The impact of recession and structural adjustment on women's work in selected developing countries


by Sally Baden

December 1993

The authors gratefully acknowledge support for the preparation of this report from the International Labour Office. However, the views expressed and any errors or omissions are those of the authors and not of ILO.

BRIDGE (development - gender)
Institute of Development Studies
University of Sussex
Brighton BN1 9RE, UK
Tel: +44 (0) 1273 606261
Fax: +44 (0) 1273 621202/691647
Email: bridge@ids.ac.uk
Website: http://www.ids.ac.uk/bridge

ISBN: 1 85864 150 0
© Institute of Development Studies, Brighton
CONTENTS

1 INTRODUCTION AND OVERVIEW ................................................................. 1
  1.1 Existing Literature ............................................................................. 1
  1.2 Problems in Analysing the Impact of Recession and Adjustment
      on Women’s Employment ................................................................. 2
  1.3 Overview .............................................................................................. 3

2 RECESSION, ADJUSTMENT AND LABOUR ................................................ 5
  2.1 Decomposing the Relationship between Recession, Adjustment
      and Labour ......................................................................................... 5
  2.2 Assessments of the Impact of Recession and Adjustment on
      Labour in Developing Economies ....................................................... 9

3 THE IMPACT OF RECESSION AND ADJUSTMENT ON WOMEN’S
   WORK ....................................................................................................... 16
  3.1 Gender Analysis of Recession and Women’s Work .............................. 16
  3.2 Gender Analysis of Adjustment and Women’s Work .......................... 18
  3.3 Formal Sector Employment ............................................................... 20
  3.4 Impact of Recession and Adjustment on Male-Female Wage
      Differentials ....................................................................................... 29
  3.5 Urban Informal Sector Employment .................................................... 31
  3.6 Agricultural Employment .................................................................. 36
  3.7 Unemployment and Underemployment .............................................. 40
  3.8 Compensatory Programmes and Women’s Employment ................. 43

4 SUMMARY AND CONCLUSIONS .............................................................. 44

BIBLIOGRAPHY ............................................................................................. 48
1 INTRODUCTION AND OVERVIEW

1.1 Existing Literature

This paper reviews the impact on women’s work of recession and structural adjustment policies in developing countries. For the purposes of this review, the overall focus will be on the 1980s, and on Latin America and sub-Saharan African (SSA), although more specific time periods will be highlighted as relevant. Because of the relative insulation of Asian countries from recession and their (on the whole) later and more heterogeneous adjustment experiences, only limited reference is made to that region. In the literature on sub-Saharan Africa, adjustment policies form the framework for much of the existing analysis. But the material on Latin America and the Caribbean is set mainly within the framework of examining the effects of recession on women’s work, with stabilisation and adjustment seen in this context.

There is a limited literature on the impact of recession on women’s employment in developing economies, mainly focusing on Latin America (ICRW, 1986; Hirata and Humphrey, 1990; Francke, 1992). Some studies of the effects of recession on women’s employment have highlighted the ‘added worker’ effect whereby women enter the labour force in increasing numbers and often at low wages to compensate for falling real household incomes; others note the withdrawal of some groups of women from the labour force (the ‘discouraged worker’ effect) as labour market conditions worsen. Sectoral shifts in labour demand and changing working conditions under recession are also highlighted, particularly in women’s participation in informal sector activity or casualised forms of labour.

Most of the major studies of the impact of adjustment programmes have been primarily concerned with macroeconomic performance and, more recently, with the economic and political sustainability of adjustment programmes (e.g. Harrigan, Mosely, Toye, 1991; Corbo et al., 1992). There is a smaller but significant literature addressing the poverty and distributional consequences of adjustment but with little specific focus on gender equality (e.g. Bourguignon and Morrisson, 1992; UNICEF, 1987). Similarly, the mainstream work on adjustment and labour markets does not comprehensively address the effects on women’s work of changes in the labour market under adjustment (e.g. Fallon and Riveros, 1989; Colclough, 1991; Standing, 1991; Horton et al., 1991; Loxley, 1990). Only one or two sources were found which have attempted to systematically analyse the gendered effects of labour market changes under adjustment, or to develop a framework for doing so (Gindling, 1993 on Costa Rica; Appleton et al., 1990 on Côte d’Ivoire).

Another area of literature on women and adjustment is that originating in the ‘women in development’ and feminist traditions. A few major reports have attempted to develop a framework for analysing gender consequences of adjustment policies (UNICEF, 1989; Commonwealth Secretariat, 1989; Palmer, 1991). There is also some rather patchy case study material with a gender perspective on adjustment, but few such studies attempt to isolate the effects of adjustment from other factors and most do not include the data necessary to make rigorous empirical assessments (i.e. representative surveys with longitudinal and systematically gender disaggregated data; time use data etc.) (UNICEF, 1989; Deere et al., 1990; Commonwealth Secretariat, 1991; Gladwin, 1991; Afshar and Dennis, 1992; Beneria and Feldman, 1992). Much of the gender-related literature on adjustment focuses on agriculture in sub-Saharan
Africa and the urban (particularly informal) sector in Latin America, reflecting the more long-standing concerns of scholars of women and development. Surprisingly, there is a lack of systematic empirical studies of the impact of adjustment on women in formal sector employment where problems of gathering data on women’s work might be presumed to be less than for rural or urban informal settings.

1.2 Problems in Analysing the Impact of Recession and Adjustment on Women’s Employment

There are inherent conceptual and methodological problems in trying to separate the effects of adjustment from those of recession and also longer term trends. The secular rise in female labour force participation in most countries over recent decades and the longer term shifting patterns of sectoral representation of women in work need to be separated from the impact of recession and adjustment. In order to do this systematically, deviations from projections on earlier trends would need to be isolated (Horton et al., 1991: 15; Commonwealth Secretariat, 1991: 402).

Any attempt to empirically examine the impact of recession or adjustment on women’s work is further complicated by the lack of unbroken time series of gender-disaggregated employment or economic activity data for many countries (especially in sub-Saharan Africa) which might reveal trends. In as much as such data does exist, their accuracy and comparability is constrained by both conceptual and collection problems. These have been extensively reviewed elsewhere (e.g. Anker, 1982; Dixon-Mueller and Anker, 1988; Beneria, 1992). Moreover, in the context of developing economies undergoing recession and adjustment, the standard labour force participation data itself becomes increasingly reliability suspect, as processes of casualisation of employment and movement into the informal sector occur.

Disentangling the effects of adjustment from those of recession is not self-evident, particularly given very variable regional and country experiences. The length and nature of the pre-adjustment economic crisis (if any), the timing and phasing of the introduction of adjustment programmes, the mix of adjustment policies - particularly the degree of demand reduction induced, the level of external financing, and the degree of implementation of adjustment programmes, are all interlinked factors which render systematic comparison difficult.

1 Early adjustment has enabled some countries to compensate for the effects of recession, e.g. in Costa Rica, through the expansion of public sector employment; in Malaysia, through increases in health and education expenditure (Bourguignon and Morrisson: 1992/94). In other countries (particularly in sub-Saharan Africa) delays in implementing adjustment have arguably made the process much more painful.

2 Whilst stabilisation policies are generally associated with short-term demand restraint to correct external imbalances and structural adjustment with longer-term changes in the incentive and institutional structures, it is difficult to analytically separate the effects of these and in practice the first is usually a precondition for the second, where external financing is involved. Here ‘adjustment’ is taken to cover both stabilisation and structural adjustment policies, unless otherwise specified.

3 One interpretation of the varied country experiences under adjustment is that better-off countries which already have a relatively developed industrial base and international markets (e.g. Thailand; Turkey) are much more likely to respond to conventional adjustment packages. On the other hand, less developed countries which have undergone protracted economic crises, as in many countries in sub-Saharan Africa, are unlikely to respond because of structural features of their economies and severely weakened economic bases. It is argued that in such cases conventional SAPs may lead to further decline; it is therefore more appropriate to rehabilitate existing industry and infrastructure (Harrigan, Mosley and Toye, 1991).
A number of more or less systematic approaches to simulating a counterfactual in order to evaluate the impact of adjustment programmes have been attempted, including the use of matching pairs of adjusting and non-adjusting countries (Harrigan Mosley and Toye, 1991) or of control groups (an approach generally favoured in World Bank studies). Variously, these attempt to control for different degrees of implementation and levels of finance, or for the intensity, timing, and/or perceived success of adjustment. However, there is inevitably a strong element of subjective judgement in setting up the counterfactual in such ways. There is not enough detailed evidence here to systematically relate the ‘success’ or otherwise of adjustment programmes to their outcomes for women’s work although inferences will be drawn where possible.

Examining the impact of recession and/or adjustment in developing countries is further complicated because of regional and between country variations in the depth and timing of cyclical movements, as well as in the timing and consistency of implementation of adjustment policies. In sub-Saharan Africa particularly, and many parts of Latin America, lengthy periods of stagnation or recession dating back to the mid-late seventies have preceded adjustment and many would argue that excessively deflationary adjustment policies have themselves led to more protracted recession (UNICEF, 1987; UNICEF, 1989; ECLAC, 1992). On the other hand, in Asia, adjustment programmes have generally been implemented in a context of relatively sustained growth, except for brief periods of recession (e.g. 1984/5 in Malaysia). Some countries in Latin America initiated their own adjustment programmes prior to the onset of recession in the region in the early 1980s and many introduced ‘heterodox’ adjustment packages in the mid-1980s (UNICEF, 1989). In addition, there have often been reversals of adjustment policy, or programmes have been interrupted by periods of recession and austerity (Horton et al., 1991: Chart 1).

Given these methodological and empirical problems, a rigorous analysis which separates the effects of recession and adjustment on women’s work is not possible. Nevertheless, the effects of recession on employment generally and women’s work particularly, can be viewed primarily in terms of the impact on labour force participation rates, on under- and unemployment and on real wage levels; and those of adjustment primarily in terms of sectoral shifts in employment patterns and in wage differentials between sectors.4

1.3 Overview

Given all the complex forces at work, it is not surprising that no general conclusions have been drawn about the employment effects of recession and adjustment. Nevertheless, one or two overall summary assessments at regional level have been made.

One assessment of the effects of crisis in Latin America and the Caribbean concludes that:

4 However, this is not straightforward either, since sectoral shifts themselves involve employment losses in declining areas. In theory, given sufficient incentives and labour mobility, these will be offset to a greater or lesser degree by gains in employment elsewhere, but there will be lags in this process leading to at least temporary unemployment for some. Furthermore, reductions in public sector employment and/or wages have been a central feature of adjustment programmes as a consequence of public expenditure reductions, privatisation and public enterprise reforms.
The effects of the crisis on the labour market in Latin America and the Caribbean included a slump in the rate of job creation, changes in the type of employment created and a drop in wages. Between 1980 and 1985 ... the number of unemployed rose at a cumulative annual rate of 8 per cent per annum ... the changes in the structure of employment ... reflect an increase in the proportion of jobs characterised by the greatest degree of under utilisation of labour, as manifested in informalisation, tertiarisation and an increase in employment in the public sector ... the rapid expansion of the urban informal sector ... is indicative of a worsening of the employment situation mainly affecting the lowest income sectors of the population ... the share of agricultural population has once again started to grow, as a result of the slump in employment in the cities (ECLAC, 1992: 25-6).

Another overview of the effects of adjustment on labour markets in both Latin America and Africa finds that:

‘In Latin America and Africa ... there has been some of the desired shift into tradeables, but largely due to the shift back into agriculture and out of government employment. Manufacturing sector employment frequently seems to have suffered during years of crisis and not to have recovered during adjustment. This is perhaps a not surprising result of policy changes which depreciate the exchange rate but at the same time reduce tariffs. Although the former benefits agricultural exports, the possible benefits to manufactures are offset by decreased protection’ (Horton et al., 1991: 30).

5 Expansion of the informal sector is not necessarily associated with a worsening of the employment situation. Dessing (1992b) had pointed out that the informal sector has ‘involutionary’ and ‘evolutionary segments’ expansion of which could be associated with falling or rising wages respectively.
2.1 Decomposing the Relationship between Recession, Adjustment and Labour

Conventional adjustment programmes affect employment and working conditions through a variety of direct and indirect mechanisms.

Crudely, policies of demand restraint (through reductions in government/overall borrowing) lead to downward pressure on output prices, cutbacks in production and hence in the demand for labour, particularly in the formal sector. In standard theory, the effect on employment levels depends on the flexibility of wages: where wages are not flexible downwards, net losses in employment are liable to be greater. This is often the rationale for removing minimum wage legislation, or for the de-indexation of wages under adjustment. However, as evidence below shows, wages have proved remarkably downwardly flexible in most adjusting countries, even in formal sector labour markets, yet unemployment levels have persisted or risen at the same time. It is possible that the demand effect of the fall in wages/employment may lead to persistent unemployment, even where wages have fallen, due to the lower propensity to consume of profit earners than wage earners. Persistent unemployment could also be the result of imperfections or rigidities in markets other than that of labour (Horton et al., 1991: 1-7).

Cuts in public expenditure, privatisation and public sector enterprise reform lead to public sector recruitment freezes or retrenchments. Wage freezes, the removal of minimum wage legislation and the effects of general inflation (which some would argue is exacerbated under adjustment through devaluation) lead to reductions in real wages.

The shifts in the incentive structure brought about by changing relative prices (particularly through devaluation) under adjustment potentially lead to shifts in employment patterns, with new jobs being created in some sectors as jobs are lost in others. The temporary wage differentials created under adjustment act as the mechanism for the reallocation of labour between sectors. However, the existence of wage differentials themselves do not indicate that labour reallocation is occurring - it is important to look at actual employment shifts. It is also possible that in sectors of shrinking labour demand, wages may rise if lower paid labour is shed first (Horton et al., 1991, 1-7). In practice there may be institutional and other barriers, including gender-related constraints (see 3.2 below), to the reallocation of labour under adjustment. The lack of functioning of other markets, e.g. credit markets, may act as a constraint to labour reallocation.

In theory, adjustment brings about increased incentives to the production of tradeables (exports and import substitutes) relative to non-tradeables (goods whose prices are determined domestically, particularly many kinds of services). Tradability is a somewhat slippery concept, however. Although some economic activities (e.g. certain kinds of services) are generally considered non-tradable, tradability is also related to transportation costs (i.e. if these are prohibitive goods are not tradable) and to protection policies. Thus, the same goods/economic activities may be tradable in one context but not in another. This makes it very difficult to predict the employment effects of adjustment according to this schema.
It is generally presumed that, within tradeables, export industries in developing countries are more labour intensive than import substituting industries - and thus their expansion would ultimately lead to net gains in employment. However, this has to be examined empirically on a case by case basis. The relative import content of different industries mediates the relative employment and wage effects of changing incentives. Palmer (1991: 106-7) suggests that industries with a high import content may tend to reduce wages rather than employment in the face of higher costs. Again, there is no a priori sectoral breakdown in terms of import content which would enable clear prediction.

The effects of adjustment on relative wages results mainly from the wage differentials created between sectors. Simple analysis predicts a rise in relative wages in tradeables but wage shifts are also caused by employment shifts and thus will tend to level out over time. Real wages in different sectors are also mediated by the tradeables to non-tradeables composition of the consumption basket of workers in these sectors. For example, urban workers will tend to consume a higher proportion of imports and thus suffer a greater decline in real wages than rural workers. In the longer term, there may be substitution in consumption of cheaper locally marketed - or even home produced - goods, for imported goods, for example. It is argued in section 3.2 below that it is often women, as household managers, who bear the brunt of these substitutions in consumption in terms of increased time costs and physical effort.

Structural Adjustment Programmes (SAPs) are generally associated with labour shedding in formal and especially government sectors. There is a tendency for labour to move into sectors with flexible entry - i.e. the informal sector and agriculture. Labour crowding may then have the effect of depressing relative wages in these sectors. In non-tradeables (commerce, services) wages are depressed both directly (through exchange rate changes) and indirectly (through labour crowding); in tradeables (agriculture) the effect could go either way depending on the relative magnitude of the opposing income (rising wages due to devaluation) and substitution (labour crowding) effects (Bourguignon and Morrisson, 1992).

The concept of the informal sector, its composition in terms of activities and its relationship to the formal sector through both product and labour markets, remains an area of controversy.

One type of analysis - particularly popular in Latin America - sees the informal sector in developing economies primarily as soaking up the under- and unemployed (given a ‘structural surplus of labour’ and lack of comprehensive social security) and as comprising mainly low return, low productivity activities catering to low-income consumers (Tokman, 1991; Roberts, 1991). This accords with the view that, primarily as a result of recession rather than adjustment, the informal sector will increasingly

---

6 This implies that some types of goods which were previously not tradable are becoming so under adjustment, i.e. where they are being substituted for previously imported goods, further emphasising the fluidity of the concept of tradability and its limitations in empirical assessment.

7 Given that what defines the informal sector is largely the extent of regulation, rather than type of activity, certain types of employment may shift across the informal/formal sector boundary depending on changes in employment practices generally (especially increasing casualisation in the formal sector), overall economic conditions, government policies and in the way in which data is collected (Francke, 1992; Roberts, 1991).
become a refuge for the under- and unemployed and suffer from labour crowding, as well as reduced demand, thus depressing incomes (Bourguignon and Morrisson, 1992; Roberts, 1991).

Another view is that the informal sector has much potential for dynamic growth but has been held back by distortions favouring formal sector industry (e.g. restrictions on credit) so that what is needed is further deregulation under adjustment programmes, to increase the supply of labour and other inputs (e.g. credit) to the sector (Riveros, 1991).

Under recession and adjustment, some areas of informal sector activity may become closely allied to the formal sector, through processes of privatisation (contracting out) and sub-contracting by private industry to small scale producers and units, including home-workers, in order to cut costs (Standing, 1991). Some dispute that this is an important trend in developing countries however (Tokman, 1991; Roberts, 1991). Other possible trends leading to expansion of the informal sector under recession are that small firms may be driven into informality (or illegality) in order to survive recession - more in the structuralist line of argument - (Roberts, 1991: 129); the nature of employment also may become increasingly casual, unregulated and unprotected in order to reduce costs and make lay-offs easier; further, ‘autonomous’ informal sector activities may increase, providing low-cost services (e.g. repairs for household appliances) (Judisman and Moreno, 1990).

Informal sector activity is very heterogeneous, and not all ‘free-entry’ as some analyses imply. Certain informal sector activities require considerable physical or human capital and thus are unlikely to be taken up by unskilled, low-income workers, among whom women are concentrated. This also explains why, in some countries, significant numbers of upper income earners are engaged in informal sector activity (Weekes-Vagliani, 1992).

Given the heterogeneity of the informal sector, there is no clear coincidence between informality and non-tradability (Standing, 1991). However, certain kinds of activity in the informal sector such as petty commerce and personal services - which tend to be those where women predominate - fall mainly in the category of non-tradeables. More detailed disaggregations of informal sector activity are needed, which look at type of activity, occupational status, levels of protection/regulation, and tradability as well as the gender, life cycle and other characteristics of informal sector workers.

Palmer (1991: 108) distinguishes three factors which will influence the outcome of adjustment on the level of activity and employment in the informal sector. These are:

- whether informal sector demand increases or reduces (which depends on the relative importance of income and substitution effects);
- the share of tradeables in the informal sector - and the effect of devaluation and trade liberalisation on domestic demand for these;
- the impact of market deregulation on removing discrimination between the formal and the informal sector, particularly in factor markets (e.g. credit).

In the rural sector, the effects of adjustment in theory should be favourable or neutral, due to increases in relative prices of agricultural output to producers (through
devaluation, market deregulation and trade liberalisation). Nevertheless, exogenous factors may outweigh the impact of adjustment measures either positively (e.g. good rainfall) or negatively (e.g. drought; falling international prices). In theory, demand for labour will not fall and the slower growth of the labour force in rural areas - due to rural-urban migration - also limits the increase in labour supply. However, the decline in employment opportunities in urban areas may be leading to a slow-down or even a reversal in rural-urban migration in some countries (Bourguignon and Morrisson, 1992: 34).

The effect of adjustment on agricultural incomes should in theory be less negative (or more positive) compared to incomes in the formal or informal sectors, because of increased incentives to agricultural production and because measures which are directly employment/income reducing, such as cuts in public sector expenditure, may have a more limited effect in the agricultural sector. However, some measures, such as the removal of subsidies on inputs or consumption goods may have a countervailing effect on the incomes particularly of small-scale producers and net food buyers. Further, it must be borne in mind that a substantial proportion of rural incomes - particularly of those with small holdings - may come from off-farm sources such as remittances or petty trade and other services work. To the extent that these are dependent on urban incomes then they will tend to be falling (Bourguignon and Morrisson, 1992).

The direct benefits of the growth of agricultural exports under trade liberalisation - assuming that international prices are stable - will tend to be captured mainly by larger producers, unless a high proportion of small and medium farmers are engaged in export crop production. (This of course assumes that export crop prices are rising relative to food crop prices, which may not be the case and would have to be examined empirically.) However, indirectly this expansion may benefit producers of locally traded foods (who may be predominantly women in the sub-Saharan African context) responding to increased demand and prices as agricultural incomes rise (Joekes 1991b). There are also possibilities for growth in rural wage employment associated with the expansion of export crop production, but this may be limited by technological change factors such as mechanisation (Bourguignon and Morrisson, 1992). Those who are likely to lose out, are food deficit households who will be forced to purchase their additional requirements at rising prices.

Other groups in the agricultural sector may suffer direct employment losses, e.g. employees of marketing boards which are undergoing rationalisation or privatisation; and small merchants operating in parallel markets which become redundant as official price controls are eradicated (Bourguignon and Morrisson: 1992, 102).

Another crucial and often neglected aspect of stabilisation and adjustment, mediated partly through labour market shifts, is the long term impact on human capital investment, which may be affected by both unemployment and by sectoral shifts in employment (Horton et al., 1991: 7). There is evidence that in Latin America,

---

8 This would depend on the allocation of public expenditure between rural and urban areas and the share of public expenditure to agriculture, inter alia.

9 While urban bias’ in expenditure may mean that cuts should have a limited impact in rural areas, it may also mean that cuts are easier to make there.
teenagers who would otherwise be in school have entered the labour market in significant numbers as ‘secondary workers’ under recession. The relative effects of this shift in labour supply on teenage girls and boys are not clear (Gindling and Berry, 1992; Beneria, 1991: 172). Moser (1992) suggests that the increased reproductive burden as more women enter the labour force is being transferred to older daughters, often with prejudice to their school attendance or performance (cited in Humphrey et al., 1993).

Another related issue, possibly more pertinent to sub-Saharan Africa, is the diversion of skilled and professional labour from public sector employment to the informal sector (see evidence in section on urban informal sector). Women are known to be leaving occupations such as teaching and nursing to engage in potentially more lucrative informal sector activities, implying a considerable erosion of the professional skills base over the longer term. Others are maintaining their foothold in the public sector, but simultaneously engaging in other activities, with negative implications for the efficiency and quality of public sector service provision.

Declines in public investment in education, resulting in increased private costs of schooling under adjustment programmes are also acting as a disincentive to the education of children, with possibly a greater negative impact on girls education. Given the apparent premium on education for girls entering the labour market, this can only reinforce a vicious circle of women’s involvement in low productivity, low-paid work.

2.2 Assessments of the Impact of Recession and Adjustment on Labour in Developing Economies

2.2.1 Changes in Levels and Structure of Employment

(i) Latin America and the Caribbean

The slow growth of the Latin American and Caribbean economies especially in the early 1980s resulted in a slowdown in job creation and increases in open unemployment (particularly in the smaller Caribbean and Central American countries) especially among youth and women. Private sector formal employment, especially in large enterprises, declined during the early 1980s recession and did not increase during the post 1984 recovery: (large-scale private enterprise employment fell from 59 per cent of non-agricultural employment in 1980 to 54 per cent in 1990. Meanwhile, public sector employment continued to grow in the early 1980s (at 4.5 per cent per annum 1980-5) rising from 15.8 to 16.8 per cent of non-agricultural employment. This compensated somewhat for the shortfall in the private sector. However, later in the decade public sector employment growth also slowed - in Chile, for example, it declined by 15 per cent between 1985 and 1990 (IL0, 1992; ILO, 1993).

ILO (1989; 1992; 1993) reports a significant expansion in urban informal sector employment in Latin America, by 56 per cent between 1980 and 1987. By 1989, 31 per cent of the non-agricultural labour force was in informal sector work compared to 25 per cent in 1980. This expansion was mainly concentrated in the growth of small

---

10. If domestic service is included, informal sector employment doubled in the 1980s, rising from 40 to 53 per cent of the non-agricultural labour force.
enterprises and low productivity services (ILO, 1989: 28-31; ILO, 1992: 43-3; ILO, 1993: 24-6). In Peru, the percentage of the economically active population in the informal sector increased from 36.5 per cent in 1979 to 40.9 per cent in 1987, with a peak of 41.8 in 1986 (Francke, 1992: 8). Similarly, in Mexico, informal sector employment rose by 16 per cent between 1980 and 1986 (Roberts, 1991: 127).

Other sources concur with the direction of this trend towards informalisation, but suggest it is more gradual. Horton et al. (1991: 15) give some supportive evidence from Bolivia and Argentina, particularly of a shift into the informal sector of non-tradeables. In Brazil, the main shift has been into unprotected employment rather than self-employment.

In a differing interpretation, Riveros (1990) argues that the urban informal sector in Latin America has not expanded as rapidly as might have been expected under recession and adjustment, in spite of increased unemployment and declines in formal sector wages. His data show rises of between 0.7 and 6 percentage points in the share of informal sector employment in total employment between 1980 and 1984/5 in six Latin American countries, with the share ranging from 27 to 38 per cent at the end of this period. Riveros attributes the apparently slow expansion of the informal sector partly to the reluctance of unemployed workers to accept the lower wages prevailing in the informal sector. He suggests that further deregulation of labour markets and adjustment of relative wage levels may be required to encourage the movement of unemployed workers into the informal sector.

Levels of underemployment in Latin America also rose over the 1980s, particularly in the informal sector. There has also been a growth in the number of casual workers in agricultural labour in the export sector. In Chile, the number of casual workers in this sector increased by 52 per cent between 1976 and 1986 (ILO, 1993: 24-6).

Open unemployment levels have fallen slightly overall in Latin America since the mid-1980s but remained constant in the Caribbean. Unemployment peaked at 10.1 per cent in Latin America in 1985 and stabilised at around 8 per cent in the late 1980s and early 1990s. However, young people and women in particular continue to experience disproportionately high rates of unemployment.

The mean unemployment rate across 12 Commonwealth Caribbean countries in the mid-to late 1980s was 17.5 per cent, with rates ranging between two and 44 per cent. The economic performance of some Latin American countries began to improve in the late 1980s in terms of growth, although poverty is still on the increase. The prospects in the Caribbean are less good (ILO, 1992: 44-5; ILO, 1993: 24-6).

(ii) Sub-Saharan Africa

The protracted economic crisis in sub-Saharan Africa has been characterised by a sharp deterioration in the employment situation and dramatic declines in real wages. The rate of modern sector employment growth has declined as a result of recession and adjustment, particularly in the industrial sector, marking a process of de-industrialisation. There are only two countries out of 12 for which data were available where non-agricultural employment has grown faster than the non-agricultural labour force in the 1980s. The modern sector now employs around eight per cent of the labour force compared to ten per cent in 1980 (ILO, 1992; ILO, 1993, Vandermoortele, 1991).
Much of the slowdown of employment creation in the modern sector is due to a decline in the rate of growth of public sector employment since the early 1980s, which represents a high proportion (over half) of total non-agricultural employment. Prior to this, public sector employment had been expanding rapidly in many countries and had tended to act as an employer of last resort. Recent ILO data shows public service employment in eight sub-Saharan African countries growing by only 2.4 per cent per year in 1980-5, compared to 7.3 per cent per year in 1975-80. The situation has probably worsened since\(^\text{11}\) (ILO, 1992: 38; ILO, 1993: 29).

On the other hand, the informal sector in sub-Saharan Africa has grown rapidly (6.7 per cent per year, 1980-5) and is now absorbing the majority of new labour recruits. The informal sector is now believed to employ 62.5 per cent of the urban labour force in the region.\(^\text{12}\) Much informal sector activity in sub-Saharan Africa is in commerce and micro enterprises tend to dominate. The majority of workers in the informal sector are low-wage workers rather than self-employed, and the sector is increasingly characterised by underemployment and low productivity. Studies in Ghana and Cameroon have shown that only a tiny percentage of micro-entrepreneurs pay the official minimum wage (seven per cent and three per cent respectively). The route from informal sector worker to entrepreneur is by no means rapid or straightforward - a school-leaver will take on average 15 years to reach this status (ILO, 1992: 39; ILO, 1993: 29).

Open unemployment in sub-Saharan Africa is rising, particularly in urban areas and among youth, women (young and adult) and the educated (particularly secondary school-leavers). Average urban unemployment in the mid-1980s was 18 per cent compared to 10 per cent in the mid-1970s and the rate is projected to continue rising (ILO, 1989: 33-37; ILO, 1992: 39-40).

### 2.2.2 Wage Trends

The general picture of wage trends under recession and adjustment is one of falling real wages, particularly in sub-Saharan Africa and, to a lesser extent, in Latin America. Table 1 gives some data on changes in real non-agricultural wage levels in Latin America and Africa from the 1970s to 1986.

Colclough (1991) attributes the fall in real wages in Africa since the mid-1970s to the combined effects of devaluation-induced inflation and curbs in public spending which prevented formal sector wages (of which public sector wages are the most significant component) from rising in line with inflation.

---

\(^{11}\) There are exceptions, however. Public sector employment in Kenya grew annually at 4.2 per cent between 1980 and 1989 with the fastest growth in the social services sector (ILO, 1992: 38).

\(^{12}\) However, the informal sector had also expanded rapidly in the 1970s in some African countries: e.g. in Côte d’Ivoire from 1975 to 1980, half of the jobs created were in the informal sector; in Ghana the informal sector also expanded rapidly in the 1970s (although this is a rather special case due to the extensive system of price controls - such that the informal sector has become overextended) (Bourguignon and Morrisson, 1992: 37; Weekes-Vagliani, 1992: 136). Whereas the process of informalisation in sub-Saharan Africa seems to have been associated with increased participation of women since the 1970s, there is some evidence that informalisation in Latin America, at least until the early 1980s, was a predominantly male phenomenon, with women moving into low-wage service and white collar jobs in the formal sector during the 1970s (ECLAC, 1992: 72).
Horton et al. (1991: 16) relate wage trends to the success or otherwise of adjustment programmes in nine countries studied. In Asia, wages have risen fairly steadily except for brief interruptions, although there is some evidence of increasing gender differentiation in wages in the study period. ‘Severe adjustment’ countries (Ghana, Chile, Bolivia) show dramatic fluctuations in real wages. Wage levels in Ghana apparently recovered by 1986, following large declines; but those in Chile have not recovered and in Bolivia are still falling. ‘Less successful’ adjusting countries have also experienced wage declines but not as dramatic as those in ‘severe adjustment’ countries. ‘Moderate adjustment’ countries show small gains in wage levels overall; e.g. in Kenya public sector wages have fallen but private sector wages are holding up\textsuperscript{13}.

Average real wages fell by 30 per cent for all modern sector workers in sub-Saharan Africa between 1980 and 1986 with public sector pay falling most. The decline in real wages in sub-Saharan Africa predates the economic downturn starting in 1980 but has intensified since. During the 1970s, real wages fell by an average of 2.9 per cent annually taking a mean across nine countries.

\textsuperscript{13} This does not accord with data in TI but may refer to a later period.
### TABLE 1

Average Annual Growth Rates of Real Non-Agricultural Wages in Selected Developing Countries, Selected Periods, 1971-86

<table>
<thead>
<tr>
<th>Region/Country</th>
<th>Period (1970s)</th>
<th>Average Annual Growth (%)</th>
<th>Period (1980s)</th>
<th>Average Annual Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-Saharan Africa</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Burundi</td>
<td>1973-79</td>
<td>- 2.4</td>
<td>1979-86</td>
<td>+ 2.3</td>
</tr>
<tr>
<td>Ghana</td>
<td>1971-79</td>
<td>- 13.4</td>
<td>1979-83</td>
<td>- 18.6</td>
</tr>
<tr>
<td>Kenya</td>
<td>1972-79</td>
<td>- 1.9</td>
<td>1979-86</td>
<td>- 3.3</td>
</tr>
<tr>
<td>Malawi</td>
<td>1971-79</td>
<td>- 1.9</td>
<td>1979-85</td>
<td>- 7.5</td>
</tr>
<tr>
<td>Mauritius</td>
<td>1971-79</td>
<td>+ 5.3</td>
<td>1979-86</td>
<td>- 3.6</td>
</tr>
<tr>
<td>Sierra Leone</td>
<td>1971-79</td>
<td>- 5.3</td>
<td>1979-86</td>
<td>- 14.3</td>
</tr>
<tr>
<td>Tanzania</td>
<td>1971-79</td>
<td>- 3.4</td>
<td>1979-83</td>
<td>- 17.3</td>
</tr>
<tr>
<td>Zambia</td>
<td>1972-79</td>
<td>- 4.7</td>
<td>1979-84</td>
<td>- 4.6</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>1971-79</td>
<td>+ 1.5</td>
<td>1979-84</td>
<td>+ 0.2</td>
</tr>
<tr>
<td>Mean¹</td>
<td></td>
<td>(- 2.9)</td>
<td></td>
<td>(- 7.4)</td>
</tr>
<tr>
<td>Latin America</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Argentina</td>
<td>1971-79</td>
<td>- 2.7</td>
<td>1979-84</td>
<td>+ 7.9</td>
</tr>
<tr>
<td>Brazil</td>
<td>1971-79</td>
<td>+ 4.2</td>
<td>1979-84</td>
<td>+ 1.5</td>
</tr>
<tr>
<td>Bolivia</td>
<td>1971-79</td>
<td>- 0.5</td>
<td>1979-84</td>
<td>- 10.4</td>
</tr>
<tr>
<td>Colombia</td>
<td>1971-79</td>
<td>+ 0.0</td>
<td>1979-84</td>
<td>+ 4.0</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>1973-79</td>
<td>+ 3.8</td>
<td>1979-85</td>
<td>- 1.2</td>
</tr>
<tr>
<td>Ecuador</td>
<td>1971-79</td>
<td>+ 4.2</td>
<td>1979-83</td>
<td>- 0.9</td>
</tr>
<tr>
<td>Guatemala</td>
<td>1971-79</td>
<td>- 5.5</td>
<td>1979-83</td>
<td>+ 9.1</td>
</tr>
<tr>
<td>Mexico</td>
<td>1972-79</td>
<td>+ 1.5</td>
<td>1979-84</td>
<td>- 5.0</td>
</tr>
<tr>
<td>Paraguay</td>
<td>1971-79</td>
<td>- 2.0</td>
<td>1979-84</td>
<td>- 0.9</td>
</tr>
<tr>
<td>Peru</td>
<td>1971-79</td>
<td>- 3.7</td>
<td>1979-86</td>
<td>+ 0.8</td>
</tr>
<tr>
<td>Uruguay</td>
<td>1971-79</td>
<td>- 8.0</td>
<td>1979-84</td>
<td>- 5.0</td>
</tr>
<tr>
<td>Venezuela</td>
<td>1971-79</td>
<td>+ 2.3</td>
<td>1979-86</td>
<td>- 3.3</td>
</tr>
<tr>
<td>Mean¹</td>
<td></td>
<td>(- 0.5)</td>
<td></td>
<td>(- 0.3)</td>
</tr>
</tbody>
</table>

1 Simple unweighted arithmetic averages of the average annual growth rates for the countries in each region.


In the early 1980s, real wages fell by 7.4 per cent annually taking a mean across nine countries.¹⁴ Since then, the real wage decline has slowed, partly due to lower rates of inflation. There may also have been falls in non-wage benefits though there is little data on this. Minimum wage levels also declined considerably in the early 1980s, but have since stabilised, though at levels where they cannot meet an individual’s, let alone a family’s, basic needs in many countries (ILO, 1989: 33-4; ILO, 1992: 39; Colclough, 1991; Vandermootele, 1991).

Real wages in Latin America have declined considerably since 1980. Between 1980 and 1991, the average industrial wage fell by 17.5 per cent and the average minimum wage by 35 per cent. There has been considerable variation between countries, however, with wage levels holding up relatively well in some places (at least up to 1988) and falling dramatically in others. In Mexico, Peru, Bolivia, Ecuador and

¹⁴ This compares to an annual rise of 1.5 per cent in Asia and an annual fall of 0.3 per cent in Latin America in the same period (Colclough, 1991).
Paraguay, in 1990 minimum wages were between 15 and 40 per cent of their 1980 value (ILO, 1992; ILO, 1993).

Although 1985-7 saw a reversal of the previous downward trend in wages, since 1988 wage levels in Latin America have undergone an even steeper decline than before. This is attributed largely to the failure of nominal wage rises in Argentina, Brazil, Ecuador and Uruguay to keep up with inflation, even though rates of inflation have dropped considerably. More generally, the decline in real wages in the region is attributed to high inflation, to increased unemployment and to the growth of employment in low productivity sectors, which has weakened the bargaining power of organised wage earners. Adjustment policies implemented in the majority of countries in the region may have also led to real wage declines (ECLAC, 1992; ILO, 1993: 24-6).

2.2.3 Relative Wages

Horton et al. (1991: 32-4) provide some information on relative wage shifts between economic sectors in nine countries studied. These data would seem to bear out the broad predictions of the impact of adjustment on relative wages by sector. In several countries (Chile, Malaysia, Egypt), wages in manufacturing rose during recession and/or adjustment (partly due to the shedding of lower paid labour), but fell in Bolivia where there were tariff cuts. Agricultural wages also gained in several countries (Ghana, Egypt, Malaysia) but in the last case were subsequently reversed during the recession. Wages in commerce and service sectors (non-tradeables) were falling in the one or two cases where this is mentioned.

In Latin America, the ILO estimates that, in formal sector employment, workers in the public sector and agriculture have been particularly hard hit, suffering wage declines of around 30 per cent. In construction and industry, wages have fallen less, by around 20 per cent.

In the informal sector in Latin America, incomes are estimated to have dropped by over 40 per cent in the decade (ILO, 1993). In the early 1980s’ recession, crowding in the informal sector seems to have depressed wages in Costa Rica, Chile and Brazil. However, in Bolivia and a later (post 1986) period in Brazil, the opposite occurred (Horton et al., 1991: 34-5).

In sub-Saharan Africa, in the 1980s, there has been not just an erosion but also a compression of wage levels, demonstrated by narrowing differentials between occupational groups particularly in the public sector. In the period 1975-1985, real salaries fell by 36 per cent in the lowest public sector grades and by 58 per cent in the highest grades. The fall in the ratio of the average to the minimum wage in eight out of ten countries for which data is available gives further evidence of a general wage compression (Vandermootele, 1991; ILO, 1993; Colclough, 1991; ILO, 1992: 39).

In Latin America, minimum wages have fallen considerably faster than average (industrial) wages suggesting a widening of wage differentials according to skill levels/occupational groups (Riveros, 1990: 54; ILO, 1993: 24-5).

There is some evidence that public and private sector wages have moved in different directions in the 1980s. Horton et al. (1991) report that public sector wages fell almost universally (although possibly with different trends in public service employment and parastatals), or did not rise as rapidly as in other sectors. In the private sector, real wages have tended not to fall, or at least not so rapidly as public
sector wages. According to another source, there was no fall in private sector wages in Côte d’Ivoire, Malaysia, or Indonesia. In Kenya, between 1977-87, whilst public sector pay fell by 25 per cent, private sector pay increased by 4 per cent. In Chile and Ecuador, private sector real wages did fall, however (Bourguignon and Morrisson, 1992: 33-36; Horton et al., 1991; Fallon and Riveros, 1989).
3 THE IMPACT OF RECESSION AND ADJUSTMENT ON WOMEN’S WORK

3.1 Gender Analysis of Recession and Women’s Work

Over the past two decades, economic activity rates of women have been rising, particularly in the 25-44 age group, in most regions of the developing world, except for sub-Saharan Africa, where rates appear to be declining in all age groups. At the same time, economic activity rates for men are declining everywhere. Nevertheless, the gender gap in activity rates remains wide: 32 per cent of women in Latin America and the Caribbean are economically active compared to 80 per cent of men; in sub-Saharan Africa around 45 per cent of women compared to 85 per cent of men are economically active. Whilst the female share of the labour force has risen from 24 to 29 per cent in Latin America and the Caribbean between 1970 and 1990, it has declined in sub-Saharan Africa from 39 to 37 per cent (UN, 1991: 81-100). The effects of recession have to be seen against the background of this secular trend towards increased female participation (with the possible exception of sub-Saharan Africa).

Most of the literature to date, which mainly relates to developed countries, argues that women’s employment is less affected than men’s in periods of recession. Women tend to be concentrated in areas of economic activity which are less cyclically affected, i.e. in finance, commerce and services, rather than manufacturing. Where women do work in manufacturing, it may tend to be in industries less immediately affected by recession (i.e. final goods consumption industries such as food, beverages and tobacco and pharmaceuticals, the products of which have low income elasticity, rather than say, consumer durables manufacturing). This may also be the case for formal sector employment in developing countries (ICRW, 1986; Judisman and Moreno, 1990). However, where recession is protracted, or where structural adjustment programmes are implemented, women’s employment may be seriously affected at a later stage, for example by policies of trade liberalisation (leading to competition from imports), industrial restructuring and reductions in public sector financing. Judisman and Moreno (1990: 27) suggest that this was the case for Mexico, where women’s employment began to be affected seriously after 1988.

Another issue which dominates the literature on women’s employment and recession is whether women’s employment behaves pro- or counter-cyclically, i.e. whether it continues to rise during recession - or rises at an increased rate - or whether it declines. The reduction of household incomes under recession may lead to an ‘added worker’ effect, whereby the supply of female labour increases to compensate for loss of real income at household level as male real wages fall and unemployment rises and, possibly, men are replaced by women in certain areas of employment to reduce costs. An alternative hypothesis is that the reduction in employment opportunities may lead to a ‘discouraged worker’ effect on women’s labour participation; this kind of analysis tends to view women’s position in the labour market as that of a reserve army of labour, to be shed as contraction gets underway. A third approach, that of ‘job segregation,’ predicts that rigid sex typing of employment means that women’s employment in recession is not closely related to cyclical factors, but more to secular trends in sectoral and occupational structures. These different approaches are not necessarily competing interpretations, however (ICRW, 1986; Rubery, 1988).
Dessing (1990b) shows that both added and discouraged worker effects can operate simultaneously, depending on the income group under consideration. Hence the overall effect on women’s labour force participation depends, in part, on the relative importance of different income groups in the population. ICRW (1986: 5) also finds that ‘changes in women’s economic behaviour in response to employment contractions and declines in household income vary with household income and with women’s ages and skill levels’. The added worker effect seems to apply particularly to low-income groups in developing countries. Middle-income women may adopt strategies of reducing household consumption rather than entering the depressed employment market. Older, less skilled women may also withdraw from the labour market (ICRW, 1986).

On the demand side, sectors may vary in their capacity to absorb or retain labour during downturns. In previous developed economy recessions - although less so in the current one, women’s concentration in the retail sector and services has cushioned them from employment contraction (Baden, 1993c). However, the nature of the service sector in Latin America and the Caribbean, with the prevalence of income-sensitive personal services provided by women in the informal sector and the dominance of the public sector, has meant that it has been badly affected by recession and latterly adjustment policies squeezing public employment. As in developed countries, women employed in manufacturing may be the first to be laid off during recession, i.e. women’s participation in manufacturing may be pro-cyclical (ICRW, 1986).

Overall, empirical data for Latin America and the Caribbean in the 1970s and early 1980s show continued rises in female labour participation (although trends would have to be examined to isolate a counter-cyclical dimension to this), even where male rates are stagnating or declining and rises in female open unemployment greater than those for men. However, the causality behind rising female open unemployment levels under recession is not clear - to what extent is this due to increased participation and to what extent to a reduction in employment opportunities? (ICRW, 1986).

Humphrey et al. (1993) cast doubts on whether women’s participation rates overall are pushed up by recession:

‘It is not clear that female participation rates [in Latin America] rose in response to recession. Data from Brazil shows that participation rates rose very strongly throughout the 1970s, and the annual percentage rate of increase was 5.6 per cent per annum between 1979 and 1983 compared to 7.3 per cent per annum from 1970 to 1980. Similarly the recessions in Latin America were strongly concentrated in the formal sector and it seems likely that men were more affected. Women, particularly female household heads, were already working to a much greater extent than men in the informal sector. Given that the informal sector itself is segmented and contains strong sexual divisions of labour, an entry of men into the informal sector would not necessarily have affected women directly. It is more likely that women in the informal sector

15. ICRW (1986) find that the ‘added worker’ effect is limited to low-income women. Judismas and Moreno (1990) find that the number of female income earners in middle income groups did not rise during recession in Mexico. On the other hand, Minujin (1990: 53) finds that the participation rates of non-poor women in Argentina rise more than those of poor women.
would have been subject to increased competition from those women who were entering (or re-entering) the labour market and would have sought formal sector employment should any such jobs have been available’ (Humphrey et al., 1993: 43-4).

On the other hand, Judisman and Moreno (1990: 28) find that up to two thirds of the increase in female participation in the period 1983-9 in Mexico City could be explained in relation to male involuntary unemployment, with a lag of three months, which strongly supports the ‘added worker’ thesis.

A study by Francke (1992) of the effects of recession on women’s work in Lima, Peru, finds a slow but continued expansion in female labour participation, an expansion of underemployment, and a growth of the informal sector (the latter not necessarily being synonymous with the former). Francke argues that female labour force participation has not decreased during the 15 year period of recession, for various reasons, i.e.: that women are active in market segments that serve as ‘buffers’ to unemployment, particularly the informal sector; that women industrial workers are concentrated in a few branches where their skills are not easily replaced; and that women are employed in areas which are not sensitive to recession, such as the public sector, where employment was expanded under recession and heterodox adjustment, largely for political reasons (although this has changed since the latter half of the 1980s). There is an added worker effect of adult women and then children entering the labour force in order to compensate for falling real incomes, but this does not explain the whole rise. A closer analysis of the different phases of recession in Peru reveals that female labour force participation behaves counter-cyclically in a recession but does not closely follow GDP; rather it tends to be negatively correlated with wages with a one year lag. This implies that women’s first strategy is to adjust consumption levels; if this is unsustainable, they will then enter the labour force. Secondly, there is a close relationship between the growth of female employment and the growth of underemployment (i.e. work for inadequate pay). Thirdly, the informal sector expands with the recession and there is an upward trend in women’s participation in this sector.

Hirata and Humphrey’s (1990) study of the effects on men and women industrial workers in the Metropolitan Region of Sao Paolo of the recession (1980-83/4) and subsequent recuperation (1984-6) in the Brazilian economy shows a lasting differential impact by gender, mediated by other factors such as age, skill level and marital status. The effect of the recession was to increase unemployment especially among younger workers of both sexes, with women having longer mean periods of unemployment than men; to increase informalisation among women (but very little among men), mainly restricted to petty commerce, industrial outwork and, predominantly, domestic service; and to increase the number of unregistered wage workers (of both sexes, but particularly in sectors where young women predominate). Between 1979 and 1984, women’s non-waged and non-registered employment together increased by eight per cent.

3.2 Gender Analysis of Adjustment and Women’s Work

Several major studies have attempted to provide a framework for the analysis of the impact of adjustment on women, including on their paid and unpaid work. Overall, the assessment of these studies is that the impact of adjustment on women,
particularly poor women, is negative. However, these path breaking works have
tended to rely heavily on a priori arguments, rather than rigorous empirical study.
Moreover, little if any attempt is made to distinguish the effects of recession or longer
term trends from adjustment.

The basic argument is that adjustment intensifies the trade off between women’s
producer and non-producer roles (Commonwealth Secretariat, 1991: 401), or in
stronger terms, that ‘the crisis of social disinvestment [under adjustment] is financed
from a “social fund” provided by the superhuman efforts of poor women’ (UNICEF,
1989). Women are increasingly pushed into the labour force, often on highly
disadvantaged terms, due to the lowering of household incomes as real wages fall
and/or unemployment rises under adjustment. The removal of subsidies on basic
goods and services and the introduction of charges for health and education under
adjustment programmes may lead to the increased participation of women in paid
employment, particularly in the informal sector, as they are forced to meet these
increased expenditures (Moser, 1992; Weekes-Vagliani, 1992). At the same time, the
burden of household and other unpaid work also increases under the pressure to
reduce expenditures and as social support is eroded by cutbacks in public expenditure
programmes, leading to a ‘pincers’ effect (Joekes, 1991b). The Commonwealth
Secretariat (1989, 1991) disaggregates the impact of adjustment on women in terms of
four major roles (producers, mothers, household managers, community organisers)
emphasising the pressures on women’s time and energy brought about under
adjustment as they strive to continue fulfilling these roles with reduced incomes and
support. Various strategies, some of which are detrimental to women’s or other
household members’ welfare (e.g. reduced feeding; withdrawal of girls from school)
and some of which are in the nature of collective self-help initiatives (e.g. communal
kitchens; savings and loan associations) are deployed by women to deal with the
effects of adjustment at household and community levels.

Moser (1992) differentiates women’s responses to the pressures of adjustment within
a low income community in Guayaquil, Ecuador, and finds that factors such as the
number of persons in the household in productive work; the stage in the household life
cycle and the number of other females (particularly daughters) involved in
reproductive work, are important in determining which women enter the labour force.
She also finds that women are working longer hours than a decade previously in order
to maintain the same incomes, and beginning work earlier (in relation to the age of
their children).

A summary of case studies produced by the Commonwealth Secretariat (1991)
concludes that, overall, the negative a priori arguments are borne out by the limited
evidence. Under adjustment, female open unemployment tends to rise (having started
from a higher baseline than men’s); women’s involvement in informal sector work
increases, with a deterioration of the position of women working in this sector; there
is an increase in women’s unpaid family labour in agriculture; and the small scale of
women’s independent operations (in agriculture and the informal sector) limits their
ability to take advantage of new incentives. On the other hand, there is no clear
evidence that women suffer more than men from retrenchment in the public or private
formal sectors; and women are the main beneficiaries of expansion of export
processing employment where this occurs under adjustment.

The stress placed on women’s time and energy use is perhaps the most salient feature
of these approaches, which is often overlooked in other more conventional economic
studies. There is a need to analyse not just changes in incomes and employment, but also trends in working hours and in the intensity of work, from a gender perspective. Time use data, where it is available, can illuminate the former point, but as yet no method of measuring work intensity has been devised within the standard range of data collection methods (Joekes, 1991b).

Other studies of gender and adjustment have taken a different approach, which does not view the impact of adjustment on women as necessarily negative. This approach takes the starting point of women’s sectoral representation and emphasises the problem of gender-based constraints to women’s labour mobility as potentially undermining the effectiveness of adjustment programmes, by preventing women from moving into expanding (tradeables) sectors out of non-tradeables, or by preventing women in tradeables sectors from expanding their output. Constraints on women’s flexibility hinder the success of adjustment in each case. Typically, the constraints on women’s labour reallocation cited include labour market discrimination; lack of education; limited access to credit or other inputs; and reproductive responsibilities. Thus, the argument is that countervailing policies are needed to facilitate the optimal allocation of women’s labour (from an efficiency perspective) under adjustment (Collier, 1990; Haddad, 1991; Palmer, 1991; Horton et al., 1991).

However, not all such constraints or ‘gender distortions’ may be amenable to policy interventions: the appropriation of household income by men which creates a disincentive for increased labour supply of women in household based enterprises, cannot easily be addressed, for example. Moreover, if the arguments reviewed above are considered, it is likely that some consequences of adjustment policies may themselves intensify the constraints to women’s labour mobility (e.g. by increasing their reproductive responsibilities and/or limiting their access to education) (Palmer, 1991; Elson, 1991; Lockwood, 1992).

3.3 Formal Sector Employment

3.3.1 Overall Trends and Impact on Women

The formal sector tends to be the first to be hit under adjustment by the effects of demand restraint, leading to employment losses and wage declines in this area, particularly in public sector employment and in previously protected industries, following trade liberalisation.

However, the relative importance of the formal sector in employment, and its composition in terms of ownership, economic sector, tradeables or non-tradeables, varies considerably between regions and countries. Also, the gender composition of employment in the formal sector, and subdivisions thereof, is highly variable between countries. Country studies are needed which rigorously disaggregate formal sector employment by gender, but also according to ownership, economic sector and tradability (including levels of protection and import content) (Vandemootele, 1991; Palmer, 1991: 106-7).

In Latin America and the Caribbean, in the 1980s, 62 per cent of women as opposed to 56 per cent of men were wage-earners, although the relative proportion of women wage earners may be declining under adjustment. In sub-Saharan Africa, women form a significantly lower proportion of wage-earners than men (UN, 1991: 88-9).
In sub-Saharan Africa, the formal sector has always been a limited source of employment and under recession and adjustment in the 1980s has shrunk even further, from ten to around eight per cent of the labour force. Even in urban areas, the formal sector provides less than one quarter of jobs. Public sector (including parastatal) employment represents about half of formal sector employment in the region (Vandermootele, 1991). Moreover, within the formal sector in sub-Saharan Africa, there is a concentration of men. For example, a sample study of 300 men and women of working age in two popular districts in Dar-es-Salaam in 1988, found that only nine per cent of women were formally employed compared to 36 per cent of men (Tripp, 1992: 163). Employment data from Kenya (cited in Joekes, 1991a: Table 5) show that women comprised 18.8 per cent of waged employees in the private sector and 26.1 per cent in the public sector in 1990.

In Latin America, the formal sector is a larger source of employment, providing around two thirds of non-agricultural employment, and within it, the public sector is relatively less important comprising around one quarter of formal sector jobs. Over the 1970s and continuing in the 1980s, there was an expansion of employment in the services sector (finance, commerce, retail) in many Latin American economies, with women taking a major share of these jobs. In the 1980s, services employed around 70 per cent of economically active women in Latin America and the Caribbean (UN, 1991: 89). Whilst manufacturing employment declined after the mid-1970s in some countries (e.g. Argentina) there has been a major growth in export-oriented manufacturing employment in others particularly in the 1980s (e.g. Mexico, Jamaica) and women have also been the beneficiaries of a high proportion of these new jobs (ECLAC, 1992; UNICEF, 1989). (See section below on manufacturing.)

However, the formal sector share of non-agricultural employment in Latin America fell from 73.9 per cent in 1980 to 69.3 per cent in 1985, with particularly sharp declines in Brazil and Mexico. This decline was largely concentrated in private sector employment in large enterprises; small enterprises and public sector employment shares increased (Humphrey et al., 1993: 42). Although there is no detailed evidence, this would seem to imply that, across the formal sector as a whole, women’s employment, more likely to be in small enterprises and the public sector, has been relatively protected during the recession. On the other hand, women may have lost out more in labour shedding from large enterprises (see below) at least until the mid-1980s, public sector employment continued to expand.

In sub-Saharan Africa, women who are employed in the formal sector are much more likely to be in public sector employment than in the private sector, as noted above for Kenya. Where, as in much of sub-Saharan Africa, the public sector has suffered considerable losses in both employment and real wage levels (see above), which have not been compensated by private sector growth, the share of formal sector employment in female employment must be shrinking. Across all spheres of formal

---

16 As a proportion of total manufacturing employment and/or total female employment, these jobs may be limited in number, however. Lim (1990) argues that the importance of EPZ type employment for women is overstated by lack of comparison with the aggregate context.

17 Accurate figures on net formal sector job losses in SSA are not readily available. Retrenchment figures may exaggerate actual job losses due to the prevalence of ‘ghost workers’; moreover, some of those retrenched from the public sector may later be re-employed in different public sector jobs, as suggested for Ghana (BRIDGE, 1993b).
employment, women tend to be concentrated at lower skill and occupational levels than men. This suggests that women may have less employment security and be more vulnerable to retrenchment in both public and private sectors, even though they may be less affected in aggregate than men because of their lower representation in the formal sector.

There is some evidence that women are discriminated against in formal sector labour markets. Appleton et al. (1990) found that ‘credentialism’ operated against women in labour markets in Côte d’Ivoire, whereby education was used as an entry barrier for women trying to get formal sector jobs, particularly in the private sector. Similarly, Gindling (1993) found that the education levels of employed women were higher than those of employed men.

There is also evidence that once women lose a formal sector job, they experience more difficulty than men of re-entry into this labour market, as shown for example in Hirata and Humphrey’s (1990) study of manufacturing workers in Sao Paolo, described in more detail below. Minujin (1990) also suggests that one effect of recession in Argentina is to reduce the upward mobility of female employees, for example from domestic service into public sector jobs.

3.3.2 Public Sector Employment

Within formal sector employment, the public sector represents 54 per cent of employment in sub-Saharan Africa and 27 per cent in Latin America (Vandermoortele, 1991). A comprehensive gender breakdown of public sector employment for each region is not available, but Table 2 gives some information on the female share of public service employment in selected countries in Africa, Latin America, and Asia and the Pacific from 1975 up to 1987. The female share of public sector employment is highest in Latin America and the Caribbean (at between 23 and 50 per cent, with most countries between 35 and 45 per cent). The figures for Asia and the Pacific (10 to 35 per cent) and Africa (11 to 41 per cent) are lower (see Table 2).

The decline in public sector employment has been largely policy induced. In sub-Saharan Africa at least, compression in the public sector has tended to occur in several stages, i.e. beginning with a wage freeze; then the elimination of temporary or ‘ghost’ workers; followed by a recruitment freeze; and lastly by dismissals. Retrenchments in the public sector have occurred on a considerable scale where other measures have failed to produce sufficient savings. In sub-Saharan Africa public sector recruitment has been limited or frozen by halting policies of guaranteed employment for secondary school leavers and/or graduates from tertiary institutions (e.g. Central African Republic, Togo, Sudan, Mali). Selection is now being carried out by competitive exams in some cases. Whilst there is no information about how this is affecting the gender distribution of recruitment, there may be a bias against women in selection. In other cases - e.g. Senegal - recruitment to tertiary institutions has been restricted, in order to stem the supply of educated youth onto the labour market, such that the potential for closing the gender gap at higher levels of education must be reduced, in the absence of affirmative action for women entrants (Collier, 1988).

The relative effects of the decline in public sector employment on men and women are not clear. The generally higher representation of men in public sector employment (though this is variable) would suggest that the cutbacks have had a greater impact on
them. On the other hand, women tend to be concentrated in lower grade jobs and therefore may be more vulnerable to retrenchment. In some countries in sub-Saharan Africa - e.g. Gambia, Zambia - actual dismissals in the public sector have been concentrated among temporary workers since these are less costly and difficult to make redundant (Collier, 1988). There is no information on the proportion of temporary workers public sector workers who are women in these instances.

The sectoral distribution of women in public sector employment may also be significant: for example, women’s participation in public sector employment continued to rise even during the recruitment freeze in Malaysia because of the protection of health and education expenditure. In other cases, especially in sub-Saharan Africa during the early 1980s, the opposite may have happened where health and education expenditures were falling as a proportion of public spending (see e.g. UNICEF, 1987).

Whilst the loss of women’s employment in the public sector may not be as great as that of men in absolute terms, it has been argued that it has an overall negative effect on women’s bargaining power in labour markets, because public sector employment is relatively free from discriminatory practices compared to the private sector (Elson, 1991). This is borne out by Appleton et al.’s (1990) study of the formal labour market in Côte d’Ivoire which finds that discriminatory employment practices may be prevalent in the private sector but there is little evidence of them in the public sector.

Table 2 shows that, in general, the female share of public service employment in developing countries is stable or rising slowly. In Botswana, there has been a dramatic rise in the share of female employment, although this is probably one of the countries in sub-Saharan Africa least affected by recession and adjustment. Also, data from Kenya show that women’s share of public sector employment has increased consistently over the period 1970-90, with a jump from 21 to 26 per cent between 1985 and 1990, whereas the female share of private sector waged employment did not expand significantly between 1985 and 1990 (Joekes, 1991a: Table 5). However, in Latin America, public sector employment has only been affected by adjustment in the latter half of the 1980s, and even in sub-Saharan Africa, retrenchment (as opposed to freezes in recruitment or wages) has tended to come later rather than earlier in the adjustment process, so that these effects may not be captured in this series.

In Cameroon, by 1991, 30,000 people had been retrenched (from parastatals). In Ghana, by the end of 1991, 50,000 people had been retrenched from the civil service and education sectors. No gender breakdown is given in these cases. In Benin, however, it was found that whilst women represented only six per cent of those in private formal and parastatal employment, they represented 21 per cent among those retrenched (ILO, 1993: 28-9).

In Jamaica, there was a fall in female employment in the public sector of 14,100 between 1981 and 1985 (the adjustment programme began in 1982); no comparison with men is given. The participation of women in public sector employment declined from 19.3 to 13.4 per cent of the female labour force in this period (Safa and Antrobus, 1992).

It is also important to look at the conditions under which public sector retrenchments are taking place. Programmes for retraining or assisting retrenched employees to set up in business have been introduced in many sub-Saharan African countries, along
with other ‘compensatory’ schemes designed to mitigate the ‘social costs of adjustment’. There is some evidence that women may receive less attention than men in such programmes, either directly because they are not included as a target group, or indirectly because of the way programmes are designed. (See section on compensatory programmes.)

Public sector pay has tended to fall faster than private sector pay, implying a relative decline in women’s wages, if it is assumed that there is a greater concentration of women in public than in private sector employment. On the other hand, the compression of wage differentials across occupational groups within the public sector under adjustment (in sub-Saharan Africa) may have narrowed male-female pay differentials. However, in Costa Rica, in the period of stabilisation 1982-3 following recession in early 1980s, ‘the increase in the male-female wage differential during the period of stabilisation was due to a large increase in public sector employment which was disproportionately male. The evidence is that public sector hiring in this period was discriminatory’ (Gindling, 1993: 291). Clearly, it cannot be assumed that discriminatory practices do not occur in public sector employment, particularly in periods of recession and adjustment.

There is some suggestive evidence that women - as well as men - have been ‘voluntarily’ leaving public sector employment due to the sharp falls in real wages, to set up businesses in the informal sector, where there is some potential for higher earnings (Tripp, 1992; Commonwealth Secretariat, 1991). Often, these are women whose partners continue to work in the public sector, possibly for reasons of income security, or access to information. (See section 3.5 on urban informal sector.)

3.3.3 Manufacturing

Overall, women are under-represented in manufacturing industry world-wide, including in developing regions. In Latin America and the Caribbean, 16-17 per cent of economically active women are employed in manufacturing; in sub-Saharan Africa the proportion is even lower at around six per cent (UN, 1991: 88-9). Where women are employed in manufacturing, they tend to be concentrated in specific industries (e.g. garments, electronics) and in relatively unskilled occupations.

The general prediction about the effects of adjustment on manufacturing industry is usually that, where protective tariffs are removed, there will be a decline in import substituting industry with a high proportion of male employment. On the other hand, export-oriented industries where a much higher proportion of women are employed will tend to expand as a result of devaluation. Thus, it is assumed that women will lose less, or gain more, than men. However, Palmer (1991: 107) points out that the picture is much more complex than this, depending on changes in protective tariff levels, different degrees of import content and the extent of demand contraction.
### TABLE 2

**Female Share of Public Service Employment**

*(selected developing countries in percentages)*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<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><strong>Africa</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benin</td>
<td>13</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>15</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Botswana</td>
<td>19</td>
<td>20</td>
<td></td>
<td>35</td>
<td>37</td>
<td>36</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>16</td>
<td></td>
<td></td>
<td></td>
<td>20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Burundi</td>
<td>41</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ethiopia</td>
<td></td>
<td>20</td>
<td>22</td>
<td>23</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kenya</td>
<td>18</td>
<td>18</td>
<td>19</td>
<td>18</td>
<td>18</td>
<td>19</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malawi</td>
<td>12</td>
<td>12</td>
<td>11</td>
<td>12</td>
<td>12</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Morocco</td>
<td></td>
<td></td>
<td></td>
<td>29</td>
<td>28</td>
<td>28</td>
<td>29</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nigeria</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>13</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rwanda</td>
<td></td>
<td>32</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swaziland</td>
<td>27</td>
<td>27</td>
<td>26</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Latin America</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and the Caribb.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barbados</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>43</td>
<td>45</td>
</tr>
<tr>
<td>Bolivia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>Brazil</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>23</td>
<td></td>
<td>24</td>
</tr>
<tr>
<td>Cuba</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>30</td>
<td>31</td>
<td>30</td>
</tr>
<tr>
<td>Jamaica</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>48</td>
<td>50</td>
<td>48</td>
</tr>
<tr>
<td>Panama</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>46</td>
<td>47</td>
<td>41</td>
</tr>
<tr>
<td>Trinidad and</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>43</td>
<td></td>
<td>45</td>
</tr>
<tr>
<td>Tobago</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>43</td>
<td></td>
<td>46</td>
</tr>
<tr>
<td>Venezuela</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>41</td>
<td>41</td>
<td>42</td>
</tr>
<tr>
<td><strong>Asia and the</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Pacific</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bahrain</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cyprus</td>
<td>28</td>
<td>29</td>
<td>30</td>
<td>31</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>33</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>20</td>
<td>21</td>
<td>21</td>
<td>22</td>
<td>24</td>
<td>23</td>
<td>25</td>
<td>28</td>
<td>28</td>
<td>28</td>
<td>29</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>India</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td>23</td>
<td>23</td>
<td>23</td>
<td>23</td>
<td>24</td>
<td>27</td>
<td>27</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kuwait</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>31</td>
<td>34</td>
<td>35</td>
</tr>
<tr>
<td>Qatar</td>
<td>11</td>
<td>12</td>
<td></td>
<td></td>
<td>19</td>
<td>21</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Syrian Arab</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Republic</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20</td>
<td></td>
<td>24</td>
</tr>
</tbody>
</table>

1 Public service employment in the total public sector except: central Government - Burundi, Ethiopia, Mali, Rwanda, Kuwait, Bahrain; Government - Botswana, Morocco, Mexico, Trinidad and Tobago; federal Government - Nigeria; Public Administration - Brazil.

2 Blank spaces indicate no available data. Figures have been rounded.


Moreover, the same industry could be import-substituting in one context and partly export-oriented in another and with differing import contents. Thus, detailed case studies are needed to get beyond such general statements. Given the more limited industrial base in sub-Saharan Africa and the general process of de-industrialisation occurring under recession and adjustment, the potential expansion of export-oriented industries and the possible benefits of this for women’s employment are much less relevant in this case.

There is little exact empirical evidence on the impact of recession and adjustment on women’s employment in manufacturing. The existing studies on women in
manufacturing industries relate almost exclusively to Asia, Latin America and the Caribbean. None of the literature reviewed looked specifically at trends in female manufacturing employment in Africa.

There is some evidence, particularly in Latin America and the Caribbean, of a shift of manufacturing industry in the 1980s from large to small enterprises and of increases in subcontracting, home working and other forms of unprotected employment. This may imply a growth in women’s employment in manufacturing but probably under unfavourable conditions. (See section 3.5 on informal sector.) In other instances, the development of large-scale industries and trade liberalisation accompanying adjustment have led to the displacement of women employed in small-scale, craft-based industries (e.g. the displacement of loom weavers in Sri Lanka) (Jayaweera, 1993).

Hirata and Humphrey’s (1990) study of the impact of recession on male and female industrial workers in Sao Paolo found that, on the whole, women, having lost jobs in industry, were unable to recover their position in the labour market even following the recuperation, whereas for men the impact of job losses was not so lasting. Unskilled and married women particularly were unable to improve their position in the recovery and remained in the informal sector.

‘This process of renewal of the labour force [i.e. older worker’s jobs being taken by younger workers] affected a minority of the male labour force. In the case of women, it has a much broader effect. Unskilled production workers [predominantly women] were disproportionately laid off during the recession. These workers were the least likely to be re-hired. The older women would be forced into inactivity, domestic service or service sector waged employment while the companies would look to younger women when expanding their labour forces again’ (Humphrey and Hirata, 1990: 26-7).

Wood (1991), uses data from 1960 to the early 1980s to examine trends in female labour participation in manufacturing and their association with trade patterns. He finds that developing countries which exported a rising proportion of their manufacturing output to the North tended to employ an increasing share of females in their manufacturing sectors. Of the 35 countries covered, over half increased the female intensity of their manufacturing sectors in the period - although a number of countries in Latin America show falling female intensity in manufacturing. He also finds (although the association is weaker) that countries with export-oriented manufacturing sectors tended to have female intensive manufacturing sectors. (See Joekes, 1993 for more details of Wood’s and related findings.) These findings cannot be directly related to the impact of adjustment, although they would seem to suggest that, where increased export-orientation follows devaluation and trade liberalisation under adjustment, it may lead to more female intensive manufacturing.

In some countries, particularly in Latin America and the Caribbean and Asia, there has been a rapid expansion of female employment in export processing manufacturing industries even during the 1980s period of recession and adjustment. In Mexico, for example, employment in export assembly and in-bond toll manufacturing industries grew by 14.5 per cent annually between 1980 and 1989, taking up a large - but falling (see below) - proportion of female labour (Judisman and Moreno, 1990: 10). It is not clear how strongly this phenomenon is linked to adjustment policies per se, since it predates adjustment. However, devaluation and trade liberalisation as well as the
lowering of local wage costs must have contributed to some extent to the increased employment in these areas.

At a national level in Mexico, between 1980-86 there was a rise in female manufacturing employment from 21.1 to 25.7 per cent, mostly in the border region. In the north, women constitute a high proportion of motor industry workers, especially in autoparts production. In this region, which is mainly geared to export production (whereas the motor industry in central Mexico is more geared to domestic markets), wages are lower than elsewhere in the country, due partly to lack of union organisation. Most of the increase in female manufacturing employment is in the maquiladora (export) sector, with a concentration of single women in their early twenties (Roberts, 1991).

Interestingly, in Mexico, there has been a marked fall in the share of women employed in EPZs over the 1980s, from 77 per cent in the early 1980s to 56 per cent later in the decade (Joekes and Baden, 1993). Roberts (1991) also finds a rise in the male share of the maquiladora labour force from 28 per cent in 1983 to 38 per cent in 1988 and Judisman and Moreno (1990: 10) similarly find evidence of a falling share of female labour. One possible explanation for this is a shift in the skills requirements of export industries over time as technological upgrading occurs. This demonstrates that the gains to women’s employment of the expansion of export-oriented industries may not be permanent.

In Jamaica, the total labour force in EPZs in the early 1980s was around 14,000 - of whom 95 per cent were women - constituting 16 per cent of manufacturing employment. Between 1981 and 1985, an additional 6,800 women found manufacturing jobs (no comparison with men is given but the proportion of women in manufacturing rose from 7 to 8.7 per cent). These new jobs were not specifically located in Export Processing Zones; many were with local manufacturers who were sub-contracting to foreign investors especially in the garments industry. Wages in garment manufacturing were said to be very low, although no comparative data is given (Commonwealth Secretariat, 1990: 49; Safa and Antrobus, 1992: 60-64; Joekes and Baden, 1993).

In the Dominican Republic the share of women in EPZ employment, which constituted 78 per cent of manufacturing employment, was 68 per cent in the early 1980s. Between 1981 and 1988, the number of employees in Free Trade Zones increased from 19,456 to 85,000 (no gender breakdown is given) with the largest increase (over 100 per cent) in 1985-6. The previous year had in fact seen a slight decline in employment in this area. The drop followed by the large rise could possibly be related to the introduction of austerity measures in 1983/4 followed by substantial devaluation and improved access to foreign exchange markets for outside investors in the subsequent year (Safa and Antrobus, 1992: 60-64; Joekes, 1987; Joekes and Baden, 1993).

Given women’s concentration in certain sectors of manufacturing, it is difficult to compare male and female wages and their trends over time. Wage levels in (female dominated) export processing industries, are not systematically higher or lower compared to other manufacturing industry (which tends to be male dominated). There is some evidence to support the idea of a ‘salary life cycle’, whereby early in the development of export processing industries, wages are relatively high and draw on a
comparatively educated female labour force, but that over time, they fall relative to other employment (Joekes and Baden, 1993).

3.3.4 Services

There is little information about women’s employment in services in developing countries, particularly sub-Saharan Africa, or about shifts taking place in this sector. A high proportion of women’s employment in services - especially in sub-Saharan Africa - takes place within either the public (see above) or the informal sector (particularly personal services - see below), which may explain the lack of attention to this area.

As mentioned above, there is a high and rising proportion of women in the services sector in Latin America, particularly office and shop workers and domestic servants, although the numbers of women in domestic service appears to be falling in some countries (as in Peru, see Francke, 1992). Even during the recession and adjustment, some areas of service employment continued to expand, suggesting an increase in employment opportunities for women. For example, in Mexico, employment in financial services, real estate and insurance expanded by 6.5 per cent yearly between 1981 and 1984 (Judisman and Moreno, 1990).

Another area of service employment which might be expected to expand under adjustment, and to employ a high proportion of women, is tourism. In Mexico, employment in tourism increased by two per cent per annum between 1980 and 1989, although no data is given on the gender composition of employment in this sector (Judisman and Moreno, 1990: 11). No other specific references were found to changing patterns of employment or conditions in this sector in the literature reviewed.

In Moser’s (1992) study of a low income community in Guayaquil, Ecuador, the greatest increase in women’s employment was in professional (mainly teachers and nursing auxiliaries) and office jobs, in which the share of women in the sample had risen from two per cent in 1978 to 10.2 per cent in 1988 (it is not clear whether these are mainly public sector jobs or include private sector employment), reflecting a process of differentiation in this community. She also found that: ‘Of those households with working daughters, the largest number were employed as shop workers (36 per cent). Although the majority of them had completed secondary school, they were either on short term contracts or selling on commission. A further 15 per cent were in professional and office jobs and over 20 per cent were in domestic service’. (Moser, 1992: 98-9).

According to some sources, although women’s employment in services is expanding, even under conditions of recession and adjustment, wages in this sector are falling, perhaps more so than in other occupations - particularly for office and shop workers and domestic servants (ECLAC, 1992; Moser, 1992; UNICEF, 1989). Moser (1992: 98) concludes that: ‘Although gender segregation in the labour market has protected women’s employment in the service sector, this has only been achieved at lower rates of pay.’

This limited evidence suggests relative buoyancy of employment in services albeit under worsening conditions. However, there is clearly considerable scope for more research into women’s employment in services in developing countries, given its
current and probable future expansion, not least as regards its export capacity, and for a more detailed analysis of how women’s employment in this sector is affected by recession and adjustment.

3.4 Impact of Recession and Adjustment on Male-Female Wage Differentials

Little work has been done on male-female earnings differentials under recession and adjustment. Increased earnings differentials are not necessarily due to employer discrimination: it could be that human capital, skill or seniority factors (which in standard approaches are often seen as independent from gender per se) come into play. For example, it is likely that in a recession (or under adjustment) employers may initially shed the least skilled labour and retain workers with more skills. At the same time, more (lower skill) women may be entering the labour force to meet increased living costs, thus bringing down the mean human capital level of women workers. Thus, it is argued, the male-female earnings differential could increase on the basis of widening endowment levels rather than discrimination (Gindling, 1993).

However, it is highly improbable that male-female earnings differentials can be wholly explained by variations in human capital endowments (Anker and Hein, 1986). Even in developed - and some developing - countries where gender biases in access to education are negligible, such differentials persist; markedly so in some Asian countries where gender differentials in access to education have narrowed considerably (see Table 3).

According to Gindling (1993), in Costa Rica, the male-female wage differential increased during the crisis, but he attributes this to the entry of large numbers of low- or unskilled women into the labour force, rather than to employer discrimination. In Malaysia, the trend of increasing relative female earnings in the 1970s and 1980s was reversed in the 1984-7 recession (Horton et al., 1991: 50). In 1985 in Latin America and the Caribbean, average female incomes were between 53 and 84 per cent of average male incomes, based on data from five metropolitan areas. Even when controlling for education, this differential persists; in fact it appears to widen higher up the educational and occupational ladder. The relative incomes of women appear to have declined compared to men between 1982 and 1985, with the greatest declines for women with intermediate educational levels, such as office workers. Women own account traders have also suffered disproportionate falls in income level (ECLAC, 1992). However, in some countries in the region, male-female earnings differentials may be falling, e.g. in Jamaica, where overall earnings were declining between 1983 and 1985, but female earnings less so than male, probably due to increased opportunities for women in manufacturing and trading (UNICEF, 1989). In Bolivia, there is some evidence that male-female differentials were reduced between 1981 and 1987. Here, employment loss was concentrated in mining which is a predominantly male sector (Horton et al., 1991: 50-51).

Table 3 gives some data on female earnings as a percentage of male earnings in manufacturing from 1975 to 1987, although long time series are only presented in a few cases: i.e. Kenya and El Salvador and Costa Rica, as well as some Asian countries. Female earnings are universally lower than men’s but with great variation between countries (from under 50 per cent of male earnings in Korea to over 90 per cent in Burma and Tanzania) and over time.
In Kenya there was a fall in female-male earnings in manufacturing from 80 per cent to 63 per cent between 1983 and 1987, but the ratio rose again to 74 per cent in 1990. In Swaziland a drop from 82 per cent to 73 per cent occurred between 1980 and 1984 in the female percentage of male earnings. In El Salvador, the ratio of female to male earnings fell from 89 per cent in 1982 to 77 per cent in 1983 but by 1990 the ratio had reached 94 per cent. These sketchy data suggest a tendency for earnings differentials to widen in manufacturing during recession and adjustment in the early 1980s, with some trend towards a closing of the gap in the late 1980s/90s. However, more comprehensive data and more detailed analysis would be required to demonstrate any clear trends. Moreover, the significance of the data is limited by the low share of manufacturing in total female employment in many developing countries.

Consistent with the downward pressure on real wages (see above) and the informalisation of many developing economies under recession and adjustment (see next section), there is evidence that informal sector incomes form an increasing proportion of household income. In urban Tanzania, by 1988, wage income constituted only ten per cent of household income - the rest came from informal sources. This contrasts with the situation in 1976 when wages constituted 77 per cent of household income. Whereas previously a public sector employee may have been expected to support not only immediate family members but possibly also members of an extended family, wages and salaries from formal sector employment are no longer sufficient to cover the basic needs of a household in many countries. In 1988, the daily food cost for an average family in one district of Dar-es-Salaam was eight times

---

**TABLE 3**

Female Earnings as a Percentage of Male Earnings in the Manufacturing Industry, 1975-1987

(Selected developing countries)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<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><strong>Africa</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Egypt</td>
<td>68</td>
<td>75</td>
<td>63</td>
<td>92</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kenya</td>
<td>66</td>
<td>77</td>
<td>56</td>
<td>54</td>
<td>70</td>
<td>63</td>
<td>59</td>
<td>76</td>
<td>80</td>
<td>77</td>
<td>76</td>
<td>73</td>
<td>63</td>
</tr>
<tr>
<td>Tanzania</td>
<td>71</td>
<td>79</td>
<td>88</td>
<td>82</td>
<td>82</td>
<td>79</td>
<td>78</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swaziland</td>
<td>66</td>
<td>78</td>
<td>71</td>
<td>83</td>
<td>81</td>
<td>82</td>
<td>81</td>
<td>55</td>
<td>72</td>
<td>73</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Latin America</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>El Salvador</td>
<td>90</td>
<td>86</td>
<td>81</td>
<td>82</td>
<td>79</td>
<td>81</td>
<td>86</td>
<td>89</td>
<td>77</td>
<td>84</td>
<td>82</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Netherlands Antilles</td>
<td>51</td>
<td>66</td>
<td>65</td>
<td>67</td>
<td>68</td>
<td>64</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Asia</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Burma</td>
<td>89</td>
<td>82</td>
<td>103</td>
<td>87</td>
<td>89</td>
<td>86</td>
<td>89</td>
<td>91</td>
<td>92</td>
<td>94</td>
<td>99</td>
<td>86</td>
<td></td>
</tr>
<tr>
<td>Cyprus</td>
<td>47</td>
<td>49</td>
<td>50</td>
<td>48</td>
<td>50</td>
<td>50</td>
<td>54</td>
<td>56</td>
<td>55</td>
<td>56</td>
<td>56</td>
<td>56</td>
<td>58</td>
</tr>
<tr>
<td>Hong Kong</td>
<td></td>
<td>78</td>
<td>79</td>
<td>81</td>
<td>79</td>
<td>78</td>
<td>76</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Korea, Rep.</td>
<td>47</td>
<td>49</td>
<td>45</td>
<td>44</td>
<td>44</td>
<td>45</td>
<td>45</td>
<td>45</td>
<td>46</td>
<td>47</td>
<td>47</td>
<td>49</td>
<td>50</td>
</tr>
<tr>
<td>Singapore</td>
<td>62</td>
<td>62</td>
<td>63</td>
<td>64</td>
<td>65</td>
<td>63</td>
<td>56</td>
<td>58</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>81</td>
<td>87</td>
<td>82</td>
<td>71</td>
<td>69</td>
<td>72</td>
<td>78</td>
<td>71</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Blank spaces indicate no available data.

the daily minimum wage. This has implications for women in terms of: the additional pressure for them to work outside the home in order to make ends meet; and their increased responsibility for meeting household expenditures; and pressure on them to make greater economies in order to stretch resources at household level. Low-income families which spend a high proportion (in some cases over 80 per cent) of their income on food are particularly hard hit by food price inflation (Tripp, 1992).

3.5 Urban Informal Sector Employment

Discussions of the informal sector are beset by both conceptual problems, alluded to above, and empirical measurement problems, since by definition much informal sector activity is unregulated. These problems are further complicated when looking at women’s participation in the informal sector, where much labour takes place within the home and in many cases is unpaid.

Francke (1992) stresses the fluidity between formal and informal sectors, such that in recession, formal enterprises will subcontract work or deregulate and partially enter the informal sector; in periods of growth small enterprises will expand and become regularised, or register in order to obtain loans and benefits. The shifting participation of men and women in this sector has to be seen in this context. For example, in 1987, women’s informal sector participation in Lima suddenly dropped, contrary to the previous trend, but this is explained by the availability of official loans for which small manufacturing enterprises - mainly employing women - had to be registered.

Women are not generally more numerous than men in informal sector employment. Table 4 shows that the female share of informal sector employment in Congo in 1990 was 25 per cent; in Kenya 37 per cent and in Tanzania 28 per cent. However, a greater proportion of the female than the male labour force tends to be represented in this sector (Palmer, 1991). Women who are discriminated against in formal sector employment (particularly older, married, and uneducated women) have little choice but to enter the informal sector.

On the whole - although not exclusively - women tend to be concentrated in the small-scale production and personal services end of informal sector activity (which is more likely to be non-tradable) and thus are vulnerable to both falling incomes (due to demand restraint) and crowding effects (because of ease of entry) of recession and adjustment.

For example, in Côte d’Ivoire and especially in urban areas, ‘women were and are still mostly traders, market women or street sellers of prepared foods near offices and factories, as well as selling cooked foods in their own homes’ (Weekes-Vagliani, 1992: 136). Table 5 shows that in 1990, trading activities formed around 80 per cent of female informal sector employment in many African countries.

Women in the informal sector may be hit by income declines among not only low income but also higher income groups, for example, through a reduction in demand for domestic servants. These effects may be offset to some extent by substitution towards cheaper informal sector goods as downward pressure on incomes takes hold. Overall, however, it seems likely that the net effect of demand restraint and labour crowding will lead to declines in women’s informal sector earnings.
There is little information on women’s and men’s relative positions in the informal sector, except that women tend to be concentrated in the small-scale, undercapitalised, low productivity end of informal sector activities (Palmer, 1991: 108-110; Weekes-Vagliani, 1992). Several sources show that women’s participation in the informal sector is characterised not only by ‘tertiarisation’ but also by ‘over concentration’ in a few lines of work - whereas men have a greater occupational spread in the informal sector (Francke, 1992). Moser (1992: 97) finds that women in Guayaquil are mainly engaged in selling, dressmaking and personal services, whereas men are in selling, tailoring, carpentry, personal services and mechanics. Similarly, data from Kenya (Joekes, 1991a: Table 6) shows that over 80 per cent of self-employed women are in agriculture and sales, compared to only 50 per cent of men, with men engaging in a range of other informal sector activities.

It is not clear to what extent, as male unemployment increases, men enter informal labour markets in competition with women. There is some evidence that men - particularly older married men with children - tend to resist entering informal sector occupations and continue to aspire to formal sector jobs; and that where they do engage in informal sector activity, this may be in quite separate spheres to women and thus possibly not in direct competition with them (Hirata and Humphrey, 1990).

In Latin America, particularly, there appear to be life-cycle factors associated with informal sector participation for both women and men, but particularly for women. Younger women are more likely to be employed in low-wage white collar work, whilst older married women, and especially female heads of household, are most likely to be employed in the informal sector. Conversely, age and marriage may be negatively associated with the informal sector participation of men (Roberts, 1991; Moser, 1992).

### TABLE 4

**Female Share of Informal Sector Employment in Selected Countries**

(in percentages)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Congo</td>
<td>26.7</td>
<td>26.9</td>
<td>26.8</td>
<td>24.6</td>
</tr>
<tr>
<td>Ghana</td>
<td>32.0</td>
<td>32.0</td>
<td>32.0</td>
<td>27.3</td>
</tr>
<tr>
<td>Guinea</td>
<td>31.9</td>
<td>32.0</td>
<td>32.0</td>
<td>26.8</td>
</tr>
<tr>
<td>Liberia</td>
<td>42.8</td>
<td>43.2</td>
<td>43.0</td>
<td>39.3</td>
</tr>
<tr>
<td>Madagascar</td>
<td>33.3</td>
<td>33.1</td>
<td>32.8</td>
<td>29.0</td>
</tr>
<tr>
<td>Kenya</td>
<td>31.3</td>
<td>31.0</td>
<td>31.1</td>
<td>36.7</td>
</tr>
<tr>
<td>Nigeria</td>
<td>29.8</td>
<td>30.0</td>
<td>30.0</td>
<td>25.9</td>
</tr>
<tr>
<td>Somalia</td>
<td>32.1</td>
<td>31.9</td>
<td>32.0</td>
<td>34.6</td>
</tr>
<tr>
<td>Tanzania, United Rep. of</td>
<td>30.3</td>
<td>30.0</td>
<td>30.0</td>
<td>28.4</td>
</tr>
<tr>
<td>Togo</td>
<td>38.6</td>
<td>39.0</td>
<td>39.0</td>
<td>32.2</td>
</tr>
<tr>
<td>Zaire</td>
<td>37.3</td>
<td>37.0</td>
<td>37.0</td>
<td>24.9</td>
</tr>
</tbody>
</table>

Roberts (1991) finds that, in Mexico, women are more likely to be informally employed than men, but only slightly. In 1976, women comprised 36.4 per cent of the informally employed versus 27 per cent of the formally employed. (However, figures vary depending on the classification of low-paid white collar workers - another survey finds women less likely to be in the informal sector than men.) His view is that ‘up to 1980, the informal sector offered relatively attractive income opportunities for certain categories of workers; that is those without high credentials and who, because of domestic chores or age, needed the flexibility offered by informal employment’ (Roberts, 1991: 125). However, Roberts (1991) also finds that, in the 1980s, informal sector incomes in the shoe and garment industries fell more than those in large-scale factories in the same industries. Workers in informal workshops in shoe and garment industries - more likely to be women - suffered a 50-60 per cent drop in real incomes between 1982 and 1987 compared to 45-55 per cent fall in large shoe factories and 15 per cent in steel mills.

Moser’s (1992) study of a low-income community in Guayaquil, Ecuador, between 1978 and 1988 shows that the proportion of women in typical informal sector occupations did not alter markedly over the ten year period, although there was a significant rise in female participation rates from 40 per cent in 1978 to 52 per cent in 1988, reflecting both the increasing unreliability of male incomes and increases in prices faced by households. (As noted above, much of the increased female participation was in professional and service sector employment.)

In Lima, Peru, in the 1980s, over 80 per cent of economically active women worked in commerce, services or domestic labour, mainly in non-salaried capacities, particularly as unpaid family workers. The share of women in the informal sector increased from 35.5 per cent to 45.5 per cent between 1979 and 1986. Older women were found to work as street vendors or run backyard shops; younger women worked in domestic service but after a certain period would leave these jobs for more ‘independent’ work in the informal sector. Whilst all informal sector incomes suffered a decline in the 1980s, men’s recovered to almost 1981 levels by 1987, whereas women’s remained at almost half their 1981 level in 1987 (about two thirds of male incomes - in 1981 women’s incomes were higher than men’s by 33 per cent in the informal sector). This suggests that the effects of demand restraint and/or crowding on male informal sector incomes are temporary, whereas those on women’s incomes are longer lasting (Francke, 1992).

Jamaica saw a considerable growth in self-employment in the period 1980-7: women’s self-employment rose from 91,200 to 114,000; men’s rose from 208,000 to 238,900. In 1984, 38 per cent of economically active women versus 11.8 per cent of economically active men were in informal sector employment. A high percentage of the women working in the informal sector in Jamaica are ‘higglers’ - i.e. petty - and not so petty - vendors (Safa and Antrobus, 1992: 64-6). The growth of informal sector employment was partly stimulated by government seed capital programmes and partly by deregulation. Between 1980 and 1987, 24,000 women entered the distributive trades, many as ‘Informal Commercial Importers’. There was a 30 per cent increase between 1980 and 1985 in women doing this work (Commonwealth Secretariat, 1990: 49). Women working in the garment manufacturing industry are also increasingly doing so as home-workers.

18 This represents a growth of 25 per cent in female self-employment, compared to 15 per cent in male self-employment.
In the Dominican Republic, the share of the economically active population in the informal sector grew between 1980 and 1983 from 38.6 per cent to 45 per cent, but more men than women are active in the sector. Wages in this sector are on average 60 per cent lower than in the formal sector. 70 per cent of the women in the informal sector are earning incomes below the poverty line. For women, informal sector work largely consists of low-wage, unprotected domestic labour. The growth of the informal sector has been encouraged by state and international policies supporting growth of micro-enterprises and extending credit towards this sector, but this support has not necessarily benefited poorer women. For example, the ADEMI credit programme revised its loans policy during the crisis in favour of larger enterprises; loans to poor women’s solidarity groups were suspended, eliminating 77 per cent of female beneficiaries (Safa and Antrobus, 1992: 65).

**TABLE 5**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Congo</td>
<td>78</td>
<td>77</td>
<td>79</td>
<td>77</td>
</tr>
<tr>
<td>Ghana</td>
<td>82</td>
<td>81</td>
<td>81</td>
<td>81</td>
</tr>
<tr>
<td>Guinea</td>
<td>83</td>
<td>84</td>
<td>84</td>
<td>84</td>
</tr>
<tr>
<td>Liberia</td>
<td>60</td>
<td>60</td>
<td>60</td>
<td>61</td>
</tr>
<tr>
<td>Madagascar</td>
<td>81</td>
<td>81</td>
<td>82</td>
<td>83</td>
</tr>
<tr>
<td>Kenya</td>
<td>84</td>
<td>84</td>
<td>84</td>
<td>84</td>
</tr>
<tr>
<td>Nigeria</td>
<td>88</td>
<td>87</td>
<td>87</td>
<td>87</td>
</tr>
<tr>
<td>Somalia</td>
<td>82</td>
<td>82</td>
<td>81</td>
<td>81</td>
</tr>
<tr>
<td>Tanzania, United Rep. of</td>
<td>88</td>
<td>87</td>
<td>87</td>
<td>87</td>
</tr>
<tr>
<td>Togo</td>
<td>85</td>
<td>85</td>
<td>85</td>
<td>84</td>
</tr>
<tr>
<td>Zaire</td>
<td>70</td>
<td>70</td>
<td>70</td>
<td>70</td>
</tr>
</tbody>
</table>


In sub-Saharan Africa, since 1985, there has been a slow-down in women’s entry into the informal sector, probably due to increased competition and crowding, especially in trading which occupies around 80 per cent of female informal sector workers (Table 5). Whereas between 1980 and 1985, women’s participation in the informal sector rose by six per cent per year, between 1985 and 1990, this slowed to two per cent per year (ILO, 1993: 29).

A study of the impact of adjustment on women in Zimbabwe in mid-1991 found that, in one particular district of Harare, the majority of women surveyed were engaged in some form of informal sector activity. Self-employment was also found to be highly gender segregated, with men commonly working as taxi drivers, whilst women worked mainly as seamstresses and knitters, and selling agricultural produce. Gender differentials in earnings did not appear to be particularly marked, with women’s earnings averaging Z$740 compared to men’s of Z$760 per month; however, most of the women who identified themselves as ‘housewives’ were in fact engaging in regular or irregular income-generating activities, with monthly incomes averaging...
Z$170 for regular activities and Z$44 for irregular ones. Six months later, a small sample follow-up survey found that the incomes from women’s cash generating activities had fallen, due to higher outlay costs and lower demand; several women had given up their activities because they could no longer afford the initial outlay (Kanji and Jazdowska, 1993).

In Ghana, the 1983 adjustment programme had the effect of cutting commercial margins and consequently the incomes of small vendors who are usually women, reducing this overdeveloped (because of prior rapid growth in 1970s) sector in favour of directly productive activities (Bourguignon and Morrisson, 1992: 37). A study by Clark and Manuh (1991, cited in Baden et al, 1994) of female traders working under adjustment in Accra and Kumasi found that the women reported a crowding of the sector with new entrants. These newcomers included men, some of whom had begun to move into areas of trade traditionally associated with females.

In the United Republic of Tanzania, a study by Tripp (1992) shows that there has been a very large increase in self-employment amongst women. An earlier (1971) study found only seven per cent of urban women in self-employment; by 1988, 66 per cent of urban women were self-employed. About 80 per cent of these women began their businesses between 1982 and 1987 (versus 50 per cent of men), and for most women this was their first small business venture, indicating that the growth in women’s informal sector activity is a response to recession/adjustment. Although overall more men than women were engaged in informal work full time, but a high proportion of women combined informal work with farming (45 per cent of women versus 17 per cent of men). 60 per cent of women reported that children were helping them in informal sector activities and 44 per cent of women got their starting capital from husbands.19

Some of these women’s activities were proving very lucrative: an example is given of a woman who started a ‘project’ with her husband’s capital. One year later the income from the ‘project’ was 26 times his wage! A common pattern seemed to be men maintaining their formal employment - possibly as a source of income security, access to other benefits, reserve funds in case of business failure, or sources of information and contacts - whilst women engaged in informal sector activities where they could potentially earn much higher incomes than their husbands. Many of the women working in the informal sector had themselves left low paying jobs in the formal sector to become self-employed. Whilst there had been a considerable lowering of differentials in formal sector wages, there was evidence of rising income differentials among informal sector workers. The upper and middle income groups of women working in this sector were earning up to ten times the amount that lower income women were able to earn (Tripp, 1992).

There is anecdotal evidence from some countries (e.g. Uganda and Morocco) that wage declines have led people to take up second (and third) jobs, usually in the informal sector or of a non-contractual kind, on top of their primary occupation (Joekes, personal communication). It is also reported that women active in the informal sector keep up their involvement in agricultural production, unlike men who can specialise in informal sector work. Both these factors complicate attempts to  

19: It is not specified where the other 56 per cent obtained their capital, although rotating credit societies had expanded dramatically and were perhaps an alternative source of start-up capital.
assess contemporary changes in employment patterns, given that standard data collection techniques focus only on primary occupations.

Weekes-Vagliani’s (1992) study of informal sector activities in Côte d’Ivoire similarly found that there was a wide-spread of income groups operating in the informal sector. One quarter of the men and nearly one third of the women in the informal sector in Abidjan were from higher income groups; in other cities one third of the men and over half of the women were from higher income groups. Nevertheless, the proportion of middle income and poor informal sector workers was higher in each case.

3.6 Agricultural Employment

Much of the literature relating to adjustment and the agricultural sector, and more particularly that with a gender focus, relates to sub-Saharan Africa, and this bias is reflected here. Typically, the model presented of gender and agricultural production in sub-Saharan Africa is one of women predominantly producing food for subsistence and/or working as unpaid family labour on men’s cash crop fields. However, as Palmer (1991) points out, this is a simplistic generalisation and there are considerable regional variations. She suggests that women working as unpaid labour on men’s cash crops may be prevalent in East and Southern Africa, but is less characteristic of West Africa. More attention to women’s own account farming, particularly that of female-headed households, is needed in both analysis and policy. Moreover, there is increasing pressure on rural women to earn cash incomes through the sale of produce, hiring out labour, or off-farm activities, in order to purchase essential goods and services (Gladwin, 1993).

As noted in section 2.1, in theory the overall impact of adjustment on agricultural output, prices and incomes should be more positive (or at least less negative) than for other sectors, because of improved rural-urban terms of trade brought about by devaluation and price deregulation. However, there is some evidence that both the extent and the impact (in terms of output and incomes) of price shifts under adjustment may not be as significant as advocates have predicted. It is now well documented that aggregate agricultural supply response may remain low, even if supply response of individual crops is high. Constraints on supply response may be in part due to resistance of women to the reallocation of their labour at household level (see below). Also, other adjustment measures (such as subsidy removal, increased interest rates and reductions in public expenditure in rural areas) may have countervailing effects on agricultural production and incomes. Moreover, there is a need to disaggregate the impact of adjustment on the rural sector in order to examine both inter- and intra-household differentiation, both of which have a gender dimension.

Both the intention, and in some cases the effect, of adjustment policies in agriculture is to increase incentives to cash crop production and thus to increase agricultural output and incomes. This has been reported, for example, for maize in Zambia (Loxley, 1990), tobacco in Uganda (Humphrey et al., 1993) and cocoa in Ghana (Sarris and Shams, 1991). Improved price incentives lead to increased acreages planted and to increases in demand for labour, which may be met from intra- or extra-household sources. There is evidence to suggest that women’s labour is an important component of both these sources.
Loxley (1990) describes the apparent success of price incentives in increasing agricultural output in Zambia since 1983. Good weather conditions (prior to the early 1990s drought) and the introduction of new varieties were partly responsible, but a 50 per cent acreage expansion is also reported. Between 1978 and 1988 there was considerable expansion in rural employment on both large and small farms. However, increased demand for labour on small farms (particularly in Northern province) tended to be met from within the household. Both men and women gave more time to farm labour, but the gap between husbands’ and wives’ time input narrowed in joint-headed households. In female-headed households, the increase in farm labour of women was greater than that for wives. There was a fall in the time devoted by women to household chores. In joint-headed households, the influence of men over decision making appeared to increase. Loxley emphasises the growing differentiation of the rural population and notes the exclusion of the majority of poorer households from access to credit. He also finds it ‘unlikely that the real wage in the agricultural sector has risen as rapidly as real prices of marketed produce so that net sellers of agricultural crops have probably gained significantly relative to agricultural labourers and especially, to subsistence producers’ (Loxley, 1990: 73).

Sarris and Shams (1991) find that in Ghana, one effect of adjustment on the agricultural sector is increasing agricultural wage rates. This has created a strong incentive for the substitution of hired labour with family labour among traditional technology farmers, even though the returns to intensified family (i.e. particularly female) labour are low.

Evans (cited in Humphrey et al., 1993) finds an increase in the supply of male labour to hybrid maize production. The most successful households were those (usually joint-headed households) with sufficient labour, land and finance (often from off-farm sources) to cover the costs of credit and hiring seasonal labour. Wives often apportioned some of their household labour responsibilities to other women, adopted labour saving practices (e.g. cutting down on meal preparation time) or cut down on leisure. Women-headed households were the least able to benefit from new incentives, mainly because of their labour constraint. They tended to concentrate on activities which required minimal male labour, and had low returns. The expansion of commercial maize production had also led to an increased demand for casual labour which was being met primarily by female heads of household or women from mainly subsistence households, with wages often paid in kind. Again, a growing differentiation is noted between successful commercial farming households and less successful subsistence, trading and labouring households, i.e. between net food sellers and net food buyers. Female-headed households, who comprise a significant and possibly growing (25-35 per cent) proportion of rural households in sub-Saharan Africa are likely to be over-represented among net food buying households (Gladwin, 1993).

However, even in successful commercial farming households, women do not necessarily perceive themselves as better off. In tobacco growing households in Uganda, women were ambivalent about the benefits of expanded production, since this appeared to give men greater control over income and decision making than under mainly food production, and led to further investment in land and wives (Humphrey et al., 1993). Kennedy and Cogill (cited in Joekes, 1991b) found that women’s extra energy expenditure in expanded cash crop production was not being compensated by increased energy intake.
Various factors have been isolated which tend to lead to households becoming successful adopters of cash crops under adjustment, i.e. larger holdings, access to labour (including wives) and to off-farm income. All these factors suggest that men, rather than women farming on their own account, are more likely to benefit from incentives under expanded commercial agriculture. Poorer households, and particularly female-headed households, are likely to have smaller holdings, and to lack access to off-farm income or credit to purchase inputs. On smaller holdings, a smaller proportion of output is marketed and in many cases subsistence needs cannot be met such that these households are net food buyers. Where little output is marketed, producers - particularly women - may be reluctant to borrow, even if credit is available, since they do not have the cash income to cover loans and since they may be more risk-averse. Gladwin (1991) argues on the basis of research on female farmers decision-making in Malawi and Cameroon, that continued fertiliser subsidies aimed at women farmers, rather than simply increasing the availability of credit, would enable them to expand production (Humphrey et al., 1993; Joekes, 1991b; Gladwin, 1991; 1993).

Women farmers are further constrained by lack of access to labour which limits their ability to expand production even where land is available. Since women in sub-Saharan Africa bear a major responsibility for food production for consumption, as well as for domestic labour, they are constrained in their ability to reallocate their own labour to cash crop production. Also, they lack command over other adult (particularly men’s) labour, although they may be able to mobilise child labour, with possibly negative implications for school attendance. Where men intensify their own labour inputs into cash cropping, as illustrated above, the responsibility for household food provisioning may become even greater for women, as noted by Sarris and Shams (1991) for Ghana.

In some instances, women have resisted attempts by men to increase their labour inputs into cash cropping, with possibly limiting effects on supply response; in other instances they may have been unable to do so, with possibly negative effects on household nutrition, if women’s traditional food crops are being neglected as a result. Even where overall household income is increasing through cash cropping, it is known that if men control income, it is less likely to be spent on increasing or improving household food intake, or other welfare enhancing expenditure, than if women control or influence spending. Kinship systems and the degree of separation in responsibility for food production may also affect the responses of women. In Zambia, women in matrilineal areas did increase their labour inputs into male-controlled hybrid maize production, but were able to claim a portion of that production for household consumption as compensation. In patrilineal systems, women were able to resist male attempts to increase their labour in cash cropping, and continued to focus on food production (Humphrey et al., 1993).

An example from Malawi shows how men are able to capture the benefits of SAP incentives whereas women’s response is constrained, even where incentives are strong.

‘Aggregate data from Malawi show that, although the profitability of local (subsistence) maize has steadily increased, this increased profitability has not elicited an improved supply response of local maize, a non-tradable. Yet the increased profitability of hybrid maize, the men’s cash crop, has elicited a more than doubling of the supply. Where has this increased hectarage of
hybrid maize come from? Groundnuts, the women’s cash crop, has decreased steadily in hectarage. Men are thus responding to the increased profitability of their cash crop, leaving women less able to buy fertiliser for local maize and farm it intensively. Yet more intensive farming of maize is the most effective way to increase cash crop production in Malawi’ (Gladwin, 1993: 95).

This shows that SAPs can lead to competing demands over land and labour which act to the detriment of women’s autonomous production and incomes. The increased profitability of farming under SAPs is tending to lead to rising land values and at least localised land pressure, which may further weaken women’s land entitlements. In Ghana, for example, there has been growing inequality of land distribution in the 1980s, with an increasing number of landless and near landless households (Sarris and Shams, 1991; Palmer, 1991).

Where women have successfully responded to SAP-induced incentives, it tends to be where they are able to market surplus produce from traditional food or cash crops (e.g. root crops or groundnuts). This may be partly as a result of favourable price changes, but also requires access to sufficient land and labour, and markets, as well as prior investment in improving productivity. For example, Guyer and Idowu (1993) show how women in one area of Nigeria were able to respond to increased demand for root crops (cassava, yam) from urban areas, following a ban on food imports under the SAP. In part, this success was due to prior investment in tractor based mechanisation in the area (cited in Gladwin, 1993; Elson, 1991: 7).

Another area where women are being affected by SAPs is the transportation and marketing of agricultural produce. In some areas, rises in transport costs (e.g. imported bicycles, vehicles and fuel) and the deterioration of road systems (due to declining public investment) may have led to an intensification of head loading by women, a highly labour intensive and physically arduous task. This is noted for both Ghana (Sarris and Shams, 1991) and Tanzania (Gladwin, 1993). On the other hand, in West Africa particularly, where women form a high proportion of traders, (over 80 per cent in Ghana) the liberalisation of agricultural marketing and increased prices may have enabled a small proportion of women to increase incomes and expand operations. Ironically, this may work against women farmers, since they tend to sell produce to such traders at the farm gate at depressed prices. However, only a very small proportion of women traders in Ghana (one per cent) are in the wholesale/export trade where sizeable profits can be made (Sarris and Shams, 1991).

In the longer term, SAPs may indirectly induce technological change which leads to labour displacement from some activities and labour intensification in others. Such trends would have to be examined against the (changing) gender division of labour in agriculture in specific localities in order to draw out the implications for women’s agricultural employment.

There is little information about the impact of SAPs on agriculture, and particularly agricultural employment, in Latin America and the Caribbean. In general, however, export crop production is concentrated on large farms, and peasant holdings are smaller, such that there is a greater reliance on off-farm income, and a higher proportion of net food buyers in the rural population than in sub-Saharan Africa. Thus, it seems that whilst incomes to the agricultural sector as a whole may be rising, small farmers are unlikely to be benefiting. The increase in demand for labour from the agro-export sector (which employs mainly seasonal and casual labour) may not
have led to increases in agricultural wages, where labour supply has also increased due to the growing pressures on small holders. Whilst in general, Bourguignon and Morrisson (1992: 38-9) found that agricultural wages were holding up relatively well, and generally are keeping pace with smallholder incomes, in Ecuador real agricultural wages fell significantly between 1982 and 1985. There is some evidence that increasing numbers of women, as well as men, are engaging in casual (including day) labour in the agro-export sector (Bourguignon and Morrisson, 1992: 37-9).

In Jamaica, Safa and Antrobus (1992: 60) show women’s employment in agriculture rising by one percentage point (8,000) between 1981 and 1985. However, another study on Jamaica (Commonwealth Secretariat, 1991) records a decline in female agricultural employment after 1985, with over 8,000 leaving the sector between 1985 and 1987. The divestment or closure of large state-controlled sugar and banana producing estates under adjustment may have been partially responsible for loss of employment after 1985. Although women workers are a minority in the sugar industry (25 per cent), being mainly temporary workers, they received little or no compensation. Workers were also displaced from the privatised banana industry which employs predominantly (90 per cent) female labour. It is not clear that the privatised and diversified agricultural sector has been able to soak up any of this surplus (female) labour (Commonwealth Secretariat, 1991: 50-1). In the Dominican Republic, Safa and Antrobus (1992: 64) claim that women are increasingly being employed in the new agro-industries flourishing under the Caribbean Basin Initiative. However, this employment is seasonal and poorly paid.

3.7 Unemployment and Underemployment

Standard concepts of unemployment may have limited relevance in developing economies where a large and growing proportion of economic activity takes place in the informal and rural sectors, which are characterised by irregular and seasonal employment, and where social security systems are limited or non-existent (Bourguignon and Morrisson, 1992: 31).

Historically, female open unemployment rates in sub-Saharan Africa and Latin America and the Caribbean have been considerably higher than male rates and this trend persists (ILO, 1989: 30, 36). Recession has led to increases in female (as well as male) open unemployment in most Latin American, Caribbean and African economies, through a combination of the ‘added worker’ effect, whereby female participation rates are rising, and a fall in demand for female labour in specific areas. The ‘discouraged worker’ effect seems to have been limited to middle-income women in Latin America (as noted earlier).

The failure of adjustment to bring about significant employment creation in most countries means that unemployment rates, including those of women, have persisted at relatively high levels, even when recovery has set in (as in some Latin American countries). In fact, in some countries in Latin America, unemployment rates increased in 1988 during recovery, demonstrating a reversal of the ‘discouraged worker’ effect there (ILO, 1989).

---

20 Loxley’s evidence on Zambia cited above also finds a decline in real agricultural wages but less than the decline in average wages.
In Latin America and the Caribbean, evidence suggests higher female than male unemployment. Table 6 gives data on unemployment by sex for several Latin American countries, showing this. Particularly in the Caribbean (Bahamas; Jamaica) and some Central American countries (e.g. Panama), absolute levels of unemployment are very high and the male-female differentials are particularly large. In the Bahamas male unemployment rates have risen from 14.3 per cent to 17.1 per cent between 1980 and 1991 whilst female rates have remained largely static at approximately 21 per cent during the same period. Some countries such as Nicaragua, Panama and Venezuela show significant increases in female unemployment rates over the 1980s. Others such as Costa Rica and Paraguay have been generally static, whilst female rates in Uruguay, Chile, Mexico and Jamaica have all declined. Thus there is no single pattern of change in female unemployment rates in Latin America and the Caribbean.

Hirata and Humphrey (1990) found that economically active women in Sao Paolo were three times as likely to be unemployed as men (31 per cent versus 11 per cent), although more skilled women were less likely to be unemployed. The mean period of unemployment for women was also longer (11.6 months versus 8.2 or 8.8 months for men).

In some urban areas of Latin America, female unemployment increased very rapidly between 1982 and 1985: in Bogota by five times and in Caracas by two times. Young women especially were affected by this rise in female unemployment (ECLAC, 1992). Minujin (1990) found marked increases in female under- and unemployment in Argentina, particularly for poor women, between 1974 and 1987. Poor women were three times as likely to be unemployed as non-poor women, and two times as likely to be unemployed as poor men. Underemployment was an almost exclusively female phenomenon. Francke (1992) notes the close relationship between the growth of female employment and the expansion of female underemployment in Peru - as more women are employed, more women work for lower pay.

Data giving a gender breakdown of unemployment in Jamaica between 1975 and 1987, shows a marked decrease in female unemployment from 1982 onwards (40.6 to 30.3 versus 16.2 to 13.0 for men). However, at the same time, there was a fall in the female job-seeking rate which indicates that female unemployment was becoming hidden through a discouraged worker effect. Contrary to this general picture, there was a particularly sharp increase in female unemployment among 14-24 year olds; from 66 per cent (1980) to 72 per cent (1985) (Commonwealth Secretariat, 1991: 49).

Open unemployment rates are rising rapidly in urban Africa. On average they doubled in the last 15 years (1975 to 1990) from around 10 per cent to 20 per cent. For example, in Kenya, unemployment rose from 11.2 to 16.2 per cent between 1977/8 and 1986. There is a predominance of youth and the highly educated among the unemployed, particularly secondary school leavers. Youth unemployment can no longer be considered a transitory phenomenon. Women are particularly vulnerable to unemployment: rates are usually twice those for men (Vandemoortele, 1991). For example, in 1991 in urban Kenya (Joekes, 1991a: Table 2) 24.1 per cent of women compared to 11.7 per cent of men were unemployed, with female rates exceeding male rates in virtually all age groups except the 15-19 age group, where male rates were nearly twice as high (63.1 per cent) as female rates (39.6 per cent).
TABLE 6

Unemployment Rates by Sex 1980-91, Various Countries, Latin America and the Caribbean

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2.8</td>
<td>3.8</td>
<td>5.9</td>
<td>7.3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Males</td>
<td>-</td>
<td>-</td>
<td>5.2</td>
<td>7.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Females</td>
<td>-</td>
<td>-</td>
<td>7.2</td>
<td>7.7</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bahamas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>14.3</td>
<td>-</td>
<td>17.4</td>
<td>13.7</td>
<td>15.0</td>
<td>17.1</td>
</tr>
<tr>
<td>Males</td>
<td>8.4</td>
<td>-</td>
<td>12.3</td>
<td>9.1</td>
<td>10.3</td>
<td>13.3</td>
</tr>
<tr>
<td>Females</td>
<td>21.1</td>
<td>-</td>
<td>22.9</td>
<td>18.7</td>
<td>20.2</td>
<td>21.4</td>
</tr>
<tr>
<td>Bolivia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>5.8</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9.4</td>
<td>7.3</td>
</tr>
<tr>
<td>Males</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9.9</td>
<td>6.9</td>
</tr>
<tr>
<td>Females</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8.8</td>
<td>7.8</td>
</tr>
<tr>
<td>Brazil</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2.8</td>
<td>4.3</td>
<td>3.9</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Males</td>
<td>2.8</td>
<td>4.1</td>
<td>3.7</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Females</td>
<td>2.8</td>
<td>4.6</td>
<td>4.4</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Costa Rica</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>5.9</td>
<td>5.0</td>
<td>5.5</td>
<td>5.9</td>
<td>4.6</td>
<td>5.5</td>
</tr>
<tr>
<td>Males</td>
<td>5.3</td>
<td>5.0</td>
<td>4.4</td>
<td>5.2</td>
<td>4.2</td>
<td>4.8</td>
</tr>
<tr>
<td>Females</td>
<td>7.8</td>
<td>5.0</td>
<td>8.0</td>
<td>7.8</td>
<td>5.9</td>
<td>7.4</td>
</tr>
<tr>
<td>Chile</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>10.4</td>
<td>13.9</td>
<td>6.3</td>
<td>5.3</td>
<td>5.6</td>
<td>5.3</td>
</tr>
<tr>
<td>Males</td>
<td>10.6</td>
<td>-</td>
<td>5.6</td>
<td>5.0</td>
<td>5.7</td>
<td>5.1</td>
</tr>
<tr>
<td>Females</td>
<td>10.0</td>
<td>-</td>
<td>7.8</td>
<td>6.1</td>
<td>5.7</td>
<td>5.8</td>
</tr>
<tr>
<td>Ecuador</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>-</td>
<td>7.0</td>
<td>7.9</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Males</td>
<td>-</td>
<td>-</td>
<td>5.1</td>
<td>5.9</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Females</td>
<td>-</td>
<td>-</td>
<td>10.3</td>
<td>11.1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>El Salvador</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>-</td>
<td>9.43</td>
<td>8.3</td>
<td>10.0</td>
<td>7.5</td>
</tr>
<tr>
<td>Males</td>
<td>-</td>
<td>-</td>
<td>11.0</td>
<td>9.9</td>
<td>10.1</td>
<td>8.3</td>
</tr>
<tr>
<td>Females</td>
<td>-</td>
<td>-</td>
<td>7.1</td>
<td>6.8</td>
<td>9.8</td>
<td>6.6</td>
</tr>
<tr>
<td>Jamaica</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>27.3</td>
<td>25.5</td>
<td>18.9</td>
<td>16.8</td>
<td>15.7</td>
<td>-</td>
</tr>
<tr>
<td>Males</td>
<td>16.3</td>
<td>15.8</td>
<td>11.9</td>
<td>9.5</td>
<td>9.3</td>
<td>-</td>
</tr>
<tr>
<td>Females</td>
<td>39.5</td>
<td>36.5</td>
<td>27.0</td>
<td>25.2</td>
<td>23.1</td>
<td>-</td>
</tr>
<tr>
<td>Mexico</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>6.0</td>
<td>3.6</td>
<td>3.0</td>
<td>2.8</td>
<td>2.6</td>
</tr>
<tr>
<td>Males</td>
<td>-</td>
<td>5.3</td>
<td>3.0</td>
<td>2.6</td>
<td>2.6</td>
<td>2.5</td>
</tr>
<tr>
<td>Females</td>
<td>-</td>
<td>7.6</td>
<td>4.7</td>
<td>3.8</td>
<td>3.1</td>
<td>3.0</td>
</tr>
<tr>
<td>Nicaragua</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>-</td>
<td>6.0</td>
<td>8.4</td>
<td>11.1</td>
<td>14.0</td>
</tr>
<tr>
<td>Males</td>
<td>-</td>
<td>-</td>
<td>4.9</td>
<td>6.9</td>
<td>9.0</td>
<td>11.3</td>
</tr>
<tr>
<td>Females</td>
<td>-</td>
<td>-</td>
<td>8.3</td>
<td>12.0</td>
<td>15.4</td>
<td>19.4</td>
</tr>
<tr>
<td>Panama</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>8.8</td>
<td>10.1</td>
<td>16.3</td>
<td>16.3</td>
<td>-</td>
<td>15.7</td>
</tr>
<tr>
<td>Males</td>
<td>6.7</td>
<td>8.2</td>
<td>14.0</td>
<td>13.7</td>
<td>-</td>
<td>12.7</td>
</tr>
<tr>
<td>Females</td>
<td>13.5</td>
<td>14.2</td>
<td>21.4</td>
<td>21.6</td>
<td>-</td>
<td>21.5</td>
</tr>
<tr>
<td>Paraguay</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>7.3</td>
<td>4.7</td>
<td>6.1</td>
<td>6.6</td>
<td>5.1</td>
</tr>
<tr>
<td>Males</td>
<td>-</td>
<td>9.1</td>
<td>4.8</td>
<td>6.6</td>
<td>6.6</td>
<td>5.4</td>
</tr>
<tr>
<td>Females</td>
<td>-</td>
<td>4.8</td>
<td>4.6</td>
<td>5.6</td>
<td>6.5</td>
<td>4.7</td>
</tr>
<tr>
<td>Peru</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>7.0</td>
<td>-</td>
<td>-</td>
<td>7.9</td>
<td>-</td>
<td>5.8</td>
</tr>
<tr>
<td>Males</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6.0</td>
<td>-</td>
<td>4.8</td>
</tr>
<tr>
<td>Females</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10.7</td>
<td>-</td>
<td>7.3</td>
</tr>
<tr>
<td>Puerto Rico</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>17.1</td>
<td>20.7</td>
<td>15.0</td>
<td>14.6</td>
<td>14.2</td>
<td>16.0</td>
</tr>
<tr>
<td>Males</td>
<td>19.5</td>
<td>23.7</td>
<td>17.5</td>
<td>16.9</td>
<td>16.2</td>
<td>17.9</td>
</tr>
<tr>
<td>Females</td>
<td>12.3</td>
<td>15.0</td>
<td>10.8</td>
<td>10.8</td>
<td>10.7</td>
<td>12.7</td>
</tr>
<tr>
<td>Uruguay</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>8.4</td>
<td>-</td>
<td>8.6</td>
<td>8.0</td>
<td>8.5</td>
<td>-</td>
</tr>
<tr>
<td>Males</td>
<td>5.4</td>
<td>-</td>
<td>6.3</td>
<td>6.1</td>
<td>6.9</td>
<td>-</td>
</tr>
<tr>
<td>Females</td>
<td>12.5</td>
<td>-</td>
<td>11.9</td>
<td>10.8</td>
<td>10.9</td>
<td>-</td>
</tr>
<tr>
<td>Venezuela</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6.2</td>
<td>13.0</td>
<td>7.3</td>
<td>9.2</td>
<td>10.4</td>
<td>-</td>
</tr>
<tr>
<td>Males</td>
<td>6.5</td>
<td>-</td>
<td>7.8</td>
<td>9.8</td>
<td>10.9</td>
<td>-</td>
</tr>
<tr>
<td>Females</td>
<td>4.5</td>
<td>-</td>
<td>6.1</td>
<td>7.6</td>
<td>9.3</td>
<td>-</td>
</tr>
</tbody>
</table>

1 Note the caveats above about the validity and thus comparability of unemployment data in developing economies.
2 Data from 1979.
3 Urban areas.

Source: ILO: Year Book of Labour Statistics (various).
Compensatory Programmes and Women’s Employment

In general, the employment or social action programmes (e.g. PAMSCAD in Ghana; ESF in Bolivia) which have been introduced to alleviate the affects of recession and adjustment have a poor record with respect to employment creation. They have tended to target certain groups (primarily male, urban, retrenched workers) for political reasons rather than on the basis of need (Commonwealth Secretariat, 1993; Baden 1993b). The generally much higher rates of female than male unemployment suggest that far more attention is needed to targeting and adapting employment and related compensatory programmes to women’s labour market situation.

Vandermoortele (1991) notes the failure of special employment programmes in sub-Saharan Africa to address female unemployment. They predominantly enrol males and the limited range of activities often leads to implicit discrimination against women workers. He suggests there is a need to make an explicit distinction between programmes aimed at male and female youths because of the very different labour market situations they face. Ongile (1992) refers to a number of credit schemes for retrenched workers in sub-Saharan African countries (e.g. in Senegal, Gambia, Mauritania) but gives no indication of how these operate or whether there are any gender biases in the allocation of such benefits.

Horton et al. (1991: 51) find evidence of male bias in employment programmes in Latin America. ‘In both Bolivia and Chile the emergency employment schemes explicitly targeted male workers at least initially (women were not eligible to participate) and in Chile public sector hiring in the early part of the crisis also favoured men.’ Gindling (1993) also found that public sector hiring was discriminatory during the recession in Costa Rica.

Francke (1992) reviews two temporary employment schemes launched in the mid-1980s in Peru. One (PAIT) which paid the legal minimum wage for unskilled work had a majority of women participants, in spite of the fact that it disrupted women’s collective kitchen initiatives and child care arrangements. Later, responding to pressure from the women, it was reorganised to support women’s collective activities. The other programme (PROEM), allowed private enterprises to hire temporary workers without paying the regular social benefits or providing job security. In this case, less than a quarter of recruits were women and the majority were not employed beyond six months.
SUMMARY AND CONCLUSIONS

The focus in this paper has been on sub-Saharan Africa and Latin America and the Caribbean in the 1980s, i.e. the regions most severely affected by recession and adjustment. In Asia, broadly speaking, the impact of recession has been much more limited and adjustment has been undertaken under conditions of continuing growth.

General conclusions regarding the impact of recession and adjustment on women’s work in developing countries cannot be drawn, due to (a) the limitations of the available evidence, and (b) regional variations in experiences. Moreover, there are conceptual and methodological problems in separating out the effects of recession from those of adjustment, and in distinguishing these from longer term trends towards increased female labour force participation in most regions and shifts in the sectoral composition of female labour.

In general, recession and adjustment have been associated with declines in formal sector employment (concentrated in the public sector in sub-Saharan Africa and, at least initially, in the large-scale private sector in Latin America and the Caribbean). Large declines in real wages have occurred over a protracted period in sub-Saharan Africa, predating but intensified under adjustment, and especially in the public sector. In Latin America, although wage declines have been less severe and more variable between countries, private sector formal wages have also been severely hit, and there has been a steep decline in overall real wages since 1988, following some stabilisation in the mid-1980s. In sub-Saharan Africa, there has been a compression of wage differentials in the public sector, alongside increasing differentiation in urban informal sector incomes. In Latin America, wage differentials may be widening across skill and occupational groups. In spite of real wage declines, open unemployment has risen for men and women in both regions and unemployment is now disproportionately concentrated among youth and women of all ages, with educated groups also over-represented.

There has been a growth of the informal sector in both regions, characterised by under-employment and low productivity, with women’s participation in these activities rising more than men’s, as well as considerable downward pressure on informal sector incomes. The agricultural sector has been less negatively affected under recession and adjustment, particularly in sub-Saharan Africa. However, the impact of adjustment on agricultural production is tending to increase rural differentiation. The longer term human capital effects of recession and adjustment have received limited attention. There is some evidence of negative effects on school attendance and performance due to (a) increased entry of teenagers into the labour market; (b) increased demands on the unpaid labour of older children (particularly girls); and (c) rising private costs of school attendance. There may also be a loss of the professional skills base from the public sector - particularly in sub-Saharan Africa - as people move into relatively more lucrative informal sector employment following massive erosion of the public sector real wage.

Whilst it is often argued that women’s employment is less affected than men’s by recession, this may be less true of developing than developed economies, because of the more protracted nature of recession and also the impact of adjustment programmes, especially on the public sector. Nevertheless, women’s employment may be protected to some extent by the continued expansion of some areas of service employment and the growth of export-oriented manufacturing in Latin America and the Caribbean, although the benefits of this probably accrue disproportionately to
young, educated, single women. Older, less skilled, married women are tending to be excluded from formal sector labour markets and confined to informal sector activity, with high levels of underemployment.

There is some doubt as to whether recession itself leads to increased female labour force participation - the ‘added worker’ effect may be concentrated among low-income women, but recession does seem to have brought about the growth and feminisation of the informal sector.

Some overall assessments of the impact of adjustment on women stress the intensification of the trade off between women’s producer and non-producer roles, leading to a squeeze on women’s time and energy, with women bearing the ‘hidden costs’ of adjustment. Other assessments focus on the constraints to women’s labour mobility which may restrict their ability to benefit from new opportunities under adjustment - but these tend to overlook how adjustment policies themselves may be worsening such constraints. Moreover, the ‘new opportunities’ are in reality very limited for the majority of women.

In formal sector employment, there is some evidence of discrimination against women, particularly in private sector employment. Since women are concentrated at lower skill and occupational levels, they may be more vulnerable to retrenchment. Once women lose a formal sector job, their chances of re-entering such employment appear to be much more limited than those of men, for whom the effects of recession on employment appear to be relatively temporary.

The relative impact of public sector employment losses on men and women is not clear, although the limited data suggest that, at least up to the mid-1980s, women’s share of this employment was stable or rising in many countries. However, public sector hiring during recession and adjustment in some Latin American countries appears to have discriminated against women, leading to increased male-female earnings differentials. Public sector pay in sub-Saharan Africa has tended to fall faster than private sector pay, suggesting a relative decline in women’s wages overall, since they are concentrated in the public sector. However, gender differentials may have been reduced by wage compression in the public sector, through a levelling down process. In any case, real wages in many countries in sub-Saharan Africa have fallen to levels which can no longer sustain basic family or even individual needs, and informal sector earnings - often of women - form an increasing proportion of household income.

In manufacturing, women form a low proportion of the labour force except for a few branches where they are heavily concentrated. In sub-Saharan Africa, the small size and decline of the manufacturing base means that women’s employment in this area is negligible. The shift of some manufacturing activity to smaller enterprises and into subcontracting and home working may have increased the proportion of women working in some areas, but at the expense of worsening conditions. Older women who lose manufacturing jobs are tending to be excluded from this employment even following recovery and replaced with younger female workers. The expansion of export-oriented industries - which tend to employ over two thirds women - in some countries during the 1980s has created significant new employment for women, partly facilitated by adjustment policies. Over time, women’s share of such employment may be falling, however, and the relatively high wages offered initially may also be eroded over time.
There is very little information on shifts in women’s employment in services and this area particularly merits further research. In sub-Saharan Africa, service occupations are largely subsumed within either public or informal sectors. In Latin America and the Caribbean, some areas of service sector employment (finance, commerce, real estate, tourism, etc.) have continued to expand through the 1980s, possibly offering a degree of protection to women’s employment, although this may have been achieved at the expense of considerable falls in real wages, particularly in office and shop work.

There are considerable conceptual and empirical problems in looking at informal sector employment, which makes generalisation difficult. On the whole, women are not more numerous than men in informal sector employment. However, the proportion of women in the informal sector appears to be rising in many countries. Women tend to be concentrated in (non-tradable) services and petty commerce activities and in a few lines of work, with men having a greater occupational spread within the sector. Thus, as increasing numbers of women have entered informal sector employment under recession - particularly older, less skilled, married women - incomes in the sector have fallen considerably, because of both falling demand and labour crowding. There has been a slow-down in the growth of women’s informal sector employment in sub-Saharan Africa, possibly because the shrinking market cannot sustain further employment, and women’s businesses may have a high failure rate. However, some groups of women (and men) from higher income and educated groups, with physical and human capital to invest in businesses, are able to earn relatively high incomes in the informal sector.

In the agricultural sector, in sub-Saharan Africa, increased incentives under SAPs to commercial farming may be leading to increased incomes for some ‘successful’ households, with access to certain resources, but the benefits of this success may not be accruing to women within these households, in spite of increased labour inputs. Women own account farmers, particularly female heads of households, are limited in their ability to respond to adjustment incentives, although a few instances are found where women farmers have been able to benefit from SAPs in their own right. There appears to be growing differentiation between rural households under SAPs, with subsistence farmers and particularly female-headed households over-represented among those (net food buyers) who are losing out through increased food prices. Increased demand for labour is intensifying women’s unpaid family labour and also increasing demand for hired labour, much of which is supplied by women from poorer, particularly female-headed, households. However, women who are working as agricultural labourers appear to be doing so for low rewards. In Latin America and the Caribbean, evidence on the impact of SAPs on agriculture is limited. Unlike in sub-Saharan Africa, peasant farmers are unlikely to have benefited from increased incentives to export production, which is concentrated in the large-scale sector. Whilst there has been a growth in demand for labour (including of women) in some areas of the agro-export sector, there is some evidence of worsening conditions, particularly falls in agricultural wages.

Women’s open unemployment is higher (up to two times) than men’s and with considerable increases in both male and female unemployment, this gap is persisting, demonstrating both the failure of adjustment to bring about significant employment growth and increased entry into the labour market (especially of women) due to falling real incomes. Unemployment is now disproportionately concentrated among youth and women of all ages, including highly educated groups. Underemployment is a predominantly female phenomenon, partly associated with the informalisation of female labour. Compensatory programmes introduced under adjustment have, to date,
been ineffective in sustained employment creation and in particular have failed to address the specific problems of unemployed women. In fact, there is evidence of explicit or implicit gender biases in the targeting and design of such programmes.
BIBLIOGRAPHY


Anker, R., 1983, ‘Female labour force participation in developing countries: a critique of current definitions and data collection methods,’ International Labour Review 122, No 6


Baden, S., 1992, ‘Social, economic and health implications of adjustment for women in developing countries’, extended memorandum prepared for DANIDA, August, BRIDGE, Institute for Development Studies, Brighton

Baden, S., 1993a, ‘Gender and adjustment in sub-Saharan Africa’, report commissioned by the Commission for the European Communities, January, BRIDGE, Institute of Development Studies, Brighton

Baden, S., 1993b, ‘Gender and development in Ghana (draft)’, background paper prepared for West and North Africa Development Division, Overseas Development Administration, October 1993, BRIDGE, Institute of Development Studies, Brighton


Baden, S., and Joekes, S., 1993, ‘Gender issues in the development of special economic zones and open areas in the People’s Republic of China’, paper prepared for presentation at the seminar on ‘Women’s participation in economic development’, Fudan University, Shanghai, People’s Republic of China, 15 April, 1993


Bourguignon, F. and Morrisson, C., 1992, Adjustment and Equity in Developing Countries: A New Approach, Development Centre, Organisation of Economic Co-operation and Development, Paris


Commonwealth Secretariat, 1993, ‘Mitigating the social costs of adjustment: the vital role of transfers, safety nets and other social provisions’, paper for Commonwealth Secretariat Asian Regional Seminar on Structural Adjustment, Economic Change and Women, 5-8 January 1993


Economic Commission for Latin America and the Caribbean (ECLAC), 1992, Major Changes and Crisis: The Impact on Women in Latin America and the Caribbean, ECLAC, United Nations, Santiago, Chile


Elson, D., 1992, ‘From survival strategies to transformation strategies: women’s needs and structural adjustment’ in Beneria and Feldman (eds), 1992


International Center for Research on Women (ICRW), 1986, ‘Weathering economic crises: women’s responses to the recession in Latin America and the Caribbean’, A proposal submitted to the Ford Foundation (draft), August 1986


Joekes, S., 1991b, ‘Women and structural adjustment: operational implications for the JCGP member agencies’, (mimeo)


Stewart, F., 1992, ‘Can adjustment programmes incorporate the interests of women’ in Afshar, H. and Dennis, C., 1992 (eds)


Weekes-Vagliani, W., 1992, ‘Structural adjustment and gender in Côte d’Ivoire’ in Afshar and Dennis (eds), 1992
