around 20% per year in the 1980’s. (Boesen, 1986:62).
The breakdown of infrastructure meant the National Milling Company, which had a state monopoly on production and marketing of grain, could not distribute food for marketing, nor buy food to meet urban demand. The result was the development of a parallel market which evaded government control and taxes. Squeezed between falling export volumes and revenues, and rising import prices the government was increasingly pressed to increase production, and efficiency.

The crisis of 1974 to 1975 (due to the increased cost of fuel) brought about an important policy change in Tanzanian development strategy -- the abandonment of forced communal farming and villagization. Nyerere's socialism adopted a new principle -- "Profit is necessary, whether an enterprise is privately owned or not." (Weaver:350). At the end of the 1988 the economy was "characterized by extreme imbalance -- exports were of the order of 30 percent of imports', payments in arrears of over $350 million, and there was rapid inflation and negligible foreign exchange reserves." (EIU:3).

4.2 Tanzania's Response to the Balance of Payments Crisis

The main objectives of the government were to increase, and expand export earnings. Priority was given to investments which had relatively quick yields and benefits. Committed to equity goals, the Government also wanted to expand services to peasants, maintain real levels of per capita of other social services

Balance of payments basis Exports and imports fob.
and avoid the loss of development momentum. Orthodox policies to resolve balance of payments crises include an immediate and sizeable devaluation of currency, adopting variable exchange rates, instead of exchange rate controls, and allowing market forces to allocate foreign exchange and imports.

Devaluation measures were a source of contention between the IMF and Tanzania. The IMF maintained that devaluation would allow for substantial relative price adjustment, increased incentives for agricultural production and increased government revenues relative to expenditure.(Green:365). The government had a strong commitment to price controls. This sentiment was echoed by Reginald Green, a long time government advisor, "Price liberalization is (seen as) tantamount to giving up an essential element of socialism". (Green in Bevan:9). The monetary policy instruments of devaluation, and variable (increasing) interest rates were ruled out by the Tanzania government as viable tools to decrease import demand in 1980.

The government maintained that demand was inelastic in the short run, and higher interest rates would not attract increased savings. Much of the rural population in the past had shown non-responsiveness to interest rate changes. Increasing the domestic price of imports would raise the domestic prices of consumer goods, while lowering further real incomes.(Weaver:351). Disagreement between the IMF and Tanzania resulted in the denial of a second credit tranche to Tanzania in 1980 to 1981. (Weaver:366).

After 1984-5 government efforts to protect the poor were overcome by the
pressing need to reduce the balance of payments deficit and restructure. (Helleiner:1507). Several standard trade liberalization policies were adopted. The government devalued the Tanzanian shilling by 11% in 1975, moderately twice in 1977 and by 10% in 1979 to reduce the balance of payments gap. Import controls were also adopted as a main policy instruments to reduce demand. Aside from food imports, controls were placed on imports of all other consumer goods to discourage non-essential consumption, and to free resources for development.

Credit restrictions were aimed at curbing internal demand and inflation. Indirect tax increases on some foods, on gasoline and electricity raised the local prices of these goods. Price increases marked a change in policy as the government waived priority of decreasing income inequality over balancing the balance of payments deficits. (Weaver:35). Nominal producer prices for agricultural cash crops were allowed to rise to limit real declines in output. Nominal wages were held fixed from 1981-84. (The 1974 increases in the minimum wage by 40% mitigated the effects of stabilization policies to curb demand and inflation, and saw an unprecedented increase in prices).

Two policy instruments were employed to try and increase export volumes and earnings. The first was raising nominal producer prices for agricultural cash crops to raise agricultural output. (Weaver:351). The second policy employed to try and increase the supply of exports was targeting government investment to directly productive sectors of agriculture, and industry (import-substitution
projects). Foreign exchange was allocated to high priority imports necessary for the continuance of investment programs.

These changes in budget priorities meant a sacrifice to the commitment of basic needs, as less funding was allocated to social welfare items such as the delivery of water supply systems to the rural poor, and equipment for schools and hospitals. (See Table 4.4). For example, the freeze on new investments in water supplies meant the number of days of non-availability of water because of breakdown, fuel shortages or demand in excess of capacity increased from 10% in 1978 to 25%-40% in early 1980. (UNIFEM, 1990:115).

4.3 The Tanzanian Government Economic Recovery Programme 1986/87 to 1988/89

In March 1981 the government announced the National Economic Survival Programme. This drive achieved only 50% of targeted export earnings. (UNIFEM 1990:14). The first Economic Recovery Programme (ERP) was initiated and implemented in 1986. It involved inter alia the devaluation of the Tanzanian shilling, abolition of the subsidies on pesticides, fertilizers, and staple maize meal (mahindi), a freeze on minimum wage levels, a reduction of the budget deficit, the removal of price controls, higher rates of interest, and the raising of producer prices by at least 45% in real terms. Interest rates rose from 16% to 29.5%. (UNIFEM, 1990:14). Under the first ERP the shilling was devalued by 91 percent in all from the 1979 level (Tshs16 to US$1) to the
1989 level (Tshs145 to $US) in order to receive the final installment of IMF structural adjustment facility credit. (See Table 4.4).

There were reductions in real expenditures in defense and social services, and a re-orientation of the public expenditures towards rehabilitation and maintenance. For example, in the 1970's between 30% and 35% of the total government budget was devoted to social services. In 1987/88 it declined to 14%. Similarly real per capita expenditure for the education sector declined from TShs13.0 in 1976/77 to TShs5.0 in 1987/88. In the health sector, the real per capita expenditure also declined from TShs7.0 in 1976/77 to Tshs4.0 in 1988. (UNIFEM,1990:15). Under the ERP, (1986-1988), GDP growth averaged 3.8%, compared with an annual average of 1.4% over the six years, 1980-1985. With population growth at 2.8%, average living standards fell.

The necessary structural adjustment also has socio-political dimensions. In many cases adjustment seems to have led to a redistribution of real income away from urban areas and towards rural areas. It is estimated that in Tanzania between 1980 and 1984, there was a 5% increase in real farm incomes, while urban wage earners suffered a decline in the order of nearly 40% over 1980-1984. (See Table 4.7). The urban unskilled worker in 1989 is living at a level lower than the average subsistence farmer in the early 1980's. (Helleiner:1508). A further consequence of SAP's in Tanzania has been the rise of the number of female-headed households. Increasing unemployment levels and contraction of real income, have propelled urban migration, with men leaving the household
due to their perceived inability to play the traditional male role of provider. (UNIFEM, 1990:16).

The second phase of the recovery programme, the Economic and Social Action programme (Esap) 1989-1991 stresses the importance of social programmes such as nutrition, education, water and health along with agriculture, (export and food crops) and rehabilitation of the physical infrastructure. It’s significance is that it emphasizes “social policies as a necessary part of adjustment alongside the usual economic goals”. (EIU:11-12). Whether the government can maintain this principle in practice remains to be seen. By late 1989, pressure to cut central budget deficits have resulted in shifts toward cost recovery regarding education. The Ministry of Health has so far resisted charging user fees for use of public hospitals.

Negotiation for a new agreement with the IMF in October,1990 will be contingent on privatization of the National Bank of Commerce and closure of loss making parastatals. (The latest report from the Minister of Finance stated that over 52% of the state cooperatives were operating at a loss). (EIU:11). The government is pursuing economic reform in the area of marketing of coffee, cotton, cashew, tobacco, tea and pyrethrum. These crops provide over half of all export earnings. (World Bank:230). In 1990, producer prices for food and cash crops will be raised and the state will no longer have a monopoly in marketing. (See Table 4.6).

Growth prospects for the economy in 1990 are estimated at a moderate 3.9%.
Agriculture is expected to see the strongest growth in response to the new price incentives. (See Table 4.8). The state will still be responsible for infrastructure, education and health. France has agreed to cancel 30% of Tanzania's debt and reschedule the rest. The changing events in Eastern Europe will decrease support for centralized planning, state ownership and control and fuel the pressure for Tanzania to dismantle its state apparatus, especially in the areas of marketing and production cooperatives. (EIU:9).

Economic policies have to address the combination of structural problems, and the effects of a worsening terms of trade. This requires a shift in resources to agriculture in order to ensure an increase in exports. The direction of adjustment was not difficult to define. The main problem was the acute scarcity of available resources in the economy to ensure the necessary supplies of inputs to agriculture, the processing and transportation of agricultural output, together with the provision of consumer goods to stimulate rural farmers to produce more. The measures were not enough. There is a need for a massive infusion of foreign exchange to break the bottle necks. To its credit, throughout the crisis Tanzania has provided leadership to the front line states, supported a large number of refugees and maintained, at least in principle, a commitment to a basic needs strategy.

The case of Tanzania illustrates the limits to a low income country's ability to protect the welfare of the poor in a deteriorating macroeconomic environment, even when the government is committed to equity, as is the case in Tanzania. (Helleiner:1506,7).

The dialogue between the Tanzanian government and the IMF and the World
Bank illustrates why adjustment is such a contentious issue. Stabilizing the balance-of-payments account at the micro-level has translated into institutional change, (especially the contraction of the state) and others may well argue, political change, as more and more governments in Africa begin to talk about adopting multi-party systems, including Tanzania. The 1980’s decades for Tanzania ended as it started -- with severe balance of payments problems.

4.4 Adjustment or Equity?

Changes in the real per capita and GDP, although incomplete measures of the standard of living and poverty, imply that there has been increased hardship and a fall in the standard of living of the poor. These indicators do not however, tell us about the changing composition of “the poor” within those subgroups. It is well recognized that income inequality between groups (the size distribution of income) is quite stable. However, great disparity can exist within income sub-groups as well. Atwood’s studies (1979) in India found considerable up and down mobility between landed and landless groups.

The poor are far from a homogeneous group. Lipton (1980) makes a distinction between “the poor” and “the ultra-poor” -- those who have no assets at all but their labor. As poverty increases, there are limits to households which are in critical poverty relying on their own labor to work their way out of poverty. Moreover, poverty, is more than just a lack of income or consumption. Poverty includes other forms of want, such as hunger, anxiety and sense of
powerlessness. (Chambers, 1986:1-49). Changes in real per capita GDP and GDP as poverty indices, do not capture such social and political dimensions of poverty. The task of compensatory programmes is to identify, and assist those people caught in critical poverty.

The crisis at a more profound level has very real manifestations in the everyday lives of the majority of Africans. It is one thing, “how governments and economic enterprises react to a crisis, but quite another what ordinary people in different socio-economic settings do... Ordinary people in their struggle for survival have had to adopt to ever changing conditions.” (Boesen:12,25).

The next section will look at some of the strengths and limits of the strategies that poor, rural women have adopted to cope with adjustment to illustrate how the crisis affects people, and the communities they live in,
Table 4.2
Tanzania: Structure of Production
Distribution of Gross Domestic Product

<table>
<thead>
<tr>
<th></th>
<th>1965</th>
<th>1980</th>
<th>1987</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. GDP</td>
<td>790</td>
<td>4,565</td>
<td>3,080</td>
</tr>
<tr>
<td>(Millions of US Dollars)*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution (percent GDP)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Agriculture</td>
<td>46</td>
<td>44</td>
<td>61</td>
</tr>
<tr>
<td>3. Industry</td>
<td>14</td>
<td>17</td>
<td>8</td>
</tr>
<tr>
<td>4. Manufacturing</td>
<td>8</td>
<td>11</td>
<td>5</td>
</tr>
<tr>
<td>5. Services etc</td>
<td>40</td>
<td>39</td>
<td>31</td>
</tr>
</tbody>
</table>

*The weighting process accounts for the discrepancies between summed groups and overall totals. Summary measures in aggregate current dollar values.

Table 4.3
Contribution to Gross Domestic Product Growth
(Average annual growth (percent) real change on previous year)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Annual Inflation Rate (%pa)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Sub-Saharan Africa</td>
<td>3.4</td>
<td>15.4</td>
<td>24.9</td>
<td>29.3</td>
</tr>
<tr>
<td></td>
<td>4.0w</td>
<td>1.7w</td>
<td>2.3w</td>
<td>...</td>
</tr>
<tr>
<td>Tanzania</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. GDP</td>
<td>4.8</td>
<td>2.3</td>
<td>1.7</td>
<td>3.9</td>
</tr>
<tr>
<td>3. Agriculture</td>
<td>3.1</td>
<td>0.2</td>
<td>6.1</td>
<td>4.3</td>
</tr>
<tr>
<td>4. Industry</td>
<td>7.0</td>
<td>1.8</td>
<td>-2.4</td>
<td>4.2b</td>
</tr>
<tr>
<td>5. Manufacturing</td>
<td>8.7</td>
<td>2.6</td>
<td>-3.5</td>
<td>...</td>
</tr>
<tr>
<td>6. Services, etc</td>
<td>6.9</td>
<td>5.5</td>
<td>0.8</td>
<td>3.4</td>
</tr>
</tbody>
</table>

b Includes manufacturing.
* Excludes Nigeria. w includes estimates for missing country based on aggregate 1980 dollar values.

Table 4.4
Tanzania: Central government current revenue and expenditure

<table>
<thead>
<tr>
<th>Central Government Revenue</th>
<th>Taxes on Income Profit and capital gain</th>
<th>Social security contributions</th>
<th>Domestic taxes on goods &amp; services</th>
<th>Taxes on International trade &amp; transactions</th>
<th>Other taxes</th>
<th>Nontax Revenue</th>
<th>Total Current Revenue (Percentage of GNP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of Total Current Revenue</td>
<td>29.9 32.5 25.8</td>
<td>0.0 0.0 0.0</td>
<td>29.1 40.8 57.4</td>
<td>21.7 17.3 8.6</td>
<td>0.5 1.6 3.1</td>
<td>18.8 7.8 5.1</td>
<td>15.8 17.6 16.3</td>
</tr>
<tr>
<td>Percent of Total Current Expenditures</td>
<td>11.9 9.2 15.8</td>
<td>17.3 13.3 8.3</td>
<td>7.2 6.0 5.7</td>
<td>2.1 2.5 1.7</td>
<td>39.0 42.9 27.5</td>
<td>22.6 26.1 41.2</td>
<td>19.7 28.8 20.9</td>
</tr>
</tbody>
</table>

Table 4.5
Tanzania: Balance of Payments
(millions of current US dollars)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Exports of Goods and services</td>
<td>.</td>
<td>321.8</td>
<td>491.2</td>
<td>684.4</td>
<td>444.6</td>
<td>448.6</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Imports of Goods and services</td>
<td>.</td>
<td>370.2</td>
<td>623.6</td>
<td>1312.2</td>
<td>1098.7</td>
<td>1284.0</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Current Transfers, net</td>
<td>.</td>
<td>.</td>
<td>.</td>
<td>21.8</td>
<td>233.4</td>
<td>230.0</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Total to be Financed</td>
<td>.</td>
<td>.</td>
<td>.</td>
<td>-606.0</td>
<td>-470.8</td>
<td>-605.4</td>
<td>5.1bn</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Official capital grants</td>
<td>.</td>
<td>104.5</td>
<td>133.4</td>
<td>477.0</td>
<td>.</td>
<td>.</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Current Account Balance</td>
<td>.</td>
<td>-35.6</td>
<td>-230.0</td>
<td>-501.5</td>
<td>-115.7</td>
<td>-265.0</td>
<td>-249.0</td>
<td>-350.0</td>
<td>-380.0</td>
</tr>
<tr>
<td>Average Exchange Rate (Tshs/$)</td>
<td>.</td>
<td>16.0</td>
<td>16.0</td>
<td>.</td>
<td>.</td>
<td>64.3</td>
<td>99.3</td>
<td>145.0</td>
<td>210.0</td>
</tr>
</tbody>
</table>

**Figure includes net transfers, worker's remittances less capital grants.**


Table 4.6
Tanzania Producer Price Increase, 1990

<table>
<thead>
<tr>
<th>Producer* Crop</th>
<th>Price Increase</th>
<th>Export Crop</th>
<th>Price Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>145%</td>
<td>Cotton</td>
<td>46%</td>
</tr>
<tr>
<td>Rice</td>
<td>37%</td>
<td>Tobacco</td>
<td>30%</td>
</tr>
<tr>
<td>Beans</td>
<td>32%</td>
<td>Coffee</td>
<td>No increase</td>
</tr>
<tr>
<td>Maize</td>
<td>18%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sorghum/Millet</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cassava</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Only the price increases of wheat, rice and beans are above the rate of inflation, currently at 28 percent. The government wants to discourage sorghum, millet and cassava because of surplus production and problems of storage. Cotton and tobacco are annual crops and can respond quickly to price increases.

Table 4.7
Tanzania: Indices of real minimum wage and selected producer prices for export crops 1969 and 1980-85

<table>
<thead>
<tr>
<th>Year</th>
<th>Real Minimum Wage* Coffee</th>
<th>Real Producer Prices for Cotton</th>
</tr>
</thead>
<tbody>
<tr>
<td>1969</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>1980</td>
<td>74</td>
<td>54</td>
</tr>
<tr>
<td>1980</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>1981</td>
<td>96</td>
<td>85</td>
</tr>
<tr>
<td>1982</td>
<td>76</td>
<td>80</td>
</tr>
<tr>
<td>1983</td>
<td>59</td>
<td>63</td>
</tr>
<tr>
<td>1984</td>
<td>63</td>
<td>53</td>
</tr>
<tr>
<td>1985</td>
<td>48</td>
<td>57</td>
</tr>
</tbody>
</table>

*1969-80 Data from ILO 1982.
1 Data 1969-80 from Ellis in Helleiner, p.1509.

Source:
<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th></th>
<th></th>
<th>Forecasts</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP at factor cost</td>
<td></td>
<td></td>
<td></td>
<td>3.9</td>
<td>4.2</td>
</tr>
<tr>
<td>agriculture</td>
<td>3.9</td>
<td>4.1</td>
<td>3.8</td>
<td>3.9</td>
<td></td>
</tr>
<tr>
<td>industry</td>
<td>4.4</td>
<td>4.5</td>
<td>4.1</td>
<td>4.2</td>
<td></td>
</tr>
<tr>
<td>services</td>
<td>4.1</td>
<td>4.3</td>
<td>3.9</td>
<td>4.0</td>
<td></td>
</tr>
<tr>
<td>Consumer Price Inflation (%)</td>
<td>2.7</td>
<td>3.8</td>
<td>3.4</td>
<td>3.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>30.0</td>
<td>31.2</td>
<td>28.0</td>
<td>28.0</td>
<td></td>
</tr>
</tbody>
</table>

a Estimates.

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
<th>Restructuring Measures</th>
<th>Financial Performance Measures</th>
<th>Management, Legal and Institutional Reforms Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1975</td>
<td>Oil Price Increase</td>
<td>Industry/Social investment政策</td>
<td>-</td>
<td>Producer/Marketing</td>
</tr>
<tr>
<td>1976</td>
<td>Coffee and Tea Price</td>
<td>Industrial Drive/Import-Substitution policy</td>
<td>-</td>
<td>Villageization</td>
</tr>
<tr>
<td>1978</td>
<td>Price Boon</td>
<td>-</td>
<td>-</td>
<td>State contraction</td>
</tr>
<tr>
<td>1979</td>
<td>Oil Price Shock</td>
<td>IMF talks break down/Refuse to raise interest rates</td>
<td>Increase Real Producer Prices</td>
<td>Government privatization of parastatals</td>
</tr>
<tr>
<td>1980</td>
<td>Drought</td>
<td>-</td>
<td>-</td>
<td>Abandonment</td>
</tr>
<tr>
<td>1981</td>
<td>National Economic</td>
<td>Increase Survival Programme/Export Earnings</td>
<td>Increase Real Producer Prices</td>
<td>Villagization</td>
</tr>
<tr>
<td>1982</td>
<td>IMF Talks</td>
<td>Reopen</td>
<td>-</td>
<td>State contraction</td>
</tr>
<tr>
<td>1983</td>
<td>20% Devaluation</td>
<td>Tshs16:US$1</td>
<td>-</td>
<td>Market signals</td>
</tr>
<tr>
<td>1984</td>
<td>Export Sector</td>
<td>Tshs45:US$1</td>
<td>Increase Real Producer Prices</td>
<td>Allow Audit/Freeze</td>
</tr>
<tr>
<td>1985</td>
<td>Lift Food Subsidies</td>
<td>Tshs59:US$1</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>1986</td>
<td>Tanzania Economic</td>
<td>Agriculture/Food Focus/Production</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>1987</td>
<td>50% Devaluation</td>
<td>Tshs64:US$1</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>1988</td>
<td>Drought</td>
<td>Tshs99:US$1</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>1989</td>
<td>Economic Structural Maintenance</td>
<td>Tshs145:US$1</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>Health, Education,</td>
<td>Agriculture/Tshs210:US$1</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Nutrition</td>
<td>Cost recovery (estimate)</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

Chapter 5

The Micro-Level Impact of Structural Adjustment on Income Generating Projects for the Poor

5.1 The Case Study: The Women’s Appropriate Food and Technology Project (WAFT) in Tanzania

The primary goal of this paper is to examine the impact of the economic crisis on women’s projects and to assess what strategies African women have employed to minimize and overcome the constraints of adjustment. To understand these constraints, one needs to consider both the social and economic determinants of the crisis and the interaction of these forces in shaping the circumstances of women.

This chapter examines a development project in Tanzania that is funded by the United Nations Development Fund for Women (UNIFEM). The purpose is twofold: first, to show how structural adjustment compromised the goals of the project and secondly, to attempt to account for limited the participation of project beneficiaries. The case study analysis examines how low income rural women have organized and resisted the negative effects of SAPs. The case study presented is the Women’s Appropriate Food Technology Project (WAFT) in Tanzania.

Chapters 2 and 4 traced the effects of the major components of SAPs in less developed countries and specifically in Tanzania. This section attempts to establish a link between macro-economic policies and the position of women.
through the project framework. As was pointed out in Chapter 3, many of the causal linkages between adjustment and changes in the position of women are indirect and reflect the outcome of a complex set of relationships. Although this paper focuses mainly on the negative short-term effects of structural adjustment on the project, some issues regarding the long-term effects of adjustment on low-income groups are also raised. (UNIFEM, 1990:26).

Questions asked will include:

- What actions have been taken by women to hold onto and increase their access to productive assets?
- What is the relationship between the donor agencies and the women recipients?
- What is the outcome of increased access to scarce inputs?
- What lessons can be learned from strategies that have worked?

a. The Case Study: The Women's Appropriate Food Technology Project

Location

The WAFT project was started in 1987 as a result of recurrent and persistent drought. The project was implemented in 26 villages in the Dar-es-Salaam rural, coast and Lindi regions in response to threats to food security in Tanzania. There are currently six on-going projects in the coast region focused primarily on poultry keeping and vegetable gardening. Various other projects in maize milling and
pottery have also been implemented. (UNIFEM, 1987:1).

Goals

The primary goal of the WAFT project is to assist rural Tanzanian women in their efforts as food producers. The project ultimately aims to provide the women with low-cost technologies and a support system that includes training in basic management skills and also in the operation and maintenance of farming equipment. These low-cost technologies include electric corn mills, gas stoves, and water pumps. Credit for inputs is provided through a Revolving Loan Fund (RLF). The aim of the Tanzanian Government, along with the NGOs, was to reduce the women’s workload by increasing their efficiency and income. (UNIFEM, 1990:26).

Project Justification

The justification for undertaking such a project is that although women in Tanzania are heavily involved in food production they have not had access to technology that would allow for efficient food processing and preserving methods. Food production can be increased by removing constraints placed on women as major producers of food. These constraints are largely due to the lack of access to appropriate training and affordable technologies for food production, preservation, and storage. The use of such methods would add value to their farm goods. Credit conditions have also been unfavorable to women.

The assumption is that the WAFT project afford women extra hours
during the day to be put to productive use in various farming projects. Such projects include egg farms, pig farms, and vegetable gardening. (UNIFEM, 1990:26). Consequently, family welfare would improve as women use the additional income and food to improve the caloric content and the nutrition levels of their families. (UNIFEM,1990:26). The WAFT project fits within the framework of the Economic Recovery Programme (1988-90) to increase agricultural production.

Methodology

The methodology of the WAFT project is to disseminate successfully tested, low-cost technologies, reinforced with supportive activities, which include training in operation, maintenance, and financial management of the technologies. Credit is provided through a revolving loan fund to enable women to acquire these technologies. (Unifem,1985). Government staff have been trained to facilitate project implementation and are currently working with women's groups in the 36 villages. These community development workers mobilize and encourage women to participate in community activities. They conduct community analyses, project identification, planning, and implementation. (UNIFEM, 1985:23).

In the initial phase of forming the committees to run the projects, a total of 122 women were trained in leadership and decision-making as well as in problem-solving and simple bookkeeping skills. In the villages where the projects have already been initiated, the women have been trained in
operating and managing the appropriate technologies for food production and processing.

The agencies responsible for coordinating the WAFT projects include the United Nations Volunteers (UNV), Department of Community Development, Ministry of Local Government, and Cooperatives and Marketing. (UNIFEM, 1990:26).

Costs and Funding Source

<table>
<thead>
<tr>
<th>Amount</th>
<th>Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$250,800</td>
<td>UNIFEM</td>
</tr>
<tr>
<td>US$24,289</td>
<td>UNICEF</td>
</tr>
<tr>
<td>US$10,000</td>
<td>UNV</td>
</tr>
</tbody>
</table>

This is approximately $8,556 at the 1987 exchange rate of Tshs64:$1US.

5.2 Effects of Structural Adjustment on the WAFT Project

Structural adjustment has affected the projects in a number of ways. This section examines two effects of structural adjustment on the WAFT project:

- Changes in the profitability
- Changes in the availability of credit

a. Changes in the profitability of women’s small scale enterprises

The most immediate and observable effect of SAPs on the WAFT project has been the decrease in the profitability of women’s small scale enterprises. Devaluation of local currencies, cuts in subsidies, higher interest rates and prices for inputs, and credit restrictions have decreased the profitability of the
WAFT project by raising the domestic price of imported inputs and the costs of services to the women. (UNIFEM, 1990:27). Table 5.2 shows that current profit estimates are lower as compared to the initial projected profit at the project design stage.

Table 5.1

Changes in Profitability of Women's Micro-enterprises in Tanzania

<table>
<thead>
<tr>
<th>Sample Micro-enterprises</th>
<th>Current Profit Estimates</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gardening 1,004,000</td>
<td>700,800</td>
<td>-30.0</td>
</tr>
<tr>
<td>Poultry 504,900</td>
<td>517,500</td>
<td>+2.5</td>
</tr>
<tr>
<td>Milling 243,000</td>
<td>125,000</td>
<td>-48.6</td>
</tr>
</tbody>
</table>


The rise in prices of machinery and other imported inputs due to devaluation have seriously compromised the profitability of the grain milling projects by almost 50%. In September, 1988, the price for a complete set for a milling project cost T.Shs729,010. By March, 1989 the same set cost T.shs930,000, an increase of 22%. The gardening projects were affected by the price of imported chemicals which rose by 196.7%. The rise in prices for
imported chemicals, in turn, affected those projects that utilized imported pesticides. Cuts in subsidies increased the price of agricultural inputs such as fertilizer and seeds.

Acute shortages of project inputs and price increases led to delays in construction. For example, the original budget estimate in the Mbeya project for one bag of cement was Tshs.300 compared to the current price of T.Sh.595. Similar shortages have been observed in the availability of chemicals for leather treatment. The poultry businesses were able to show a better-than-anticipated return because of an increase in farm gate prices relative to the cost of imported inputs (day-old chicks and broilers). The women were importing the chicks and broilers under Open General License (OGL), a special foreign exchange facility established by the government for small businesses. This margin is bound to decline as the government sets limits on the applications for OGL facilities. Moreover, with the increased shortage of foreign exchange, it is unlikely that this special access to foreign exchange will continue. (UNIFEM, 1990:27).

b. Changes in the availability of credit

Standard stabilization tools to control demand include limiting the availability of credit. Bank efforts to restrict credit (and demand) were achieved by contracting total lending volumes in absolute terms and raising interest rates. Interest rates rose from a range of 11% to 16% prior to the Economic Recovery Programme (ERP) in 1986, to 20% to 29.5% by July
The result has been a substantial drop in the flow of credit to small farmers as lending rates continue to be high in nominal and real terms. Additional credit restrictions imposed consisted of tightening the conditions for borrowing, such as limiting OGL facilities to government priority programmes.

The credit squeeze is negative for women entrepreneurs and small farmers alike. The above raise in costs of inputs and services, has in turn, increased the costs to women of participating in the project. For example, increases in interest rates made loan obligations more expensive. A small enterprise has to generate an internal rate of return that is well above the average 29.5% interest rate on borrowed funds to be profitable. At such rates, only a few individuals could undertake profitable investments. "The result is fewer economic opportunities and reduced self-employment." (UNIFEM, 30:1990).

The inflationary price increases in essential inputs for women's enterprises have resulted in i) the delay in the take-off of the projects as more and more time was needed by the women to cover cost increases and ii) the necessity to revise initial budget estimates prepared at the appraisal stage.

The government has introduced efficiency and performance contracts for producer and marketing cooperatives. This has meant that some crop authorities and cooperative unions are denied credit to buy crops from farmers. The delays in payments to farmers for their produce, in turn, reduce the liquidity position of the farmers. The women among them may find it difficult to honor their loan commitments to the revolving loan fund in a
In what ways did the decrease in access to public services result in lower productivity and a decline in social welfare? Some of the effects of SAPs on the project cannot be fully quantified, however, some qualitative assessments can be made. Cuts in the budget reduced the women's access to essential government support services and inputs for effective implementation of projects. Eighty nine percent of the women's projects suffered from the lack of a training component because of a shortage of government trainers (formal and informal) in management. Cuts in subsidies and the health budgets meant women diverted time, effort and income to meet these demands.

Lastly, the projects had to increasingly attend to rising costs external to the projects, such as the increase in fuel and price of travel. The price of fuel in Tanzania has risen by 119% between 1986 and 1988. (UNIFEM,1990:35). Individually, the women borrowers have "benefited" from the low interest rates charged by the project at a time of rising inflation. However, in the long term, the sustainability of the RLF, which was set up to provide sustainable credit to the community is being jeopardized.

In summary, the general profitability of the women's projects has declined. This in turn has an impact on the timely repayment of the loans from the revolving loan fund. Secondly, women entrepreneurs have even less access to credit to assist them in increasing production, and lastly, the real value of the original capital has been eroded mainly by the impact of inflation.
The ultimate effect is to reduce the size and cycle of the RLF which in turn decreases the multiplier effects.

5.3 Women's Survival Strategies

How did the women try to cope with the changing environment and its effects on the project? What were the limits of these strategies? The increased costs of consumer goods (especially food), and other economic hardships accompanying SAPs have aggravated the situation for many of the women. To meet the increases in project costs and general inflation, many of the project participants have undertaken several strategies to maintain their levels of consumption and income.

a) Changes in Consumption

Evidence from, UNIFEM, UNICEF and other agencies suggest one common strategy women have adopted is to change the household diet. The lower to middle classes have changed to cheaper foods, while the urban and rural poor have not only switched to the cheapest (usually least nutritious) food, but have reduced their intake of essential foods in absolute terms. (UNIFEM, 1990:21). In Zaire it was found that malnutrition is increasing among children in even high agricultural production areas. As households increased the sales of non-food crops, they had less food for home consumption and it was of lower quality. (Berry:337).

b) Diversification of Income Sources
Many rural farmers have tried to take matters into their own hands. Small farmers have switched from coffee to grow food crops for local markets, or increasingly bypass government parastatals to smuggle coffee into Kenya. Many are taking up alternative- even non-agricultural production lines. One survival strategy that the women have adopted is to acquire marketable skills to supplement falling incomes. Women have entered the informal sector either engaging in petty trade, casual labor or domestic service.(UNIFEM:28). There has been increasing unrecorded resort to urban subsistence activity (chickens, food crops, etc) and "grey" activities, notably trading, on the part of urban dwellers. (Boesen:28)

c) Migration

Another way that peasants have tried to adjust is by moving or temporarily migrating to other areas either to cultivate a piece of land, or get paid employment to supplement domestic income. Researchers such as Guyer argue that smallholder agriculture is becoming more feminized. (1984).

Women are taking an even greater responsibility for farming because men are only farming part-time or have left farming entirely due to migration or other local employment... this means that the sexual division of labor is often modified and accentuated. ((Berry,1989:336).

The result is a definitive process of proletarianization which can be seen, by among other things (a) The incorporation of women into paid employment in the country side in areas linked to the agro-export sector; and b) the feminization of agriculture on small farms involving mothers whose husbands
and children have migrated to areas where they can get paid employment in big commercial farms. (UNIFEM, 1990:21).

On the whole, many of these new initiatives indicate that limiting factors to increasing income have encouraged and forced producers to be innovative in order to generate income in the struggle for survival. However, it must be realized that for most people the process of adaption has taken place under enormous strain. (Boesen:26). The resort to all kinds of petty trading challenges the theory that peasants have an option to withdraw into subsistence activities.

d) Changes in Participation in meetings and group formation

Two broad profiles of project participants emerged: The first group was those women that continued to participate by utilizing local mitigating initiatives. These women were the majority, forming 60% of the project. The second group was those women that abandoned the project in search of wage employment as domestic servants and farm laborers elsewhere. This group is estimated at about 40% of the project participants. These were women whose wage income from the project was lower than seeking employment outside. A study by World Education, Incorporated of 45 women’s group enterprises in the coast province of Kenya found that almost 30% of the women in the project were heads of households. (Nelson, 1986:35)
5.4 The Strengths and the Limits to the Strategies employed by low-income women to mitigate the effects of SAPs

a) Effects of the Peasant Economy

In what ways and under what conditions have women managed to increase their access to intra-household income and resources to increase productivity and autonomy? The women’s projects are performing under the constraints of a peasant economy and a consolidating capitalist economy.

The peasant economy here is used to refer to the economic life of the women as characterized by historical and or the traditional economy and influences of the international capitalist economy. Elements of both will exert varying degrees of influence on the project over time. (Nelson, 1986:ii).

Analysis of the relationships between the women’s groups and the sub-structure i.e. relations between women and individual households members and the indigenous social formations and the external forces that are working to transform them, will explain more about the performance of women’s group enterprises than statistical comparisons. (Nelson, 1985:10).

The key to understanding the women’s groups and success or failures of the income generating projects lies in relations between these indigenous social formations and external economic forces that are working to transform them.

There is no indication that income generation for women will automatically enhance women’s independence and status. Women’s possession of an income does not automatically increase their bargaining power within the household. Who controls products of women’s labor and the income earned from
women's groups depends on the balance of power relations among individuals within the household. (Nelson, 1986:iv).

Women's groups do have possibilities to transform peasant economy but most of the members are enmeshed in resistent structures of their households. Indigenous formations within the peasant economy are resistent to change. Some strategies need the cooperation of the whole community, men and women to be effective. Eighty percent of the women who participated in the Tototo group enterprises in the coast province of Kenya had the active support of their husbands. (Nelson:). To encourage women's participation, the groups leaders had to approach women's husbands to request permission for the women to attend the groups.

The Tototo groups projects found that the groups attracted mid-age women, mostly from middle peasantry. For example, Tototo Home Industries, an indigenous, non governmental organization in the coast province of Kenya found that it was older women had more autonomy from male and kin constraints. It was their position in the life cycle that allowed older women to participate in the group enterprises. This was also partly the reasons for the business failures. Income generating projects require some minimum day to day management and bookkeeping skills. The older women were mostly illiterate, and had no formal education or business skill.

In times of economic hardship, people spread their loyalties between political parties, kin, village, and a multiple number of social networks for
survival. Declining living standards have forced women to devote extra effort to income-generating. Time constraints hamper poor rural women’s participation in meetings and groups at the grassroots level because of women’s constraints by their "triple role".

Poor women invest in a variety of social relationships such as increasing bride wealth payments, investments in school fees for their children to secure social security in the women’s old age, village and communal facilities and other efforts to increase that will increase their access to resources for traditional work groups. (Nelson:). One women’s project in Kenya spent 20% of their yearly earnings on entertaining visitors. (Nelson:92). In this way, income earned from the income generating projects and credit funds are usually diverted to community development that benefits the general welfare of the community, but cripples the income-generating efforts of individuals.

These networks are flexible in structure and operation, and fluid in terms of size and composition of membership. People move in and out of them according to need. People keep their ties to these associations because of historical bonds. The many investments the poor make in social networks limit the contributions they can make to each group. These social networks place additional demands on women’s time yet do not necessarily provide an alternative mechanism to mobilize additional labor to deal with the increase in workloads.

The very poor are constrained in participating as they cannot consistently
draw on these institutions to decrease labor time involved in work. For example, the Midodoni Women’s enterprise was required to repair a dirt road that served the village in June 1985, in October that year they cooked a meal for the district headquarters for World Food Day. Four days later the women performed before district guests. The women queued for food while the honored guests feasted. They eventually returned home hungry.(Nelson:19).

After a point, participation in these multiple systems as social insurance, limits the capacity of each group and individuals to achieve a process of self improvement.

b. Internal Factors that contributed to Project Success and Failures

i) Limits to poor women’s group contributions

If the group enterprise escapes the peasant economy, they came under the control of women in favorable positions within the community. The Mwamambi Group enterprise in the Kenya coast province found that women’s group enterprises tended to exclude women in difficult domestic circumstances, who could not put in cash or labor. This groups was led by a group of educated women from one family. Although these women brought resources and connections and self confidence to the group, they were able to do so because they were supported by their husbands.

Increasing women’s contributions in time or fees both have set backs. Women’s contribution/fees, if raised, exclude poorer women and increase stratification. Many of the poor women are outside the groups. The group
had experienced several business failures and the women were required to invest funds with no guarantee of a return. The poorest women do not have time to participate and yet it is the group enterprise that can serve as an effective mechanism for collective participation and compensatory responses to the adverse effects of adjustments. The revolving credit fund combined with savings provides the initial capital that was needed by most women. The income generating projects far from being a participatory development strategy, in most cases reinforced economic differentiation. (Nelson:vi).

Projects should take into account the need for non-homogeneous groups and for creativity and flexibility to engage in alternative activities. Such projects can be built on skills women have already acquired through roles in household production. Such enterprises would offer flexibility, opportunities for part-time investment in labor, and home based production.

ii) Limits to Income Generation

Do income generation projects increase real income? In which ways and under what conditions has the development agency managed to promote circumstances that have facilitated women’s access to scare inputs? Did this result in higher productivity and social welfare? The conditions internal to the group which affected success were the group leadership, bookkeeping skills, and women’s access to new technology.

The projects were limited in their capacity to generate start-up capital for low-income women. The charging of lower than market interest rates is self-
defeating in the long run because they decreased the purchasing power of the Revolving Loan Fund. While the inflation rate was estimated at 20-30% per annum in early 1988, RLF's were generally extending loans at concessionary rates well below market rates. The net result was the decreasing value of the repayments received from the projects. The sustainability of the RLF will be precarious unless the participants augment credit funds from their own resources, savings or donors come up with a fresh flow of money. (UNIFEM, 1990:32).

Project participants will have to assume increasing financial responsibility to cope with the increasing costs. What kinds of credit schemes will do? How can the project mobilize savings at the local level, and encourage the formation of grassroots financial initiatives by developing appropriate incentive schemes? One solution may be to charge differential rates for credit. However, experiences in Mexico found that even the lower rates were out of range for the poorer women. (UNIFEM, 1990:30).

Reliance on group labor of poor rural women to raise cash has its limits. The groups depend on access to labor to generate cash, but the labor time especially of poor rural women is constrained. Individual cash investments are small. The constraints of time and money for women in low income households means that such groups need allies to raise capital. A more viable alternative is for NGOs to act as facilitators -- linking women to funding sources. NGOs in their "comparative advantage" to access the poor are best
suited to take on this role. (Tendler:1989).

iii) External factors that promoted Success

Other factors external to the project that promoted success included: the positive support of the government; the availability of economic opportunities; community support, and a supportive infrastructure. (Nelson,1986:3).

Linkages with the State

The state also has a role to play. The success of credit schemes such as the Gramin Bank in India were in part due to the strategic linkages these organizations had to the state and other NGOs. The state provided trained staff in the area of business and credit management. The simplicity of the credit scheme -- providing minimal amounts with no credit referrals and frequent repayments kept operating costs and credit at a minimum. The major allies of women's groups enterprises will continue to be the NGOs as government's increasingly are forced to retract their services to balance central government budgets.

Group Leadership

Leadership is another important factor in promoting project success. The success of the Midodoni Women's Group enterprise in Mombasa is as much due to the efforts of the women, as to the connections of the group leaders to funding sources in Nairobi. The group leaders daughter worked for an international NGO in Nairobi and encouraged the group to submit a proposal for a palm and copra processing project. The result was an initial funding in

The "Right" Kind of Small Scale Enterprise

The easiest enterprise for groups to run and maintain are those which reproduce existing processes of capital accumulation in the local community because they have proven viability, available knowledge, require less support from external agencies, and improve the chances of promoting local entrepreneurs and products for which there is a demand. (Nelson:).

Small scale enterprise projects are more likely to succeed if the development agency focuses on the delivery of "that one missing critical component" as opposed to multi-component projects. In the case of UNIFEM, the missing critical component was the training through government workers to enable the women to use the technologies.

The successful marketing of Kenyan Kikuyu baskets internationally is a case in point where the provision of a critical component -- linkages to a marketing outlet, allowed these baskets to be sold in stores as far away and fashionable as Bloomingdale's in New York. The NGO in this case was the interface between the women in Kenya and the international capitalist market. The NGO acted as the catalyst to increasing women's incomes, linking low income groups to opportunities that provided a demand for their product and labor.

Group Enterprise's -- What's in it for Women?

The projects were designed to enhance the organizational leadership, and
business management skills of these women, and promoting the development of human capital, which had been neglected due to the emphasis on investment in physical and infrastructure facilities in the import-substitution drive. (UNIFEM, 1990:39). What are the outcomes of the increased access to scarce inputs? How sustainable were the project components?

Few of the projects generate big profits, and few generate income on a regular basis. But the groups are only one of a range of medium and long term investments women make. The income supplements make a big difference to members as is seen in their continued participation. Millicent Odera found in her sample of 10 women’s groups, 4343 women in Kenya (1980) that 95% of women were farmers. Eighty eight percent of the women belonged to more than one group, and that 20 % belonged to 3 or 4 groups. (Nelson:15).

Which types of problems are best addressed by formal groups and which problems are best addressed through informal women’s groups? Women’s groups enterprises seemed best suited for certain types of activities. Income generation proved not to be one of them as income from business ventures tended to be spent on community welfare activities.

Although project participants have found income-generating activities unprofitable, and have been forced to switch or diversify to other activities, they continue looking for support that can help them in identifying other more lucrative income-earning activities. (UNIFEM,1990:339). Nelson et al (1985) found that in the 45 women’s group enterprise’s surveyed, 44.4% of
the women did so for economic gain; 28.9% for social activity and 19.2% for educational benefits. The economic benefits cited included the opportunity to have and control a cash income, savings and use the credit mechanism.

Even though the financial results of the project seem to be weak, some of the benefits of the projects are more of a social and organizational nature. One strength of the groups was dissemination of knowledge and the support of community development projects. In the area of technology transfer, in this project we see that adjustment compromised the capacity of governments agencies to provide trainers. This hampered the efforts to introduce the new technologies to the women. Once introduced UNIFEM’s experience in the Philippines found that women trainers were able to share information and skills learnt with other women. Women’s control of new technology in essence changes the relationship of rural women to the means of production.

NGO’s and Group Enterprises as Agents for Change

At a more micro level, some questions that are raised are: Of the projects surveyed, how transforming were the projects? (Transforming -- as in increasing not only amounts but options in accumulation?). Buvinic (1986) points out several traits common to women’s income generating projects that contribute to low success rates. Women’s projects are often peripheral, small and under funded and based on the misconception that they can achieve great things cheaply. The UNIFEM projects shared some common characteristics. Firstly, they all tended to reinforce traditional gender roles by
limiting women's activities to stereotypical female activities.

The standard design of women's projects was initiated by NGOs set up in the colonial and post colonial era which follow a western philanthropic model of middle class women volunteers assisting rural women. This volunteer relief legacy has meant that agencies have focused on a "family-centered view" and women's reproductive role in society. (Buvinic:659). Many of the women in the UNIFEM project, after training returned to their villages, they continue to unquestioningly follow the prevailing gender division of labor. (UNIFEM, 1990:36). The projects veered more toward replication of existing social relations than transforming them.

Why are there not so many innovations in agriculture for women as in say projects for health, social services, adult education and literacy?

Donors and governments too often act as if the tremendous economic and social needs of women can and should be addressed only by micro projects and sewing circles. The case study shows that major developments do impact on women whether planned or not. (Berg,1985:70).

Central to project planning should be a component geared toward creating projects and processes whereby women can view significant change in their lives and roles from what it is now because of the project. What are the paths through which to increase accumulation in ways that women can hold onto wealth? Do the mechanisms women use merely allow them to just cope or do they allow for a sustainable process of accumulation
to occur and hence, an improvement in the standard of living to occur?
World Education in the Coast province in Kenya found that among the more well-off peasants the RLF worked quite well and these women actually managed to accumulate substantial wealth through the RLF.

The Midodoni Women's group enterprise in the Coast province of Kenya managed to acquire land to grow palms and copra with the help of an NGO that specialized in training in accounting and bookkeeping skills. The group generated an income of $4,100 in 1985. The women's group acted as a corporate entrepreneur. In this way the RLF managed to change the relationship of women to the means of production. The NGO training and the investment strategy of the women's group was transforming. The women bought land as an investment and were actually involved in making long-term and increasingly substantial investments in the cash economy which resulted in wealth accumulation. Such projects will need amounts of funding that approximate "mainstream" development project levels.

Did the projects that were successful teach women to envisage a future different from present and significantly different from the past? How is this future different? better? Moser argues that the training of women in "nontraditional" skills such as construction skills is important. It is a break with traditional gender ascribed roles for many women. (Moser: March, 1989:26). It is only by instilling extension workers and trainers with some gender consciousness during the training period itself that steps can be
taken to transform these divisions. (UNIFEM, 1990:36). Mamphele Ramphele in her studies of familial relations of the urban poor in hostels in South Africa found that lack of confidence and low self esteem many times confined the women to adopt strategies that were self defeating and self oppressive. Instead of improving their lives in the hostels, the few actions women could take merely served to replicate oppressive social relations. (Ramphele, 1989).

Involving women in leadership roles was an approach used in the WAFT project to enhance the awareness and confidence of women. UNIFEM observed that the women who were in the project and underwent the training workshops had improved self-confidence. The World Education study found that 41% of the group leaders were women without husbands either through widowhood or choice.

5.5 Organizing for Change

Women's shared consciousness can be a force for change. But under what conditions does it emerge? From the case study it is evident that one strategy that is effective in terms of bringing about change is the efforts of women themselves to organize to change and redefine gender roles. This consciousness arises in women as workers, experiencing declining real wages and falling standards of living as a result of increased proletarianization and participation in the international capitalist economy.

Women in their "triple role" as mothers, workers and community organizers
are confronted with the contradictions between the underlying assumptions of gender ideology which attempt to impose societal control on what women can and cannot do, and the dictates of their every day lives which compels them to do whatever is necessary to survive. (Bookman:1988).

Berger's studies of women workers in South African factories points out that it is precisely because the women are mothers and heads of households that they are driven into the work force. The responsibility to meet family needs as sole wage earners increased their militancy and resulted in women joining unions to try and increase their wages. (Berger,1986). Women in low income households engage in multiple commercial activities with low margin profits. However women's increased activism in trade unions and bypassing the state in marketing goods are not just economic but political activities as well. (Meena,1989:29-32). It is this increased consciousness and politicization that results in women organizing in the work place and in their communities to solve the every day problems created by the confluence of domestic, local, national and international factors. Women come together to pressurize legal, educational and social institutions to change their policies and actions.

The women themselves can not do much to control the costs of transport or that of savings and credit interest. Yet these costs have a dramatic effect of the viability of the revolving credit fund. Mitigating efforts need to be taken at the national level. The poor benefit from improved and maintained feeder roads, standardization of weights that ensure they are not cheated at
weighing in stations, stable prices and timely payments for their crops; research into improved, more drought resistant and nutritious food crops; and the promotion of indigenous feed for livestock. (Lele, 1988). The poor also benefit from political stability and a healthy economy. Limiting government activities in these areas, limits access of low income households to these same services.

There is still a need in project planning to understand operational design matters in light of domestic power relations, the responses of households to economics in transition and how both these affect gender relations and women’s role in development. A critical issue in increasing productivity is protecting land use rights and rights to tenure. Property and title rights are usually given to men on the assumption that they are the head of the household, even where women have defacto responsibility for their families. Oftentimes, without land rights, women are not able to gain access to credit. Ownership of land is a form of saving, and it appreciates over time. (Moser:17).

The legal code itself, in many African countries treats women as minors and dependents of men. In most cases women cannot get married without permission of a male relative, and are not entitled to the same divorce right as men. Women in most cases do not have a legal right over their own children in cases of separation. Women’s reproduction rights are also controlled by men. For example, family planning clinics in Africa have tended
to reinforce this control over women by requiring women to obtain permission from their husbands before they receive family planning counseling. Family planning is only made available to "married women" -- that is women attached to a man. Through the support of these practices and polices, government reinforces a gender ideology that regards women as secondary and inferior to men.

Women are resourceful in devising survival strategies for their families. However, there is a difference between survival strategies and activities that can form the basis for sustained growth and development both on a personal and a national level. (Elson:25). There is no one policy prescription to increase the viability of the projects and women's efforts because the women's survival strategies vary from project to project in response to the nature of the forces influencing the environment that women work in.

A sustainable strategy must contain some element of adjustment. The important question is not whether to adjust but how to adjust. Adjustment means change; and change means costs as well as benefits, losers as well as gainers. (Elson,1988). What is the next logical step in planning for structural adjustment programmes (SAPs) to reduce these effects? The last chapter will summarize the lessons that can be learned from strategies that have worked to increase women's access to resources and independence.
Chapter Six: Some Policy Recommendations and Conclusions of the Study

6.1 Lessons and Implications for Future Policy

What recommendations can be made to improve the economic viability and general welfare of the population and of women in particular? What lesson can be learned from the case study regarding the strategies that worked? This chapter will present preliminary conclusions and recommendations for future strategies relating to SAPs and women. What can be generalized is the knowledge that where development planners attempt to introduce any social or economic change, they can be sure that this change is played out upon an enduring substratum of rights, obligations, functions, and roles. The processes at work on the Tanzania coast, which undermine or promote the economic progress of women, are similar to the processes at work on the Kenyan coast, or Koalack, Senegal. The details are different, but the dynamics are similar. (Nelson, 1986:39).

For development projects to be responsive and reflective of women’s concerns, it is crucial to adopt an approach that goes beyond recognition of the differentiation of women and men’s work to understanding of the dominant gender ideology between and within classes and how these relations are tempered, reinforced and shaped by ethnicity, and larger political and economic systems. Class structure, ethnicity, religion, and the international political economy also reinforce and shape systems of thought within which

Strengthening the human resource base in Africa for women means creating more time for women and increasing control over resources for women. Areas of intervention would include: selectivity in public expenditure cuts, a restructuring of public sector activities that gives a higher priority to education, health and sanitation (such as Brazil’s social priorities programme emphasizing services for the poor and UNICEF’s primary care health system), and a greater emphasis on self-reliant food production. The structural adjustment required in the public sector may not simply be a reduction in expenditure and costs but a change in its priorities and in its relation to users and services. The mobilization and organization of women who use public sector services may be a way to achieve this.

For national development machinery and development agencies to effectively promote the efforts of women in improving the quality of their lives, it is necessary for policy makers to make engendered analysis of women’s changing role in society and to fully understand what role gender ideology plays in shaping the form and context in which women work. Gender relations in essence are relations of power. Within different societies, systems of gender ideology justify and reinforce systems of power. Attempts to change the status quo through development projects will require re-distribution policies that influence such power relations.

The efficiency argument for including women in development is misleading
in that it avoids addressing the underlying issues of the reorganization of power relationships and gender roles that needs to take place when resources are targeted toward women. (Chen:1988). Increasing women’s access to resources, credit, and income goes to the heart of power relationships within a household, between men and women as individuals. It is not simply an issue of economics and efficient resource allocation but rather one of social transformation through changing gender roles and relationships.

To fully understand how systems of gender ideology justify and reinforce systems of power planners need to examine the process of how meanings come to be attached to women versus mens’ contribution to development. To focus on the relationship between men and women and individuals and groups is to recognize that development is in itself a struggle over power to construct “meanings” that define and regulate the way women and men live their lives. (Scott:1986). Oftentimes gender ideology devalues women’s efforts. Strategies to reshape gender ideology aim to change the way women and society value women’s work. The policies, programmes, and development projects for women must, of necessity, evolve from an analysis of women’s changing roles in their locations.

Development means more than simply changing the nature of the work that women do or even making women “more efficient” at what they do. Development needs to become a process that transforms the relationships between men and women such that the contribution of women to development
is equally valued in society. The effort expended on a daily basis by women to improve the quality of their lives becomes part and parcel of the social construct of “woman”.

The planning process itself has a lot to do with the issue of participation. Who actually participates in the planning phase of SAP projects? SAP planning is exclusive to members of international finance agencies such as the World Bank and Ministries of Finance. What are the implications of this for policy regarding micro projects for low income women who participate in such projects?

An additional issue regarding the nature and structure of SAPs is the implicit assumption made by many of the development agencies that the negative effects of SAPs are short-term. Policy prescriptions in turn address short term negative effects without questioning whether SAPs in some environments generate long term negative repercussions on some parts of the populations. (Taylor,1987). People already in poverty may be thrown into a condition of critical poverty which will require more than food for work projects to integrate these groups into mainstream economic development. Fine tuning monetarist policies and adding women’s components may not be enough to address issues of access to resources and increasing opportunities for women under the structural adjustment regimes as they now are administered.

Development strategies in many African countries have devolved into crisis
management in order to meet the short repayment terms of balance-of-payments facilities. The terms and the goals of IMF stabilization packages have not allowed African countries to embark on a long term growth path to development. What is needed is a longer time frame within which adjustment can occur. Such a process is more suited to the organizational longer term goals of the World Bank. This does not mean that the IMF has no role to play in the adjustment process. A world of stable, liberal, and non-discriminatory trade policies is more ideal for development of small and trade-dependent economies. What small countries should do is position themselves to exploit such opportunities as do arise. (Bevan:1987:xv).

State provision of services required for human resource development complements the ability of women to make gains from participation in the market. (14). Women have an interest not so much in reducing the role of the state and increasing the role of the market, as in restructuring both the public sector and the private sector to make them more responsive to women's needs and contributions as both producers and reproducers.

Rural women farmers may stand to gain from such restructuring, however, given the existing sexual division of labor and gender differentiation of resource control in many countries, there are numerous obstacles to the realization of these gains. These obstacles may not only prevent women farmers from gaining but they may also prevent the adjustment programme from achieving its national economic objectives of increasing production.
The economic reality of the 1980's and 1990's differs greatly from the past crises of the early seventies. The deficits are neither temporary nor self-reversing. Financing cannot be seen as a long term solution. Structural adjustment, is a long term process. As this study has shown, various policy mixes have to be employed to make adjustment successful. The debate over adjustment is far from over. How this debate is resolved presents a most pressing issue for Africa's prospects for growth in the 1990's decade.

Changes in overall strategy may be initiated at the same time as stabilization and adjustment programs. (Helleiner: 1506). More critical to the economic well-being of women than either projects or legislation, is the general condition of the economy. Low rates of growth of output and exports and employment conditions undermine the efforts put into projects and legislation.

"Gender has always been so obvious that it is invisible." (Lanig:310). Making gender visible in economic theory is a step towards changing the perception of women's work within society as 'nonproductive' and of 'less social worth' than that performed by men. The challenge then becomes one of adopting a conceptual framework (such as one put forth in this paper) that captures the contributions of women, in the total spectrum of activities they engage in on a daily basis, in the subsistence economies, at home in the fields, and in the market places.

The work women perform contributes to the creation and enforcement of gendered identity. (Lanig:310). By addressing the real need for changes in
gender ideology, development projects can be able to move away from strategies that merely help women to cope in a "male" world to strategies that have the power and capacity to transform society by changing "women's work" and the way it is viewed and evaluated.

Solutions to the dilemma posed by questions such as "What can be done to promote women's efforts to improve their lives?" will emerge out of questions focusing on the relationships between women and indigenous social formations and the changing international economy.


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