Prof Mutiso

BACKGROUND PAPERS

Symposium on

Expanding Income Earning Opportunities for

Women in Poverty: A Cross-Regional Dialogue

Sponsored by The Ford Foundation

Women's Program Forum

Hotel Intercontinental

Nairobi, Kenya

May 1 - 5, 1988

TABLE OF CONTENTS

TOPIC: THE CONTOURS OF POOR WOMEN'S LIVELIHOODS: CONSTRAINTS AND OPPORTUNITIES

Janice Jiggins. "Conceptual Overview: How Poor Women Earn Income in Rural Sub-Saharan Africa and What Prevents Them From Doing Do"

TOPIC: HOW POOR WOMEN'S EARNINGS AFFECT THEMSELVES, THEIR FAMILIES, THEIR COMMUNITIES, AND NATIONAL ECONOMIES

Judith Bruce. "A Home Divided: Women and Income in the Third World"

TOPIC: TRENDS IN DONOR APPROACHES

Mayra Buvinic. "Trends in Donor Approaches to Women and Income in the Third World: A Discussion Paper for the Ford Foundation"

PANEL DISCUSSION: MICRO-LEVEL STRATEGIES TO ASSIST WOMEN IN THE INFORMAL SECTOR: CREDIT, TECHNICAL ASSISTANCE, AND SECTOR-FOCUSED APPROACHES

Judith Tendler. "What Ever Happened to Poverty Alleviation?"

Katharine McKee. "Micro-level Strategies for Supporting Livelihoods, Employment, and Income Generation of Poor Women in the Third World -- The Challenge of Significance"

Marty Chen. "A Sectoral Approach to Promoting Women's Work: Lessons From India"

Monica Fong. "Rural Women's Access to Credit: An Overview" (Copies will be available at the symposium)

Krishna Ahooja-Patel. "Women's Non-Access to Credit: Problems and Policies"

PANEL DISCUSSION: THE INFORMAL SECTOR: POLICY AND ADVOCACY

Victor Tokman. "The Informal Sector: A Policy Proposal"

Ela Bhatt. "Women and Small-Scale Enterprise Development in a New Era"

TOPIC: WAGE EARNERS IN THE FORMAL SECTOR: ORGANIZING, ADVOCACY AND GOVERNMENT POLICIES

Wariara Mbugua. "Women's Formal Sector Employment in Sub-Sahara Africa: Current Trends and Future Strategies"

Noeleen Heyzer. "Women Wage-Earners in the Formal Sector: Government Employment Programmes and Organizing Strategies in Selected Asian Countries"

FORD FOUNDATION

WOMEN'S PROGRAMME FORUM

EXPANDING INCOME EARNING OPPORTUNITIES FOR WOMEN IN POVERTY: A CROSS REGIONAL DIALOGUE

May 1 - 5 1988, Intercontinental Hotel, Nairobi.

CONCEPTUAL OVERVIEW: HOW POOR WOMEN EARN INCOME IN RURAL SUB-SAHARAN AFRICA AND WHAT PREVENTS THEM FROM DOING SO

Janice Jiggins

March, 1988

De Dellen 4, 6673 MD, Andelst, The Netherlands

CONTENTS

ABSTRACT

I. INTRODUCTION

II. MACRO CONTEXT

- II.1. Population growth, Food production, Urban Migration
- II.2. Basic Goods and Services and Domestic Policy
- II.3. War, Drought, Famine and the International Economy

III. MATERIAL AND ECONOMIC LIFE: A SECOND LOOK

- III.1. The Nature of Rural Poverty in SSA
- III.2. Underlying Rationalities
- III.3. New Family Structures
- III.4. Production and Capital Markets in the Parallel Economy

IV. BREAKING THE BARRIERS

- IV.1. Strategic Choices and trade-Offs at the Macro Level
- IV.2. Promising Micro level Strategies and Interventions
- IV.3. Unpromising Areas: Food for Work, Asset Transfer, and Population Control
- IV.4. The Role of Organisation

V. REFERENCES

CHARTS

I: SUMMARY: MACRO CONTEXT

CONCEPTUAL OVERVIEW: HOW POOR WOMEN EARN INCOME IN RURAL SUB-SAHARAN AFRICA AND WHAT PREVENTS THEM FROM DOING SO

Janice Jiggins

I. INTRODUCTION

In the effort to extract salience from a multitude of disparate observations, it is clear that justice will not be done to the diversity of environments, histories and resources in which the myriad peoples of sub-saharan Africa (SSA), assembled in some 46 countries, seek to shape and respond to current opportunities. However, there appear to be a number of features which both set SSA somewhat apart from other continents, and which make it possible to address the question of rural women's income-earning opportunities within SSA as a whole.

The limits to opportunity, in terms of the macro context, are set out in Part II. Though the statistical record for many rural areas is known to be unreliable, inexact and often out-dated, the evidence available shows clearly that rural economies are highly sensitive to national economic trends. Over the last two decades, the trends have become increasingly adverse (summarised as crude indicators in Chart 1). They indicate deep-seated structural maladies for which there are no easy cures and point to a growing breakdown in basic rural livelihood capacity. As thresholds of stress are crossed, the consequences clearly bear most heavily on women and children. Analysis suggests that in many areas, rural distress has increased to the point that directly economic interventions may no longer be sufficient to improve women's livelihoods.

The macro picture is undoubtedly bleak but, it seems to me, there is at the same time substantial economic activity which is hidden from statistical view. Its vitality does rather better than simply keep African communities alive. The nature of this activity, and its implications for policy and micro level

intervention, are explored in Parts III through IV. It is clear that women have a major stake in it, both as consumers and as producers of economic goods and services. Part III argues that the room for manouevre at the local level may be greater than macro anlaysis allows. Part IV explores the areas and sectors which appear to offer the greatest scope for supporting rural women's income-earning and employment opportunities.

II. MACRO CONTEXT *

II.1. Population Growth, Food Production, Urban Migraton

Total population is estimated (mid-1983) to be around 434 mn. The average annual rate of increase is 3 % per year. The proportion under age 15 years is over 45 % (Asia 37 %; Latin America 40%).

The importance of the demographic structure for economic expectations at the macro level can be illustrated in two ways**:

- Kenya would need to sustain an average rate of economic growth of 6.2 % a year over the next 17 years to achieve a rise of 40 % in GDP per capita. In comparison, West Germany, if able to maintain its current stable population, would need its economy to grow only by 2 % a year.

- Holland in 1985 had 364 people over the age of 60 years for every 1000 workers; in 2020, it is estimated there will be 756 over 60 yrs. for every 1000 workers. But these aged "dependents" will be comparatively well-off, educated, and well-provided with the material conditions of life. Nigeria, in contrast, would have only an estimated 74 people over 60 years for every 1000 workers

Acknowledgements:

*Most of the material presented in Part II was put together during June-July 1987 from published sources, on behalf of the International Women's Health Coalition, New York. A much longer report is available in summary form as: E. Coit, J. Jiggins, G. Vansintejan: Precis: Reproductive Health Care In Sub-Saharan Africa: A Preliminary Programme Assessment, IWHC, New York, 1987, mimeo.

**Taken from The Economist, June 13, 1987

by 2020 - but also by then 1271 people under 15 years for every 1000 workers. And these young dependents would still need schooling and the means to start off in life.

At the micro level, both the economic cost and the burden of care of young children tend to fall mainly on women, strengthening women's need for access to income while constraining their ability to earn it. Yet strong pro-natalist pressures, including high rates of infant mortality, maintain women's high fertility choices.

Women on average experience 6-8 live births, which implies up to 10 pregnancies per woman. High parity bears significant personal risks: a woman's risk of dying from pregnancy-related causes is typically greater than one in twenty. Overall maternal mortality rates in SSA are higher than in other developing countries, higher in rural than urban areas and somewhat lower in northern and southern Africa than in western, eastern and central Africa. Among the major contributory causes is women's poor health and nutrition status, which in turn contributes to the rising trend in infant mortality.

The sharp and rapid upward movements in infant mortality whenever national economies falter is indication of a progressive loss of economic resilience at the household level. After impressive reductions in the 1970s, the gap between the IMR rate for SSA as a whole and other developing countries is widening; by 1980, it was already twice as high as the developing country average. Maternal transmission of the HIV virus is likely to widen the gap further.

One of the reasons for such vulnerability is that, outside of a few exceptional areas, population growth has not been accompanied by major increase in the productivity of small scale rainfed food farming and livestock production. Only 16 countries, including the Ivory Coast and Malawi, have increased food output in line with population growth. Overall, food production per head is estimated to have decreased by 7 % in the 1960s, by 25 % in the 1970s. By 1984, the FAO estimates that food production per head had fallen to under 150 kg./person. (In comparison, in 1985, grain harvested per head in Western Europe reached 501 kg.). Overall, the volume of output is still largely responsive to rainfall conditions. But even in a climatically favourable year such as 1986, SSA remained as a whole in food deficit. Food imports by 1982 comprised over 20 % of total production.

Food deficits at the household level are reflected directly in child nutritional status. By the early 1980s, it is estimated that some 25 % of children under 5 years were less than 80 % of standard weight for age. Within this aggregate, typical observations are: (i) shifts in intra- and inter-annual patterns of rainfall lead directly into marked swings in rural children's nutritional status; (ii) at the extreme, girls' nutritional status is more adverse than boys'.

In part, the problem is a consequence of the almost universal failure to support women's food farming roles in a continent in which women perform some 70 % of the work in food production. Inappropriate agricultural policies and services have not only undermined women's ability to contribute to family welfare but also, thereby, compromised the achievement of national food security.

Another factor in many areas is the continuing influence of the structure of colonial settlement, and the manner in which male labour was drawn into the mining and plantation economies, setting the conditions for high, sex specific, out-migration. More recently, rural men have responded to the continuing weakness of rural employment opportunity and adverse terms of trade, by increasingly rapid urban migration. The sex-specific movement from the land has had major consequences at the macro level:
(i) Given that agricultural and household tasks tend to be distributed on a complementary but gender-based allocation, the loss of male labour power necessarily constrains women's own food production and income-earning capacities. At the same time, the value of remittances to the rural household is low and erratic and does not provide a ready source of cash for hiring labour to compensate for household labour deficits. Given, in addition, women's limited access to the means to raise their own labour productivity, high fertility choices tend to be reinforced.

(ii) Over 43 % of the population of SSA as a whole by 1980 already lived in an urbanised setting. The rate of increase in urban migration in some cases has been so rapid that it has created a net rural population loss. It is the urban drama, and the commensurate shift in economic and political power, which has been perceived most acutely by policymakers, not the consequences for rural life. Yet one of the most dramatic of all events in SSA has been the changes in rural household composition brought about by sex-specific migration. The average of rural households headed

by women, de facto and de jure, has steadily increased and is now estimated to be around 30 %; locally, rates of 40 % - 70 % have been recorded. More recently, independent female migration is increasing, presumably as the stress on livelihoods becomes unendurable.

II.2. Basic Goods and Services and Domestic Policy

One of the reasons why rural livelihoods are under stress is the inability of governments to sustain the provision of basic goods and the operational viability of rural services, or to expand either in line with the growing population. In a number of respects, the burden falls particularly hard on women, as substitute providers, or as the ones most affected by the inadequacies. The spread of HIV infection and AIDs-related illnesses, among both children and adults, is likely to increase the burden of care on women.

There are relatively few rural areas in SSA which have a constant, year-round, access to anything but a limited range of basic goods; far more typically, rural areas experience interruptions of supply or a total lack of basic items such as soap, salt, aspirin, worm pills, malarials, bicycles, candles, blankets, hoe blades, buckets, cheap cloth or made-up clothes, trinkets, cotton thread and wool, needles, wire, hammers, nails ... i.e. incentive goods as well as inputs to food provisioning, domestic work and petty income-earning. In many, perhaps the majority, of areas, indigenous crafts or artisan production which might have provided substitute goods, have either never developed, or have been constrained by competition with industrial products, or are no longer produced because of the pressure on women's time and/or the migration of male craftsmen.

Although the majority of countries are continuing to expand physical provision of service facilities as well as the numbers of professional and community-based staff, many rural areas remain without effective access to clinics, schools, tarred roads, motorised transport, protected drinking water, improved housing and sanitation. In most countries, the bulk of capital and recurrent expenditures in any case goes to urban-based facilities and to the larger secondary or tertiary facilities. Shortfalls in domestic revenues and foreign exchange tend to be experienced most immediately or savagely by rural services.

A number of programmes, such as Oral Rehydration Therapy (ORT), Maternal and Child Health (MCH) clinics, measles vaccination, and the provision of stand pipes and protected wells, have been made more widely available. They have brought enormous benefits to rural women and their children, but both programme quality and capacity at the primary level are under stress as operating budgets are cut. Irregular supplies, poor maintenance, crowding of existing facilities, together with poor terms of employment and housing provision for staff, threaten the quality of basic health, water and sanitation services. Of recent years, the quality of primary services frequently has been compromised by deficiencies at higher levels. The deficiencies in turn discourage uptake, particularly by those more distant from the facility or least able to pay the ancillary costs in cash or time.

The deficiencies in maternal care affect women most directly. Less than 30 % of deliveries are attended by trained health personnel (51 % in Asia, 62 % in Latin America). Endemic diseases such as malaria are known to contribute to the high rates of aenemia, which are associated in turn with pregnancy complications and maternal mortality. Undiagnosed or untreated sexually transmitted diseases, pelvic inflammation and infertility are further major sources of distress. Infertility is a major health and social concern among women in particular areas, especially so where there are few alternatives for women to acquire status as adults except through motherhood. Infertility rates of 4-10 % have been recorded from Guinea, Ivory Coast, Mali, Niger, Senegal, Sudan, Burkina Faso; of 11-19 % from Angola, Cameroon, CAR, Chad, Mozambique, Tanzania and Zambia; and of 20 % and over from the Congo, Gabon, Zaire.

An increasing number of junior and senior professionals and administrators, particularly in the health and education sectors, are women. But overall, the ILO estimates that less than 5 % of women have found employment in formal sector wage-earning, largely because their access to secondary and higher level education is limited.

The gap between girls' and boys' enrolment in educational facilities at all levels continues to narrow. However, the proportion enrolled is still extremely low; in 1982, girls enrolled at primary school as a percentage of age group, formed 31 %, at secondary school 15 % and at tertiary facilities, 2 %.

Female adult literacy remains absolutely low, at around 15 %, compared to around 33 % for males.

Access to education is particularly restricted for rural girls, for a number of reasons, including:
- lack of government capacity to extend facilities into rural areas, poor rural transport facilities, lack of boarding facilities
- parental perceptions that it is more profitable to invest in boys' rather than girls' education
- the high value of girls' labour in the domestic economy in general, and in farming in labour-constrained households in particular. Girls are more likely than boys to be pulled from school for seasonal labour, to look after youngsters, or to help their mothers
- in some areas, bride price payments encourages poorer parents to push girls into early marriage
- cultural acceptance of early child-bearing. In th majority of countries, pregnancy is grounds for expulsion from school.

Girls' chances of receiving sufficient schooling to qualify for formal wage employment seems to be the highest wherever their mothers' themselves have access to steady income-earning opportunities. However, since the majority of Africa's population enjoys a lower real disposable income than twenty years ago, the scope for private provision or purchase of health or education services is limited.

Apart from the Republic of South Africa, Nigeria, Cameroon, Congo, Gabon and Angola, gross national product per capita has declined or grown less than 1 % over the last two decades (calculated for 1965-83 and 1970-80). Poor performance undoubtedly is partly due to domestic policy failures. Women's income-earning capacity is affected principally by those domestic policies which have contributed to:
- structural changes in household composition and the social organisation of rural production
- the breakdown in rural services and provision of basic goods
- agricultural reserach, extension, credit, input and marketing services which are not accessible or appropriate to women's production needs (see Part III.2. and IV.2.)
- development of state-sponsored industrial and trading enterprises in sectors in which women traditionally

predominate (see Part III.4).

Another notable apsect of domestic policy failure is the continuing dependence on extraction industries and primary production for export earnings. Apart from the RSA, no country in SSA gets less than 50 % of its export earnings from commodities. The dependence on commodities affects rural women's income-earning capacity principally via (i) the absorption of male labour in mining and the plantation sector; (ii) the concentration of capital investments and services on export crop promotion on the most productive lands.

In response to domestic policy failures, the common long run aim of economic adjustment policies has been to stimulate economic growth. The main shorter term objectives developed by assistance agencies include: improved balance of payments, debt repayment, reduction in inflation. Objectives such as expansion and protection of employment and basic public service provision, have tended to be undervalued. It is only recently, for example in the case of Ghana, that the synergistic contribution of growth and the satisfaction of basic needs, have begun to be reflected somewhat in adjustment policy dialogue but, as the case of Zambia shows, there remains ample room for disagreement. Neither the micro nor the macro effects of adjustment policies on women have received much attention.

II. 3. War, Drought, Famine and the International Economy

War, political instability, and destabilisation continue to claim significant amounts of scarce national resources and skilled manpower. Total military spending (in constant dollars) has more than doubled since 1970. The value of the inward flow of armaments and materiel is estimated at around one third of the value of all imports of machinery and equipment.The public costs are high. For example, over 40 % of Mozambique's rural health posts have been destroyed since 1982 and the Infant Mortality Rate (IMR) has climbed to an estimated 375 per 1,000, possibly the highest in the world.

The persistent effects of the droughts of the mid-1970s and early 1980s, and of the more localised current droughts on already weakened populations and depleted local resources, continue to hinder recovery in agricultural and livestock production and the reintegration of family life. Refugees from military

disturbances, drought and famine currently number well over 4.5 m., the majority of whom are women and young children.

The oil price shocks of the last fifteen years, reduced industrial demand for minerals, downward trends in agricultural commodity prices and, more recently, disturbances in foreign exchange markets, have reduced foreign exchange earnings over the last two decades, in some cases dramatically. (In the 1970s, in Zambia and Benin, by over 50 %; in Ghana, Nigeria, Sierra Leone, by over 30 %). In 1982, the international terms of trade for SSA as a whole hit an all-time low - the worst for any of the previous 30 years. The small recovery of 1982-84 has largely petered out.

Interest repayments on international debts incurred to ease earlier earnings shortfalls are now crippling. For example, Zimbabwe's debt service ratio in 1987 reached 40 %; the Confederation of Zimbabwean industry estimated that subsequent cuts in foreign exchange availability might lead to the loss of some 20,000 jobs in manufacturing, around a fifth of the formal sector manufacturing workforce. Sudan and Zaire are in even worse case, with external debts reaching 110 % and 189 % respectively as a percentage of gross domestic product. As we have seen, lack of foreign exchange is apt to reduce government investment in rural areas disproportionately and for these shortfalls to impact most harshly on women and children.

Since 1982, net capital outflows have exceeded net capital inflows, presently in excess of US $ 25 bn. and rising. In marked contrast to the Latin American debt position, the total value of SSA's debt is low, at around US $ 175 bn. Except for Nigeria, the major part, around 70 %, is owed to official rather than commercial banking or trade sources, compromising governments' willingness to commit new capital.

Official Development Assistance (ODA) fell by 31 % in real terms between 1980-83, the grant element in ODA fell from 32 % in 1973 to 16 % in 1982, foreign commercial investment halved between 1973-82, and commercial bank lending has become negligible. In 1980-83, new capital commitments to low-income SSA fell by 45 %. Although there have been significant new capital commitments over the last eighteen months, and a willingness on the part of some bilateral donors to cancel debts or convert loans to grants, the development of economic opportunity which is directly or indirectly dependent on government and public sector activities,

will continue to be severely constrained in the short to medium term.

III. MATERIAL AND ECONOMIC LIFE: A SECOND LOOK

III.1. The Nature of Rural Poverty in SSA

Rural poverty in SSA has many faces and many causes: it is not all of one kind or one origin. Over time, aspects of poverty may coalesce or be transformed. Analytically, however, leaving aside war-affected areas and drought-related crises, at least six types might be distinguished (see below). Each has somewhat different consequences for women and would need to be addressed by a different mix of interventions. Only some of these interventions are economic.

One feature which all six types have in common is their inability to maintain an adequate social and physical basis for self-provisioning allied with critical deficiencies in market economics*.

Although off-farm income may form up to two-thirds of total household cash income, the scale and profitability of non-farm cash incomes in a many areas tends to be restricted to meagre profits from a fairly limited range of products (such as vegetable oils, fish, charcoal, beer, honey), produced on a small scale, with simple technology, and at very low levels of labour productivty. When coupled with the weakness in agricultural incomes, many areas in SSA simply lack the effective demand to pull in basic goods and services through the private sector. Conversely, the lack of basic goods for purchase provides little incentive to expand primary production.

*In using the term 'market economics' I am making an historical rather than ideological statement; there has never been much in the way of economic or social progress without an increase in commerce and an elaboration of the circulation of goods and services, mediated by cash and credit.

The two aspects, of a shortage of incentive goods for purchase and a lack of effective demand, are related. On the one hand, governments' failure to allow incentive pricing for rural wholesaling and retailing , the lack of or inadequate transport infrastructure and the heavy reliance on imported vehicles and oil to keep goods circulating, no doubt have restrained supply. (For example, up to 30 % of the controlled net price of a 90 kg. bag sold in Lusaka in 1981 was due to haulage costs). On the other hand, many of the basic goods which in other continents' histories have been produced by rural manufacturies, artisans and household industries, in SSA increasingly have been provided through direct imports and by (highly-protected, capital-intensive, import-intensive) urban industries. Both sources are highly vulnerable to shortages in foreign exchange. Moreover, goods in restricted supply are more likely to be made available to government and parastatal employees, the army and urban dwellers, than to remote rural populations.

The rural income-stimulating effects related to the development of the backward and forward links theoretically possible between primary production, rural industries and urban economies, thus in much of SSA has been pre-empted or never been established. A pattern and style of consumption and non-farm production has been set which, both economically and politically, is hard now to reverse. Rural women are affected in two ways: as consumers, through constraints to the purchase of goods to improve or support their livelihoods (see also Part III); as producers, through constraints to the expansion of petty production and trading (see also Part III, 4).

A third, related, aspect is that in areas which combine weak rural cash income opportunities and a shortage of goods and services, rural life is not attractive for private capital investment and does not encourage re-investment of rural income beyond what is needed for maintaining a livelihood. Since a shortage of capital investment is only a reflection of a more deep-seated problem, expanded access to credit and capital, in these situations will not in itself be sufficient to improve women's income-earning capacity.

The six types of poverty distinguished here are:

1. Poverty of Cash: areas of low population density, where a strong local market economy has not developed, market infrastructure remains weak, diversified opportunities for

savings and investment are lacking. The main source of cash entering the locality is government wages and salaries but this stimulus is limited by the weakness of government investment.

2. **Poverty of Resources:** areas of (a) high population density and pressure on land, where permanent cropping is accompanied by inadequate soil management and replenishment of fertility. There may be high incentives for urban investors to maintain and build their stake in rural production but, in the absence of appropriate technology and/or capacity to use fertiliser or organic manures, natural resources in the long term decrease rather than increase in productivity; b) low population density, poor soils and low fertility, where people themselves are the chief resource. These areas additionally tend to be susceptible to the processes of desertification; and c), in which an increase in the demand for fuelwood and charcoal outstrips supply and no economic alternative is available locally.

3. **Poverty of the Range:** a special case of 2, above, in areas where there is strong maldistribution of stock and degradation of rangeland through overgrazing of common property resources by the larger herd owners. Investment of urban savings in stock in such areas tends to compound the social, economic and natural resource problems of maldistribution.

4. **Poverty of Labour Supply:** areas of high sex- and age- specific out-migration, not only undermining the capacity of remaining, predominantly female-headed, households to make a sustained response to the market for food but also leading to degenerative changes in farming systems and land management practices. Where extension and other production services are adequate and accessible, a minority of households which are not in labour deficit, (including some households headed by women), may emerge as commercial producers hiring the labour of those unable to maintain self-provisioning.

5. **Poverty of Labour Demand:** areas where farm productivity and/or opportunities for market sales and local transformation of farm produce are not increasing fast enough to absorb population increases and there are inadequate diversified sources of non-farm income.

6. Poverty of Health: areas of severe endemic disease (e.g. river blindness) and dietary deficiency (e.g. cassava-related cretinism, vitamin A deficiency) and - a special case - infertility. In these areas, the productivity of labour, family stability and community initiative are undermined by environmental factors beyond immediate local control; their amelioration is dependent on conscious external, larger scale intervention. The high prevalence of HIV infection and AIDs-related illness in an increasing number of areas threatens to expand health-related poverty.

Since it is evidently the case that not all rural areas in SSA are poor, nor all women, nor all families in poor areas, further analysis of rural economies is in order. In what follows, I concentrate on observing the social and economic phenomena which are not amenable to the kinds of statistical aggregation presented in Part II, because it is these phenomena, I believe, which hold out hope for the future.

III. 2. Underlying Rationalities

Partially or wholly separated male and female income streams, differential resource access in both the domestic and farm economy, and the relatively strict demarcation of male and female responsibilities and tasks, remain basic features of indigenous social and economic structures. However, changes in family composition (see also III.3) consequent on structural change at the macro economic level, have raised the costs to women of customary differentials in their economic rights and access to resources.

In addition, new concepts of property, control, ownership, and individual rights, have been introduced (in colonial times and more recently), which favour adult men. Based on assumptions of individual adult male responsibility for (i) nuclear families as the modal social unit and (ii) households, as economic units in which resources and property are merged, they entirely fail to reflect the variety of lineage-based social and economic units in which status, property and use rights adhere to gender as well as to age, marital status, and the collectivity.

Women have been caught at a disadvantage between the old and the new. Therefore considerable effort at the policy and programme levels has gone into designing interventions which might compensate women for customary and newly-imposed restrictions on their access to land resources, agricultural inputs and services, and to financial services. By challenging their impaired status in law, efforts also have been made to change the terms of their access. The following kinds of remedial policies and programmes have been proposed:

- targeting women explicitly as clients of extension, input and marketing services
- enactment of rights to purchase and inherit land in their own person
- removal of legal disabilities attaching to women's status in commercial transactions
- acceptance by banks and credit institutions of forms of collateral other than land.

However, neither the strategy of compensation nor the strategy of legal adjustment addresses the structural issues. The emergent structures maintain the underlying rationality of gender-based divisions while modifying the consequences.

The introduction of the new concepts of property etc., in fact has not been strong enough to eradicate entirely women's customary rights of resources use and control over products. Whether, for example, in the Central Highlands of Kenya or in the Volta River Authority's settlement scheme, it can be seen that women's rights to use of land and other resources are being accomodated de facto, irrespective of legal and organisational rules governing tenancy etc. Regardless of planners' designs, over time pre-existing farming patterns, divisions of labour on the basis of age and sex, access to inputs and control over outputs, re-emerge, albeit with some adjustments.

On the basis of such observations, the challenge can be re-stated. **It is not so much that women have been granted no formal standing in the new production arrangements but that the new arrangements do not support the underlying social organisation of production.** The result is still a loss of efficiency and effectiveness but the policy and programmatic implications are diffferent.

The reasons why the the underlying social organisation of production persists are complex. One explanation is that self-provisioning in the majority of areas remains a major production goal, because (a) control over strong temporal and spatial variability has not much increased and (b), the resultant discontinuities in food supply (and other basic goods) have not been smoothed over by reliable market alternatives.

Thus, it is rational for farming families to continue to pursue livelihood strategies which:

a) technically, are highly flexible and responsive. Climatic uncertainty and instability leads to high idiosyncrasy: actual cropping patterns (crop/livestock combinations) at any one time, in these conditions, are only a sub-set of the potential combinations which producing communities aim to have at their disposal. An age- and gender-based organisation of production within a wide social grouping defined by membership of a lineage, allows a high degree of technical flexibility and responsiveness over both time and space;

b) socially, are embedded in as wide as possible a network of inalienable obligation, in order to smooth the temporal and spatial peaks and troughs in income and food receipts and expenditures, as well as to bridge occasional discontinuities;

c) domestically, exploit internal divisions of labour which enhance individual returns to investment across the range of tasks necessary for survival, while allowing for cross-transfers of assets and benefit flows at times of deficit within a sub-enterprise. Since agricultural production, in this perspective, is only one task among many required for survival, the productivity of labour and capital invested in cropping and small stock-keeping is often lower than it would be under less rigidly defined gender or age divisions of labour.

III. 3. New Family Structures

There are (at least) three types of new family structure which are emerging in the face of the pressures already noted:

* residentially separated, with periodically-absent, wage-seeking males remitting savings in cash or kind to rural-based women and children.

The strong colonial interest in extracting male labour for the exploitation of mines, white farming and plantations established two norms which have had a lasting impact: i) rural-based family members were assumed to meet their own production and household reproduction needs, and thus ii), wage structures were based on single worker rather than family wage payments.

The life of the migrating male worker has been hard but, at least notionally, it has offered new opportunities. In contrast, the stress on the rural family has been degenerative. The loss of male labour power has tended to be accompanied by a decrease in the variety and range of crops grown, a shift to crops, such as cassava, which are less nutritious but also less demanding of peak season labour inputs, and a decline in the household's capacity to manage seasonalities. Wherever male wages are sufficient to cover only individual living costs, remittances cannot become anything other than intermittent sources of support for rural livelihoods.

In these cases, rural households survive as a social unit mainly where they have continued access to the lineage. The lineage family may be viewed as a communitarian network, made up of diversified livelihoods, which provides for the spreading of costs. The resources of the modern economy - paramountly, public sector employment - naturally enough in this perspective, tend to be exploited for maintenance of lineage obligations among members

scattered across geographic space, and for lineal accumulation between generations across time.

The residual rural family is often the weakest unit in the lineal livelihood network. However, where a) women have had access to cash-earning agricultural opportunities which b) enable them to hire labour and gain access to labour-saving machinery, as in Meru District in Kenya, the residual rural family may become a profitable investment centre in its own right, an economic as well as a biosocial unit within the lineage.

* residentially separated households which become permanently fractured, with men and women managing individual households, or forming temporary unions, which are no longer embedded in lineage support networks. It is now clear that the break-up of lineage-based family formations does not necessarily lead to the emergence of nuclear families. Conversely, marriage has become only one way in which households are formed; there is no longer a necessary connection between adulthood, fecundity and marriage and the synonymity of residential unit, biosocial unit and economic unit is disappearing.

Both men and women in these circumstances are economically vulnerable, often socially marginalised, but women usually have the additional burden of supporting children and face a much more restricted set of opportunities for producing food and earning income, encouraging the rapid rise in individual female urban migration.

There are relatively few areas in which cash-cropping opportunities have been sufficiently open to women to form the basis of an independent rural livelihood outside of lineage support. Peanut farming in southeastern Zambia, where households headed <u>de jure</u> by women in 1980 formed 27 % of all surplus-producing semi-commercial households, has been the exception rather than the rule.

* residentially separated, multi-generational networks of households headed by related women. These networks provide the advantages of corporateness - diversified opportunities, spreading of costs - without the risks and uncertainties of dependence on non-resident menfolk.

They allow women greater control over resource management and returns to investment. They are particularly well-adapted to the

management of child-rearing and educational opportunity. For example, a rural-based grandmother feeds and rears the younger children, with one daughter with a wage job meeting cash needs and providing an urban base when the time for higher level training comes, another daughter being free to move around for trading, helping to meet the cash needs of the network, as well as providing income to be invested as opportunity arises (at one moment, rural beer-brewing and selling, at another, education fees etc.).

III. 4. Product and Capital Markets in the Parallel Economy

It is, perhaps, more usual to contrast formal and informal economic sectors, with the latter defined as the unregulated counterpart of formal or organised activities. The concept of the parallel economy, however, implies activities which have a life, organisation and character of their own, not entirely independent of the formal or informal sectors but springing from another base and essentially competitive rather than complementary to them.

Parallel economies of a very raw and rough kind are becoming increasingly significant, partly in response to the states' failure to meet basic needs and service requirements. Parallel economies typically are made up of four kinds of activity:
- self-employed "do-it-yourself";
- barter;
- unlicensed private entrepreneurship;
- untaxed and/or illegal work for cash using public or licensed commercial sector resources (e.g. running backyard clinics in the evenings using hospital supplies and equipment).

It is impossible to determine the relative scale of women's involvement in each of these kinds of activity. The evidence is that in practice, individuals seek livelihood portfolios made up of mixtures of each type, switching from one to the other as opportunity and need arises. Entry costs tend to be low (and also thus profit margins) and income streams initially unstable. Not much is known about how women get started: own savings, gifts and inheritance seem important.

Rural women appear to have a major interest in (at least) six sectors in the parallel economy:

i. non-financial services, including: beer-brewing and selling, hostessing, hair plaiting; cloth dyeing and clothes making; cooking and maid services;
ii. crop (stock, fish) processing, particularly crops in which women have a production or trading interest;
iii. food preparation for sale;
iv. trading, both retail and wholesale;
v. home improvement, broadly defined to include increasing supplies of domestic water and fuelwood, as well as e.g. improved roofing materials, soap making.
vi. financial services

In addition to the hazards all those in the parallel economy face, women experience uniquely three general difficulties. In the first place, items which support their participation, either by freeing domestic labour time or as inputs to their commercial activities, have proven <u>especially vulnerable to foreign exchange crisis</u> (e.g. dyes for cloth printing, caustic soda for soap making, sanitary towels, trade goods such as lipsticks or metal cooking pots, salt, washing powder).

Secondly, wherever women are obliged to provide water, domestic fuel, and household food supplies, they and their children are the first to experience the <u>costs of externalities</u>, such as the pressures which arise from the local depletion of common property resources, dessication, or the alienation of fertile land for large scale commercial cash cropping. Where population densities are high, problems of the disposal of domestic sewage and rubbish and enterprise wastes may pose additional costs for women in terms of extra time demands in maintaining clean households and caring for the sick.

Woods and forests provide some 90 % of the fuel burnt in SSA but up to an estimated two-thirds of households now live in areas which cannot sustain fuelwood needs. There is an increasing record of reduction in the number of cooked meals and longer hours spent collecting firewood, two immediate symptoms of the stress on rural energy supplies which, over time, is also manifesting itself in environmental degradation.

The weak provision of public utilities - and the enormity of the task of providing them in rural areas - hardly compensates for the growing commoditisation of increasingly scarce fuelwood, charcoal or water, and/or insufficient income to purchase alternatives from the market. Alternative supplies (e.g. cheap

electricity, bottled gas, paraffin, piped water) are not available for purchase in many farming areas, or even in many rural towns. More constructively, commoditisation is beginning to force the replenishment of the natural resource base and expansion of utilities through both public and private action and, for some women, this is providing a new area for enterprise (see IV. below).

Thirdly, in terms of business growth, women again face general difficulties. Their businesses arise from tasks which any case are part of the daily routine and for which basic equipment and premises are available. On conventional financial criteria, many of these small one or two person enterprises show poor performance i.e. they tend to make high dividend payments in relation to income and to have over-ambitious expansion plans and low gross profit margins. Additional factors are: less profit is retained for re-investment than in men's enterprises, because of women's daily concern to feed and care for the family and because of cash raids by their menfolk; initial under-capitalisation, because of the problems many rural women have in securing and preserving income in cash; banks' difficulties in mobilising and rewarding rural micro savings; legal and adminstrative rules which limit women's entitlement to formal sector credit and capital, as individuals or as groups; discontinuous managerial input owing to the time claims of other tasks.

Beyond these general disadvantages, women face special constraints to participation and enterprise development:

Wholesale and retail trading of basic foodstuffs. Women tend to concentrate on food trading partly because, initially, the production and sale of small food crop surpluses can be achieved within their routine time expenditure with relatively little additional effort or cash outlay, and partly because it is accepted as a natural development of their obligations to help feed the family.

Opportunities for profit accumulation often are comparatively small because (a), markets tend to be thin as such a high proportion of what is produced is consumed directly and (b), because profits have to be split among many actors (e.g. transporters, handlers). Both these difficulties have been overcome wherever large-scale women traders - as in Lagos, Accra, Yaonde, Oshita, or the goat market at Gbo-Sime outside Lome in

Togo - command a major part of the market as well as the trade and transport networks through which these products flow.

The reasons why large-scale women traders are now more common in West Africa than in other regions in SSA are not clear but three historical factors seem to have been of importance: (i) opportunities for specialisation on the basis of the exchange of products between agro-ecological zones; (ii) development of relatively large concentrations of non-producing consumers; (iii) long-distance trade channels with access to non-food commodities.

The concentration of women in food trading necessarily means that there is a high degree of competition between women, not only between women at one scale of operation with others, but between women operating on a similar scale. Thus, for example, interventions on behalf of market stall holders often turns out to be at the expense of roadside sellers as well as stall holders in a nearby market.

Women in the parallel economy are not only in competition with eachother; in the key sectors of crop processing, wholesaling and retailing, State trading and processing companies and Co-operative wholesale and retail agencies are women's direct competitors. On the one hand, the experience of attempted state control over women's activities in the parallel economy, in Ghana and the Cameroon at least, suggests that states might not in fact possess instruments for protecting state enterprises from competition by women in the parallel economy. On the other hand, it is also the case that the superimposition of state enterprise restricts the evolution of the parallel economy while so far failing to create an efficient market alternative.

Beer-brewing and selling One of the major and often the only cash income source for rural women, beer-brewing and selling illustrates a further problem. Despite the fact that study after study suggests that up to a third of agricultural inputs purchased for fodd farming are paid for from women's beer profits, as well as a good part of school fees and household goods, governments have built large vested interests in industrial brewing from mainly imported barley and hops, sold in imported glass bottles. Brewing in the licensed state and commercial sectors and the drinks industry form one of the more bouyant and easily collectible sources of revenue for governments short of cash. Often under the aegis of public health

legislation, brewing of millet, maize and cassava beer and spirits in the parallel economy, in many countries is illegal.

The natural evolution of women's local brewing into a larger scale, higher profit drinks industry has been displaced, actively suppressed, or closed to women by deliberate domestic policy choices. Small scale egg or poultry meat production in many countries in SSA provide further examples.

Small scale industry Another difficulty can be illustrated by the efforts of the National Council of Women and Development in Ghana to stimulate women's soap making enterprises, both as a service to other rural women and also as a source of employment and income. Their first efforts concentrated on the technology of production but they soon ran into the following difficulties: (i) securing wholesale, transport and retail outlets for the volume of soap which alone could sustain profitable production; (ii) of finding enough (imported) caustic soda at an economic price; and (iii), securing stable supplies of vegetable oils (coconut, shea nut, peanut, palm) in sufficient quantities, when these oils were in themselves in short supply for cooking purposes.

The Council had to turn its attention to contacting women traders and transporters, helping other women to specialise in oil production for the soap making enterprises, and yet others, to specialise in the production of packeted powdered caustic potash, using plantation wastes (such as dry cocoa pods, palm waste). That is, the infrastructural linkages had to be created along the entire production and marketing chain before even the smallest of rural industries could be considered profitable and established.

Capital markets and Financial services In the purely financial sphere, women again face special circumstances: (i) women's access to formal sector banking, credit and savings services is limited by their lack of collateral in land and, often, their status as juridical minors and the lack of legal recognition of women's groups; while (ii), in many areas the proportion of income earned by rural women in cash is low, and (iii), the alternative instruments accessible to women typically are relatively undeveloped.

Alternative financial instruments include: moneylending, Roscas (rotating credit and savings associations), fixed fund associations, ambulatory bankers, Benevolent Friendly societies and Funeral clubs, as well as normal trading liabilities (i.e.

debts incurred on forward sales and purchases). Between them, they cater for both credit and capital markets in the parallel economy. In a number of countries, particularly in West Africa, they have enabled some women to create sizeable and sophisticated financial and trading empires.

Over sizeable areas, they are not to be found at all, but where they do exist, a number of different types seem to develop together and to pull in a large proportion of the rural women who potentially have access to them. For their part, women will spread their participation, choosing among those which best suit their diversified needs and means. In fact, women tend to form the bulk of the membership, partly because such instruments better suit their pattern and level of cash income receipts and expenditure, partly because the funds can be managed and controlled locally, and partly, of course, because women simply do not have access to alternatives.

There are many references to such organisations in specialist literature and (unpublished) project reports but they are largely ignored at policy and programme levels. This is not entirely because of ignorance or wilful blindness for they do have a number of inadequacies as agencies of development (as many local projects have found to their cost), including:

- slow build-up of investment capital and poor mobilisation of working capital;
- funds which are recycled among members have to remain relatively liquid, limiting the type of investments which can be made; the general rule is, the shorter the cycle, the greater the liquidity. In areas with a single growing season, the problem can be particularly acute;
- their value as a source of economic development depends on the eventual investment made by the saving individual (or group).

Their usefulness, in sum, depends on what the rural economy realistically offers, either in the parallel economy or in the formal sector. The Savings Development Movement in Zimbabwe, for example, has prospered in part precisely because the formal economic infrastructure functions: there exists something for rural women, as individuals and as groups to link into and make a profit out of. They can buy day-old chicks, buy feed, hire transport, put fully-grown hens into cold store, and make a profit out of doing so. In large parts of neighbouring Zambia, the formal economic structures do not function, nor can women find equivalents in the parallel economy.

In some areas, there is rapid development of alternative financial instruments as money markets in the parallel economy become more sophisticated. Recently, for example, interest-bearing tontines (a form of Rosca) have been developed in the Cameroon. Enterprising Bamileke have begun buying money from rural tontines and then reselling the money in Douala at higher interest rates, the rates fluctuating according to supply and demand. High-yield tontines catering, for example, for import-export merchanting attract smaller investors eager to earn high interest while other tontines are designed to meet low-return capital needs (such as for home improvement).

But financial mechanisms in the parallel market still are inadequate for some purposes; for example, in the settlement of long term commercial debt (e.g. through bills of exchange of various kinds). Instability in currency markets, periodic demonitisation and high rates of illiteracy probably discourage innovation in these functions. And at least in the more complex international trading circuits, the lack of basic record-keeping skills in accountancy, double entry book-keeping and currency dealing may be discouraging innovation in parallel economy banking and financial services.

Another major limitation is that while formal sector services are ill-adapted to financing small scale enterprise development and parallel economy trading, alternative services often are suppressed and innovation discouraged by deliberate policy choice. Tontines in the Cameroon, Burkina Faso, Nigeria, Ghana and Zaire have all at one time or another attracted criticism from government and banking circles because they are alleged to drain money from the banks, encourage tax evasion and finance the parallel economy at the expense of the public and licensed commercial sectors. Conversely, where governments threaten to tax financial organisations in the parallel economy because of their banking functions (as in Swaziland recently), the effect is to drive financial innovation further underground.

IV:BREAKING THE BARRIERS

IV.1. Strategic Choices and Trade-Offs at the Macro Level

On the basis of the preceeding analysis, there would appear to be a number of strategic choices and trade-offs to be made, particularly in the realm of domestic policy.

One of the key considerations arising is the extent to which it makes sense to compensate women for multiple disadvantage, adjust the formal terms under which women compete, or to attempt to address the structural forces which are destructive of the social and economic rationality of family life. The options of compensation and of adjustment appear the most immediately practicable but carry the disadvantage that interventions will tend to be "after the event". To the extent that the issue is on the agenda, structural adjustment dialogue offers some possibility of more fundamental realignment to underlying social and economic structures and women's roles within them.

A second consideration is the degree to which interventions might attempt linkage between the formal and the parallel economies, or focus on activities within parallel economies. Where the formal economy does not work to any large extent, or where neither the formal nor the parallel economy has any vitality, the linkage option does not exist. The linkage option also does not exist, but might be created, where there are no institutions which could actualise linkage.

The linkage option is also problematic wherever formal sector agencies are in competition with women's enterprises in the parallel economy. Conversely, particuarly where governments are desperately short of revenue, there is likely to be resistance to supporting activities in the parallel economy directly. Moreover, the relative dynamism of women's parallel economy activities can be undermined in a short space of time by any collapse of formal economies which removes institutional support of women's and children's health and nutrition status.

A third consideration is the degree to which it makes sense to address certain types of rural poverty through economic instruments in the absence of fundamental policy and structural adjustment. Some types of rural poverty would seem to warrant

humanitarian rather than economic intervention in the first instance or the mobilisation of human and other resources for the purposes of environmental management.

A fourth consideration is that an increase in the intensity of commercial activity is likely to increase inequalities between women. In a number of countries, expansion of the market economy is resisted precisely because it would appear to hasten the break-down of the communitarian traditions which, however inequitable in terms of gender relations, restrain the emergence of institutionalised class inequality. In countries where a market economy has developed most vigorously, the separation of male and female budgets, coupled with family disintegration, appears to be leading towards structures of inequity which have both a class and a gender aspect. It is not clear (to me, at least) how this might be altogether avoided (but see IV.4).

A fifth consideration is whether the donor community could give more attention to advocacy in the course of policy dialogue and, if so, what the impact might be on domestic sensibilities and actions. In any event, donor support for women's movements and other forms of organisations for women, is likely to be important for ensuring that women's income-earning issues are considered when domestic policy choices are made.

Operationally, interventions are likely to require sustained support over many years and an unusually high degree of external funding. Rural women's savings certainly can be mobilised and women's overall capacity to save strengthened but, especially where the linkage option is not available, the initial impact of economic interventions and expansion are likely to be exceptionally vulnerable to events and trends beyond the control of the intervention itself.

IV.2. Promising Micro Level Strategies and Interventions

The locations in which interventions are more likely to have wider impact are: (a) the hinterlands of rural towns, large villages, service centres and (b), settlements along or at the end of trade routes and commercial circuits in the parallel economy.

In such areas, the development of services could support, directly or indirectly, women's on-going enterprise and be a source of increased employment and income; in particular:

- services which save time and labour effort
- agricultural services
- financial services
- transport services
- construction and property development

Time- and Labour-saving Services. These are chiefly the provision of utilities and amenities at the household and community levels, for example, latrines, water harvesting and storage, fuelwood lots, improved cook-stoves. These can be developed in ways which involve women both as consumers and as producers and sellers of inputs and services. In most countries, the formal economy has not developed policies and institutions with any expertise in these areas. Activities are being carried by multilateral assistance agencies, donor projects, and non-government organisations in participation with local communities. So interventions at the micro level often must be accompanied by national level policy development, institution-building, and institutional linkage.

The story of the development of fuelwood lots and improved stoves in Kenya and Burkina Faso is beginning to demonstrate what can be achieved through mobilisation and organisation of women, local (male and female) artisans, specialist assistance, and government and non-government institutions. The experience is also establishing the parameters of how to do it.

Over 100,000 improved stoves by May 1987 were in use in Kenya, and a similar number in Burkina Faso, in both cases providing fuel savings of up to a third, implying a reduction in time spent collecting wood of between 2.5 - 5 hours/week. (In the Kenya case, they are made from ceramic and scrap metal and sold as manufactured goods but in Burkina, as self-made clay appliances).

Crop processing similarly might be considered as a time- and labour-saving service to rural consumers, especially for those women whose comparative advantage and opportunity cost of time lies in income-earning rather than self-provisioning. Typical time-saving products found largely in the parallel economy are: shea nut butter, smoked fish, processed cassava, dried or chipped potato.

The strongest strategic opportunities in food processing, in terms of income, lie in those products in which women already predominate as producers, processors, or traders. The need,

perhaps in most cases, for assistance in the creation of forward and backward linkages along the production and marketing chain, presupposes that agencies with the requisite bundle of organisational, economic and technical skills are avialable.

Where larger scale public or commercial facilities exist (typically, for example, grain milling, palm oil extraction), the option of developing small scale processing in the parallel economy into a food or drinks industry probably has been pre-empted. Where the option is still open, a powerful strategic opportunity may exist to guide domestic policy choice.

Agricultural Services In some areas, the provision of agricultural services to women can break production and income constraints dramatically. There appears to be a real strategic opportunity especially in areas of high population density, where an agronomically and economically relevant technology is available locally and there is adequate service capacity. Irrigation and land development schemes offer similar opportunities. In all these areas, the struggle must continue to ensure that women have access to formal extension, inputs, credit and marketing services and that their rights to land and other forms of property are recognised.

In many other areas, stagnation and/or migration seem more likely than production, income or employment growth i.e. rural women will continue to be affected by structural relations which cannot easily be addressed by effort at the farm level.

There is, perhaps, another strategic option and that is the development of parallel research capacity which builds on rural communities' own experimental traditions and the institutional capacities of grassroots organisations such as church groups. The concept behind it is both prompted by (and potentially limited by) the focus of formal research on the problems of the better-endowed areas, and the crops marketed through formal channels. The formal process of technology development is, moreover, constantly threatened by the fragility of government revenues and institutional resources. As one symptom among many of this malaise, African-based agricultural science journals have declined rapidly in number over the last fifteen years but also, more ominously, so have the number of articles in international and African journals which are authored by African-based scientists.

In terms of products, coarse grains and tubers, small stock, shade-tolerant vegetables, all seem interesting because women are substantial producers, the products are already in demand, and trading channels in parallel market circuits already exist. Operationally, the option is largely unexplored although there is recent experience to draw on from Ghana, Burkina Faso, Ivory Coast, Zimbabwe, Tanzania, Kenya, and Zambia.

Transport Services The extent to which women might be able to participate in expansion of motorised transport services (taxi, bus and haulage) depends in good part on the extent to which national economies are strong enough to maintain imports of new vehicles, spares, parts and fuel. Where the opportunity exists, individual and women's group participation in ownership, management, and maintenance could be considerably expanded. Operationally, expansion would be dependent on opening access to financial services which would be prepared to back lumpy investments and accept the forms of collateral women have avialable to them. It might also be dependent on the extent to which import policies favoured small powered vehicles (including tractors) for relatively short distance transport.

There is probably a larger circle of women for whom non-motorised transport provides potential opportunity. Camels, mules, donkeys, horses, oxen....it is not clear if the lack of attention to women's commercial involvement in non-motorised transport is based on proven technical difficulties or lack of profitability in the face of policies biased toward motorised transport.

Construction, Property Services and Building Trades Investment and income opportunities are opening up for individual women, and groups, in construction and property development in areas of higher population. Activities include: manufacture of roofing sheets or bricks out of local materials with cement additives, hire of specialist women labour teams, contruction of water storage jars and small bars and hotels, or warehouses and workshops for rent alongside markets and service centres. These opportunities are developing fastest, apparently, through parallel economy activities. Formal sector interventions get quickly ensnared in red tape and the difficulties of women's access to male-dominated bureaucracies.

Financial Services The development of women's access to formal sector services is another strategically important option. The promotion of affiliates of Women's World Banking, as well as action through formal banking channels under the umbrella of the African Development Bank, both seem worthwhile. It is not clear at this stage whether formal services can be, or indeed should be, persuaded to make a more vigorous effort to finance activities in parallel economies; at present they concentrate their assistance to women on enterprises firmly linked to or already within the formal economy.

In order to reach the really small scale rural entrepreneur or to meet much of the need for start-up capital and initial liquidity, the following interventions in the parallel economy seem promising:.

- working through the range of existing organisations which presently provide more limited financial services, to develop their capacity up to the level of the most innovative tontines. The degree to which growth can take place without control or intervention from the formal sector would need in each case to be explored. The slowly expanding capacity of the Savings Development Movement in Zimbabwe is a good example of the potential within a somewhat rigorous level of formal control. More ambitiously, community banking might offer interesting prospects. Domestic policy on the whole has not favoured community banking, in part through fear of formal loss of control over economic activities and in part, through fear that communities might be swindled.

- development of the capacity of the most innovative informal organisations to handle long term commercial debt, international/cross-country trade, capital markets.

- development of the interest among existing women's commercial and trading networks in financing "backyard" trade schools, providing short courses in, for example, double entry book-keeping, currency dealing, basic accountancy, for their own contacts and agents. Such unofficial, trade-financed training historically has been a marked feature of mediterranean, northern european, arabic and south asian commercial expansion. The FAO's Women and Marketing programme in east Africa has begun to consider how this might be done.

IV.3. Unpromising Areas: Food For Work, Asset Transfer, and Population Control

I have asked myself why, in contrast to my experience of South Asia, I do not think that either food for work or asset transfers (in cash or kind) are particularly useful instruments for meeting the income and employment needs of rural women in SSA.

Basically, the answer is:
- governments do not have the administrative capacity or resources to time interventions to fit men and women's seasonal patterns of labour use;
- peak agricultural labour periods often coincide with the times of greatest food shortage in producing hosueholds;
- where women do not have access to land and there is no rural labour market, they will in any case migrate to towns;
- the three main assets poor rural women lack are labour, fertiliser, and domestic energy: governments cannot easily supply the first and, in most cases, are finding it too costly to finance the subsidised transfer of the second; as for the third, with the exception of a few more fortunate countries, governments often can offer no cheap alternative to woodfuel.

This is not to say that in particular locations, food for work and asset transfer programmes would not be useful and appropriate. People in refugee camps and (spontaneous or planned) resettlement areas, for example, might well benefit from such activities. The specialised food supplementation programmes, administered largely through government schools and clinics, are also invaluable in maintaining rural women's and children's health and nutrition status in times of acute stress. Nor do I wish to imply that transfer of secure title to assets in land should not be both a policy and a practical goal for women. But neither land hunger nor complex indebtness exist as such widespread and institutionalised problems in SSA as they do in South Asia.

Population control as an economic management strategy is clearly not on the agenda of most governments in SSA. The clear preference at policy levels is to increase labour productivity whilst expanding the range of choice for managing child spacing and protecting the reproductive health of women. The clear preference at the individual and family levels is to maintain fertility through the child-bearing years. To this, an increasing number of women may add a desire for access to methods for

delaying the first child until the completion of schooling or training. A number of women's organisations in SSA are in addition pressing for policy changes which offer women status in addition to motherhood. Programme interventions which increase women's labour productivity and decrease their labour effort, in both domestic and economic activities, are also beginning to prove effective in reducing preferred family size.

IV.4. The Role of Organisation

The following consensus is emerging concerning the strategic role of organisation:

- the organisation of women is fundamental to the design and implementation of interventions, whether the strategy is linkage, adjustment, or structural change.
- as in other regions of the world, participation in women-only, as well as mixed-sex, organisations is essential if economic development policies and strategies are to recognise women's interests.
- the strategic role of organisation must encompass human resource development; institutional development; advocacy and policy change.

Operationally, experience suggests the following general guidelines:

- women's time constraints, seasonal pattern of labour use, or residence in scattered settlements, may require flexibility in the timing and location of meetings.
- seasonally recurrent hardship may force poorer women to drop out at the times when they most need organisational support.
- it is possible to develop adminstrative procedures to allow groups supported by one ministry (or non-government organisation) to work at the functional level in the field with agents of another ministry.
- informal rather than formal approaches may best encourage rural women to mobilise and participate in the first instance.

One issue that arises is that, in the majority of countries, informal groups have no legal status so group members may have no access to formal services, such as credit. One way around the difficulty is to support intermediate organisations, based in the community, the non-government sector or in a ministry or other governmental institution. The approach often brings its own

problems, of coordination, scale, capacity, and accountability. An alternative, or in some cases complementary, approach is to press for administrative and legal adjustments which allow recognition of registered groups at the practical level.

A narrower but related issue is the role and capacity of national and regional women's umbrella organisations, in either the government or non-government arenas. At national and regional levels, class and other differences may make the link with rural women's interests particularly difficult to manage and maintain. None the less, umbrella organisations have shown effective leadership in keeping issues on the political agenda, building solidarity and platforms of support, and in mobilising resources.

Established trade and professional associations for women - for example, of fish-smokers, nurse-midwives, women lawyers, women bankers - in both the formal and parallel economies, are an important organisational resource in policy dialogue and advocacy but their voice is often softer than it need be owing to a lack of funds and/or a secretariat which could formulate and present their case. Their role in expanding training and other confidence-building opportunities for women is largely unexplored.

Another way in which the impact of programme interventions might be extended is through women-to-women networking. With very few resources, networks are effectively mobilising voluntary effort, with little external initiative or support, and are to be found in academic life, among policy and programme officers in government bureaucracies, among professionals, among women's group leaders and grass roots churchwomen, reaching across sectors and sometimes across national boundaries. The combination of loose, flexible form, strong communication channels, multiple opportunities for dialogue and negotiation, and shared responsibilities, seems particularly well-adapted to women's indigenous techniques of organisation in SSA.

REFERENCES

Full referencing would occupy many pages. For the purposes of the forum, it may be sufficient to indicate the main sources.

I have drawn most heavily on published and unpublished sources written by members of the academic community in sub-saharan Africa and the international community. The publications of international assistance and development funding agencies, and government survey results, have provided most of the statistical information. Interviews with members of domestic and international non-government agencies, project documents and material collected during consultancy missions, and research carried out in the field during the late 1970s and early 1980s, have provided further invaluable background material.

The unwritten analyses of African men and women, in government, in training institutions, in the markets and villages and churches, remain the touchstone for the judegments I have made.

CHART 1: SUMMARY: MACRO CONTEXT

Severe (x) or Increasing (+)		Weak (=) or Decreasing (-)	
War-affected areas	x	Child Nutrition Status	-
Famine	+	Food Output per head	-
Drought	x	Basic Goods	=/-
Infant Mortality	+	Health Services	=/-
Maternal Mortality	x	Water Services	=
Rate of Population Incr.	+	Education Services	=
Urban Migration	+	Foreign Exch. Earnings	=/-
Female-Headed H.holds	+	ODA: Disbursements	=/-
National Indebtedness	+	GNP per head	-
Net Capital Outflows	+	Commodity Prices	=/-
Notified Cases: AIDs/HIV	+	Female Literacy	=
Fuelwood Depletion	+	Female Wage Emplymt.	=

JUDITH BRUCE

INTRODUCTION TO

A HOME DIVIDED: WOMEN AND INCOME IN THE THIRD WORLD

forthcoming from Stanford University Press

This text was adapted and expanded by Judith Bruce for
the Ford Foundation
based on the original introduction
by Judith Bruce and Daisy Dwyer

ACKNOWLEDGMENTS

We wish to thank Patricia Engle, Susan Greenhalgh, Marianne Schmink, Mayra Buvinic as well as other colleagues for their comments on an early draft of this introduction.

March 16, 1988

Judith Bruce

INTRODUCTORY COMMENT AND SUMMARY

This paper, which is to serve as a background paper for the Ford Foundation Women's Forum Symposium on "Expanding Income Earning Opportunities for Women in Poverty: A Cross-regional Dialogue," was originally developed as the Introduction to A Home Divided: Women and Income in the Third World. This book will be forthcoming from Stanford University Press in the Fall of 1988.

This introduction has been edited, excerpting less relevant text and including points of special interest to be useful to attendees at the conference.

Nonetheless, it is still a lengthy text, and for those who wish to read selectively I have some suggestions. Pages 1 to 11 provide a basic and important analytical overview of current models of household economic behavior, women's economic contribution, and women's allocational priorities. In this section we briefly touch on women's contribution to national economies, an underlying but not central concern of this volume. Recent literature on adult men's and women's economic, social,

and personal experience is reviewed. Through it we see how profound the distinction between male and female spheres is. Since men's and women's access to and control of resources differs systematically in the wider world - the external world of income relations - the question is then raised under what conditions would their personal economies be served by a common ground plan in the internal world of income relations? The evidence is that households do not constitute a unified economy, but rather several economies. How adult women's and men's distinctive agendas come into conflict is a central theme of the introduction and the volume.

The middle section, "Volume Highlights," begins on page 11. Summaries of those chapters which relate most directly to the central concern of women's allocational patterns include Mencher (pages 12-13), Hoodfar (pages 13-14), Fapohunda and Guyer (pages 14-15), and Roldan (pages 17-18).

The last section of the Introduction - The Link to Policy- is perhaps the most relevant for this audience. The policy message of this volume distills down to the proposition that individuals rather than households should be the recipients of economic outlays, whether income transfers or wage earning opportunities, with women being more appropriate recipients when certain ends are desired. The main text provides ample examples of how often cultures designate some obligations as male and others as female. Females' obligations typically include providing for the basic human needs of the family, whether this

is a normative and 'routine' responsibility or a fallback position. Indications are - supported strongly by the data in this paper - that men and women actively contend over the use of income in the household, and can hold dramatically different allocational priorities. In middle income families this is merely a question of inequity. In poverty households it is often a question of survival. Women's enhanced access to and control of income has been measurably linked to the improved nutritional status of children. And there are strong indications that the reverse is also true: that abrupt declines in women's control of income can lead rapidly to reductions in child welfare.

Though there are cultures in which women are relatively less obligated to provide resources for the well-being of their children, it is the general case that women's income is almost exclusively channeled into meeting collective needs. In cases in which it is determined that household resources may be used unproductively vis-à-vis the well-being of target groups, allocations of aid might be directed to women outside the household. Women's cooperatives and informal savings unions can be regarded - for example - as possible mechanisms to protect income and other resources for use in meeting critical needs.

As controversial as such a suggestion has been and may continue to be, policies that earmark individual recipients for aid rather than the household as a unit are not necessarily discordant with the goals of family maintenance or strengthening. Family maintenance and strengthening indeed, seem to be women's

central, if not unique goals. Further, insofar as male heads of households have been de facto "individual" recipients of development allocations, this proposal is not a radical departure. The precise delineation of recipients may reinforce, in a positive sense, differentiation regarding areas of responsibility the indigenous households already make.

At least an understanding of the destination of women's earned income could help rationalize development projects. Many large scale projects justify a given production strategy, with the claim that the proposed project will generate family income that will be used to improve the well-being of children, as measured through food quality, health, educational attainment, and other indicators. But how often have these intentions been unfulfilled because of a failure to understand how the sexual division of labor and intra-household dynamics determine which adult family members are extended new resources and incentives to produce, who contributes labor, and finally, how the income derived from the project is ultimately used? The paper provides examples of projects that have ill-served both development and welfare goals because their design neglected the intra-household allocation dimension.

Donors and project designers must consider how household authority patterns and norms will affect the distribution of the benefits of projects. These patterns can act to reduce potential benefits to women, by imposing on women differential responsibility for children (and sometimes older dependents).

There tends not to be a reciprocal pressure on men to increase their contribution to the family as either the family need warrants or their income permits. On the contrary, men may keep their bargaining edge by deciding what externally derived benefits are to be passed on to the household and to what degree. Thus, men may serve as unacknowledged gatekeepers between the family and purportedly gender blind economic opportunities.

To fully assist women in gaining a fair economic share we must press for changes in the policy environment in which women's employment and income generation activities are situated. Small and medium scale income generating and productivity projects should be documented along with larger scale analyses of women's work patterns to give their contribution more visibility. More accurate national accounting procedures are needed which classify women's work correctly and appreciate the enormous value added to products by their labor. Further, the interplay between women's domestic and non-domestic production is not well appreciated by economic planners because the lines between these activities are often not visible in practice. Women's household-based production, household management and community networking skills have provided a quiet cushion for class groups and whole societies as they seek to improve their economic standing. Even in times of extraordinary stress such as migration and declining income-generating opportunities, women devote what little personal and material resources they have to the development of the next generation of workers and citizens.

Thus, three different aspects of women's contribution have been often overlooked in the formulation of economic policy: women's contribution to gross national product, women's intricate management of scarce resources, and women's role in socializing and developing the future labor force. If these three areas of women's competence were better understood and valued, governments may begin to put in place credit and other resource policies that favor and support the small scale industries and commercial and agricultural enterprises in which women predominate in many countries. These additional income resources for women will improve their life situations, their bargaining position within the household, and are likely to translate into an investment in the next generation.

Women's participation in economic activities is also of great value to themselves. As the introduction recounts, but is worth repeating here, income generating, credit, and productivity projects for women can do more than increase their material prospects. They affect women's self-esteem, can extend new degrees of freedom to them within the household and community, and empower them to make changes of value both to themselves and the children they support. Women's experience of the 'collectivity' can explicitly alter their bargaining position in the household and the wider community. Application of their new management and organizational skills is rarely confined to an improvement in productivity techniques; women's income generating projects rarely end with fiscal and technical inputs. Small-

scale social security schemes are put into place (SEWA), health and welfare services are integrated into the benefits framework (Working Women's Forum, Madras), and collectively the enterprises begin to have some power in the organization and governance of their communities.

CONTENTS

		Page
I	Purpose and Overview	2
	- Seeking Appropriate Household Models	2
II	Men's and Women's Contrasting Lives	4
	- Economic Contribution	4
	- Allocation of Income	6
	- Time Use	8
	- Perception	9
III	Volume Highlights	11
IV	The Link to Policy	18

PURPOSE AND OVERVIEW

This volume deals with inequality and negotiation among intimates within the household unit. We view the intrahousehold distributional process and its short term and long term consequences through the eyes of adult women, usually mothers and workers in marital diads. The intimates with whom these women covertly or overtly negotiate with are primarily husbands, but depending upon the cultural setting, they may be common law partners, parents, in-laws, patriarchs of their own or other lineages, siblings, and children. As this volume's title denotes, the currency on which we focus most closely is income. Yet, there are other valued but less negotiable currencies--the bearing of children, education and training, social networking, household- based production--that determine women's position in the family and wider society. This commentary, and indeed most of the articles contained herein, view women as strategic actors--whether or not they are conscious of this role--in defending or expanding their own life prospects, and often by extension, those of their children. The issue of perception is crucial throughout the volume. How women see themselves and value what they do may in part determine the outcomes they attain.

We learn that women's earned income and their ability to stretch this and other resources is vital to the survival of many households. We find that men's and women's economic contributions tend to be differentially valued by others and self, a circumstance which generally works to a woman's disadvantage. We see that just as men and women differ in their participation in labor markets, wage rates, and in their prospects when marriages dissolve through death or separation, men and women also frequently differ with respect to allocational priorities.

Seeking Appropriate Household Models

These observations suggest that various theories which either treat the household as a unit, thereby ignoring the possibility of internal conflicts or positing a single overriding decision maker, must be reappraised. These constructs of household behavior--most prominently that of the New Household Economics (see Becker, 1981)--are deficient, not only because they fail to acknowledge intrahousehold negotiation over assets and possibly severe inequalities within households, but they tend to separate gender dynamics at the micro-economic level from the known society-wide dimensions of gender differentiation and asset distribution. The empirical evidence in these chapters suggests

that alternative constructs of household dynamics may be more apt. For example, Nash (1953) and Manser and Brown (1979) promote the notion of a bargaining household in which members formally contend and exchange to gain their individual ends. This model has been revised and set in a poverty context by Sen (1985) who defines these households as experiencing "cooperative conflict." According to Sen's interpretation, individuals within the household contend, but in many cases cannot bargain in the precise sense of this word because individual utilities may overlap in some areas, because perceptions of self interest and self-worth are indistinctly defined (by self and others - an issue of extreme importance to women), and finally--in poor economies--the ends to be attained are often fundamental elements of survival, not simply "utilities" such as satisfaction, pleasure, etc. (Sen, 1985, paras 21 to 27).

Sen's, Nash's, and Manser and Brown's propositions seem reasonable, and certainly most people who are members of families have experienced differences of opinion over how money and other resources are spent. Why then has the unified household been such a consistently attractive formulation? The first powerful reason is the simplicity with which households as a unit, in contrast to individuals, may then be integrated into economic decision making. Unified households are convenient policy tools. Located within wider social and economic institutions, they become manipulable economic entities. The New Household Economics approach acknowledges one central decisionmaker per household, and makes an implicit analogy between the household and the firm. As Folbre states in the last chapter of this volume, according to this theory, the household is made to interface with a marketplace "deploy[ing] labor in response to differences between marginal production between home and market" (Folbre, p. 000-000X).

A second point of resistance to conducting a search into the internal decisionmaking processes of households is skepticism that such potentially demanding research will bring with it explanatory powers far beyond those of the current model. What difference does the discovery of multiple decisionmakers with different agendas make if the outcome is still predicted by the unified household model? However, it appears that this is not always the case. Some authors (Dey, 1983, Rogers, 1983, Blumberg, 1986) have documented unexpected and unproductive outcomes of development efforts likely best understood by taking into account the intrahousehold allocation process. What explains the agricultural production project which simultaneously raises household incomes, leads women to withdraw labor on their key cash crops, and results in declines in nutrition and other welfare indicators? Differences between households cannot explain these effects fully, internal gender relations over income may.

Finally, the assumption that households behave as economically rational units is not only analytically simpler to handle, but suits practical tastes as well. Policy makers, in both industrialized and developing countries, often prefer to direct resource flows and benefits to the household as a unit or to the nominal household head. They stand clear of the issue of internal distribution, possibly assuming it will prove difficult to develop mechanisms to deliver benefits to specific individuals within households. The household can be complicated to understand. Descriptions of household dynamics differ according to the person reporting them. Yet, standard survey methodologies do not assist us in accurately viewing the household and locating economic authority in it when adult males are mechanically identified as heads of household. These adult males, when present, are often exclusively interviewed about sources and overall levels of household income. Their welfare is too often taken as a proxy for the welfare of all household members.

Supporting the analytic and practical impetus to consolidate individuals into households, is a strong cultural bias. The family, especially the marital relationship, is viewed as a sanctum protected from the conflicts that characterize virtually all other social institutions. This bias, however comforting, is also incorrect. Since men's and women's access to and control of resources differ systematically in the wider world--the external world of income relations--why would their personal economies be served by a common groundplan in the internal world of income relations? By reviewing some of the recent literature on adult men's and women's social and economic experience, we may see how utterly profound the distinction between the male and female spheres is, and therefore how unlikely it is that men's and women's needs and interests will fully accord within the intimacy of family and marriage.

MEN'S AND WOMEN'S CONTRASTING LIVES

Economic Contribution

In recent years, it has become important to document what women contribute to family and society through household and market production.[1] Over the last thirty years, there has been a steady upward trend in the participation of women in the labor market in developing countries. Though still afflicted by the

---

[1] Beneria (1982); Leacock (1984); Signs (Summer 1979, Autumn 1979); Buvinic, Lycette, and McGreevy (1983); Boserup (1970); Agarwal (1981); Dixon (1978); Dixon (1982).

serious problems of underenumeration (Recchini de Lattes and Wainerman, 1981), the official rate of female labor force participation in developing countries in 1985 was thirty-two percent. A more important fact to consider is that the rate of growth of the women's labor force participation since 1950 has outstripped the rise in male workers by two to one (Joekes, 1987).

Apart from this, it has been established that women's compensated labor combined with household production renders them substantial and sometimes predominant economic contributors, in all the developing regions of the world. This is true even in parts of Asia where cultural prescriptions mask women's productivity.[2] In recognition of the generally severe problem of undervaluation of women's productive activities in Asian national accounts the late Raj Krishna (n.d.) put forward a three-step methodology[3] - parallel in approach to that routinely used to estimate income generated in unregistered or unorganized sectors - to assess women's economic input to the national product. Using a similar methodology, Mukerjee (1985) recently estimated that Indian women contribute--exclusive of their services as housewives--thirty six percent of India's net domestic product. A detailed time allocation study in the Phillipines determined

---

[2] Cain (1978); Abdullah and Zeidenstein (1981); Ahmad and Loufti (1982); Cain, Khanam, and Nahar (1979); Maher (1981).

[3] Krishna (n.d.) "The first step is to obtain a detailed distribution of female time between various activities through large-scale sample surveys. The next (second) step is to classify activities for the purpose of valuation into three catagories: (a) activities which are clearly productive in the conventional sense and paid for in money or in kind; (b) activities which are clearly in the nature of final consumption e.g., eating, sleeping, dressing, socialising, and engaging in other recreational or religious activities; and (c) unpaid "quasi-productive" activities. There is obviously no ambiguity about the status of activities in categories (a) and (b). Activities of type (a) are clearly productive, and already regarded and valued as such in current statistics. Time devoted to them is clearly "employment." And the net value added by them is a part of national income." (Krishna discusses the ambiguities and methods to resolve them.) "The third task is the valuation of what we have called "quasi-productive" activities. There is a good precedent for valuing them, in the procedures used to value unpaid famiy inputs in the calculation of the cost of production of agricultural products...In every transitional, semi-feudal, semi-commercial economy, almost every kind of unpaid quasi-productive labor is purchased and paid for in some nearby commercialised subsector. "

that, although mothers contributed only twenty percent of market income, their contribution to full income was about thirty-eight percent (King and Evenson, 1983). Acharya and Bennett's intensive study (1983) of 279 households in eight villages in Nepal concluded that when both subsistence production and market production are considered, women - despite having over two thirds less cash income than men - contribute fifteen percent more than men to full income.

Women subsidize economic progress in at least four ways: through their underemployment, their unemployment, their willingness to go in and out of the labor market, and their low wages. Women carry the gross share of part time employment worldwide. In addition to the generally accepted observation that much of their productive work is uncompensated by wages, their hourly earnings in sectors like manufacturing compare unfavorably to men's. As reported, in a survey of nine developing countries, women earned between fifty percent (South Korea) and eighty percent (Burma) of the wages of men who are comparably employed (Sivard, 1985). A review of rural women's income conducted by the International Labor Organization reveals that women sometimes earned as little as one-third to one-fifth of the wages earned by men for work of equal or greater difficulty (Ahmad and Loufti, 1982).

Allocation of Income

A central impetus to women's earning--attaining a better life for their children, which many may view as an extension of "good mothering" (Engle, 1986)--may explain the allocational priorities they apply to their own income and other income that they control. Though difficult to research, a considerable body of information has built up on this subject in the last decade. (Blumberg, 1988) Kumar's study (1977) in Kerala, India, indicated that a child's nutritional level correlated positively with the size of the mother's income, food inputs from subsistence farming and the quality of available family-based child care. Significantly, children's nutritional level did not increase in direct proportion to increases in paternal income. An expanding number of studies and project evaluations in Jamaica (Horton and Miller, no date), St. Lucia (Knudsen and Yates, 1981), Ghana (Tripp, 1981), Kenya (Carloni, 1987), Botswana (Carloni, 1987), Sri Lanka (Benson and Emmert, 1977), and another multi-village study in Guatemala (Blumberg, 1986) strongly indicates a greater devotion of women's than men's income to everyday subsistence and nutrition.

Gender based responsibilities are most explicit in Africa. In some societies, husbands are responsible for the provision of

lodgings, children's tuition and other educational costs. Providing income for food and clothing for children may vary as a male or female/male joint obligation. However, almost universally, women in Africa are viewed as ultimately responsible for fulfilling children's food needs (Nelson,1981). At issue is not simply the ways in which women's income is used, but the degree to which men and women differ in taking personal spending money from their earnings. Though the specifics of women's consumption responsibilities vary (in Africa and across the world) it is quite commonly found that gender ideologies support the notion that men have a right to personal spending money, which they are perceived to need or deserve, and that women's income is for collective purposes (Young, 1987). [In this volume, the papers by Mencher, Hoodfar, and Roldan - commenting on Asia, the Middle East, and Central America, respectively- confirm men's tendency to withold portions of their income for not directly productive personal uses even when families live in or near poverty.]

This building knowledge of the specific destinations of women's income was initially obscured by a larger debate about the possible losses to children's welfare of mothers working outside the home (Leslie, 1987). This debate initially arose in industrialized country settings, but has been translated into the question succinctly posed by Engle (1986), "Can children's needs be met when their mothers work for cash income in Third World countries?" It should first be observed that many women have no choice about earning income. And research has begun to spell out in remarkable detail positive developmental impacts. Wilson (1981) noted that the children of "working" mothers have more adequate home diets at eighteen and thirty months than same aged children of non-working mothers in a set of Guatemalan villages studied. Recent research by Engle (1987), also in Guatemala, confirmed the positive contribution of maternal earnings (of non-domestic workers) to the welfare of one to two year olds, and noted that, "two year old children of working mothers were significantly heavier than non-workers' children" (Engle, n.d., p. 2). Kennedy (1987) in a study of the effects of cash cropping on nutrition in Kenya concluded "Children from households headed by females consistently have better nutritional status than preschoolers from other types of households. Girls do better than boys and older children do better than younger in many of the growth parameters. There is also some evidence that income controlled by women correlates with improved nutritional status, indicating that women are more likely to spend on food and health care." (p. 10)

Research which has investigated the the other side of this question (Blumberg, 1988) has concluded that there are negative impacts on welfare when women's control of cash income is reduced. Of the case studies reviewed by Blumberg for the World Bank, is one drawn from Burkina Faso (Conti, 1979) which

describes the impact on household nutrition of a resettlement scheme. This project denied women personal plots and emphasized cotton production which relied on increasing their 'family' labor contribution. As a result women's work day increased, their independent commercial activities declined by more than half, and they found it difficult to provide the "sauce items" for the major daily meal, a vital nutritional component. Another example from Africa - perhaps the classic - is that of the Mwea resettlement scheme in Kenya (Hanger and Moris, 1973) which, similar to the Burkina Faso case, markedly reduced women's access to independent plots while compelling them to work on the new irrigated rice fields assigned to the men. Husbands were directly compensated for the official project crop - rice - while women's income and provisioning activities declined. As a result, nutritional levels fell and more than a few families broke up, as women left the scheme to find better circumstances.

Time Use

Fairly consistently, women in all parts of the world put in more work hours (paid and unpaid) than do men of the same age. Gender differentiated time use occurs from early childhood through old age. Most critically, becoming a parent has a significant effect on women's time use and little on men's. For certain developing societies, there are data which indicate that the addition of children reduces the already little amount of time a man spends in child care while typically erasing leisure and reducing the sleep time of women to a biological minimum (King and Evenson, 1983). The tenacity of this gender differentiated system of time use is most striking when one considers middle class couples in industrialized countries where both spouses are full time members of the work force, and where substitute child care during the parents' work hours can be purchased. Based on a study in the United States, Hill and Stafford (1980) conclude that, "the overall impressions [are] that college educated women make substantial re-allocations of time to direct child care . . . that they sacrifice personal free time and sleep to avoid an excessively large reduction in market hours . . . overall the time use response of men to the presence of children in the household is minor." (p. 229)

Let us return for a moment to the new household economics model as depicted by Folbre. Under this theory, she states, "the economic rationality of the household unit further extends to decisions about family size which are influenced by changes in the price of children due to increases in production costs such as education and opportunity time devoted to child care" (Folbre, this volume p. 000-00X). These time use data suggest that the decisions about these tradeoffs are not taken by the

household, but rather almost exclusively by the mother who balances the conflict between market work and child care by reducing sleep and leisure.

Another aspect of these data which is worth pondering is the degree to which men and women do different things at different times of the day, and how few tasks are shared. If we analyzed individual time use at a distance not knowing that the personalities under study are members of the same household, and viewing time use like monetary investment as an economic choice, we would likely conclude that men and women belong to distinct social and economic groups, and sometimes would have difficulty regarding their behavior as cooperative or even linked. Does this segmentation of experience affect men's and women's perceptions of themselves, their partners, and the transactions between them? Devaki Jain (1985) suggests that it may. In Tyranny of the Household, she states that in poverty, "lives by necessity get acutely segregated both in space and in task, and to that extent, perceptions are limited to personal experience" (p. xiii). If this is so, then men and women in some poor households owing to the stress of fulfilling essential, but distinct, responsibilities have less of an opportunity to plan and live cooperatively than those in better off households. Plausibly, the segmentation of household members' experience is one reason poverty is likely to intensify age and gender based inequalities. Thus, the recent school of analysts exploring "household surival strategies," may find that what appears to be an adaptive, even a finely tuned balancing of household resources, is actually the uneasy aggregate of individual survival strategies (Schmink, 1984).

Perception

This leads us to the final subject this volume tentatively, and far from conclusively, explores: How readily do women see their dilemma, their disadvantage, and if recognizing it, do they consciously negotiate, bargain, or exchange to achieve ends? The literature already reviewed establishes widespread asset income and social institutional inequality between men and women. Yet, the behaviors and feelings of the women portrayed in these chapters do not consistently reveal a discomfort with their lot. In some cases, women respond with apparently unconcerned acquiescence, and in others they openly conflict with partners and refuse to continue in the framework of the family. What role does a solid sense of self worth play in assisting women to mobilize external strengths (such as outside wages, the persuasion of kin, community opinion) to change their situation? Within Sen's (1985) cooperative conflict paradigm, "perception itself is one of the important parameters in the determination of

intra-family divisions and inequalities." If a woman undervalues herself, her bargaining position will be weaker, and she is likely to accept inferior conditions. Outside earning provides both a psychological and practical leverage for her. It gives her (1) a better fallback position should negotiations break down (e.g., through divorce); (2) an enhanced ability to deal with threats and indeed to use threats (e.g., leaving the house); and (3) a higher "perceived" contribution to the family economic position as perceived by her and others (see paras 21 to 27).

But few who have studied women's position would conclude that fundamental change for women can be based solely on increased earning. Feminist theorists have identified collective action as a primary step for women in achieving personal power and status in the public domain (Safilios-Rothschild, 1982, Sanday, 1974). Sanday's cross-cultural analysis of female status identified four indicators of high status, the most important of which - superceding female material control - is the existence of female solidarity groups. An empirical support for this analysis is the role that some women's organizations in South Asia- specifically India and Bangladesh (Jain, 1974 Sewa, 1975, Chen, 1984) - have played in bringing women, weak and in domestic isolation, into visibility and power in a wider arena. Their achievements extend beyond enhancing the material prospects of the participants, to effecting changes in women's outlooks, increasing their freedom within the family unit, and enabling them to mobilize vital community resources, gaining access to literacy classes, a voice in community government, and so forth. Acharya and Bennett's earlier mentioned study provides an analytic link for the phenomena observed. In their study, women's activities were grouped on a continuum from those in the domestic sphere to those outside the village. (It is an almost spacial concept, as women's productive activities move farther from the geographic locus of the household.) They found that it is not women's productive activities <u>per se</u> that increase her influence in household decision making, but rather the extent to which women can move out of confined production roles and into participation in the village market economy or extra-village employment.

Thus, as Jain (1985) observes, there is an <u>interplay</u> between the familial and extra-familial: "The scene of women's advancement seem to be the household and ... household's perception and evaluation of women's role, its hierarchy, its monetary and non-monetary sources of power." (Page 8) But key in changing the dynamics within the household are extra-familial experiences which permit women an opportunity to see themselves differently, to become discomforted with their subordinated status, and empowered to confront and transform the aspects of family and income relations that oppress them. Women may need to become strengthened even beyond this point to effectively use direct and bilateral strategies of negotiation rather than less

risky and often less effective unilateral or indirect means (Falbo and Peplau, 1980). What remains to be detailed is how women transit to consciousness in their income relations with intimates, and what strategies they preferentially employ.

Volume Highlights

The contributors to this volume represent a range of perspectives and disciplines (economics, sociology, demography, and anthropology) that need to be brought to bear if we are to understand household arrangements and the potential role that the use of income plays in confirming or altering those arrangements. Though viewing gender and household dynamics through different disciplinary lenses, each author presents information about women's bargaining context. This entails defining (1) the broad cultural, socio-economic, and production structures within which women function; (2) the prevailing intrahousehold framework of asset and income distribution; (3) the intimates with whom a woman must deal in pursuit of priorities that she holds for herself or dependents; and (4) the outcome of the intrahousehold allocation process.

The chapters are grouped by region moving geographically through Asia, Africa, the Middle East, and Latin America, and respectively across family systems. The functional effects that family systems have on women's access to and control over resources are powerful in all parts of the world, but they are revealed especially clearly in the chapters on Asia. At the extreme of female dependence, Cain describes women's range of choices in rural South Asia, as these occur in contrasting villages in Mymensingh, Bangladesh, Maharashtra, Andhra Pradesh, and in Madhya Pradesh, India. In Bangladesh in particular, women's access to income-earning opportunities is severely limited; their legal inheritance rights are generally forfeited, their chances of becoming widows (because of age differentials between spouses at marriage) are a near certainty; their risk of divorce is emotionally salient; and their control by patriarchal structures is extreme. These women must reproduce to survive. Sons are especially valuable: they are long-term risk insurance, and widows maintain a stake in their deceased husband's property largely through sons' productive activities and status.

The chapters describing women in Taiwan, Indonesia, and India (including Cain's analysis of women's experience in selected Indian villages) indicate that these women fare somewhat better than their Bangladeshi sisters. In Taiwan, the powerful multigenerational patriarchal family concentrates power in older males who invest heavily in the income earning power of their sons. In her chapter, Greenhalgh recounts how Taiwanese parents

create differential contracts with male and female children. Male children are bound by a longer and somewhat looser contract of obligation. They must achieve and earn over the longterm to support and honor their aging parents. Females leave the family at marriage and so must repay their debt for nurturance and education before they are absorbed into their husbands' families. Greenhalgh contends that this system has operated in the presence of modern educational and employment opportunities to increase girls' educational attainment and their participation in formal wage labor, but that it has not resulted in an increasingly autonomous younger generation of females. Rather, she argues that the participation of young women in export-oriented production lines is a modernized version of an older family strategy that increases the value of sons' contributions to parents by using the income generated by their sisters to pay for and prolong the sons' education. Within the currently observed intergenerational contract, women's earning opportunities give them little new power and perhaps have served to subjugate them longer if not more severely.

Papanek and Schwede illuminate on the mediating effects of the bilateral kinship system that characterizes parts of Indonesia. Their view is that the bilateral kinship system exerts less control over women than an extended unilateral family system, expands women's access to the labor market, permits and in some cases rewards two-earner families, and allows higher rates of divorce and remarriage than are commonly seen in other parts of Asia. By longstanding tradition, women are also the money managers of the family and men appear to turn over an unusually high proportion of their earnings to women. Women further participate to a notable extent in extrafamilial saving schemes, which benefit the household economy by aggregating sums of money for large expenditures in crisis while also giving women a means of controlling income outside the household.

Family systems are part of a broader scheme of constraints on women in Asia. Mencher, describing income levels and relations in landless families in Tamil Nadu and Kerala, focuses attention on women's limited access to sex segregated rural labor markets. She documents that in a variety of poor classes in 14 different villages, women consistently devote a higher proportion of their income (nearly 100 percent) to family needs than do men. Men withhold some portion of their wages for personal use even when overall income is clearly inadequate. Mencher's data challenge the hypothesis that men's and women's income contributions are worked out cooperatively. And while it is sometimes alleged that men contribute more of their earnings when women are earning less, Mencher's data show that fluctuations in men's contributions to the household go in unexpected directions. Men tend to make higher contributions to the household budget in both relative and absolute terms when women are earning the most. Curiously, they do not usually increase their contributions in

times of stress (when women are finding less work or have just given birth to a child). Men's income contribution to the household varies, in most cases, not with need in the family but with their own income. From this, most men subtract a constant amount of income for personal use. The consequences of this pattern are potentially serious in communities where infant mortality is high, where all families live very close to the edge of poverty, and where malnutrition is common. Mencher's final discussion also notes that planned new production techniques will bypass the poorest women and men and concentrate new technologies in the hands of a minority of wealthier men. Under present circumstances, any reduction in the income that women earn and devote to the family is liable to affect their survival.

Hoodfar's chapter, the sole description of a Middle Eastern society, depicts life in a congested low income neighborhood of Cairo. Male and female role ascriptions emerge as more powerful in this setting than kinship or religious structures in creating men's and women's differential modes of handling income. Hoodfar (describing Egypt much as Roldan, Munachonga, Pessar, and Fapohunda do in their respective chapters on Mexico, Zambia, Dominican Republican immigrants, and Nigeria) locates the power issues in a series of different income-pooling arrangements.[4] Hoodfar's chapter highlights the very different domains--spatial as well as economic--of men and women. Typically, men and women do not share income information. The man gives what he gives and the woman makes do. "Making do" or "stretching the wage" may require wives to change spending patterns, deprive themselves or others of vital resources, or earn some money on the side. What is striking in this chapter is the degree to which the women "manage" without consulting their husbands and how little men know of their wives' coping strategies. Hoodfar's observations resonate with those of Whitehead (1981) who describes how men in West Africa, absent from the home, are often removed from the knowledge of the needs of children ("from the children's cries for food," as Whitehead dramatically puts it) as well as from community pressure to contribute more. Hoodfar contrasts the male world of coffee shops, movies, and work away from the neighborhood with the confined and impoverished environment of the women, who may not leave the small geographic territory of the district during their entire lives. Men's "outside" world can claim a sometimes substantial portion of their earnings and may loosen their personal and social contracts to provide materially and emotionally for their immediate families. This description, when combined with what we know of the increasing migration of men worldwide, suggests an often forgotten dimension of male/female differentials--that of long term and daily spatial

---

[4] For detailed discussion and codification of income pooling arrangements and their implications see Young, 1987, and Pahl, 1983.

separation; men and women are literally moving in different worlds.

It is perhaps when approaching Africa that development scholars and practitioners see most distinctly the shortcomings of currently theories of household dynamics. Africa's kinship structures, household forms of behavior, and decision-making patterns are astonishingly diverse and generally at variance with both Western and Asian patterns. Among the most striking features are the visibility of women in key economic activities, the explicitness of differential male and female income streams within the household, high fertility despite considerable marital instability and the lower marriage rate observed in parts of Africa, and, in the traditional setting, the strength of natal or kinship ties over conjugal loyalties. The recognition of the high degree of separateness of male and female economic spheres, including women's dominance in subsistence agriculture, was one of the sparks to scholarly interest in women's roles in development. The poverty of sub-Saharan Africa, the famines, and the unique demographic dynamics of this continent have made it a priority region for bi- and multi-lateral assistance programs. A fuller understanding of women's roles, including women's authority over income and their production incentives, is essential if Africa's primary problems--food security and the highest fertility and child mortality rates in the world--are to be resolved.

In her chapter on Africa, Fapohunda uses African family patterns to advantage when examining the validity of key tenets of the New Household Economics, a theory rooted in Western concepts of household and family. She states, "theoretically, the challenge to social scientists is . . . . to consider the characteristics and functioning of heterogeneous nonpooling domestic units, perhaps viewing the household with a unified budget as a special case" (Fapohunda, p. 000-00X). She raises three important questions: "What are the economic benefits of income pooling and joint expenditure planning? What are the risks associated with such behavior for each spouse? How do these risks vary among socio-economic environments and over time?" Fapohunda's findings demonstrate that the paradigm of a cooperatively executed household economy is not empirically valid in any of the three communities studied.

Guyer's chapter explores some of the same theoretical ground. She critiques the research approaches to domestic budgeting with special emphasis on West Africa before analyzing her own data set from the Cameroons. Whereas she notes that early studies (some almost 40 years old) had the advantage of conceptualizing intrahousehold relations particularly (sometimes almost wholly) through income behavior, most applied the concept of a single household expenditure plan. Although this analytic approach turned up differences between male-headed and female-

headed households, the resulting analysis was limited in that it cast women's "unusual" behavior as earners and spenders purely in terms of their class positions rather than illuminating gender-specific economies. Guyer rights the balance, finding both class-related aspects in household spending and distinctive male and female economies within households. Male/female economic relations are portrayed as dynamic at both the community and household levels. Women's earning opportunities are broadly linked to those of men--that is, when male occupational profiles and activities change, women's economic choices take advantage of or accommodate to these shifts. Over the long term, women are disadvantaged in their access to better-paying employment and modern productive techniques. As women's income falls relative to men's or as the structural features of the general economy and society change (e.g., rising school fees or the balance of income produced by cocoa sales versus food sales), women may seek to "renegotiate" the level and destination of their male partners' earnings.

Munachonga examines income allocation and control systems within changing marriage forms in the emerging middle classes of urban Zambia. Like Cain and Greenhalgh, she frames her analysis in terms of women's inheritance and property rights and women's formal and informal contracts with husbands and kin. Her descriptions of women's prospects in emerging urban Africa are quite pessimistic. There appears to be little observance of women's traditional rights in recently established ordinances and codes. Government policies affecting employment, education, income taxes, and housing reinforce and in some cases establish women's inferior status in the household. Although there are some new and uniquely African additions to these policies, Munachonga traces the history of the patterns from colonial times. Independence has brought educational policies that are nominally more equitable, yet decades of explicit discrimination against women's education must be overcome, and current curricula stress the domestic arts rather than job training for women. In Munachonga's description of urbanized Africa, it is suggested that the majority of women will seek status and security--however uncertain--through marriage. Even then, the working wife (managing a salary that reflects her gender more than her qualifications) finds that her traditional work obligations toward her husband have been reinterpreted in the urban context to mean that the husband owns her earnings. In reviewing differential financial arrangements, Munachonga finds "a continuum representing degrees of male control of money within the home." Traditional obligations to kin are factored into an equation that is reformulated in modern terms. For example, she recounts a story of one couple in her sample who called in representatives of each of their kin groups when either spouse "bought a major household item . . . to explain who had bought and therefore owned the item." (Munachonga, this volume p. 000 to 00X.) All this is necessary because current ordinance law

does not provide women with property rights in case of divorce.

The three chapters on Latin American societies describe the ways in which women's earning activities and women's own views of their income rights reflect rapidly changing, but still conflict-ridden, male/female relations. Safilios-Rothschild's and Pessar's chapters explore shifts in household income relations in the context of significant policy-promoted economic changes: agrarian reform in Honduras and Dominican migration to the United States, respectively. Safilios-Rothschild sees a missed opportunity to improve women's access to the country's chief resource, productive land, in a reformist environment that has extended direct rights in land to the men of farming couples but not to the women, and, that, while affirming the rights of female-headed households to land as a matter of policy, has administratively denied them. Her data set has the special feature of allowing a comparison of men's and women's accounts of women's income. The majority of men underestimate their wives' economic contributions, a finding that should be of great interest to surveyists who rely on a single informant for data on family income. Safilios-Rothschild sees a tendency to minimize women's contribution as part of a larger strategy to uphold the ideal of the male breadwinner, which in turn validates the broader system of sexual stratification. The greater these earnings are relative to the male's, the more likely they are to be underestimated. However, women themselves find it notoriously difficult to report their earnings accurately because of their irregularity and the form they take; thus, to some degree, women collaborate in the obfuscation of female contributions.

Pessar reveals the intricacy of negotiations between spouses who have migrated from the Dominican Republic to the United States. The value of the new social context, which includes expanded earning opportunities for and an increased measure of monetary control by women, is clearly perceived by women, who are reluctant to return home in many cases. Among other indications of women's expanded power, Pessar documents a profound change in budgetary allocation patterns in Dominican households after migration. The conflict over this changing authority resulted in 14 U.S. divorces among the 55 women in her sample. Women's new interests are to build their personal stake in the United States and to delay their return home, while husbands stress the importance of saving ("five dollars wasted today means five more years of postponement of the return to the Dominican Republic"), men also look forward to returning to the home country with the elevated status of direct producer or owner of a business. Pessar's chapter calls into question the gender blind models of migration that focus on household behavior and fail to inquire into the interplay of male and female interests that influence migration choices.

Roldan also addresses the theoretical limits of current

household modeling, including neo-Marxist frameworks that have recently stressed household survival strategies and have assumed that "the family works to maximize its benefits to all, and each, of its members." She states, "My research on these topics follows from different theoretical premises. . . . Any analysis of distributional intrahousehold processes must be sensitive to the contradictory pressures exerted by the supportive and the oppressive elements involved in family interaction."

The women described by Pessar, Safilios-Rothschild, and Roldan, emerging out of different historical contexts, are a long way from their Asian sisters in the degree to which patriarchal systems envelop them. Yet they are also oppressed. Kinship pressures or parental support are weak elements in their economic framework. If they directly confront husbands over income, their way of life is threatened, but they do not face the literal loss of livelihood that divorce and widowhood can mean, for example, in Bangladesh. Rather, they are controlled by their lesser access to market activities, their socialization into constricting norms of reproductive and nurturing behavior, and male manifestations of disapproval that can include violence against them. There is an exit for these women, but it is at a great cost.

Pessar's women have found some leeway through migration abroad. Roldan's and Safilios-Rothschild's women are circumscribed in their attempts to negotiate greater authority for themselves by policy directives and economic structures that consistently give men the edge in earning and lay out few explicit responsibilities for men in supporting children. Roldan's women appease the men in their households for the moment, and use their earnings not as leverage but as a means to contain conflict by reducing the frequency with which they must ask for money or argue over expenditures. Roldan reports, "family interaction is fraught with friction. Forty of the fifty-three wives studied reported very frequent discussions and quarrels over shortages of money, wives' "faulty" administration (as husbands put it), children's discipline, and husbands' drinking, unfaithfulness, and jealousy. Violence was frequent, and surprisingly, thirty-two of the wives thought their marriage was a failure. Half of them had separated at one point or another in their married lives. Why did they return to their husbands? They mention several needs: economic protection for themselves and their children, social protection in a sexist society, and "a father's discipline to keep children straight" (Roldan, p. 000-00X).

The situation of Roldan's and Safilios-Rothschild's women could be altered rapidly if women's access to labor markets was broadened, wages were made more equitable, and more explicit attention was given to women's property rights as heads of households and as productive partners in nominally male-headed

households.

Folbre's chapter is a theoretical summation. Should the empirical information offered in the preceding chapters fail in deconstructing the myth of the unified household, Folbre's analysis takes another route to convince the reader. She traces the persistence of unitary household constructs, as well as notions of altruism and cooperation within the family, through conventional economic theories that are diametrically opposed. She asks, "Why are both the neo-classical and the Marxian paradigms so silent on the issue of inequality within the home?" She identifies altruism within the family as an element of both the New Household Economics and evolved Marxist approaches and asserts that "it is entirely inconsistent to argue that individuals who are wholly selfish in the market (where there are no interdependent utilities) are wholly selfless within the family where they pursue the interests of the collectivity" (p.000-00X). Folbre's concern with the interplay of divergent male/female interests is unusual among economists. Indeed, Folbre's contribution is crucial here because it works its way through the economic literature to substantiate a revised link of theory to policy by observing that "the possibility that inequalities are partly a function of economic factors wreaks havoc with the traditional approach" (Folbre, p. 000-00X).

THE LINK TO POLICY

Understanding individual income streams within the household is analytically important for deciphering the determinants of economic change at both the upper and lower ends of the economic spectrum. When monitoring the health and welfare of low-income groups, it becomes crucial for the policymaker to see the link between the earning and spending priorities of women and their roles as daily financial managers of the household and as primary guardians of the physical and social status of their children. Household authority patterns and norms may act to reduce the potential benefits to women of these economic opportunities by, for example, insisting that women take differential responsibility for children (and sometimes older dependents). There tends not to be a reciprocal pressure on men to contribute more to the family as their income increases; on the contrary, men may keep their bargaining edge by deciding what externally derived benefits are to be passed on to the household and to what degree. Men serve as unacknowledged gatekeepers between the family and purportedly gender blind new economic opportunities.

The forging of an appropriate theoretical link between macro-level policy and micro-level impacts (at the household and subhousehold level) could enlighten debates about development

policy, such as the current controversy about the impact of economic readjustment (e.g., changes in debt structure and internal pricing policies) on the poor. The debate--in its most simplified form--engages the economists (generally working within a neo-classical framework with its presumptive unified household) and other social scientists who tend to be more sensitive to the interclass and other distributional effects of economic policy. A third set of actors, also part of this debate, are the welfare planners who act principally through health and nutrition interventions.

These three groups diagnose and treat differently, but their models of the household are similar in assuming cooperation between the adult males and adult females. Economists help their households principally by increasing the earnings of the main breadwinner. It is assumed that income the male breadwinner earns from newly created employment opportunities will be distributed to his family. The degree to which this income will leak out for other purposes is not formally considered, nor is the degree of actual attachment of the economically benefitted males to the needy females and children. The second group, the social theorists, more attuned to the distributional effects of macro economic policies, are alert to decreases in real wealth; they look for polarization within societies and the creation of new class disparities. Their sensitivity to increasing class differentiation and divisions within communities has often not been extended to a concern with what happens inside household in times of stress. The third group, the health and welfare theorists and activists, have fewer resources and a good deal less in the way of policy instruments at their command; in effect, they take on "the women" as their agents. The invisible women of the economic theorists become the all-powerful mothers (within families and household units) of the health advocates. It is believed that these women, with more knowledge (but little more time or money), can heal, reconstitute, and fortify their children, while the underlying cause of much of the illness--inadequate nutrition owing to low incomes--cannot be dealt with at the level of health interventions.

One final point is worth noting when considering policy approaches: households are not permanent. By virtue of marrying men many years their senior, women in many settings face the near-certainty of widowhood and in most cases, ensuing poverty. Women in many other societies face abandonment, extended separation, or divorce as a likely occurrence at some point in their lives. An already high, and in some settings, a rapidly increasing proportion of women begin their families as pregnant adolescents without committed partners. Women's lifetime risks of being on their own are masked by survey classifications of family types that greatly underenumerate female-headed household phenomenons (Buvinic, Youssef, and Von Elm 1978). Even according to the existing classification techniques and cross-sectional

information, as many as one-third of households in the world are woman-headed and, in some communities, the recorded figure is as high as fifty percent.[5] An important missing piece of knowledge is how many women pass through a phase in their lives when they are the primary or sole economic support of young children.

The policy message of this volume may distill down to the proposition that individuals rather than households should be the recipients of economic outlays, whether transfers or wage earning opportunities, with women being more appropriate recipients when certain ends are desired. Cultural designation of some obligations as male or as female especially points to the appropriateness of directing allocations to specific individuals. In cases in which it is determined that resources that come into the household may be used unproductively vis-à-vis the well-being of target groups, allocations of aid might be directed to women outside the household. Women's collective action groups, cooperatives, and savings unions can be regarded as possible mechanisms to protect income and other resources for use in meeting critical needs.

Policies that earmark individual recipients for aid rather than the household as a unit are not necessarily discordant with the goals of family maintenance or strengthening. In fact, insofar as male heads of household have been de facto "individual" recipients of development allocations, our proposal is not a radical departure. Moreover, the precise delineation of recipients may reinforce, in a positive sense, differentiation regarding areas of responsibility that indigenous households already make.

The information in this volume should serve scholars and policy makers alike. We have seen that men and women are distinctive in their economic access, and similarly have distinct self interest within the family. We have found that male and female goals within nuclear and intergenerational households are typically pursued not through playing out cooperative plans, but rather through institutionalized inequalities. We argue for attention to these facts in pursuit of equality, and economic progress. Certainly, the information in this volume suggests

---

[5] Kossoudji and Mueller (1983); Massiah (1980); Chaney, Simmons, and Staudt (1979) provide their own estimate of the incidence of female-headedness, and see the pattern as basic to roughly one-third to two-fifths of the world's rural households.

that to the many fault lines[6] along which social changes are monitored, the economic condition of male and female within the same household should be added.

---

[6] We gratefully acknowledge this phrasing as Hanna Papanek's and Laurel Schwede's in "Women Are Good with Money: Earning and Managing in an Indonesian City," this volume.

REFERENCES CITED

Abdullah, A. and Zeidenstein, S. Village Women of Bangladesh: Prospects for Change. London: Oxford University Press, 1981.

Acharya, Meena and Bennett, Lynn, "Women and the Subsistence Sector: Economic Participation in Household Decisionmaking in Nepal." Washington D.C., World Bank, 1983.

Agarwal, Bina. Agricultural Modernization and Third World Women: Pointers from the Literature and an Empirical Analysis. Geneva, 1981.

Ahmad, Zubeida. M., and Loufti, Martha F. Women Workers in Rural Development. Geneva, 1982.

Becker, Gary S. A Treatise on the Family. Harvard University Press. Cambridge and London: 1981.

Beneria, Lourdes, ed., Women and Development: The Sexual Division of Labor in Rural Societies. New York, 1982.

Benson, Janet E. and Emmert, Jan Paul. "The Accelerated Mahaweli Program, Sri Lanka: A Women in Development Assessment." March 1987. A field study cited in Carloni, "Women in Development: AID's Experience, 1973-1985." Synthesis paper. Volume 1 (1987).

Blumberg, Rae Lesser. "A Women in Development Natural Environment in Guatemala: The Alcosa Agribusiness Project in 1980 and 1985." Mimeo, August 1986.

Blumberg, Rae Lesser, "Income Under Female vs. Male Control: Differential Spending Patterns and the Consequences When Women Lose Control of Returns to Labor." Draft report prepared for the World Bank, forthcoming 1988.

Boserup, Ester. Women's Role in Economic Development. London: Allen and Unwin, 1970.

Buvinic, Mayra; Lycette, Margaret A.; and McGreevey, William Paul, eds. Women and Poverty in the Third World. Baltimore, Johns Hopkins University Press, 1983.

Buvinic, Mayra, and Youssef, Nadia H. with Von Elm, Barbara. "Women-Headed Households: The Ignored Factor in Development Planning." Report submitted to the Office of Women in Development, Agency for International Development. Washington, D.C., International Center for Research on Women, 1978.

Cain, Mead T. The Household Life Cycle and Economic Mobility in

Rural Bangladesh. Center for Policy Studies Working Paper Number 28. New York: The Population Council, 1978.

Cain, Mead; Khanam, Syeda Rokeya; and Nahar, Shamsun. "Class, Patriarchy and Women's Work in Bangladesh." Population and Development Review, vol. 5, no. 3 (1979): 405-38.

Carloni, Alice. "Women in Development: AID's Experience, 1973-1985." Synthesis paper. Volume 1 (1987).

Chaney, Elsa; Simmons, Emmy; and Staudt, Kathleen. "Women in Development." Washington, D.C., 1979.

Chen, Martha, "The Working Women's Forum: Organizing for Credit and Change," SEEDS, 1984.

Conti, Anna, "Capitalistic Organization and Production Through Non-Capitalistic Relations: Women's Role in a Pilot Resettlement in Upper Volta." Review of African Political Economy, No. 15/16: 75-91, 1979.

Dey, Jennie, "Gambian Women: Unequal Partners in Rice Development Projects?" in Journal of Development Studies 17(1): 109-22, May 1983.

Dixon, Ruth B. Rural Women at Work: Strategies for Development in South Asia. Baltimore, Johns Hopkins University Press, 1978.

_____. "Women in Agriculture: Counting the Labor Force in Developing Countries." Population and Development Review, vol. 8, no. 3 (September 1982): 539-566.

Dwyer, Daisy H. "Women and Income in the Third World: Implications for Policy. Population Council, International Working Paper No. 18, June 1983.

Engle, Patricia. The Intersecting Needs of Working Women and Their Young Children: 1980 to 1985. Report to Carnegie Corporation. Mimeo, January 24, 1986.

Engle, Patricia and Pederson, Mary. Maternal Work for Earnings and Children's Nutritional Status Within Urban Guatamala." Mimeo, 1987.

Falbo, Tony and Peplau, Letticia Ann. "Power Strategies in Intimate Relationships," Journal of Personality and Social Psychology, vol. 38, no. 4 (1980): 618-628.

Hanger, Jane and Moris, Jon, "Women in the Household Economy," in MWEA: An Irrigated Rice Settlement Scheme in Kenya, edited by Robert Chambers and Jon Moris, Munchen: Weltforum Verlag, 1973.

Hill, Russell C. and Stafford, F. P. "Parental Care of Children: Time Dire Estimates of Quantity, Predictaility and Variety." Journal of Human Resources, vol. 15 (1980): 219-231. Quoted in Robinson, Warren C. "Time Cost of Children and Other Household Production." Population Studies, vol. 41, no. 2 (July 1987): 313-323.

Horton, Susan and Miller, Barbara Diane. The Effect of Gender Household Head and Expenditure: Evidence from Low-Income Households in Jamaica. (no date)

Jain, Devaki, ed. Tyranny of the Household. Shakti Books, New Delhi, 1985.

Jain, Devaki, "From Disassociation to Rehabilitation: A Report and Experiment to Promote Self-Employment in an Urban Area," New Delhi: Allied Publishers, 1974.

Joekes, Susan P. "Evaluation of Research and Policies of Female Employment in Developing Countries", prepared for OEC Development Centre, Conference on Evaluation of Urban Employment Research and Policies in Developing Countries, Paris, 2-4 November 1987.

Kennedy, Eileen T., and Bruce Cogill, "Income and Nutritional Effects of the Commercialization of Agriculture in Southwestern Kenya," Research Report 63, November 1987, International Food Policy Research Institute.

King, Elizabeth and Evenson, Robert E. "Time Allocation and Home Production in Philippine Rural Households." In Buvinic, Mayra; Lycette, Margaret A; and McGreevy, William Paul, eds. Women and Poverty in the Third World. Baltimore: Johns Hopkins Press, 1983.

Kossoudji, Sherrie, and Mueller, Eva. "The Economic and Demographic Status of Female-Headed Households in Rural Botswana." In Economic Development and Cultural Change. 31:4, July 1983, 831-859.

Krishna, Raj, "Women and Development Planning" (with special reference to Asia and the Pacific), mimeo prepared for the Asian and Pacific Women's Center.

Kumar, Shubh. "Composition of Economic Constraints in Child Nutrition: Impact from Maternal Incomes and Employment in Low Income Households." Ph.D. Dissertation, Cornell University, 1977.

Knudsen, Barbara and Yates, Barbara A. The Economic Role of Women in Small Scale Agriculture in the Eastern Caribbean--St. Lucia. Barbados: University of the Wet Indies Women in Development Unit, 1981.

Leacock, Eleanore Burke, ed. Women's Work. South Hadley, 1984.

Leslie, Joanne, "Women's Work and Child Nutrition in the Third World." International Center for Research on Women. Mimeo, 1987.

Maher, Vanessa, "Work, Consumption and Authority within the Household: A Moroccan Case." In Kate Young, Carol Wolkowitz, and Roslyn McCullagh, eds. Of Marriage and the Market: Women's Subordination in International Perspective. London, 1981, p. 69-87.

Manser, Marliyn and Brown, Murray. "Bargaining Analyses of Intra Household Decisions". In: Lloyd, Cynthia, Andrews, Emily S. and Gilroy, Curtis, L. eds. Women in the Labor Market, Columbia University Press, New York, 1979.

Massiah, Jocelin. Family Structure and the Status of Women in the Caribbean, with particular reference to "Women Who Head Households." Paper presented at the meeting of Experts on Research on the Status of Women, Development, and Population Trends: Evaluation and Prospects. Paris, November 25-28, 1980.

Mukerjee, Moni. "Contributions to a Use of Social Product by Women" in Jain, Devahi, ed. Tyranny of the Household (1985) pp. 259-274.

Nash, John. "Two Person Cooperative Games". Econometrica 21:p. 128-35. 1953.

Nelson, Nici, editor, African Women In the Development Process, London: Frank Cass, 1981.

Oppenheim, Karen; Taj, Anju Malhotra; and Mason. Gender Differences and Reproductive Goals in Developing Countries. Paper commissioned by the Population Sciences Division of the Rockefeller Foundation. Draft date, February 27, 1987.

Pahl, Jan, "The Allocation of Money and The Structuring of Inequalities within Marriage," The Sociological Review, Vol. 31, No. 2, p. 237-262, May 1983.

Recchini de Lattes, Zulma and Wainerman, Catalina. Women in the Bench of the Accused. Terra Nova Press, Mexico City, 1981.

Rogers, Beatrice Lorge, "The Internal Dynamics of Households: A Critical Factor in Development Policy." Tufts University School of Nutrition, Medford, Massachusetts. Paper developed in fullfillment of an AID contract for AID/PPC/PDPR/HR. October, 1983.

Safilios-Rothschild, Constantina, "Female Power, Autonomy and

Demographic Change in the Third World," in Richard Anker et.al. (eds.), Women's Roles and Demographic Change, Geneva: International Labour Organization, pp. 117-132, 1982.

Sanday, Peggy R., "Female Status in the Public Domain," in Women, Culture and Society, Michelle Rosaldo & Louise Lamphere (eds.), Stanford University Press, 1974.

Schmink, Marianne. "Household Economic Straegies." Latin American Research Review. Volume 19, No. 3, pp. 87-101. 1984.

Sen, Amartya. "Women, Technology, and Sexual Divisions." UNCTAD/TT/79. 1985.

SEWA(Self Employed Women's Association), Annual and Project Reports, Ahmedabad, India, 1975.

Signs. Special editions. "The Labor of Women: Work and Family" (Summer 1979); "Women in Latin America" (Autumn 1979).

Sivard, Ruth Leger. Women: A World Survey. Washington, D.C.: World Priorities, 1985.

Smith, Peter C. "Migration, Sex, and Occupations in Urban Indonesia and Thailand." Working Paper Number 21. Honolulu: East-West Population Institute, October 1981.

Tripp, Robert B., "Farmers and Traders: Some Economic Determinants of Nutritional Status in Northern Ghana." Journal of Tropical Pediatrics, 27 (1981): 15-22.

Whitehead, Ann. "'I'm Hungry Mum': The Politics of Domestic Budgeting." In Kate Young, Carol Wolkowitz, and Roslyn McCullagh, eds. Of Marriage and the Market: Women's Subordination in International Perspective. London, 1981.

Wilson, A. B. "Longitudinal Analyses of Diet, Physical Growth, Verbal Development, and Performance." In Balderston, J. B.; Wilson, A. B.; Freire, M.; and Simonen, M. Malnourished Children of the Rural Poor (Boston: Aurburn, 1981).

Young, Kate, "Enhancing Gender Awareness: Household Resource Management. A Training Module for Trainers - Pilot Project." The Institute of Development Studies, Sussex, England. Mimeo, May, 1987.

MAYRA BUVINIC

DRAFT
For comments only

Trends in Donor Approaches to Women and Income in the Third World: A Discussion Paper for the Ford Foundation

Mayra Buvinić

ICRW

April 1988

Thanks are due to Karen Lee Martinez, for her able research assistanship, to Caren Grown, Katharine McKee and Jennefer Sebstad for their comments on a draft questionnaire and, especially, to the individuals who answered the questionnaire. The views in this paper are the author's and should not be attributed to ICRW, the Ford Foundation or the agencies mentioned in the text.

TABLE OF CONTENTS

A. Policies and Objectives of Donor Agencies Regarding the Expansion of Income-Earning Opportunities for Poor Women

1. Three Donors
2. Questionnaire Responses and Common Trends
3. The Effectiveness of Women's Income and Employment Generation in Achieving Agencies Objectives

B. Major Strategies and Preferred Project Styles and Project Features

1. Shared Strategies
2. Shifts in General Strategies
3. Preferred Project Styles and Their Relative Effectiveness
4. Trends

C. Achievements and Future Challenges

MAYRA BUVINIC

Trends in Donor Approaches to Women and Income in the Third World: A Discussion Paper for the Ford Foundation

This paper discusses some of the major approaches adopted by donors in the field of expanding income-earning opportunities for poor women in the Third World, highlighting the lessons that have been learned and the major challenges still to be addressed. It attempts to summarize the experience of donor agencies and analyze the evolution of donor thinking and priorities over the last decade. The discussion addresses three main topics regarding the work of donor agencies in the area of employment and income-earning opportunities for women in poverty:

1. the evolution of objectives and policies of donor agencies in the context of general development trends;

2. major strategies and preferred project styles and project features supported by donor agencies; and

3. lessons learned and tasks that lie ahead.

The paper is based on a quick and selective review of policy and evaluation documents from donor agencies and on information provided by thirteen experts in response to a questionnaire regarding both the work of donor agencies and their own personal observations. The annex includes a copy of the questionnaire and the list of donors mentioned in the responses to the questionnaire.

Adelman (1986) identifies three approaches to fight poverty through development policy: increase the quantity of assets owned by the poor; increase the volume of their market sales; and increase the price of the services they sell, especially through productivity-oriented policies aimed at increasing the price of their labor. Building on her analysis, one can add a time dimension, and distinguish two sets of policies: those that more directly and/or in the short term seek to expand the income-earning opportunities for poor women, and those that have more indirect and/or long-term effects. The options to expand the income-earning opportunities for women in poverty directly and/or often in the short term include the following:

1. increasing the price of women's labor by integrating women into market production through: (a) income generation schemes that include training, credit and/or technical assistance; and (b) technological innovations that transfer or transform home and subsistence production into market production;

2. increasing the productivity of women's market work and therefore the price of women's services or goods through: (a) investing in training or vocational education that will upgrade the quality of women's labor; (b) increasing women's access to credit and other complementary assets used by the poor, such as land; and (c) introducing productivity enhancing technological change;

3. increasing the demand for women's paid or remunerated labor through: (a) the growth of labor intensive, export oriented manufacturing; (b) the implementation of food for work and labor intensive infrastructure projects; and (c) the growth in agribusiness which directly promotes employment and income generation; and

4. redistributing assets (land reform) by sex as well as by income level.

Indirect and/or long-term policy options to expand the income-earning opportunities of poor women include:

1. upgrading the quality and therefore the price of women's labor through investments in human capital, such as health and education;

2. enacting legal changes that eliminate discriminatory practices and enable women to obtain or increase their access to assets (such as capital and land), and grant them adult rights in the marketplace (for instance, their right to own, borrow and sell); and

3. creating social support mechanisms and/or implementing social changes that increase women's productivity by reducing potential conflicts women have as income earners and home producers.

These options can be exercised or implemented at different levels: through policy reform, institutional development, sector and sub-sector action, and project interventions. Supporting the options at the different levels, donors can finance action or underwrite research, education and/or information, and technical assistance efforts.

Most of the work of donor agencies has concentrated on the more direct and/or short-term options. In fact, the majority of the work financed by donor agencies in the last decade has concentrated on a subsample of these options, mainly on interventions in the areas of vocational training, credit for small and micro-enterprises, income generation schemes for women who work outside the cash economy, and food for work projects.

Donor agencies reviewed for the paper include multilateral and bilateral agencies that provide official development assistance as well as private foundations and non-governmental organizations that channnel non-official support. In both groups there are agencies whose main role is providing financial support in the form of loans or grants (for instance, The Ford Foundation and the Inter-American Foundation), agencies that provide both financial backing and technical assistance (The World Bank and USAID), and agencies that assist in implementing the actions they support (the international PVOs).

Policies and Objectives of Donor Agencies Regarding the Expansion of Income-Earning Opportunities for Poor Women

Donors have a variety of reasons to support the expansion of income-earning opportunities for women in poverty. In the larger agencies these reasons are reflected in the agency's policy statements. The paragraphs below

Trends in Donor Approaches to Women and Income in the Third World: A Discussion Paper for the Ford Foundation

This paper discusses some of the major approaches adopted by donors in the field of expanding income-earning opportunities for poor women in the Third World, highlighting the lessons that have been learned and the major challenges still to be addressed. It attempts to summarize the experience of donor agencies and analyze the evolution of donor thinking and priorities over the last decade. The discussion addresses three main topics regarding the work of donor agencies in the area of employment and income-earning opportunities for women in poverty:

1. the evolution of objectives and policies of donor agencies in the context of general development trends;

2. major strategies and preferred project styles and project features supported by donor agencies; and

3. lessons learned and tasks that lie ahead.

The paper is based on a quick and selective review of policy and evaluation documents from donor agencies and on information provided by thirteen experts in response to a questionnaire regarding both the work of donor agencies and their own personal observations. The annex includes a copy of the questionnaire and the list of donors mentioned in the responses to the questionnaire.

Adelman (1986) identifies three approaches to fight poverty through development policy: increase the quantity of assets owned by the poor; increase the volume of their market sales; and increase the price of the services they sell, especially through productivity-oriented policies aimed at increasing the price of their labor. Building on her analysis, one can add a time dimension, and distinguish two sets of policies: those that more directly and/or in the short term seek to expand the income-earning opportunities for poor women, and those that have more indirect and/or long-term effects. The options to expand the income-earning opportunities for women in poverty directly and/or often in the short term include the following:

1. increasing the price of women's labor by integrating women into market production through: (a) income generation schemes that include training, credit and/or technical assistance; and (b) technological innovations that transfer or transform home and subsistence production into market production;

2. increasing the productivity of women's market work and therefore the price of women's services or goods through: (a) investing in training or vocational education that will upgrade the quality of women's labor; (b) increasing women's access to credit and other complementary assets used by the poor, such as land; and (c) introducing productivity enhancing technological change;

briefly examine: first, the reasons of three major donors--the World Bank, USAID and ILO--to illustrate different orientations and evolution of donor thinking; second, agency responses to the questionnaire to draw some common patterns or trends; and third, the effectiveness of income-generation efforts in meeting agencies' objectives.

Three Donors

In 1973 both The World Bank and USAID announced a shift away from a strategy centered solely on economic growth to a more equitable development strategy where a principal objective was to combat poverty directly by assisting the poor to increase their productivity and income. Women among the poor were not singled out in the policy statements that then World Bank President, Robert McNamara, made in the next couple of years to outline the new Bank policy (World Bank 1981). The Bank, however, created the position of Adviser of Women in Development and as a consequence generated two independent policy briefs on women in development, one in 1975 and a follow-up in 1979. This latter document highlights employment and income generation as one area of Bank work because women make up a large percentage of the poor, and because women's employment outside the home is related to declining birth rates (World Bank 1979.) The rationale to promote greater economic opportunities for women in order to reduce fertility picks up on a theme developed by McNamara in a 1977 speech on population issues. In this address, McNamara mentions women for the first time as a target group for development interventions, and states that encouraging women to enter the off-farm and urban workforce is a mechanism to reduce fertility since it tends to delay the age of marriage and increase the interval between children (World Bank 1981, pgs. 415-416).

More or less at the same time, the Bank was increasing its interest in assisting small- and medium-scale enterprises in developing countries, and in February of 1978, produced a policy paper on employment and development of small enterprises that outlined the Bank's new commitment to this area. The Bank's investment in small-scale enterprises grew from 100 million (spent between 1972 and 1976) to 1.97 billion (spent between 1977 and 1984) with lending for 63 projects in 35 countries to support small and medium enterprises (Levitsky 1986). The Bank's concern to increase the employment options of the poor was linked to the advocacy of medium- and small-scale enterprises. However, and perhaps because a major reason to increase women's economic opportunities was linked to the population problem rather than to a growth with equity strategy, the policy paper on small-sector enterprise did not mention women, and the follow-up work hardly benefitted poor women.

With the world recession and the debt crisis in the early eighties, there was a sudden retrenchment from antipoverty strategies in the leading development agencies, including the World Bank and USAID. The concern with the poor in general, and with women in poverty in particular, was put on the back burner and replaced with macro-economic efforts to correct or adjust economic imbalances. It was only in the last year or two that the poor again became an important subject on the development agenda, as a function of the concern with the social costs of macro-economic adjustment. The Bank's 1987 Annual Report phrases this new shift as one that seeks to integrate the core of poverty concerns of the 1970s into the growth and market-oriented concerns of the first half of the 1980s, emphasizing adjustment programs that protect the poor. A parallel initiative is the Bank's strengthening commitment to

women in development that is best exemplified in the President's address to the Safe Motherhood Conference in Nairobi, Kenya, in February of 1987. Barber Conable's speech argues for increasing women's earning capacity and control over their own earnings, in order to ensure greater dignity and productivity for women, and therefore to foster sensible decisions about child bearing and health care (page 6). The centerpiece of the address, interestingly enough, is the strengthening of basic health care systems to reduce maternal mortality but "as a means and a spur to the education that fits women to earn an income and improve family well being" (page 5).

Throughout the years and different administrations, the Bank's thinking pursues the theme of expanding women's economic options to reduce population growth and adds the theme of family health. In Conable's latest statement, however, women's health is added as a policy option to also increase women's income.

As in the case of the World Bank, in 1973 the New Directions in Development Assistance statement mandated USAID to develop a more equitable foreign aid strategy that would benefit the rural poor directly and emphasize a labor- rather than a capital-intensive orientation. While the situation of poor women is clearly relevant in the context of the New Direction's scenario, the 670 page document did not mention women except to advocate the right of women and couples to decide on the number of children they wanted to have (Staudt 1985, p. 32). However, also in 1973 an amendment successfully inserted language into the foreign aid bill that called for integrating women into national economies. Taking the lead among donor agencies, AID established the Office of Women in Development in 1974, and already in 1978 an amendment to the International Development and Food Assistance Act authorized up to 10 million of foreign aid to increase the economic productivity and income-earning capacity of women. The next year, in 1979, the WID Office officially defined its main objective was to "increase women's participation, opportunities and income-earning capacities." The Office explicitly excluded from the WID definition those projects in which "women are recipients of goods, such as contraceptives and health projects, or of food and services for themselves or their children."

In 1982 USAID produced a WID Policy Paper that ratified the importance of focusing development efforts on women's economic participation in order to promote balanced and effective economic development, and emphasized employment and income generation as one of the main areas for WID intervention. Therefore, from a general call for integration, the thinking at the agency evolved to the identification of women in development with the expansion of women's economic opportunities. It is interesting to note both USAID's need to exclude relief interventions and the provision of contraceptive, health and other services to women from the definition of WID; and the agency's consistency in pursuing the income generation theme over time.

In 1981 USAID's overall policy emphasis moved away from alleviating poverty through project interventions, to the achievement of equitable development through four areas which emphasize policy and institutional development. These areas are: private sector, policy dialogue, institution building, and technology transfer (U.S. Agency for International Development, Development Coordination Committee 1985). USAID has never had an explicit policy statement on employment and income generation. Throughout the years,

employment and income objectives have cross-cut the different sectors although within the new framework the emphasis is on policies and institutions rather than on projects that will generate employment. But, motivated in part by the private sector initiative, in recent years the agency has upscaled its work on small and microenterprise development. In the Congressional Appropriation Bill for Fiscal Year 1988 there is a paragraph that calls for making available no less than 50 million dollars for programs of credit and other assistance for microenterprises in developing countries (U.S. Foreign Aid Bill 1988, p.144.) The Committee Report on the FY 88 Continuing Resolution recommends that USAID target up to 80 percent of the loans in the Microenterprise Lending for the Poor Program to individuals in the poorest 50 percent of the population, "with special emphasis on businesses owned by women and those owned and operated by the poorest 20 percent of the population" (p. 186).

The explicit mention of women in microenterprise development in the congressional appropriation bill succeeds in integrating WID concerns into USAID's mainstream mandates. This breakthrough can be attributed, in part, to a track record of successful microenterprise projects which include women and in part to the progression of WID policy statements within the agency that, over time, clearly equated WID with actions to expand women's economic opportunities.

Both the World Bank and the USAID experiences, therefore, show that the tone and rationale of policy statements regarding women and their economic opportunities in the 1970s have influenced the direction whereby these agencies are increasingly mainstreaming WID issues in the 1980s. Both examples reveal progress in terms of mainstreaming and consistency over time or the absence of drastic change in orientation regarding WID, despite different administrations and shifts in overall agency policies. This consistency can indicate both that WID issues are well defined and therefore less subject to political sways and/or that WID issues, at least until recently, were not sufficiently mainstream and therefore not subject to the vagaries of change in mainstream development strategies.

It is highly likely that the lack of integration of WID into the New Directions policies of the World Bank and USAID in the early 1970s "protected" WID policies from shifts over time. In the 1970s neither agency used the antipoverty rationale to expand women's economic opportunities even though production oriented anti-poverty strategies were the centerpiece of AID's and the World Bank's policies. An unfortunate outcome of not mentioning women in anti-poverty strategies was that women did not directly benefit from the distributional policies implemented in the 1970s. The best example is the agrarian reform policies and schemes that were implemented during this time which seldom granted land titles and other benefits, such as agricultural inputs, to women farmers (Deere 1987).

A third example of the variety of agency objectives underlying donor efforts in the area of expanding economic opportunities for women is the work of the International Labor Organization. In the late 1960s the ILO launched the World Employment Program in response to the concern over massive and rising unemployment in the Third World. In the 1970s the ILO became the leading advocate for antipoverty programs that focused on providing the poor with more employment and more equal access to employment. ILO concerns with women date back to the creation of the agency in 1919. Earlier efforts were

concentrated only in protecting women's reproductive function and improving their miserable working conditions, but by 1947 ILO's policies underlined equality of opportunity and remuneration for women workers.

Building on these initial concerns with equality, the recommendations from the 1976 World Employment Conference (that set the policies for the agency in the latter 1970s) called for furthering, through more favorable working conditions, women's economic independence and their more equitable integration beyond the narrow circle of the family (Overseas Development Council and ILO 1977, p. 61). They also emphasized relieving the drudgery of women's work in rural areas. The Conference document called for labor saving technologies to improve the quality of women's work and acknowledged the potential conflicts for women between family responsibilities and economic opportunities. Pursuing the latter issue, in 1981 the ILO adopted a convention that addressed the question of equal opportunities and equal treatment for men and women workers with family responsibilities. The convention indicates that responsibilities of home and family are not the exclusive monopoly of working women and that other members of the household might equally share them; it also states that equality at the workplace is directly linked to equality in the household (ILO 1981).

ILO's 1982-1987 Medium Term Plan called for case studies leading to the development of pilot projects to train and employ rural women and help them form their own organizations. In 1986 the 72nd Session of the International Labor Conference adopted a resolution concerning the promotion of small- and medium-size enterprises which recognizes that every effort should be made to promote the equal access of women to these programs. The 1990-1995 Medium-Term Plan outlines and responds to the world social crisis brought about by the prolonged economic recession and the resulting lack of progress towards the reduction of widespread unemployment and poverty. The plan gives special attention to vulnerable populations, including women, advisory assistance to member states on employment policy, and the development of a climate favoring entrepreneurship and the expansion of the small enterprise sector. Therefore, out of the original concern with economic equality or equality of treatment between women and men workers, ILO's thinking has evolved to focus on issues of social or family equality and the interaction between women workers' family and economic responsibilities. This concern was translated into research that emphasized time use studies and into pilot projects that concentrated on the adoption of technologies to relieve the drudgery of women's work in rural areas. More recent is ILO's interest in integrating women into small-enterprise development.

Questionnaire Responses and Common Trends

Confirming the consistency in donor objectives over time, nine of the 13 respondents to the questionnaire indicated that the motivation of their agencies to expand the income-earning opportunities of low-income women had not changed. For the four agencies that reported changes in objectives, the change was away from poverty alleviation as a priority objective; two of these agencies embraced equity as their primary motivation in the latter 1980s, perhaps because, as one respondent mentioned, "the comfort level with equity and women's empowerment has increased over time." It may also be that the overall development assistance trends of the early 1980s influenced the shift away from poverty reduction goals. Nevertheless, poverty alleviation still

guides the work of four agencies, while sexual equity and women's empowerment guides the work of five others, and child welfare guides two additional agencies. It is unclear why poverty alleviation eluded the rationale of the three major donors but was mentioned by the respondents as guiding the work of their agencies. It may be because respondents' agencies are smaller and therefore have fewer articulated policies that they have to conform to and fewer constituencies to please, or it may reflect a perception from respondents that is not reflected in written policies. The exclusion of poverty alleviation, however, is not related to the type of donor agency nor the year of the statement.

The questionnaire also revealed increased financial commitments of donor agencies to the subject of women's economic opportunities over time. Ten respondents indicated increased financial investments since the 1970s, in part because gender issues have become more integrated into the mainstream work of the agency and in part because of the enhanced institutional capabilities of nongovernmental organizations in recipient countries to design projects that target women in poverty.

The responses to the questionnaire, in combination with the information obtained through the policy review of the three major donor agencies, indicate the following:

1. Different reasons guide donors' interest in expanding women's economic options; in the cases reviewed above this interest responds to population and family health goals, economic efficiency and growth, poverty alleviation, and equity between men and women in the workplace and in society.

2. These different reasons influence the agencies' choices in terms of options to expand women's economic opportunities. The World Bank's emphasis on population issues seems to have influenced their choice to improve women's and mothers' health as an indirect measure to expand their economic opportunities. ILO's concern with equality between men and women workers and the acknowledgement of the family responsibilities of workers appears to have guided their interest in household factors and in the importance of technological change to reduce women's labor intensive home production tasks. AID's concern with increasing women's economic options to achieve balanced economic growth has translated into their preference for measures that will expand the economic opportunities of women directly through small-scale enterprise programs.

3. Overall trends in development assistance frame the rationale for addressing women's issues in a general way, but the specific influence of these trends on donors' policy options regarding the economic condition of poor women depends on how well these options are integrated into mainstream agency policies. Policies regarding women that are not integrated into mainstream agency policies are less subject to change in response to shifts in development thinking, as agency experience in the last decade demonstrates.

4. The responses to the questionnaire and the policy statements of the three agencies reviewed individually show progress in terms of mainstreaming or integrating WID concerns into the overall agency policy. In the early 1970s the new directions in development assistance embraced by the Bank and

USAID were drafted before or parallel to the efforts to define WID and did not include these concerns. However, they provided a propitious framework to develop WID. The document which emerged from the ILO World Employment Conference in 1976 and both the Bank's Safe Motherhood Initiative and USAID's Microenterprise Lending for the Poor Program in 1987 indicate that the topic of expanding women's economic opportunities is being incorporated into the mainstream development agenda. The increased financial commitment of donors over time is another indicator of mainstreaming. Two illustrations of this integration process revealed in the questionnaire are the increase in funding for women through on-going sector programs at the Dutch Ministry of Foreign Affairs (which is complemented by strategic funding through women specific programs) and the adoption last year of a WID policy by the Inter-American Development Bank that reinforces the Bank's overall or non-gender specific employment and small enterprise development policies.

The next step for mainstreaming, and a real test for those major donor agencies reviewed individually, is the integration of women's income generation and employment concerns as part of the renewed emphasis on anti-poverty strategies resulting from the worldwide economic crisis. The respondents to the questionnaire were evenly divided in terms of changes in donors' work as a result of the economic crisis and/or the emphasis on policy-based lending and structural adjustment programs. Six respondents foresaw changes and six did not. Among the changes anticipated by the former were an increased need to support income-earning opportunities for poor women, an enhanced role for nongovernmental organizations in providing technical resources and implementing adjustment related programs, and an increased channeling of funds through multilateral development agencies.

The Effectiveness of Women's Income and Employment Generation in Achieving Agencies' Objectives

Does expanding women's income earning opportunities achieve donors' varied objectives? This section briefly comments on the effects of income generation on the objectives of poverty alleviation, increased economic efficiency and growth, improved child welfare, fertility reduction and increased equity. Two main limitations in answering this question are the dearth of empirical evaluation data and the fact that it may be too soon to try to make such assessments.

Considering these limitations, first, it is well accepted that job creation and enhancement is an effective approach to poverty alleviation as well as an efficient distributive mechanism in the absence of broad-based income distribution schemes (Adelman 1986; Bowles 1986). Successful income-expanding efforts for poor women, therefore, should fulfill donors' poverty alleviation goals and there is case study information that supports the hypothesis of the positive effects of enhancing poor women's income on women's and family's welfare (SEEDS 1986 and 1984). Twelve respondents also agreed that increasing women's earnings has a positive effect on economic efficiency/growth (one respondent was uncertain).

Recent studies dispell the commonly held notion that mothers' income generation activities have a negative impact on infant welfare. Leslie's (1987) review of 50 empirical studies to date on the relationship between women's market work, infant feeding practices and child nutritional status

rather than on policies to expand labor demand. The project orientation favored by donor agencies to expand poor women's economic opportunities was also more compatible with the limited financial resources allocated to WID, with the restricted clout of and access to policy makers that WID practitioners had in recipient countries, and with the need to build up a concrete record by the end of the Women's Decade that was easier accomplished through concrete project interventions.

While some agencies are mandated to work through governments, when granted the choice, a favored strategy in the 1970s was to work through organizations in the nongovernmental rather than the public sector. Bilateral agencies, such as SIDA and CIDA, gave preference to using women-based nongovernmental organizations (NGOs) to execute income generation projects for poor women (Himmelstrand 1985; CIDA 1987). USAID worked both with governments and NGOs but its commitment to work through nongovernmental organizations has increased over time. The Ford Foundation, a leading supporter of non-farm employment and enterprise development programs for poor women in the Third World, channelled most of its assistance to nongovernmental organizations (McKee 1987; Tendler 1987). UNIFEM increased its work with nongovernmental women's organizations from 6 percent of their overall portfolio in 1978-1979 to 45 percent in the 1982-1983 period (UNIFEM 1985). The preference to work with nongovernmental organizations, both women-based and mixed, meant that most of the efforts in the area of expanding women's economic opportunities took place in the informal rather than in the formal sector, focused on increasing the productivity of women workers rather than the demand for women's work, and took the form of pilot interventions rather than national or regional programs. Because, in general, NGOs tend not to work in conjunction with the state and the state formulates policy, the choice of NGOs as a mechanism to implement donor objectives reinforced a project rather than a policy approach.

A last strategy, endorsed by a majority of donors in the first part of the Women's Decade, was a women-specific versus a women-integrated strategy at the level of supporting women-only projects and women-based institutions (Buvinić 1986). The support of women-specific strategies early in the Decade again reinforced a project approach with restricted coverage that was oriented towards improving the quality of, rather than the demand for, women's work. As a result of this similarity in strategies, four types of projects to expand women's income-earning options were prevalent in the 1970s and early 1980s: income generation projects that are situation and site specific with groups of women executing new skills; microenterprise projects including the delivery of credit and/or training; vocational education or training projects; and food for work interventions.

Shifts in General Strategies

In recent years, in part in response to the knowledge generated by agencies' evaluations of their own efforts and in part in response to the changing development context, there have been changes in the strategies used. The earliest change was a move away from women-specific strategies, especially at the level of projects whose objective is to raise women's income. A USAID evaluation of 102 projects over 10 years concludes that women-only projects are best suited to delivering training rather than to increasing production and generating income (Carloni 1987). A ten-year evaluation of UNIFEM

projects, however, argues that the choice between women-integrated versus women-specific projects depends on the specific culture and the level of training women have received, and warns that when the choice is towards women-integrated projects the implementers need to make sure that it is the women and not the project funds that are integrated (UNIFEM 1985).

A more recent trend resulting from the re-evaluation of agency strategies is a reorientation from a project to a more sectoral and policy oriented strategy. This new interest is the result of evaluations of women's projects and the recent emphasis on sectors and policy rather than projects in development assistance in general and in the areas of employment and small-scale enterprise development in particular (Leidholm and Mead 1987). The increasing recognition and legitimacy of efforts in the area of expanding women's economic opportunities facilitates this interest since it enables expansion of coverage and a wider range of options in terms of influencing policy.

The recent changes in the charter of UNIFEM illustrate a move towards a broader approach in expanding the economic opportunities of women. Between 1976 (the year UNIFEM was funded) and 1985, the United Nations' Development Fund for Women (formerly the Voluntary Fund) concentrated largely on supporting projects. Almost half the projects the Fund underwrote during this period were in the area of income raising group efforts and other small-scale industrial activities. UNIFEM's revised charter adopted in 1985 highlights a new catalytic function to ensure women's involvement in mainstream development by mediating with governments and including women's concerns in country programming strategies and in policy-oriented exercises (UNIFEM 1987). Other examples include the Ford Foundation's growing interest in influencing macro and sectoral policy (as well as a renewed interest in research) and Technoserve's emphasis in producing replicable projects that will have sectoral impact.

Responses to the questionnaire indicated more donor support for sectoral interventions with national or regional coverage (eight out of eleven responses) than for policy oriented work. Still, five respondents gave examples of donors' support in the area of policy, highlighting the increasing importance of work in this area. In India and Bangladesh, Oxfam has supported projects that have developed linkages with national programs and influenced (or lobbied for) policy change, such as the inclusion of women's employment issues in India's two most recent Five-Year Plans. The Inter-American Foundation has given support to local organizations working to change policies (such as WAND), the Ford Foundation has supported policy level research, and the Asian and Pacific Development Center has supported policy dialogues.

Most donors addressed in the questionnaire have supported sectoral interventions with regional or national coverage by nongovernmental organizations. Examples are the Ford Foundation's support of NGOs in India working in dairying, and the IDB's support of textiles in Uruguay through "Manos del Uruguay." Six respondents felt that it was these sectoral interventions that had achieved the most impact in the last decade in terms of expanding women's incomes, while five others felt it had been projects and only one mentioned action to influence development policy.

While potentially having the greatest impact, the task of influencing development policy on behalf of poor women is clearly the most difficult to accomplish since it requires policy-oriented knowledge and access to policy makers. In addition, policy proposals in this area bear costs derived from the fact that they entail effective gender-neutral and gender-specific reforms that will increase poor women's access to assets, and costs associated with the fact that these reforms imply large scale and not easily reversible changes. The research and project information accumulated, however, indicate that policy reform is a key ingredient for the success of employment and enterprise promotion strategies for poor women and identify areas for policy intervention. Policy reforms include the deregulation of interests rates, fiscal policies that open access to markets for goods produced by women, technological improvements for service sector businesses where women predominate, legislative and municipal reforms that sanction informal sector work, the shifting of budget allocations in the social sectors to support women's education and daycare needs, and institutional changes that will open up women's access to banks, cooperatives and other business related organizations and reduce high transaction costs for women (see Lycette 1984; CIDA 1987; McKee 1987).

Preferred Project Styles and Their Relative Effectiveness

Respondents to the questionnaire agreed in terms of the predominant style of employment and income generation projects for poor women. These projects target women both in and outside the market economy (ten responses); work with individual women and women's groups (seven responses versus four which dealt with women's groups only); in traditional and non-traditional female activities (seven responses versus four which dealt with traditional only); and mostly informal sector occupations (nine responses versus only one which dealt with assistance to women in formal sector employment). Project support is channeled preferentially through mixed and women based nongovernmental organizations (sixteen responses) followed by government ministries or offices (seven responses) and grassroots women's groups (five responses). Most projects give financial and technical assistance (ten responses), many add training (eight responses), and some include social promotion or human development (five responses). That is, most projects choose a combination of interventions rather than including just one or two interventions (eight versus two responses).

Eight respondents, however, also indicated that the agency's prevailing project style had changed and most described this change as moving away from a project-only style. The new focus was characterized as more comprehensive and sectoral, with greater emphasis on policy-oriented research and policy influence as well as institutional upgrading of implementing agencies.

Using donor evaluations and the results from the questionnaire, the remainder of this section briefly debates the merits of the four types of projects that have been supported most often to expand the economic opportunities of poor women.

Small and microenterprise development. The consensus, reflected in a number of donor evaluations (see evaluations by USAID, CIDA, Ford Foundation, and UNIFEM), is that small-scale and microenterprise development projects have been among the most successful in expanding the economic opportunities of poor

women. This is not to say that these projects face no obstacles (the principal obstacle being an overall policy environment skewed against female small and microproducers) but that, in comparison to other interventions, they have been able to reach a relatively large number of women beneficiaries and provide credit and/or technical services that have increased women's business income. The current debate centers on which are the project characteristics that maximize the success of these interventions. Tendler (1987) and Liedholm and Mead (1987) identify the better performing projects as those run by specialized agencies that have a narrow focus on a particular task and that are set up to provide the single missing ingredient (i.e. credit) rather than to provide integrated services or execute multiple tasks. In the better performing projects clients carry out familiar tasks or easily mastered new ones, are not required to engage in collective production, and undertake an economic activity for which there are assured supplies and an established demand.

In contrast to this minimalist approach to small and microenterprise development for poor women, a substantial number of these projects in the last decade have been run by generalist organizations who have adopted a multitask approach and have provided integrated services for poor women including financial and technical assistance as well as training and sometimes human development components. Many of these projects have promoted group-run enterprises. The most frequent argument is that, because of women's multiple responsibilities and inferior status in society, projects with combined objectives and a multi-faceted approach are more effective than projects that have only an economic goal and provide a single service (see UNIFEM 1985).

The current debate between the minimalist and the multicomponent approach was evident in the responses to the questionnaire. Respondents agreed that the minimalist approach was easier to implement and therefore more successful in the short term. It is less costly, less difficult to implement, and less demanding than the multicomponent approach. Respondents, however, also pointed out that an integrated approach is more likely to benefit the poorer women or the pre-entrepreneurs who have social as well as financial needs. There was disagreement regarding the long term outcome of these alternative approaches. The minority view was that the minimalist approach does not foster dependency or stifle initiative "if based on the subsidiary principle that the solutions to the problems of one enterprise is usually found in another one of similar size/complexity and that an agency should only tackle those constraints which are too big, too costly or too complex to be handled by its clientele."

The majority view asserted the contrary, that is, that the multicomponent approach creates less dependency and more autonomous development in the long-term and that it has a greater chance of producing spillover effects on other dimensions of women's lives. The assumptions are both that a package of services or inputs are needed to insure successful performance in business and that women's multiple responsibilities require complementary interventions in the social and economic fronts.

A critical question in this debate is the short term economic success of integrated approaches given the limited resources of implementing agencies and the constraints of the beneficiary population. Evaluation studies need to address the question of the economic and social impact of these alternative

approaches on poor women and remember to measure the opportunity costs of women clients' time.

The preference for an integrated versus a minimalist style is more sharply reflected in the next category of projects that target women who otherwise work outside the cash economy.

Income generating project for poor women. These projects have been separated from the above into an independent category because their main objective is to integrate women who are outside the cash economy into market production. Their preferred project style is to support women-based implementing agencies. These agencies work with poor women who are organized into small income-generation groups that go through human development training and training in income generation skills before the collective production, marketing and/or credit phases. These projects were prevalent at the beginning of the Women's Decade and often responded to fertility reduction objectives and therefore integrated income generation with family planning interventions. It is fairly well established that this style of project is not a very effective mechanism to generate income. The promotion of collective action among poor women and the provision of human development components seem to have positive effects in terms of increasing women's self-confidence; however, they also appear to constrain the goal of income generation (McCormak et al. 1986).

Vocational education. The record on job training and/or vocational education projects for poor women is quite mixed. In the experience of USAID vocational educational projects as a tool for employment generation has had relatively poor payoffs. A review of these interventions shows that training opportunities were more or less equal for women and men (although women tended to be taught more traditional, less employable skills) and that, from a labor supply point of view, no project had difficulty attracting applicants. However, many of these projects failed because the demand for labor was ignored or assumed to be existent when it was not (Bowles 1986). In a USAID/ WID review of projects, it was pointed out that job training projects for women often failed because the trainees lacked capital to set themselves up in business (Carloni 1986).

A comparison of USAID sponsored evaluations of a successful pilot training project for poor women in Morocco (Lycette 1985) and an unsuccessful training and advisory center for poor women in the Dominican Republic (Dore et al. 1983) reveals that success in this area is related to the nature of the implementing agency and the type of training provided. The Morocco training project was carried out by technically qualified training and job development centers attached to the Ministry of Equipment of the Government of Morocco; while the Dominican Republic project was implemented by a nongovernmental organization with no technical capacity in the area of job training. In addition, most of the training in the Dominican effort took place in traditional female areas with low employability potential while the Morocco scheme trained women in nontraditional female areas such as drafting, electricity, and electronics and in employable female areas such as secretarial work and commercial accounting. At the time of the evaluation, 75 percent of the women trainees in the Morocco project had been placed in jobs while 89 percent of the women trainees in the Dominican Republic project were unemployed one month after training completion. These evaluations suggest

that training projects for women can become effective, provided that they are implemented by qualified agencies and train women skills for which there is a demand in the labor market.

Food for work projects. Poor women are often beneficiaries in schemes that give food in exchange for labor. Four out of seven USAID-sponsored food for work projects included female participation. The review of these projects highlighted their difficulty in generating employment for the poor once the projects are terminated and the not infrequent outcome that project benefits tend to be diverted to other than the poor. The review concluded that these projects are fraught with difficulties and may provide short term relief but few long term economic benefits to the poor (Bowles 1986).

Trends

Summarizing, the following points regarding trends and lessons can be made from reviewing donor strategies and project styles:

1. It appears that over time donors have channelled their support preferentially to nongovernmental organizations that seek to expand income earning opportunities of poor women through project interventions in the informal sector of the economy. This and the preference for women specific approaches at the beginning of the Women's Decade made donors, with varying initial objectives, converge toward similar implementation strategies.

2. But there have been recent changes in strategies. While donors continue to share a preference for working with nongovernmental organizations, they have moved away from a women specific orientation both at the level of projects and institutions, and are increasingly supporting interventions with regional or sectoral rather than only local coverage. Donors are also expanding their interest in the policy dimensions of the work of poor women.

3. The project experience of the last decade has shown that small and microenterprise development projects are more effective vehicles to increase the economic opportunities of poor women, especially when compared to income generating projects and food for work interventions. Vocational education schemes have not been very successful but the evidence suggests that these schemes can increase women's income earning opportunities if they are implemented by technically qualified agencies and train women in skills for which there is an effective demand in the labor market; and

4. The current debate regarding the relative merits of the minimalist versus the multicomponent approach to projects for poor women can be helped by research that addresses the opportunity costs of women's time and is able to measure the tradeoffs that results from time devoted to project tasks and time devoted to women's routine home and market production responsibilities.

(Respondents to the questionnaire also disagreed over the relative benefits of directing interventions to individual women or to women groups. Some respondents argued for the advantage of the group versus the individual approach because groups increase accountability and the cost effectiveness of service delivery, build solidarity among women, increase visibility, and help with institution building. Other respondents, instead, pointed out that the individual approach was most appropriate with poor women who have constraints

and idiosyncratic demands on their time, and most effective since individuals are more responsible than groups. It was also pointed out that group visibility can cause resentment among men in the community who may undermine women's efforts, and that groups may screen out the more disadvantaged women or women from lower social or economic classes. As in the case of minimalist versus the multicomponent approach, evaluation research that addresses women's time constraints and includes reliable assessments of economic as well as social benefits is needed to assess the relative effectiveness of individual versus group approaches to income expansion for poor women through project interventions.)

Achievements and Future Challenges

There are a variety of reasons and a number of policy options to expand the income-earning opportunities of women in poverty. The analysis has revealed that reasons influence donors' choice of policy alternatives. Reasons range from reducing sexual inequities to reducing population growth; policies include increasing the price of women's labor through direct, short term increases in productivity as well as through short and long term investments in human capital. The policy menu also includes the alternatives of expanding the demand for women's paid labor and the quantity of assets available to poor women as well as measures to reduce potential conflicts of women as mothers and workers. Donors have chosen productivity enhancing measures more often, although they have also supported legal reforms and investments in human capital (health). Infrequently chosen have been measures that increase the demand for women's paid labor, redistribute assets by sex, and bring about changes to support women's double roles as mothers and workers.

The evidence to date shows that expansion of women's income through project interventions, in the short term, achieves some but not all of donors' objectives or reasons. This expansion does seem to alleviate poverty, increase child welfare and perhaps enhance economic efficiency. Earned income is likely to increase poor women's self-confidence and assertiveness in the short term but there is yet no clear evidence that heightened self-confidence leads to greater equality between men and women within families; neither is there unambiguous evidence that increasing women's income reduces fertility. The fact that income expansion in the short term does not invade the frontier of the household should comfort donors that are afraid that these interventions may result in unwelcome social or family changes.

During the last decade, there were no drastic changes in donor policies towards expanding women's employment and income generation, in part because women's issues are fairly concrete or well defined and in part because these policies were not integrated into the mainstream policy agenda of donor agencies. Because the objectives for increasing women's income-earning options were often different from the antipoverty reasons guiding the efforts of major donors, women did not benefit from the explicit or implicit employment and enterprise development policies of these agencies in the 1970s.

Despite varying objectives and policy alternatives in the 1970s, donors' preference for similar strategies led to supporting action that emphasized

nongovernmental organizations implementing projects in the informal sector of rural and urban economies, largely through women's specific organizations and working with women clients only. Recent years have witnessed a change in the preferred strategies of the 1970s, away from women specific and project only approaches and towards mixed strategies, a sectoral emphasis, and a concern with influencing policy. These changes suggest that women's income generation issues have become a legitimate topic in economic development.

One of the major achievements in the last decade has been progress in mainstreaming women's economic issues. Indicators of mainstreaming were evident in the review of policy documents from ILO, USAID, and the World Bank. In addition, the respondents to the questionnaire highlighted mainstreaming as a major accomplishment of the decade. Respondents agreed that a major gain had been donors' increased focus on women and support for expanding the economic opportunities of women in poverty. Respondents attributed this progress to the availability of knowledge on women's economic participation, their economic contribution and their economic potential. An outcome as well as an indicator of progress in mainstreaming women's issues is agencies' increased financial commitments in this area.

Two other major achievements reflected in the review of documents and in the statements of respondents are, first, the institutional growth and effectiveness of nongovernmental organizations and, second, the multiplication and success of projects to expand the income-earning opportunities of poor women in the area of microenterprise development and training. The creation of intermediary institutions in the nongovernmental sector that give poor women preferential access to credit has been a major gain as has been the growth of women-based institutions that are capable of influencing public policy. The success of microenteprise projects is directly linked to the growth of these institutions. Respondents also mentioned attaining success in reaching, and being able to work with, pre-entrepreneurs or with women otherwise not involved in the cash economy.

Areas of limited success were well summarized by a respondent reflecting the views of OXFAM America. They are: first, the lack of any major change in the occupational structure for women, which keeps them in the lowest level occupations, the sexual division of labor, and earnings and wage rates for women; and second, the poor or limited attempts that have been made to help women enter higher priced product markets or the formal sector of the economy.

The analysis has shown that limited success in these areas is a product of donors' favored strategies and policy options. The emphasis on enhancing the productivity of poor women directly through project interventions by nongovernmental organizations in the informal sector excluded support of policy-level interventions with a better chance of affecting occupational structures and jobs and wage rates in the modern economy. It is important to underline, however, that the nongovernmental project focus was a rational choice for donors who wanted to support income-generation efforts for poor women in the last decade in an environment where WID issues lacked legitimacy, power and political clout at international and national levels. Projects through nongovernmental organizations were an easier entry point for integrating WID issues into development efforts. The increased legitimacy and consequent recent change in donors' strategy to a more comprehensive and

policy-oriented approach has the potential of addressing more effectively the areas of limited succes mentioned above.

Reflecting on the negative consequences of past action, respondents singled out the lack of technical expertise of agencies financing income generation projects for women and the tendency of projects to ignore women's already heavy workloads and hence increase their burdens without making a great difference in their income levels. While building technical capacity is recognized by donors as a mechanism to increase women's economic options and is well underway, donors (as well as implementors) have yet to fully acknowledge and measure the opportunity costs of women's time in the design of project and program interventions. This is a challenge for the years ahead.

But influencing policy is perhaps the major challenge confronting donors in the near future. As it was stated earlier, policy work requires policy oriented knowledge and effective access to policy makers, and it entails costs associated with increasing poor women's access to assets. Respondents agreed that to maximize policy impact there was a need to undertake more and better policy and operational oriented research; improve the quality of evaluation and monitoring; more carefully select projects that have the potential to influence national policy; and increase both the dialogue with governments and the voice of national women's groups. Respondents also mentioned that a better policy environment was a condition for success but that the economic crisis had affected this environment by reducing the amount of government resources available for the poor.

In the context of shrinking national budgets and development funds, the anticipated short term costs of diverting financial and human resources to expand the economic opportunities of poor women multiply. Because of these costs, policy reforms that benefit poor women will be adopted more readily if they are integrated into the programs or packages proposed by the major agencies to protect the poor in the face of adjustment. If the major donors conceive antipoverty strategies in response to the economic crisis that do not integrate women as economic participants and contributors (even if these strategies include poor women as a vulnerable population that is the target of welfare), it is highly likely that policy changes that address employment and microenterprise development will not benefit women.

ANNEX

Donor agencies represented in the thirteen questionnaires analyzed:*

Asian and Pacific Development Center
Directorate General of Development Cooperation, Ministry of Foreign Affairs, The Netherlands
The Ford Foundation
Fundacion Carvajal
Inter-American Development Bank (Small Projects Unit)
Inter-American Foundation
NOVIB, The Netherlands
NORAD
OEF/International
OXFAM America
Social Planning, Analysis and Administration Consultants (SPAAC)
Technoserve
United Nations High Commission for Refugees (UNHCR)

* Six additional questionnaires were received after this report was completed. They represent the following agencies:

The African Development Foundation
Grameen Bank
The Ford Foundation
Oxfam
U.S. Agency for International Development
The World Bank

Expanding Income Earning Opportunites for Women in Poverty: A Cross-Regional Dialogue

Trends in Donor Approaches
A Survey

Name of Agency:_____

Name of Respondent (optional):_____

The Ford Foundation has requested ICRW to prepare a discussion paper for the upcoming Ford Foundation symposium on the major approaches adopted by donors in the field of expanding income earning opportunities for women in poverty, highlighting the lessons that have been learned over the last decade and the major challenges still to be addressed. The questions below are meant to get your views on this topic regarding the work of your agency, which will be incorporated into the discussion paper. Please feel free to add any observations which you consider are of value and are not included in the questions. We would also appreciate if you could send, along with your responses, material or documentation that you think is especially pertinent to the topic of the paper and/or your responses.

The questions address three areas:

- o major trends in the donor community in the last decade (or since the mid to late 1970s);
- o major approaches or strategies as well as preferred project styles and project features regarding expanding income earning opportunities for women in poverty;
- o lessons learned and tasks that lie ahead.

The questions are directed to reveal the experience of the work of your agency. However, we realize that you may not be able to answer one or more questions from the agency's standpoint but that you can do so based on your own experience. We value and welcome your personal observations independent from the agency's experience. Please simply note in the margin, next to the response with a capital "P" when the answer is a personal observation not to be attributed to the agency. All responses are anonymous.

Feel free to distribute copies of this questionnaire to other individuals in your agency who could contribute with their knowledge/experience by answering these questions.

Please mail your responses to International Center for Research on Women (1717 Massachusetts Avenue, N.W., Suite 501, Washington, D.C. 20036) by 15 March at the very latest. It is essential that you mail your contribution by the required date so that it can be incorporated into the discussion paper. We thank you in advance for your collaboration. If you have any questions regarding this questionnaire, please contact Mayra Buvinic at ICRW (202) 797-0007.

1717 Massachusetts Avenue, N.W.
Suite 501
Washington, D.C. 20036
Telephone: 202 797-0007
Cable: INTERCENT

TRENDS:

1. In what year did the agency start supporting actions to expand women's income earning opportunities. Give approximate date if you do not know exact year : _____

_____

2.a. Which objectives guide the agency's current investment in actions to expand poor women's income earning opportunities? Please mark the alternative of your choice in the "now" column. If more than one objective applies, please rank the first three assigning the number "1" to the most important, the number "3" to the least important.

now	1970s	
_____	_____	: reducing population growth
_____	_____	: increasing child welfare
_____	_____	: reducing women's poverty
_____	_____	: integrating women into the modern economy
_____	_____	: increasing women's rights and reducing sex inequities (empowering women)
_____	_____	: expanding reach of agency's employment policies and programs
_____	_____	: increasing economic efficiency/growth
_____	_____	: other; please specify: _____

b. Have objectives/priorities shifted between the mid-to-late 1970s and today? Yes ____ No_____. If they have shifted, please indicate for the list given above what was the priority objective (or objectives) for this earlier period in the "1970s" column.

3. Has the agency increased/decreased financial investments in actions to expand poor women's income earning opportunities between the mid-to-late 1970s and now (the mid-to-late 1980s)? Yes_____ No_____ If yes, please give, if you can, a rough estimate of the yearly budget allocations in the mid-to-late 1970s and in the mid-to-late 1980s or the percentage change. If the agency's investments have been more or less constant over time, please give a rough estimate of the budget allocations on an average year.

Yearly budget mid-to-late 1970s: _____
Yearly budget mid-to-late 1980s: _____
Average yearly budget : _____

4. If there have been shifts over time in the agency's trends in terms of priorities and/or investment levels, please explain or comment:

5. Have you seen or do you forsee seeing any changes in the agency's investments in and actions regarding expanding poor women's earning opportunities as a result of the recent recession, the current emphasis on policy-based lending, and/or austerity policies adopted by a number of LDC governments. Yes:_____ No:_____
If yes, please explain.:

6. Does your agency have an explicit employment or small-scale enterprise development policy? Yes:_____No:_____. If Yes, could you please describe its basic principles (and/or attach documents if available) and reflect on how the agency's actions on women's employment/income generation support (or differ from) these policies?

7.a. Circle the number that you think best corresponds with the agency's experience/position regarding the statements that are made below. If you can give your personal experience but not the agency's, indicate so by marking a "P" on the left hand side in front of the statement.

- o Donor interventions in this area should explicitly attempt to reduce gender inequalties and increase women's power within poor households in the Third World:

1	2	3	4	5	6	7
strongly agree			uncertain			strongly disagree

- o Donors should actively combat (through policy, programs, or project interventions) the inferior perception of women that many governments and institutions have:

1	2	3	4	5	6	7
strongly agree			uncertain			strongly disagree

- o Increasing women's earning power will increase women's status and change the balance of power between women and men within the family:

1	2	3	4	5	6	7
strongly agree			uncertain			strongly disagree

- o Increasing women's earnings will have a positive effect on economic output/growth:

1	2	3	4	5	6	7
strongly agree			uncertain			strongly disagree

b. Please comment if you perceive that there are different positions within the agency regarding these statements and if the agency's view has changed in the last decade:

STRATEGIES

(This section asks for general strategies adopted by the agency regarding its policy, sectoral and project work. The next section focuses on projects).

8.a. Could you indicate, for the items listed below, which alternative most accurately or closely characterizes your agency's current strategies in the area of expanding income earning opportunities for women in poverty. If more than one alternative applies, please rank the <u>two</u> preferred strategies, assigning the number "1" to the most important.

o Preference is given to supporting efforts in recipient countries that are directed to the following level(s):

_____: influencing/changing policy
_____: affecting a national/regional program or sector
_____: implementing projects
_____: developing institutions
_____: other; please specify: _____

o Preference is given to supporting efforts that will reach:

_____: women across income groups
_____: women within poverty groups only
_____: the poorest women
_____: other; please specify: _____

o Preference is given to supporting:

_____: women "specific" efforts or women-only institutions
_____: women "integrated" efforts or efforts that target women in actions directed to both men and women
_____: other; please specify: _____

o Preference is given to supporting the following work in recipient countries at either policy, program or project levels:

_____: research
_____: education/information
_____: technical assistance or cooperation
_____: action
_____: other; please specify: _____

o Preference is given to working in recipient countries with:

_____: public sector agencies and programs
_____: private sector agencies and non-governmental organizations
_____: other; please specify: _____

b. Please comment if the agency has changed its strategies within the past decade or so regarding the issues raised in the first part of this question; how and why?

9. Has your agency given funding to support or change national or regional level policies of recipient countries that will expand the income earning opportunities of poor women by either increasing their assets, the demand for their work, and/or the productivity of their work? If so, please detail or give an example of effective work in this area.

10. Has your agency's support been directed to sectoral interventions (e.g. food processing, dairying, etc.) with national or regional coverage in the area of increasing women's income generation or employment options? If so, please specify or give an example of effective work in this area.

PROJECT STYLES

11. For the items listed below, could you circle the number that most accurately characterizes the predominant style of employment and/or income generation projects in the area of expanding the income earning opportunities of women that the agency is currently supporting:

Projects mostly target:

1. women who are already engaged in income generation or employment
2. women who are otherwise not working for cash or pay
3. combination of both

Projects most frequently target:

1. individual women entrepreneurs, employees, trainees, etc.
2. women's groups
3. combination of both

Projects mostly focus on expanding:

1. income generation/employment activities that are traditionally performed by women in recipient country
2. non-traditional income generation/employment activities for women
3. both

Projects intervene most frequently in the following sector:

1. assistance to women in formal sector employment and businesses
2. assistance to women in informal sector employment and income-generation
3. combination of both
4. other: _____

The agency's project support is channeled principally through the following implementing agencies (circle all that apply):

1. international and/or national NGOs
2. international and/or national women based NGOs
3. cooperatives
4. banks
5. government women's bureau
6. government labor or other technical ministries
7. government ministry of social welfare
8. business associations
9. trade unions
10. grassroots women's groups
11. housewives clubs
12. other: _____

Projects focus on the following priority intervention (circle all that apply):

1. financial assistance (credit)
2. technical assistance (to individual women clients and/or in form of marketing, feasibility analyses, etc.)
3. training
4. social promotion or human development
5. child care and/or other services
6. other:_____

Projects most often include:

1. one or two interventions at most (the "minimalist" approach)
2. a combination of interventions (the multicomponent appraoch)

12. In the experience of the agency, what are the benefits and/or disadvantages of a multitask or multicomponent approach versus a "minimalist" (single intervention) approach when designing income generation/employment projects for poor women. Please discuss.

13. In the experience of the agency, what are the tradeoffs of directing project interventions to individual women versus women's groups when expanding income earning opportunities of poor women?

14. Has the agency's prevailing project style changed in the last ten or so years? If so, please explain

LESSONS

15. In the last decade (since the mid-70s), what do you think have been the agency' three major accomplishments in the area of expanding the income-earning opportunities for women in poverty? Please elaborate if necessary.

1: _____

_____

_____

2: _____

_____

_____

3. _____

16. Has the work of your agency in the last decade revealed or suggested any negative impacts or effects on women, the family and/or the recipient economy, of investments and actions devoted to expanding income earning opportunities for women in poverty? Yes_____No_____. If yes, please specify:

17. From the experience of your agency, which one of the following alternatives has achieved the most impact in terms of expanding women's income opportunities in the last decade?

1. demonstration or pilot interventions
2. interventions that reach large number of beneficiaries
3. actions to influence development and/or sectoral policies
4. research in this area
5. other; please specify: _____

18. What do you think are <u>three</u> major changes or modifications that would improve the implementation of your agency's objectives and/or policies in this area. Please distinguish internal or bureaucratic changes within the agency (in terms of staff, resources, agency policies), and external factors that impinge on the agency's performance (in the donor and recipient environments).

1: _____

_____

_____

2. _____

_____

_____

3. _____

_____

_____

19. Given your agency's record in this area in the past decade, and your experience and knowledge, how would you use the agency's next year resources to maximize impact?

REFERENCES

Adelman, Irma. 1986. "A Poverty-Focused Approach to Development Policy." Development Strategies Reconsidered. Edited by John P. Lewis and Valeriana Kallab. ODC: Washington, D.C.

Bowles, W. Donald. 1986. "AID Experience with Selected Employment Generation Projects." Draft. Prepared for U.S. Agency for International Development: Washington, D.C.

Buvinić, Mayra. 1986. "Projects for Women in the Third World: Explaining their Misbehavior." World Development 14 (May 1986).

Buvinić, Mayra; Graeff, Judith; and Leslie, Joanne. 1987. "Individual and Family Choices for Child Survival and Development: A Framework for Research in Sub-Saharan Africa." Report prepared for the U.S. Agency for International Development and Policy Review.

Carloni, Alice S. 1987. "Women in Development: A.I.D.s Experience, 1973-1985." Vol. 1 - Synthesis Paper. A.I.D. Program Evaluation Report No. 18.

CIDA. 1987. "Women In Micro and Small-Scale Enterprise (MSE) Development." Paper prepared for the International Seminar on Women in Micro and Small Enterprise Development.

Deere, Carmen D. 1987. "The Latin American Agrarian Reform Experience." Rural Women and State Policy. Edited by Carmen Deere and Magdalena Leon. Westview Press: Boulder, Colorado.

Dore, Elizabeth; Henriques-Girling, Robert; Reichmann, Rebecca. 1983. "A Mid-course Evaluation of a Training and Advisory Center for Women (APEC/CENAM) in Santo Domingo, The Dominican Republic." Prepared for the International Center for Research on Women and U.S. Agency for International Development.

Himmelstrand, Karin; and Bickham, Noella. 1985. The Peripheral Centre: Swedish Assistance to Africa in Relation to Women. An Assessment. Stockholm: Swedish International Development Authority.

International Labor Organization. 1981. Women at Work Series. "Work and Family: The New ILO Norms: 2. p.1-2.

Leslie, Joanne. 1987. "Women's Work and Child Nutrition in the Third World." Report prepared for the Carnegie Corporation and the Rockefeller Foundation. November 1987.

Levitsky, Jacob. 1986. "Review of World Bank Lending to Small Enterprises." Photocopy.

Lewis, John. 1988. Strengthening the Poor: Lessons for AID Donors. Draft introduction. Forthcoming. Overseas Development Council: Washington, D.C.

Liedholm, Carol; and Mead, Donald. 1987. "Small Scale Industries in Developing Countries: Empirical Evidence and Policy Implications." Paper Prepared for the U.S. Agency for International Development: Washington, D.C.

Lycette, Margaret. 1985. "Industrial and Commercial Job Training for Women, 608-0147, Morocco." Paper prepared for the International Center for Research on Women.

_____. 1984. "Improving Women's Access to Credit in the Third World: Policy and Project Recommendations." ICRW Occasional Papers, No. 1. International Center for Research on Women: Washington, D.C.

McCormack, Jeanne; Walsh, Martin; Nelson, Candace. 1986. Women's Group Enterprises: A Study of the Structure of Opportunity on the Kenya Coast. Report to the U.S. Agency for International Development, Human Resource Division. World Education, Inc.: Boston.

McKee, Katherine W. 1987. "Lessons from the Field -- Supporting Livelihoods, Employment, and Income Generation of Poor Women in the Third World." Prepared for SOM Conference. February, 1987.

Oppong, Christine; Abu, Katharine. 1983. Seven roles of women: Impact of education, migration and employment on Ghanaian mothers. International Labor Office: Geneva.

Overseas Development Council and International Labor Organization. 1977. "National Strategies: Developing Countries." Employment Growth and Basic Needs: A One-World Problem. Praeger publishers: New York.

Seeds. A pamphlet series to provide information about program ideas developed by and for low income women. Sponsored by the Carnegie Corporation, the Ford Foundation, and the Population Council. Recent pamphlet titles include: The Women's Construction Collective: Building for the Future. Ruth Mcleod. 1986:9; Community Management of Waste Recycling: The SIRDO. Marianne Schmink. 1984:8. Developing Non-Craft Employment for Women in Bangladesh. Marty Chen. 1984:7.

Staudt, Kathleen. 1985. "The Agency for International Development: Structure, Environment, and Change." Women, Foreign Assistance, and Advocacy Administration. Praeger Publishers: New York.

Tendler, Judith. 1987. "What Ever Happened to Poverty Alleviation?" Paper prepared for the Mid-decade Review of the Ford Foundation's Programs on Livelihood, Employment, and Income Generation. March, 1987.

United Nations Development Fund for Women. 1987. "UNIFEM's Mainstream Experience." UNIFEM Occasional Paper No. 5. October, 1987.

_____. 1985. Development Co-operation with Women: The Experience and Future Directions of the Fund. UNIFEM. Department of International Economic and Social Affairs. United Nations: New York.

U.S. Agency for International Development. 1985. "Private Enterprise Development - A.I.D. Policy Paper." Bureau for Program and Policy Coordination, U.S. Agency for International Development: Washington, D.C.

United States Foreign Aid Bill. Committe Report on Fiscal Year 1988 Continuing Resolution.

World Bank. 1981. "To the Massachusetts Institute of Technology, An Address on the Population Problem - April 28, 1977." The McNamara Years at the World Bank: major policy addresses. The John Hopkins University Press: Baltimore and London.

_____. 1979. Recognizing the "Invisible" Woman in Development: The World Bank's Experience. World Bank: Washington, D.C.

JUDITH TENDLER

WHAT EVER HAPPENED TO POVERTY ALLEVIATION?

Judith Tendler

This report was prepared for the Mid-decade Review of the Ford Foundation's Programs on Livelihood, Employment, and Income Generation in March 1987. It has been reprinted with the author's permission for inclusion in the Ford Foundation's Women's Program Forum Symposium, entitled "Expanding Income Earning Opportunities for Women in Poverty: A Cross Regional Dialogue," in Nairobi, Kenya, May 1-5, 1988. Annexes are not included but are available upon request.

Table of contents

Preface and acknowledgments..... i

Executive summary..... iv

Introduction..... 1

I - The Good Performers..... 6

Bound by the trade..... 9
Minimalism in credit..... 15
The link to performance..... 17
Leaders, links, and upscaling..... 21
The urban edge..... 22
The Grameen exception..... 25
Traits of the trade..... 26
What kind of lesson?..... 31

II - Between the Government and the Nongovernment Sector..... 36

Constraints..... 36
Opportunities in the public sector..... 39

III - Recommendations..... 42

Research..... 46

References..... 49

Descriptions of Selected LEIG Programs and Projects..... Annex I

LEIG grantmaking activities--charts and grants lists..... Annex II

Preface and acknowledgments

In the spring of 1986, the Ford Foundation initiated a review of its program in the area of Livelihood, Employment, and Income-generation (LEIG). This assessment was to be part of a larger mid-decade review of all Foundation programs. LEIG is a relatively new program area at the Foundation and has worked mainly through nongovernment organizations. LEIG is meant to address the need for increased income and employment among those rural poor who are not directly affected by programs in agriculture, water, and forestry--people in the off-farm rural occupations and particularly women, who are disproportionately represented among the rural poor. LEIG grantees provide a variety of services--credit in small amounts for income-earning activities, business and technical assistance, organizing for collective enterprise, brokering with public authorities to provide access to public services, and complementary social services like pension and death-benefit funds.

Though LEIG spending became significant only in 1982, some of the important grantee organizations received their initial support from the Foundation as early as the mid-1970s. In 1982, LEIG funding was $2.9 million out of a total Foundation expenditure that year of $32.5 million for developing country programs (DCP). Over the 1982-1986 period, LEIG funding amounted to $21 million--10% out of a total of $208 million for DCP programs during that period. Six Foundation field offices account for 85% of the LEIG program--India (32%), Kenya (20%), Bangladesh (16%), Indonesia (9%), Egypt (7%), and Mexico (6%). Out of these six, the Foundation chose India, Bangladesh, Kenya, and Egypt for field studies for this review.

Between April and September of 1986, I spent three weeks in India, and one week apiece in Bangladesh, Egypt, and Kenya. For the latter three countries, I was fortunate to be able to work with Bishwapriya Sanyal (Bangladesh), Assistant Professor of Urban Planning at M.I.T.; Moustafa Mourad (Egypt), Ph.D. student at the Department of Urban Studies and Planning at M.I.T.; and in Kenya, Paula Nimpuno-Parente, graduate student of the Institute of Social Studies at the Hague, Jennifer Kariuki, business advisor of the Undugu Society in Nairobi, and Steve Hawkins, Ford Foundation Summer Intern in Nairobi. All the consultants spent three to four weeks on the fieldwork in their countries, and their reports are available at the Foundation. Their work and their interaction with me were very important to this endeavor. Fortunately for me, my colleague Bishwapriya Sanyal was nearby for much of the time that I was writing, so that we were able to have several useful conversations about the issues and his Bangladesh fieldwork.

The assessment also benefitted from the contributions of Paul Robinson, graduate student at the Appropriate Technology Center of the University of Pennsylvania and Ford Foundation Summer Intern in Dhaka, who provided invaluable assistance to Bish Sanyal in his country study of Bangladesh; and of Tony Willett, Ph.D. student at the Department of Urban Studies and Planning at M.I.T. and summer consultant to the Foundation's Delhi Office, who carried out a comprehensive review of Foundation assistance to NGOs in India.

In all countries, we interviewed project management, staff, and clients, other nongovernment and international organizations, government officials and staff, bank managers, and researchers. We visited or met with

individuals from the following Foundation grantee organizations: in India, the Manipal Industrial Trust, Working Women's Forum, Professional Assistance for Development Action (PRADAN), and Self-Employed Women's Association; projects or initiatives not visited, but read about in Foundation files and discussed with staff and others, were Annapurna Mahila Mandal, Andhra Pradesh Dairy Development Cooperative Federation, Mahila Vikas Sangh, the sericulture projects in Tamil Nadu and Karnataka States, MYRADA, Institute of Rural Management at Anand, and the "third sector" initiative of the Delhi office to build a community of interest among banks providing credit to small firms.

In Bangladesh, Proshika, Grameen Bank, Bangladesh Rural Advancement Committee (BRAC), Mirpur Agricultural Workshop and Training School (MAWTS), Micro Industries Development Assistance Society (MIDAS), Bangladesh Institute of Development Studies (BIDS), Bangladesh Rural Development Board (BRDB), and Agricultural Development Agencies in Bangladesh (ADAB). In Kenya, the Kenya Women's Finance Trust, Partnership for Productivity, Tototo Home Industries, Undugu Society, Kenya Rural Enterprise Project, International Labor Office, and Voluntary Agencies Development Assistance (VADA). In Egypt, Environmental Quality International and the Zabaleen Association, the Dumiat regional headquarters of the Principal Bank for Agricultural Development, and the National Development Bank; projects or initiatives not visited but discussed and read about were the Integrated Social Services Center at Tanta, and Euro Action Acord in Port Sudan.

In carrying out the fieldwork for this study and thinking out the issues, my conversations with Foundation staff were invaluable. Two meetings at which I had the opportunity to discuss my preliminary findings with a large number of Foundation staff were extremely important in helping me formulate my views--an October meeting in New York during the Foundation's annual program reviews, and a week-long workshop in November in Kenya. At an earlier stage, a planning meeting hosted by the Foundation's Delhi office and two long meetings in Cambridge with John Gerhart, Katharine McKee, and Jan Jaffe were all important in helping me to understand the thinking about and experience with the LEIG program at the Foundation.

I am indebted to program officers Barbara Ibrahim in Cairo, Jennefer Sebstad in Nairobi, Ken Marshall in Dhaka, and Ravi Narain, Viji Srinivasan and Lynn Bennett in Delhi. Without them, it would not have been possible to accomplish as much as I was able to in a short period of time. Much of what I learned about their country programs and their countries came out of long discussions with them. Likewise, I thank Representatives Lincoln Chen, Charles Bailey, Lee Travers, and William Saint for dedicating so much of their offices' time and support to this effort, and for making sure that I was well taken care of.

Katharine McKee, who coordinated this assessment at the Foundation and managed my contract, was central to my work. We have had long discussions about the subject and the study throughout the last six months, and her constant presence and help have made this undertaking a stimulating and very satisfying experience. In a seemingly effortless way, she made the immense organization required for such a project run smoothly. With the latter task, she and I were assisted by Brian Mori, whose constant help and good graces I always felt very thankful for.

Julia Vindasius, Master's in City Planning graduate from M.I.T., worked with me in Cambridge and New York as a research assistant. She is responsible for the large amount of work and ingenuity that went into gathering and interpreting the written materials involving the Foundation's LEIG program. My only regret about Julia's work is that she could not travel with me, for I found that she asked the most penetrating questions about the subject simply from reading the materials.

Finally, I thank Karla Stryker, Administrative Secretary at the Mechanical Engineering Department of M.I.T., who did a remarkable job of word processing on this manuscript at a difficult time of the year and within a record period of time.

Executive summary

Of the Foundation's programs in Livelihood, Employment, and Income Generation (LEIG), six stand out: their beneficiaries number in the thousands, they have grown into competent organizations, and they have had an influence on policies that affect large numbers of poor people. Though five of the six programs are carried out by nongovernment organizations (NGOs), one is part of a public-sector enterprise. The NGOs, moreover, are quite different from the typical NGO in this field: three are trade unions, one is registered as a bank, and the other is a private consulting firm. Despite the difference between these programs and their environments, they share a surprisingly consistent set of traits--traits that are absent from a large number of the LEIG programs funded by the Foundation and other donors. While the six programs do not represent the full breadth of the Foundation's grantees, the findings about the traits they share help us to gain a better understanding of programming in the LEIG field.

The common traits are: (1) a narrow focus on a particular trade or sector, at least at the beginning, (2) or a narrow focus on one activity, particularly credit, in an unusually "minimalist" form, (3) organizational leadership well linked to powerful institutions, and (4) an urban setting, or at least an urban beginning with its economies of agglomeration and the closeness it allows to important centers of power.

The economic activities of the clients supported by the better-performing organizations also shared common traits which, in turn, were different from the activities often promoted under LEIG programs: (1) clients were already producing what they were receiving assistance for or, if new activities were introduced, these new activities were well known in the region and easily mastered; (2) the grouping of clients for purposes of assistance did not require collective production or, if it did, managerial and work requirements of the ongoing collective operation were minimal; (3) assisted activities did not face competition from large-scale capital-intensive industries; (4) the assisting organizations did not need to support marketing activities because sales markets were securely in place; (5) supplies of basic inputs were assured; (6) many of the supported products or services had high social value in economic and distributional terms, such as garbage-collection services and the provision of irrigation water; and (7) powerful consumers often played an important role in bringing about support for the assisted producers.

These findings should be of use to the Foundation in designing future LEIG programs and advising grantee organizations. At the same time, however, the fact that so few of the LEIG grantees reached a significant number of the poor, and that the better-performing NGOs were so different from most, suggests that the search for effective LEIG programs must be more selective, on the one hand, and broadened beyond the NGO sector, on the other.

The nongovernment sector, where much of the Foundation's LEIG program is concentrated, has a certain structural inability to expand or to have its experiments replicated. This is why the impact of NGO projects is usually quite limited, a disturbing finding for donors interested in having an impact

on poverty. The constraints on NGO expansion and replication by others have to do with the fact that: (1) NGO strength and effectiveness often derive from smallness and social homogeneity, which get lost when NGOs try to expand; (2) NGOs see each other and the public sector as competitors for scarce donor funding, rather than as cooperators in a quest to alleviate poverty, which makes it inherently difficult for them to cooperate with each other or imitate each other's successes; (3) foreign funding accounts for a large share of NGO funding in some countries, which places the NGO sector somewhat at odds with the state, thereby blocking the path to replication of NGO experiments by the public sector; (4) though NGO projects may have small budgets in comparison to the public sector, their costs per beneficiary are often high, which means that even their successful projects are not necessarily feasible as models for serving larger populations; and (5) NGOs themselves often do not strive to serve large numbers of clients, nor are they under pressure to do so, which means they are often content to accomplish programs that work well in a handful of communities.

For various reasons, our better-performing NGOs were free of the above-listed constraints, or they operated in an environment that forced them to be different from the pattern traced above. Part of the task of choosing effective LEIG programs, then, involves watching for NGOs that have the traits that facilitated expansion, one of which is the ability and willingness to link up to the public sector. The Foundation's efforts to improve its LEIG programming might therefore focus on those NGOs with links to the public sector, or with the capacity and the will to develop them.

Though narrowing the Foundation's requirements for supporting NGOs might increase the probability of greater impacts, it would also make the Foundation's task more difficult by limiting the already scarce supply of NGO programs from which to choose. A complementary strategy is to broaden the supply of opportunities by opening up the search to include the public sector, whose policies and programs have major impacts on employment and poverty. The Foundation itself is accustomed to working more with the public sector in its programs in agriculture, water, and forestry; the Delhi office has in particular tried to broaden its LEIG programming to the public sector. If experiments carried out in the public sector work well, then the institutional infrastructure to expand them is already in place, as well as the political pressure to do so.

Opportunities for experimentation with LEIG programs in the public sector are greater today than one might think, and are in some ways greater than they were in the 1970s when, ironically, poverty alleviation was in style. This is because (1) the harsh austerity programs of the 1980s have made third-world leaders more politically vulnerable than usual, creating a more receptive political environment for targetted programs, or at least for political gestures toward the poor; (2) the current economic conservatism of economists and policy advisors, with its emphasis on "getting the prices right," is sympathetic to policy reforms favoring informal-sector producers; (3) the current balance-of-payments and debt problems of third-world countries, leading to restraints on imports, have made it possible for some informal-sector producers to flourish; (4) the current sympathy for

decentralization has created a more enabling environment for local-level experimentation in the public sector; and (5) public-sector actors, humbled by the disappointing experience with state-sponsored poverty-alleviating initiatives of the 1970s, have become more receptive to modest approaches, and to learning from the NGO experience.

Finally, government policy and programs have had major impacts on employment over the last forty years of development assistance--not only through policies on exchange rates, credit subsidies, and agricultural development, but through the ways that powerful ministries spend funds and set standards for the construction of buildings, roads, and waterworks. We know a lot about the adverse effects of government action on the poor, which means that we also have learned a lot about what it takes to turn some of these programs to their advantage. But the rush of academic and policy interest to issues of debt and macroeconomic policy has left a vacuum in this area, and a dearth of support for public-sector actors who want to do something, have an idea of how to do it, and can mobilize considerable resources. This kind of experimentation is difficult for governments to undertake, even when funding is not a problem, because of the political problems involved in favoring certain geographic areas over others.

LEIG programs have difficulty achieving impact partly because they are plagued, more than others, with the syndrome of "reinventing the wheel." NGOs claim they are pioneering with a new approach when, indeed, they are not; project proposers allege that past efforts have not worked when, indeed, there is not enough of a record to know whether or not this is true; NGOs claim they "do better than the public sector" at poverty alleviation when, indeed, there is little evidence to support this claim. The LEIG sector, in other words, suffers from a lack of comparative knowledge about what has worked and what has not, in the public as well as the nongovernment domain.

The reasons for the lack of a comparative record on LEIG initiatives have to do with: (1) the "premature" abandonment by the development field of the state-sponsored poverty alleviation programs of the 1970s--much like what occurred in this country with respect to the 1960s War on Poverty--and hence of the efforts to evaluate these programs and modify them accordingly; (2) the change in focus of the field of development economics from institutions to prices and markets, resulting in a decline of interest in, and funding for, comparative evaluation studies of poverty-alleviating initiatives in both the government and nongovernment spheres; (3) the increased macroeconomic problems of third-world countries, starting in the mid-1970s, which replaced the research interest in poverty alleviation with issues of debt, austerity, and macroeconomic policy; (4) a mood of disappointment and disparagement about poverty alleviation among the researchers who did carry out evaluation studies, which resulted in an abundant chronicling of failures and what caused them, but very little understanding of the more successful efforts and their ingredients. If the Foundation's programs are to strive toward impact, then they will also have to create a record of what has worked and what has not. To do this involves not only the funding of comparative evaluation studies, but also restoring academic prestige, and therefore power, to this particular subject matter.

If the Foundation were to broaden its LEIG initiatives to include the public sector, it could distinguish its programming from that of other donors and move closer to its comparative advantage: (1) though the need for experimentation with programs capable of reaching large numbers of the poor is recognized by large donors, they cannot support it themselves because of the pressure on them to transfer large amounts of resources in relatively short periods of time; (2) most small donors in the LEIG area, unlike the Foundation, work only in the nongovernment sector and do not have the public-sector contacts that the Foundation has; (3) few donors who work in the public sector are as well connected as the Foundation to the nongovernment sector as well, which puts the Foundation in the unique position of linking the NGO experience to the public sector; (4) among donors, the Foundation is unusual in spanning the research sector as well as that of government and nongovernment, which means that it can play an important role in funding the badly needed comparative studies on LEIG initiatives and, just as important, in making sure the results of these studies are used to guide programming by governments and NGOs.

Introduction

Soon after I started work on this study, I was faced with three challenges. One was that many Foundation staffers assumed that I would come up with findings that everybody "already knew"--namely, that the Foundation's Delhi office would prove to be the "success story" in the LEIG area. The Indian case and its "success" was seen as having little to teach about the Foundation experience in other countries, because it was the "obvious" result of India's unique history of post-colonial political stability, of voluntaristic institutions in the Gandhian tradition, and of a professional civil service.

The second challenge came from my own difficulty at describing the subject I was working on. First, I thought that LEIG programs were women's income-generating projects, but several of them were not and the Foundation did not describe them that way. Then, I thought that LEIG programs might be described as microenterprise credit, urban projects, or nongovernmental organizations (NGOs). But for each of these categories, there were several projects that did not fit and the Foundation itself did not agree with the description. Finally, with the Foundation's help, I decided that the common theme of these programs was self-employment of the rural poor in activities outside agricultural production. Even this description was not quite right, because some of the most impressive projects were urban. And describing a subject as a residual--all the employment "left over" from agriculture--always leaves something to be desired.

The third challenge arose from the way Foundation people talked about their work. As a donor working in third-world countries, staffers say, the Foundation is "unique." It has the flexibility required for experimental projects, it can fund small projects, and it has excellent networks in the countries where it works--at the universities, in the world of policy, and among grassroots organizations. All this, the Foundation says, adds up to a special "comparative advantage," to programs that are innovative and on the "cutting edge." After observing the Foundation at work, I decided that it really <u>was</u> unique among donors, and in just the ways it said it was. The more I came to understand the Foundation's particular uniqueness, however, the more I came to feel that its LEIG projects were not in themselves particularly unique.

These three challenges or puzzles troubled me throughout the fieldwork for this study. Only upon completing a first draft of this report did I realize that my findings were responses to these seemingly unrelated questions. With respect to the Foundation's comparative advantage, I wanted to be able to suggest an LEIG program that would be less like that of other donors and more consistent with the Foundation's unique style. With respect to the quandary about how to describe the LEIG program, I discovered that my concern was not merely a taxonomic one. The description I felt most comfortable with turned out to be a question rather than a statement: what could the Ford Foundation do about problems of unemployment and poverty in third-world countries? Once the question was in place, the current LEIG program did not seem to be exactly the answer.

Finally, I had beginner's luck with the problem of discovering findings that would make sense outside India. Right off, I found that the Foundation's most successful grantee organization was not in India but in Bangladesh--the

Grameen Bank, whose 160,000 borrowers place it head and shoulders above any other Foundation project in terms of the number of persons reached. If India's tradition of political stability, Ghandhian volunteerism, and civil service tradition "explained" the India program, then the very lack of these traditions in Bangladesh left us bereft of an explanation for the Grameen Bank. The need for an explanation of the Grameen Bank success, then, illuminated a path that led away from a country-specific explanation of the India cases. I had to discover some common themes that would explain India and Bangladesh, let alone Kenya and Egypt, and the variation in performance within India.

The result of this attempt to go beyond an India-specific explanation, and to avoid coming up with something that everybody "already knew," is presented in Part I of this paper. That section discusses a series of traits that were shared by the better-performing organizations, regardless of country. The question about how the Foundation's uniqueness might best be translated into an LEIG program, it turns out, is inextricably linked to the question of what the Foundation might do about problems of unemployment and poverty. The answers to these interlinked questions lie in a discussion of the NGO sector, the public sector, and the current historical moment, corresponding to Parts II and III of the paper. The analyis and suggestions of these subsequent sections rely for illustration and evidence on the first.

Though the LEIG "sector" may be defined in a residual way as "nonfarm" and "nonfactory" employment, the significance of this sector is anything but residual. Landless or near-landless families currently account for more than 50% of rural households in various Asian and Latin American countries. The nonfarm share of the rural labor force has shown a steady increase over the last ten to twenty years, with current nonfarm shares ranging from 20% to 50%. Projections of labor-force growth and employment in third-world countries show a doubling of the labor force from 1970 to 2000, with agriculture supplying only 8% of the increased jobs necessary to employ that expanded labor force.

The employment picture in third-world cities shows an at least equally preponderant role for urban employment outside the "modern" sector--i.e., outside the firms that are registered with the authorities and provide fringe benefits in accordance with the law. Urban labor forces in the third world, moreover, are growing at rates more than double that of the rural labor force. Shares of the urban labor force in non-modern or "informal-sector" activities are estimated to range between 30% to 70% in selected cities of the third world. Though the dispersion of incomes in nonfarm, nonfactory activities is high, including many small-firm operators who fall into the upper 50% of the income distribution, the poor are nevertheless overwhelmingly concentrated in this sector. Thus, any attempt to directly reach large numbers of the third-world poor through employment- and income-generating activities will have to work through the economic activities of the nonfarm, nonfactory sector.

The LEIG sector is difficult to describe because, unlike agriculture and industry, it does not correspond to a well-defined set of economic activities. Earlier thinking about growth and employment placed great faith in modern industrial growth, and later in agriculture, to provide an increasing number of jobs for the growing labor forces of the third world. The recent shift of thinking about employment to the LEIG sector has resulted

from the inability of agriculture and modern industry to generate sufficient employment, and from the discovery of increasingly larger numbers of poor persons dependent for their livelihood on activities outside agriculture and industry.

Though the significance of the LEIG sector for employment is just as great as industry and agriculture were previously felt to be, the economic activities engaged are in no way as homogeneous--ranging from petty vending and trading through at-home piecework production to myriad small manufacturing activities like bakeries, furniture manufacture, and shoemaking. This heterogeneity of the sector makes programming for it difficult. There is not an obvious single institution through which one could work--like a ministry of agriculture--nor a set of professionals skilled in the subject, like agronomists or agricultural economists. Nor is there a uniform set of standards or interventions that are typically associated with a particular economic activity, and around which debates about the best form of intervention might focus. Though the heterogenity of the LEIG sector makes it more difficult to describe and to prescribe for, it in no way reduces the importance of this sector for those concerned about employment, as the above figures dramatically suggest.

I - The Good Performers

Out of the various organizations I reviewed, six stand out: the Grameen Bank of Bangladesh, the Self-Employed Women's Association (SEWA) of Ahmedabad, the Working Women's Forum (WWF) of Madras, the Annapurna Caterers of Bombay, the women's dairying project of the Dairy Development Federation of the Indian state of Andhra Pradesh (APDDCFL), and Environmental Quality International (EQI) working in conjunction with the association of Zabaleen garbage collectors in Cairo.[1] In addition, I was impressed with three of the economic activities assisted by two other organizations--the landless pump groups of Proshika in Bangladesh, and the collectively-owned rental houses and standpipes of the Undugu Society's women's groups in Nairobi. When I refer to "programs," I am including these last three activities; "organizations" refer to the six I name above.

Four of the organizations I discuss are in India, one in Bangladesh, and one in Egypt. They stand out because they are reaching an unusually large number of poor people,[2] or are indirectly affecting large numbers through their impacts on policy and institutions. Or they stand out as "successful" organizations in that the Foundation and other donors have found them to be honest, strong, self-criticizing, and highly capable.

The six organizations differ markedly from each other, as well as being different in form and origin from most nongovernmental organizations working in the LEIG area. One is in the public sector (APDDCFL), while the rest are in the nongovernmental sector. Two arose out of the women's wings of Indian trade union organizations (SEWA, Annapurna), and another out of political-party organizing in India (WWF). These latter three are organized as trade unions, while Grameen Bank is registered as a financial institution and EQI is a private consulting firm. Four of the six programs work only with women (SEWA, APDDCFL, WWF, Annapurna).[3] Four work mainly in cities or started out there, while only two work predominantly in rural areas (Grameen Bank, APDDCFL). Though all of these programs provide credit, each has a quite different mix of credit, business and technical assistance, organizing for group production or marketing or input-supply, social services like death-benefit and pension funds, or strong advocacy for clients vis-a-vis public institutions, political authorities, and monopolistic buyers and sellers.

What is remarkable about this set of cases is that, despite their diversity and their location in very different countries, they share a common set of characteristics or traits. To many readers, this list of traits and their association with good performance may seem obvious. But many LEIG programs and organizations, including those supported by the Foundation, have exactly the opposite traits. In addition, we tend not to notice these traits

---

1 Descriptions of each organization and its program can be found in Annex I.

2 Grameen Bank 160,000 borrowers, WWF 38,000 members, SEWA 15,000 members, Annapurna 8,000 members, APDDCFL women dairying project 5,000 women members.

3 The majority of APDDCFL members are men, but the Foundation-funded program works only with women.

when looking at any of these organizations in particular, because their rhetoric obscures the traits, because some of the traits go back to times when these organizations were quite different than they are today, and because we usually do case studies of individual organizations rather than comparative studies across them.

For reasons akin to Hirschman's statement that there are no successful projects, only those that have less problems than others (1967), I purposely do not refer to this set of better-performing programs as "successes." They are also riddled with problems, mistakes, and false starts. Some of them are having a difficult time expanding beyond their first victories (Annapurna, in moving from individual credit to collective food catering). Some of them seem to be diversifying too fast and into more difficult activities (Grameen Bank into duck-raising and venture capital, EQI and the Zabaleen into collectively-owned garbage-collection services, Proshika into fish ponds). Only time will tell whether they will do well or poorly at these more difficult tasks. Some of these organizations, finally, seem to be expanding into new activities before they have exhausted the potential for reaching larger numbers of people by continuing to do what they are good at. This premature diversification is a common pattern, caused by the greater lure to expanding organizations of complex programs over simpler ones and by the very success of the initial program, which attracts swarms of donors, each with its own project agenda.

At least one of our organizations seems stuck at the level of serving a limited number of beneficiaries with an increasing array of services, some of which it will do better at than others--the EQI in Cairo, and its work with the Zabaleen Association in a garbage-collecting settlement of 1,000 households.[4] Because of its single-community focus, EQI may end up standing out more as an impressive organization than as an instrument for alleviating poverty in Cairo. In fact, the significance of the Zabaleen program as a model of LEIG activity may have been somewhat exaggerated because of the fascinating quality of the Zabaleen microeconomy, and because of the winning nature of the EQI staff--urban, Western-educated, English-speaking, skilled, and committed. I nevertheless included the Zabaleen project, albeit with some ambivalence, because EQI possessed many of the same traits as the other better-performing organizations.

The organizations or programs left out of this list should not be considered failures. They were just reaching far fewer persons and having much less of an impact on thinking in professional circles and the public sector (Tototo, Partnership for Productivity, Undugu, Manipal Industrial Trust). In other cases, the programs were too new to allow definitive comment (KWFT, ISSC, PRADAN, Euro Action Acord, MYRADA, the Indian sericulture projects, the new Foundation-funded womens' programs of PfP and Undugu). I nevertheless had misgivings about these latter programs; they seemed to be doing too much too soon, taking on too difficult tasks, spreading themselves too thinly, or expending large amounts per beneficiary.

---

4 There are actually six garbage-collecting Zabaleen communities in Cairo. EQI says it plans to move into these other communities, but its hands already seem quite full with the array of services it has been setting up for the one community.

Bound by the trade

All the better-performing organizations started out with a narrow focus, and some continue that way to this day. They concentrated on a particular task (credit), to be discussed in the next section, or on a particular trade, sector, or income-earning activity (e.g., garbage collectors, food preparers, dairy producers, vegetable vendors, landless groups owning tubewells). An evaluation of the Foundation's minority business programs in the U.S. found that one of the most successful programs was sector-specific, focused on cable radio and television (Rial & Howell 1986).

The narrow sectoral focus of these organizations forced them to tailor their interventions to the needs of that particular sector or trade. This meant that they proceeded by doing careful studies of a sector, after which they would identify possible points of intervention. In this process, they gained a highly grounded understanding of one sector--production processes, sources of supply, product markets, industry structure. The meticulous sectoral studies of these organizations, which informed so much of their thinking, were carried out by bright young generalist staffs. Though they were usually untrained in social science research, their previous work experience in the field combined with strong intelligence, passionate dedication, and street "smarts," helped them to produce remarkably complete pictures of the trades they were studying. Because of the high "labor-intensity" of the work required to map the structure of these trades, a more sophisticated research effort would probably have been much more costly.

The trade-by-trade way of proceeding contrasts sharply with the many LEIG programs that work across various trades and even try to introduce new ones. These "generalist" organizations get less involved in the details of a particular trade, trying as they do to provide nonspecific income-earning assistance. The trade-specific programs were no less concerned about the broader issues of poverty than were the generalist ones--namely, denial of access to public services, lack of information, discrimination, exploitation, and poor health. Indeed, many of the trade organizations were passionately driven by these larger social issues, and added programs that dealt with them later on. But they anchored their work around the economics of a trade, or a succession of trades.

In contrast to our set of better-performing organizations, many LEIG programs take a multi-task approach to their work. This broader approach is based on widely held notions of what is "needed" for development to take place, or of how services are "supposed" to be supplied. Though the broader vision has substantial truth--communities <u>do</u> lack various services--it often does not work well in practice, because it is too demanding on the organization. The importance ascribed here to learning about a trade, then, does not reflect a judgment that economics is more important than social, political, and service issues, but rather that many LEIG interventions fail because they are too ambitious. They represent unrealistic assessments of what organizations can do and of how people can improve their incomes. Out of a deep concern about poverty, they cast their nets too widely. Organizations and leaders with social welfare and service backgrounds, in particular, need a way of proceeding that teaches them about economic reality, and forces them to be guided by it.

Learning about a trade is a process that leads organizations to propose small changes in the way existing things work--institutions, market structures, production processes. One tries to identify bottlenecks, and then work on them one at a time. With women vegetable vendors, for example, SEWA learned that police harassment was a major problem, leading to frequent losses in income. It therefore negotiated for the vendors with municipal authorities, and only after some results were achieved, did it move on to the next problem. Similar processes of inquiry led to EQI's decision to provide credit to garbage collectors for simple re-cycling equipment, to Annapurna's decision to provide working-capital credit to women providers of meals to textile workers, and to the Delhi office's decision to support the organization of women-only dairy coops within an already functioning system of federated dairy coops. All these actions were carried out by organizations in a continual process of study, identification, and intervention. Their way of thinking was iterative and incremental.

Many LEIG organizations do not see their actions as so constrained by existing economic systems. Indeed, they see existing ways of doing things as keeping their clients down, and they want to help liberate them from these structures--introducing new economic activities into communities, having people produce goods collectively who previously worked individually, providing new sources of credit independently of existing financial institutions. Though these attempts are admirable, they usually do not produce the same quality of results as the less ambitious way of proceeding.

This emphasis on the "marginal" qualities of the interventions carried out by the trade-bound organizations is consistent with the findings of two other comparative studies of projects--one of a set of technical assistance projects in sub-Saharan Africa (Kilby 1979), and another of a set of community-development projects in East Africa (DAI 1979). The most successful projects, according to these studies, were those that supplied a "missing component" to a set of activities that was already in place. Though the projects studied were not all trade-specific, what they shared with our set of programs was the incremental nature of their interventions. The trade orientation, then, is not the only way to come up with powerful incremental interventions. The narrow focus on credit, in the "minimalist" form discussed below, also represents an incremental approach: credit without any complementary services was the missing ingredient provided in support of a system of economic activities and financial institutions that was already in place.

The trade-bound organizations bargain with authorities for their clients as a class, whereas the generalist organizations negotiate on behalf of individual clients or small groups of them (e.g., SEWA vs. Kenya Women's Finance Trust). These struggles for trade-wide concessions, and the victories they sometimes lead to, constitute one of the important potential impacts of such programs, particularly when they are carried out by small organizations that may not be able to directly serve a large number of clients. Just as important, trade-wide bargaining raises these matters to powerful authorities in the form of social <u>issues</u>, whereas individual cases brought by NGOs to the authorities are seen by the latter as the granting of favors in particular cases. Given the strength of the trade orientation, it is not surprising that three out of our five better-performing NGOs were trade unions (SEWA, WWF, Annapurna), almost the only trade-union grantees in the Foundation's entire LEIG program. Trade unions actually define their principal task in terms of

the struggle to obtain concessions from powerful institutions, whereas most other NGOs define their task as providing a service, in the course of which they may or may not need to take on the authorities for the cause of their clients.

Trade-based struggle, of course, is not limited to trade unions. EQI of Cairo, a private consulting firm, engaged in an ongoing struggle with the governorate of Cairo for concessions to garbage collectors. The Foundation's Delhi office struggled with the Indian dairy parastatal for a long period of time to gain recognition for women producers. The Delhi office, in fact, proceeded in a manner quite similar to SEWA: it identified eight production systems in which women were important, commissioned studies on how these systems worked, and then struggled with the authorities who held power over each of these systems for concessions and action programs.

The trade-bound approach defines LEIG problems in a way that attracts powerful technocrats and government agencies. That the Zabaleen micro-economy was built on garbage collection and disposal made its problems interesting to a small engineering elite in a prestigious consulting firm, specialized in solid-waste and other urban infrastructure projects. The Delhi office defined its LEIG women's program in terms of eight production systems all of which were located in "ministries of importance" and had "significant Seventh Plan outlays." And that the Grameen Bank defined its task in terms similar to commercial banking practice, as explained below, attracted professionals from the country's Central Bank, who took leaves from their jobs to work with Grameen.

Getting prestigious professionals to see LEIG programs as professionally challenging is one way to get around the much-bemoaned problem of technocrats and their institutions showing little professional interest in the poor. Attracting skilled persons by defining a project in trade-bound terms also bears on a staffing problem discussed perennially in the LEIG sector--that of insufficient salaries to attract skilled professionals, coupled with the problem of training committed generalists in "hard" skills, a problem to which the Foundation and other LEIG donors have devoted considerable attention. Attracting technocrats with trade-based tasks, in other words, is a way of getting around the "skills-vs.-commitment" formulation of the LEIG staffing problem: the technocrats in our cases turned out to have more commitment than anyone thought, when presented with the problem in professionally interesting terms and, of course, they already had the right skills.

The trade-bound view of LEIG problems has its limitations. An organization may end up serving virtually the whole trade and still be working with only a small number of people--the case of the EQI and the Zabaleen garbage collectors being the most obvious one. EQI's work with the Zabaleen Association involves only 1,000 garbage-collecting households in one settlement, which does not even represent all the Zabaleen garbage collectors, who live in six different settlements of Cairo. The trade orientation may also leave an organization "stuck," once it reaches every member of the trade. The Annapurna caterers is a case in point: after providing credit to 8,000 members of this trade in Bombay, Annapurna had a difficult time figuring out what to do next that would be as easy and as effective. SEWA, in contrast, escaped the limiting problem of the trade approach by taking on one trade after another--from vegetable vendors to foodhawkers to quilt makers to fish marketwomen. It could therefore benefit from the discipline and power of

the trade orientation, while at the same time not being confined by the number of persons in any particular trade.

Minimalism in credit

Credit turned out to be another way by which the better-performing organizations were able to approach their task narrowly. Four of our programs started out by providing only credit. Even though they later moved into other activities, credit continues to be a central part of their program. (Two of these credit organizations, SEWA and Annapurna, also followed the trade approach.) Though other LEIG programs customarily provide credit--in Kenya, for example, Tototo Industries, Kenya Women's Finance Trust, and Partnership for Productivity--the approach of our four organizations to credit was quite different.

First, all four organizations started out only as credit brokers, providing their clients with access to existing financial institutions, rather than lending from their own funds. Second, they all required savings as a prerequisite to borrowing. Third, these organizations financed activities mainly in the trade and commerce sector, as opposed to manufacturing and services, sectors in which economic and employment payoffs may promise to be higher but where risks to lenders are also higher.

Fourth, these organizations all provided a kind of stripped-down or "minimalist" credit, which entailed little or no evaluation of the merits of investments for which applicants wished to borrow and no technical or business extension. The burden of the selection process was shifted from the credit entity to peer groups of borrowers themselves. Though groups might give opinions on a member's purpose for borrowing, their ultimate acceptance of the member was based on an assessment of that person's likelihood of repaying, regardless of the viability of the proposed project. Though group members were not necessarily jointly liable for each other's loans, the group could not receive subsequent loans until all were paid up. This process of decisionmaking about credit, though decentralized, was not "participatory": borrowers were not included in decisionmaking councils of the credit-providing organizations, they had no say in setting credit policy or in declaring and prosecuting delinquency, and the credit agency itself made the ultimate decision as to who could borrow.

Fifth, though our four credit organizations now provide some social and other services in addition to plain credit, they started first with credit. This is in distinct contrast to many LEIG grantees, who are trying with difficulty to make the opposite transition--from social and welfare services to the income-generating ones. Although our four organizations shared this common set of credit characteristics, they were quite different in other ways--one a bank (Grameen), the second a women's trade union working with various trades (SEWA), the third a women's trade union working with only one trade (Annapurna), and the fourth a trade union working on a neighborhood rather than a trade basis (WWF).

Many LEIG credit programs, unlike our four, do not start out by trying to link their clients up with existing banks. Typically, they get funding from donors to start their own credit operation (e.g., Tototo, Undugu, Partnership for Productivity). This gives them little chance to learn the business

through a division of labor between themselves and the established banks--the banks taking care of the money, and the NGOs the processing of applications. Though three of our four organizations ultimately did create their own banks (SEWA, WWF, and Grameen), this occurred only after a long tutelage of doing no more than working as brokers between their clients and an established bank.

Many credit-providing NGOs would view the minimalist credit provided by our four organizations as "insufficient." Businesses, they say, need to learn how to keep books, improve their production techniques, learn about inventory, and find better markets. Credit, according to this assessment of need, must therefore be accompanied by assistance with these other matters, and credit applicants should be helped to evaluate the financial viability of their proposed use of loan funds. Though this view seems perfectly reasonable, it also leads to higher unit costs of lending and greater demands for organizational sophistication. Evaluation studies, moreover, have cast doubt on how much this assistance actually leads to increased incomes (Farbman 1981, Ashe 1985, Kilby 1985, Tendler 1982). Because of the higher costs and greater encumbrances, "complete" credit is almost never found in programs that have succeeded in reaching large numbers of small borrowers. Thus it is no surprise to learn that the Grameen Bank, with many more clients than any of the Foundation's LEIG grantees, insisted most on the minimalist form of credit, and diversified least into noncredit activities.

The link to performance. Why was this particular approach to credit, and the way in which it evolved, so central to the better performance of these four organizations? That these organizations spent a long apprenticeship providing access to existing credit, rather than lending their own funds, made the task easier. It divided credit into loan processing and banking, allowing the new organizations to take on and master the task of processing first, before having to go into the more difficult task of banking. That a banking infrastructure already existed was crucial to this sequence, an advantage of credit that we tend to forget because of our ire at banks for the way they exclude the poor. Other LEIG activities, like business and technical extension or the formation of group production or marketing ventures, do not have such well established institutions to which they can turn for structure, advice, and sharing of the task.

Minimalist credit was also easy because clients borrowed more for trade than manufacturing. As indicated by bank practice all over the world, lending to trade and retail establishments is less risky than to manufacturers, partly because repayments can be made with greater frequency and within a shorter time period. Though some researchers believe that lending to manufacturers will have greater employment and income impacts than to traders, trade credit may nevertheless be easier on fledgling banking operations.

Minimalist credit was also easy because the repayment rate constitutes a clear and concise measure of good performance. With such an indicator, performance can be ascertained by any good evaluator who spends a few hours at a bank office, and the credit agencies themselves can keep close tabs on how they are doing. Performance in other LEIG activities, including credit with business and technical extension, is more difficult to measure and can be verified only over a longer term. That minimalist credit provides such a conspicuous performance measure means that organizations working this way are quite exposed to outside scrutiny; in this sense, credit is a hard taskmaster,

as well as being "easy." Given that other LEIG activities lack this clear and accessible indicator of performance, mediocre performance will elicit less censure from the outside, as well as less concern within the organization itself. In lieu of clear performance indicators, organizations tend to look at commitment, honesty, and hard work as proxies for performance. Mediocrity gets tolerated more, simply because the results of what these organizations do are more difficult to see.

Small-loan programs usually run high costs per dollar spent because of the time and skills required to evaluate numerous small applications. Banks resist small loans because of these high unit costs, and because of the impossibility of making character judgments about applicants with whom they are not familiar. Minimalist credit reduces these problems by shifting much of the cost of processing loan applications from the bank to borrower groups, an important advantage of the group mechanism used by all four organizations. Groups base their decisions as to who gets loans on character judgments about the borrowers, rather than on an evaluation of their finances and business proposals. Surprisingly enough, this system of judging credit applications seems to work well, as attested to not only by repayment rates in these four cases but by studies of other programs of this nature (Ashe 1985, Kilby 1985). By reducing markedly the credit agency's need for staff trained in financial analysis, the group selection mechanism also reduces the problem of finding skilled professionals to do such work and of paying them adequately.

Credit institutions that require savings prior to borrowing, like our four, usually point to the wholesome impact on the borrower who, it is said, needs to learn the discipline of giving in order to receive, and of repaying regularly. More generally, LEIG donors have been increasingly asking their grantees to require some payment from clients in exchange for the services they receive--credit, technical assistance, or other services meant to increase income. Requiring savings or charges for services, the argument goes, not only helps the client to learn the behavior required in a modern economy, but also helps to set the service-providing organization on the path toward financial self sufficiency.

Less commented on is the fact that when clients have to save in order to borrow, the credit organization will have to first prove that it is a trustworthy place to put one's savings. And if the organization performs poorly once it possesses the savings, clients can withdraw their deposits overnight and bring the organization to ruin. Even if depositors are not allowed to withdraw savings, as is often the case with savings required for borrowing, their financial stake in the organization gives them the right to make trouble if they are concerned; and organizing them into groups gives them a social form in which to make more effective trouble. Charges for services make an organization even more vulnerable to outside pressure to perform: if clients are dissatisfied, they need not even protest and can simply refrain from buying the service.

Though LEIG organizations often argue against charging for services on the grounds that the poor cannot afford to pay, they also fear that they will lose their clientele if they start charging. The organization that agrees to charge for services or require prior savings, then, has considerable confidence in the quality and worth of what it provides. Put in another way, charges and savings requirements can force an organization to be more responsive to the poor and their definition of their needs, than a situation

of no charges, justified out of sympathy for the plight of the poor. Again, this is a somewhat different approach to the issue of finding committed staffs: in this case, the structure of the situation helps make the organization responsive, rather than just the hiring of committed staff.

Required saving, in sum, introduces external pressures to perform into the worlds of fledgling credit organizations. Donors usually deal with the matter of organizational performance by a combination of helping (funds for training, budgets for hiring capable staff) and monitoring (by donors themselves, by requiring and funding audits, by funding monitoring and evaluation operations) All of these approaches, though standard good practice, are costly and timeconsuming, and often do not yield the desired results. Some of this concern might be invested, instead, in finding tasks and structures that produce these pressures themselves, without the expenditure of time and funds. Forced savings and charges are one way of providing that external pressure. The easily measurable repayment rate of minimalist credit is another.

Leaders, links, and upscaling

All the leaders of our five nongovernmental organizations were strong and driven individuals who, through class or previous work experience, had links to important political figures and powerful institutions in the public and private sector. All five, moreover, had founded their organizations. Though donors look up to these strong and charismatic leaders, they perpetually worry about whether the organization could survive their loss. Will the leaders learn to delegate? Can they build strength in their managerial staff?

In a study of successful development programs in the public sector, Paul (1982) also found the same dynamic person who had led the program from the organization's founding to the present moment. Paul's reason for emphasizing this continuity was to say that the person who initiated the project as an experiment was the same one who carried out the transition to a nation-wide program. It was the energy of the single founding leader that drove the successful expansion of the program, in other words, and not just the force of a particular organizational model.

A common argument for funding small NGO projects is that they are experiments which, once the bugs are worked out, will be replicated. But Paul's findings, along with mine, suggest that unless the experiment is replicated by the original experimentor, it may not grow beyond its original size, no matter how well it works. And if replication actually takes place, the leader of the pilot project is likely to have had large ambitions, along with the status and connections to carry them out.

These are the kinds of visions, status, and connections that our set of NGO leaders had. Two of the leaders were technocrats with Ph.D. degrees from the United States--a sanitary engineer (EQI) and an economist (Grameen Bank). By virtue of their class, foreign educations, and professional specializations, they were members of a small elite class. Two more of our leaders came out of a long-established trade-union movement (SEWA, Annapurna). Another, also well-connected, came from a long experience with political organizing in the neighborhoods of Madras for India's dominant Congress (I) party (WWF). The trade-union and party-organizing backgrounds

accustomed these leaders to thinking in terms of reaching large numbers of persons, and familiarized them with powerful institutions--big management, and state government officials who mediated labor-management disputes.

That our leaders had these particular backgrounds should come as no surprise, given the success of their ventures. But many NGO leaders do not fit this image, and we ourselves usually do not think of LEIG leadership as coming from the ranks of technocrats or social elites. Many NGO leaders shy away from people in power. They may prefer to work in remote areas, where their programs can operate undisturbed by powerful institutions. And they often wear their distance from the holders of power with pride, as a kind of badge of commitment to their clients. They tend to describe themselves as "against" the system, not part of it. This kind of remoteness is not necessarily bad. Indeed a few studies have pointed to geographical remoteness from powerful institutions as an element of success (Kilby 1979, Paul 1982). But our leaders were anything but distant from power, even though they may have liked to portray themselves that way.

The urban edge

Closeness to power among our set of organizations was spatial as well as social. Four of our nongovernmental organizations got their start in cities, and most continue to have their greatest number of clients there. (I explain the exception, Grameen Bank, below.) This is a somewhat surprising finding, given that the Foundation emphasizes rural rather than urban poverty in its LEIG programming. The Foundation's rural emphasis is consistent with that of many researchers and donors, who believe that rural poverty is a more serious and widespread problem than urban poverty and that the agricultural economies of rural areas provide more possibilities for off-farm employment than do urban economies. Nevertheless, there is something about the dynamics of LEIG organizations in the urban setting that sets them apart from the rural programs. I suggest four explanations for this difference.

First, the four cities where these organizations work are large and important. Bombay, Ahmedabad, and Madras are capitals of their respective states, as well as thriving economic centers; Cairo, aside from being the national capital, is a city of thirteen million people. Powerful elites live and work in these cities, and powerful institutions are seated there--bank headquarters, municipal authorities, politicians, and government parastatals, ministries, and departments. The impact achieved by our organizations resulted, in part, from the influence they had with these holders of power and the concessions won from them. Rural-based programs provide much less of a chance to have an influence on power.

Second, and related, programs for the poor usually have to win over local elites in each community where they work--or, at least, gain their acquiescence. Since elite opposition often undermines LEIG projects at the community level, the investment in gaining elite tolerance or support is crucial to the success of these programs. Having influence with elites arises, in part, from a lifetime of living with them. This kind of familiarity is difficult for the leaders of organizations operating in rural areas, because there is no one geographically concentrated set of elites or powerful institutions that controls decisions affecting thousands of people. As one of our leaders said, in commenting on the difficulty of expanding her

urban program into rural areas, "I couldn't just call up somebody powerful and say he should help out. There were so many of them! I didn't know them and they didn't know me."

Third, the trade- or sector-bound approach discussed above works better in urban areas. Because the rural poor live more dispersed and change from one income-earning activity to another with changes in the agricultural cycle, it is more difficult to find large numbers in one place who work at a single trade, let alone at the same trade throughout the year.[5] LEIG organizations in rural areas, then, find fewer opportunities to work with only one trade or sector.

Fourth, and implicit in these last three points, there are agglomeration economies in serving dense populations. In cities, one can see more clients per staff trip away from the office, one can use public transport instead of having to invest in vehicles, one can spend less on the operation of one's own vehicle, and one's service is less vulnerable to problems of vehicle breakdown, shortage of spare parts, and lack of budget monies for fuel and maintenance. All of the latter are central problems in rural service programs.

The lesson of our finding that urban programs have a certain edge over rural programs is not that we should fund more urban projects, though that might be a perfectly logical conclusion. Rather, the urban stories help us to see that the path to impact in the LEIG area often lies in the influence wielded over powerful persons and institutions. The experience should encourage us to search for rural program strategies that imitate these urban configurations, or compensate for the lack of them. Though the suggestion may seem fanciful, the Grameen Bank provides us with a quite realistic illustration. Grameen Bank was the only rural exception to the urban siting of our better-performing programs. And Grameen had by far the largest number of beneficiaries of them all, so its status as an exception requires explanation.

The Grameen exception. Grameen Bank operates in a country with one of the highest rural population densities in the world, thus making it possible to reach a larger number of clients per unit space than is typical for a rural program. The minimalist credit practiced by Grameen, moreover, requires less understanding of the economy and social structure of each particular locality where the bank has a branch, and less adaptation to local forms of production--in contrast to more complete credit services and other LEIG activities. Grameen's leader felt strongly about providing a "franchisable" service that, once perfected, could be applied anywhere throughout the nation, regardless of local conditions. Minimalist credit can accommodate this kind of vision. Just as important, it took a leader who wanted to make his mark in large numbers to be attracted to this particular form of the credit task, and to resist the blandishments to embellish it. This vision contrasts sharply with that of many other NGO leaders, who see their task as doing a good job at providing various services to ten, twenty, or thirty communities.

Grameen Bank provided a service to landless laborers that, in contrast to our experience with many other such programs, pleased local elites. Local landowners did not mind that Grameen organized their labor force into credit

---

5 This point has also been made by Chen (1984, 1986).

groups, thereby freeing the laborers from dependence on landowners for credit. Indeed, some landowners even said they preferred being relieved of these credit obligations to their laborers, and that this new and independent source of credit made for a more "stable" work force in the region. This reaction, by the way, is just the opposite of that predicted by the economic literature on interlinked contracts for labor, land, and credit.

We tend to notice the importance of elites only when they oppose projects, because so many LEIG projects have been undone by such opposition. But we can see from the Grameen case that it is also important to understand the circumstances under which elites are not opposed. One of the lessons of the Grameen exception to our urban cases, then, is that the rural handicap can be reduced if activities are supported that are to the liking of elites. We may not know in advance, of course, how elites will react--as illustrated by the Grameen Bank and the elite reactions to it, different from what one would expect from experience and the literature. This is why experimentation is so important: it can show us, as well as the elites, that things may not be as bad in reality as we think they will be.

As distinct from many rural projects, finally, the Grameen Bank was linked from the start to a major urban center of national power--the Bangladesh Central Bank. Though Grameen is now an independent financial institution, it found its first institutional home in the Central Bank, as an experimental project. When Grameen became its own bank, the link to the Central Bank continued informally, partly through the three Central Bank professionals who went on extended leave to take managerial positions with Grameen. As in the case of many organizations with links to power, one tends not to notice them, because they are often buried in the early history of the organization, and because leaders of these organizations like to stress their independence from the establishment, and not their connections to it.

Traits of the trade

The traits shared in common by our set of organizations suggests that their performance was influenced by the kinds of economic activities their clients engaged in. Something outside the control of these organizations, in other words, helped them perform well. This "something" falls into seven categories.

First, the clients of these organizations were already producing what they were receiving assistance for (dairying, garbage-collecting, food hawking, food preparation, cigarette rolling). Or, in the case of activities newly undertaken with the organization's assistance, these were well known in the area and easily mastered (installation and operation of shallow tubewells, water standpipes, and rental houses).

Second, though clients always belonged to groups, some formed by the assisting organization (credit groups, dairy coops, garbage collectors' association), the group did not necessarily engage in collective ownership or work. In the cases where the assisting organization did introduce collective ownership (landless pumps, group standpipes, rental housing), ongoing work requirements after the initial installation period were minimal.

Third, the assisted activities did not show economies of scale, so that they did not face competition from large-scale capital-intensive industries (dairying, garbage-collecting, shallow tubewell irrigation vs. handloom silk production, cigarette-making, garment manufacture).

Fourth, supplies of basic inputs were assured (garbage for garbage collecting, water for shallow tubewells, produce for vending, fodder for cattle, though fodder supply was sometimes a significant problem for the poor).

Fifth, sales markets were already securely in place, though they were not necessarily free markets (dairy products, garbage collection services, water for irrigation).

Sixth, many of the products or services supported were in scarce supply and had high social value in economic and distributional terms (irrigation water, garbage collection services, pork and milk supply, standpipe water and rental housing in squatter settlements). This meant that consumers also benefitted from the expansion in supply of these activities, in addition to the providers assisted by the project. The high social value or "externalities" of assisting these providers is reflected in the fact that some of these services are traditionally provided or subsidized by the public sector (garbage collection, irrigation water, potable water, low-cost housing). Indeed, for most of these services, there had been a history in all four countries of public sector activity that was inadequate. The activity under our programs, then, represented a kind of ad hoc "privatization" or decentralization of these services, though nobody portrayed things in these terms.

Seventh, powerful consumers of these services themselves often played a role in bringing about support for the project (e.g., the Indian dairy parastatal as the purchaser of milk supplied by women producers). Or, these consumers had enough self-interest in seeing supplies increase that they did not stand in the way of organizing for that purpose among the poor (e.g., the land-owning employers as purchasers of irrigation water from groups formed by their landless employees).

Though the last two findings of these seven came as a surprise to me, the rest seem to reflect good common sense. Yet many LEIG programs choose economic activities and ways to support them that do not reflect this sense. Many programs, for example, are more ambitious with respect to their clients' income-earning activities. They may try to introduce activities that are new (Tototo and crafts production) or that generate opposition from elites (Proshika and fish ponds). In choosing certain sectors, moreover, LEIG programs often take on a difficult battle against scale economies in the sector which, though perhaps created by past government subsidization of large producers, have already led to large-scale, capital-intensive, and competitive production (handloomed textiles, leather footwear, garments, cigarettes). In our set of activities, there were no scale economies constantly threatening to overwhelm the assisted activities, and against which a constant and often losing battle had to be fought.

Many LEIG programs promote collective enterprises (e.g., Grameen Bank's mustard oil mills, EQI's composting plant and garbage-collectors' firm, PRADAN's community-enterprise program) because they believe that the poor are locked into low-income occupations and that collective production, often of

something new, is the only way to get them out. The designers of these programs often look for their inspiration to community traditions of cooperation around certain tasks--the building of a school, a road, a church, or a soccer field. In contrast to these latter endeavors, a large number of the collective production ventures promoted by assisting organizations do not succeed, or do so only at a high cost and with benefits to only a small number of participants. One reason for these disappointing outcomes is that the traditional collective tasks named above have a beginning and an end, in contrast to the work requirements of LEIG-promoted collective production, which is usually of an ongoing nature.

Collective work obligations often lead to disputes among cooperators about their relative work loads, and about who is working hard and who is slacking off. Also, collective work requirements fall hardest on the poor, since they are least able to take time away from their current employment; and most collective ventures do not begin to pay a return for a long period of time, let alone enough of a return to live on exclusively. The work requirements of our collectively-owned activities, in contrast, were more like those of traditional collective patterns. They involved a discrete task at the start, with a minimal amount of sustained work afterwords--the installation of a tubewell and the digging of canals, the installation of a standpipe, and the construction of rental housing.

LEIG organizations usually recognize the importance of markets, but they often approach the matter by trying to set up their own marketing outlets (Tototo, Mahila Vikas Sangh). Since nonprofit organizations have no particular comparative advantage in marketing, which itself often involves economies of scale, these attempts at creating marketing outlets frequently fail; or, at best, they benefit a limited number of producers. In our cases, in contrast, the market was already in place, even when clients were producing the service for the first time (irrigation water in rainfed rice-growing areas, potable water and rental housing in squatter settlements).

Problems of input supply also tend to be overlooked in LEIG programs, attention usually being riveted on production processes and sales markets. In our set of activities, the supply of the major input was unusually secure (water for standpipes, housing stock for rental, garbage for garbage collection), or variations in supply were predictable (irrigation water for tubewells, fodder for dairy cattle).

We tend to think of consumers as atomistic and faceless and, therefore, of little relevance to our attempts to increase production, just so long as their presence is attested to by a given volume of sales. When we do think of consumers as powerful, we view them as persons or institutions from whose clutches we want to help our clients get away, a classic example being the apparel manufacturer who subcontracts out to women working at home at piecework rates (SEWA). In our cases, however, powerful consumers played an important role in supporting improved producer conditions, out of their interest in seeing supplies increase (the dairy parastatal's support for women dairy coops and for a training institute in rural management, the Cairo governorate's holding back from banishing the Zabaleen donkey carts, the Bangladesh rice farmer's donation of a small plot of land for installation of the tubewell owned by a group of his landless employees).

When powerful consumers did not play an active role in supporting increased supply, they at least did not oppose program activities. As noted above, Grameen Bank did not get much trouble from local landowners for organizing landless laborers, partly because these elites felt that there was something in it for them. Powerful consumers or parties interested in seeing increased supply of an input, then, can be forces of support, just as much as they can oppose or exploit.

What kind of lesson?

What is the lesson to be learned from the traits shared by these better-performing programs? I should say, first, what the lesson is not. Most importantly, I do not see these traits as a checklist of prerequisites or proscriptions. Credit worked well in its minimalist form, for example, because it had certain attributes that made it both "easy" and demanding of good performance. The lesson of the story is not that LEIG programs should do credit rather than other things, but that some tasks and their environments are easier than others and, at the same time, more demanding of good performance. Programs should be designed with this in mind, with tasks being chosen or avoided for reasons of this nature.

Though this statement about lessons seems obvious, we tend to design programs in terms of what we think is needed for the clients (increased skills, access to capital, reduced dependence), rather than in terms of what is needed for the organization to be able to function passably well. We often act, in other words, as if the problem is only to figure out how to increase people's incomes, but that is only the half of it. Organizations are often just as handicapped as the poor in trying to do what they want.

Rather than being prescriptive, this list of traits is both cautionary and constructive. It is cautionary in that it shows that some of our standard approaches to program strategy and organizational design do not work well, and explains why. Providing business assistance to poor borrowers, for example, has become an unquestioned part of the way many planners think about microenterprise credit. But our study shows the better-performing credit programs as consistently not providing business assistance. The lesson is not that we should never provide business assistance, which is to exchange one set of rules for another, but that we should pay attention to what works well and what doesn't, that we should be constantly questioning our accustomed ways of doing things, and that doing less often works better than doing more. Similarly, for organizations that want to promote collective enterprises, or take on marketing, or promote new production processes, this list should be interpreted as cautionary, not proscriptive. Some of our better-performing organizations did just these things, after all, though only after travelling along the narrow path described. Finally, I consider this list as constructive because it points to opportunities where LEIG planners often do not expect to find them--monopsonistic buyers, old-fashioned products and markets, well-connected technocrats (including an economist!), acquiescent elites, poor people collectively providing public-sector-like services, support from powerful public-sector actors, tedious surveys of narrow sectors, non-specialist staffs succeeding at providing a specialized service like credit.

The question arises as to whether this small set of cases represents a good "return" on the Foundation's investment of $21 million in the LEIG area over the last five years. Part of the answer should involve a judgment on the economic return to the investments in credit, requiring some comparative benefit-cost analysis across activities, projects, and countries. Though benefit-cost ratios will not illuminate impacts in important areas like policy and professional thinking, they would help us to understand the actual impact of such programs on poor people's incomes and the sectors in which results are more robust. A recent AID-funded comparative benefit-cost analysis of five microenterprise credit programs showed high rates of return for some programs--at least as high as those obtained on large World Bank infrastructure and rural development projects (Kilby 1985). That represents a clear standard by which to compare projects in an area where comparison is quite difficult, though I would not want to approve or disapprove of an LEIG program solely on benefit-cost grounds.

At present, the Foundation has only bits and pieces of impressions about credit impacts, and they are conflicting: some evaluations say that credit has no impact, leaving people in their poverty traps with insignificant incomes, and some report just the opposite. The question is not merely academic because donors, NGOs, and governments are constantly making decisions on program design based on unverified assertions about credit. Credit organizations, for example, often justify their expansion into non-credit activities on the grounds that credit is "not enough" to increase people's incomes significantly--the rationale behind Annapurna's move into collective food catering and Grameen Bank's move to collective enterprises and venture capital. If credit <u>does</u> have more potential for impact than these other activities, or vice-versa, then funders need to know this, and comparative economic analysis is one way to find out.

The AID study of comparative benefit-cost findings showed that high rates of return had just as much to do with the characteristics of the lending program as they did with the type of economic activity assisted. The high-return programs provided only credit (*no* business or technical assistance), lent through the group mechanism, and operated in low-inflation countries--that is, where real interest rates were positive. Benefit-cost analysis, in other words, can also help us make judgments about program strategies and organizational design. Since this kind of analysis represents one of the few clear quantitative indicators we can rely on in the LEIG field, and since the methodological path has already been paved by others (also unusual), it would take little additional effort by funders to avail themselves of this opportunity to understand their programs better.

It is difficult to make a judgment about the return to the Foundation's investment in the LEIG sector without specifying what the "returns" have been in other sectors where the Foundation works and has a longer history. The Foundation's programs in agriculture, forestry, and water management are most akin to LEIG because they all carry a poverty focus, at least now, and involve activities that generate income. The Foundation's reviews and discussions of these program areas seem to exhibit no more of a sense of "hard" data or comparative economic returns than the LEIG materials. The reviews describe changes in policies, new approaches being tried, small groups being benefitted--evidence that is just as qualitative and case-oriented as that coming from the LEIG program. Reviews of these three areas may <u>seem</u> "harder" and more impressive, because each one corresponds to an identifiable set of

professionals (agronomists, agricultural economists, irrigation engineers, botanists, etc.), research institutes, and government departments and ministries. And discussion in each of these areas focuses on the way one manages something physical: land, water, trees. There is no such concreteness or professional homogeneity in the LEIG field, a matter taken up further below.

What kinds of results in the older areas of agriculture, forestry, and water have led the Foundation to feel confident about its continued programming there? The answer to this question would point to institution-building at universities and research institutes and to an impact on policies and institutions in the public sector. And it is <u>this</u> standard that goes to the heart of the comparison between LEIG and the other areas, rather than the analytical or systematic quality of the results. It is according to this standard, in my view, that the Foundation's approach to LEIG programming might be improved. This takes us into the subject of the following section.

II - Between the Government and the Nongovernment Sectors

Why does LEIG programming need improving, and how might the Foundation go about doing so? The answer to these questions has to do with (1) the Foundation's comparative advantage as a donor, (2) the inherent features of income-generating projects in the NGO sector, (3) the path by which the Foundation came upon the NGO sector as an approach to employment problems, and (4) the opportunities emerging from the present historical moment for a different style of Foundation involvement.

Among donors, the Foundation is somewhat unusual in that it has worked simultaneously in the public sector, the nongovernmental sector, and with research institutions. Whereas the Foundation's programs in agriculture, water, and forestry reflect this history of working across three sectors, its LEIG program has focused primarily on the NGO sector, with the exception of the recent initiatives of the India program. In this section, I suggest why the Foundation might want to reduce its emphasis on the NGO sector and take more initiatives in the public sector and research.

Constraints

The Foundation has had good reason for concentrating so much of its LEIG attention on the nongovernment sector. First, LEIG has no professional home. It does not correspond to a field of study nor does it deal with one particular economic sector. Unlike agriculture, water, and forestry, LEIG expertise or commitments cannot be found in a particular government ministry or academic discipline. For the Foundation, the NGO sector has come to represent an analog to that missing professional home--a place where everyone is committed to the alleviation of poverty and where substantial program experience in the subject has been accumulated.

Second, the Foundation's recent shift toward the nongovernment sector in the LEIG area arises out of a deep disappointment, shared by many other observers of development in the third world, about the persistence of massive poverty despite impressive growth records in many countries and several decades of state-promoted development. This disappointment has also extended to the poverty-oriented government programs of the 1970s, which were meant to alleviate the inequities of growth by redirecting public-sector services and subsidies to the poor.

Third, the Foundation was drawn to the NGO sector out of its belief that empowerment of the poor is central to their ability to increase their incomes. Because governments have often repressed the poor when they organize, or simply neglected them, the Foundation has viewed independent assistance in organizing the poor as crucial to their gaining of rights to government protections, services, and subsidies. In Foundation eyes, improving the incomes of the poor is therefore inextricably linked to empowerment, and it is difficult to empower people through government, particularly military ones.

Though the Foundation's affinity for the NGO sector in the LEIG area is understandable, major emphasis on this sector is difficult to justify. First, various donors have funded LEIG-type projects among NGOs since at least the early 1980s. The Foundation is not alone in this area and not "on the cutting

edge." Nor is it bringing to bear on this problem its unique ability to act simultaneously in the government, nongovernment, and research sectors.

Second, NGO programs in the LEIG area typically do not make significant inroads on poverty in a particular country--either directly in terms of beneficiary numbers, or indirectly in terms of affecting policy or programs carried out by larger institutions. The low impact and lack of replication of NGO programs has to do with certain "diseconomies of scale" affecting their expansion. The diseconomies take the following form:

(a) the strength of many successful NGO efforts arises out of a certain ethnic, religious, or other social homogeneity, which is irretrievably lost when these organizations expand and become less parochial;

(b) NGOs compete against each other and the public sector for funding from foreign donors, which means that they are driven to "differentiate their product" from these "competitors," rather than cooperating with them or exchanging ideas about service-delivery models in the cause of getting good program ideas replicated;

(c) because a large share of NGO funding comes from foreign donors, and because NGOs usually prefer foreign funding to local support, distance and mistrust prevails between the government and nongovernment sectors, thereby reducing the possibility that government will replicate successful NGO "experiments";

(d) NGO programs do not grow partly because NGOs are under no external pressure to reach large numbers of persons, in contrast to the public sector, where political pressure to reach large numbers is high.

As a result of these diseconomies, the path to replication of successful NGO experiments in the LEIG area is somewhat blocked, meaning that the relevance of their experiments to nationwide problems of poverty and unemployment can be quite limited.

Third, history has shown us that in third-world countries with good performance on income distribution, government policies and programs have played a key role. Conversely, certain government policies regarding credit subsidization, tariff protection, and agricultural development have had major adverse impacts on employment. Though the behavior of government may leave much to be desired in the poverty-alleviation area, in other words, what government does exerts a powerful impact on poverty. If the Foundation wants to have a significant impact in this sector, it cannot afford to stay away from such a powerful actor.

Fourth, our understanding of what works in the public sector with respect to poverty alleviation is woefully inadequate, partly because recent events have cut short the process of learning from this experience. The economic crises of many third-world countries have brought about a reinterpretation of much past government policy as "bad"--as having laid the groundwork for the crises--even those policies previously considered to have been good. This current disappointment about the performance of third-world public sectors can be seen, in part, as an almost predictable over-reaction to the excessive optimism of an earlier period, when everyone had great faith in the ability of third-world governments and first-world donors to eradicate poverty and bring about sustained growth.

The economic and debt crises of the 1980s have turned a generation of economists away from the study of poverty and poverty-alleviating initiatives to issues of debt, trade, and macroeconomic management. As a result, our ability to make informed judgments about the potential of policy and programs to alleviate poverty is constrained by the lack of comparative research on what has worked well. We have turned our backs on the public sector without informed enough reason and have put excessive faith in a "new" sector, the NGOs, which is impeded by its very structure from bringing about the kinds of impacts we hope to achieve.

Opportunities in the Public Sector

At first glance, the opportunities for significant LEIG programs in today's world of economic crisis, fiscal austerity, and "unfashionability" of poverty concerns, would seem quite limited. Upon closer examination, however, the current moment also turns out to provide some new opportunities for LEIG initiatives:

First, the political unpopularity of today's austerity programs, with their removal of long-standing public sector subsidies on basic goods, their reductions in public-sector jobs, and their general reductions in employment, constitute a serious political concern to today's third-world leaders. This has made them more sympathetic to certain LEIG-type initiatives than they would have been in the 1970s. Though resources were more abundant and poverty alleviation was more in fashion at that time, the informal sector was held in scorn by political leaders and development planners alike, because of their visions of "modernization" through large-scale industrialization.

Examples of current public-sector gestures in the LEIG area are India's Integrated Rural Development Program, Kenya's emphasis on the informal sector in its national plan and recent tariff-rebate measure for small manufacturers, and Egypt's programs to fund the acquisition of equipment for artisanal activities and to allow pensioners to take their retirement benefits in one lump sum for the start-up of small businesses. Though all these programs have major flaws, they are nevertheless reaching thousands of poor persons.

Second, the economic conservatism of the times, with its emphasis on "getting the prices right" as the answer to most economic and social ills, turns out to harbor a distinct sympathy for the small-firm sector in third-world countries. Firms outside the regulatory power and the privileges of the state, in this view, use capital and labor in the "right" proportions because they face prices for capital and labor that have not been tampered with by the state. That is, they use capital more parsimoniously and labor more extravagantly than large modern firms, with their access to state-subsidized credit and their labor costs "encumbered" by government-mandated fringe benefits. With respect to small firms producing in the informal sector, then, the interests of the "right-price sympathizers" overlap somewhat with those of the "poverty sympathizers." This convergence, linking the currently unpopular poverty concerns to the powerful conservative economics of today, provides a distinct opening for LEIG initiatives in the public sector.

Third, and related, the current debt crises have forced many third-world countries to reduce imports drastically through devaluation and import controls. Though lower-income groups have no doubt suffered disproportionately from these crises and the related policy measures, some small producers have flourished as a result of the disappearance of cheap competing imports and of local goods produced by large firms dependent on imported inputs. The current situation, in other words, has made it more difficult for third-world countries to pursue growth strategies biased toward large, capital-intensive firms. And from some of the countries experiencing reduced imports, some surprising and useful evidence has emerged on how robustly the small-firm sector can respond when policy changes in its favor.

Fourth, the current popularity of "decentralization" among development planners translates into more autonomy to local government and to local offices of central-government ministries and parastatals. This opens up the field for LEIG experimentation by allowing a donor like the Foundation to pick and choose from among the most capable and interested local offices of government. This is exactly what the Foundation has done with the women's dairying project in Andhra Pradesh (working through the state office of the national dairy parastatal), the sericulture projects in Bihar and Karnataka (working through the state offices of the national sericulture board), and the initiative with the Principal Bank of Egypt (working through the regional branch in Dumiat).

III - Recommendations

In searching for and evaluating grant proposals in the NGO sector, the Foundation should place priority on the potential for impact, rather than on institution-building for its own sake in the NGO sector. Impacts can take the form of large beneficiary numbers, influence on policy, or likely replicability by other institutions. In advance, of course, any project proposer can predict these kinds of impacts. From this assessment and others, however, we have learned that certain kinds of project designs and environments are more likely to lead to impact than others. Organizations can reach a much larger number of people if tasks are carried out in certain ways--the minimalist form of credit being a striking example. Organizational leaders with visions of reaching masses of people are more likely to have impact than those who aim to do an excellent job in a few communities.

"Experiments" in the NGO sector should be viewed with particular caution. Experiments that work well on the small scale characteristic of many NGO programs usually do not lend themselves to large-scale operation because of diseconomies of scale--in the organizational and political sense, as well as economic. In order for an experiment to be replicated, it is not sufficient that it only be "successful." The experiment must also be conducted in an environment where the institutional capacity for replication is already in place; or the links of project leaders to centers of power must be strong enough so that the experiment has a path along which it can later spread to broader institutional networks. The Grameen Bank is an example: leadership was closely tied to important elites, including the country's Central Bank, in addition to the fact that the organization's founder was determined to follow a "franchisable" model of service delivery that could be repeated throughout the country.

One of the obvious ways of choosing a setting with the potential for replication is to fund NGO projects that have some relationship to government programs. This can take various forms: programs can help a certain class of clients to gain access to government-subsidized goods and services (Working Women's Forum and credit), they can effectively pressure government for changes in policy that will result in increased incomes to large numbers of persons (SEWA achieving reduced police harassment of vendors), they can be given the responsibility for implementing certain parts of large government programs (MYRADA and India's Integrated Rural Development program), or they can help provide a missing ingredient to government programs that are not working well (Proshika's rehabilitation of defunct government-owned tubewells in Bangladesh and sale of them at subsidized prices to landless pump groups).

To suggest a link to government as a criterion for funding NGOs may seem a constraint on the Foundation, and inconsistent with the very character of the nongovernment sector. But comparative research on NGOs shows that in many countries they have been most important in sectors where a substantial share of their funding comes from government, and where government has been interested in allowing them to play a complementary role in providing services (James & Rose-Ackerman 1986). Even in the United States, where private philanthropy is high, government funding still accounts for roughly one quarter of NGO budgets--the share being even higher for social services, community development, and health care in third-world countries. The health sector is a good example of public-private complementarity, because NGOs have

made important contributions to health there. In most such programs, NGOs and government actually "jointly produce" the service, though neither side might describe it that way: governments supply vaccines and medicines, and official certifications to service providers, while NGOs supply the outreach. Neither could operate without the other.

In that NGOs receive public-sector support in countries where they have been important, the largely foreign-funded NGO sectors of many third-world countries can be seen as somewhat of an aberration. The Foundation could help them develop the public-sector connections they need to grow, and to have a greater impact, by requiring of the NGOs it supports some kind of matching commitment from government. The commitment need not be financial--it can take the form of office space, vehicles, seconded staff--as long as it creates the link and hence the potential for replication.

The Foundation could make a unique contribution in the LEIG area if it broadened its program to include the public sector. As a small donor, of course, the Foundation is not in a position to make a significant contribution to large public-sector programs. But it does have a unique role to play in supporting experimentation in the public sector, as it has with its women's dairying project in India and its initiative with the regional branch of a government bank in Egypt. Governments find it politically difficult to initiate and fund these experiments themselves, because they can be accused of favoring certain geographic areas.

Though government bureaucracies often act insensitively to the poor, and may seem incapable of carrying out poverty-alleviating programs, an LEIG program that seeks to have impact should address the challenge of discovering program designs and methods of service delivery that <u>can</u> work in these organizational environments, or that attract skilled and committed people to them. The Foundation should draw on its skills in "networking" to find the committed, competent, and powerful professionals in the public sector and to locate experiments in their departments or branches. This kind of search should not be limited to the "social ministries," since they usually are weak, have low budgets, and follow a welfare approach to their task. Construction ministries are an opposite example: they are powerful, run by skilled technocrats, and their spending and contracting have significant impacts on employment. Powerful parastatals are another example, like India's federated system of cooperatives, where the Foundation's women's dairying project was located.

The Foundation's long history of relating to professionals in third-world governments, along with its more recent experience with the NGO sector during the last six years of LEIG programming, have placed it in a unique position to bring together NGOs and government for exchanges about some of the more successful NGO experiences. Through this kind of interchange around concrete experience, it may be possible to reduce some of the mistrust between government and NGOs--a mistrust that prevents a complementary relationship between NGOs and governments from evolving. In supporting such interaction, of course, the Foundation will be limited by the fact that there are strong and rational reasons for the distrust, and that cooperation for cooperation's sake will often not be in the interest of either party. The Foundation can identify situations, however, in which cooperation might be of mutual interest.

The Foundation should take advantage of some of the new opportunities for LEIG initiatives created by the environment of austerity. Though some of the "new" policy wisdom has favorable implications for the informal sector, as noted above, the prevailing economic conservatism and the related decline of interest in issues of equity have led to the disappearance of employment and equity as prime objectives of policy. The Foundation might want to provide support to policy-making units on these issues, so that thinking about them becomes less of a "luxury."

Research

In the 1970s, poverty alleviation was of much greater concern to economists and project designers than it was beforehand, or today. This was partly because the subject became prestigious in the field of development economics. One of the reasons that poverty issues gained such prestige is that the leader of a powerful institution, the World Bank, decided to invest large amounts in research on the relationship between growth, policy, and income distribution. Giving prestige to research, of course, is not all that it takes to turn the attention of politically powerful decisionmakers to a subject. But it helps.

One result of the fall from prestige of equity-oriented research and policy is that development scholars and professionals with such interests today have no institutional home--research funds, graduate students, colleagues working on the same subject. They do not have the kind of professional support that the field of economics today provides, for example, to economists doing research on issues of debt, trade, and macroeconomic policy. Partly as a result, students and scholars still interested in LEIG issues tend to be found mainly in the non-economist social sciences. And economics has come to be thought of as a discipline that is inhospitable to poverty concerns, even though it was in the forefront of research on the subject in the 1970s.

The field of economics is becoming more and more powerful in determining how policy is made. It also provides some of the important analytic tools necessary to understand the impacts of policy and programs on poverty. If LEIG concerns continue to remain as intellectually peripheral in economics as they are today, it will be difficult to command the kind of attention that is necessary to attract powerful persons and institutions to the task of changing policies and adopting effective programs. For all these reasons, the field of economics cannot be avoided by those with LEIG concerns--just as the public sector cannot be avoided if one wants to carry out a program that has significant impacts on poverty.

LEIG needs research attention because relatively little comparative analysis has been carried out on the 1970s experience with public-sector poverty-alleviating programs in the third world. Though there is a rich literature on the failures of that period, there is very little to help us understand the successes, and the common traits they share. The record is not only incomplete but, because of prevailing intellectual fashions, it is often wrong--good illustrations being the until-recent misinterpretation of the East Asian growth experience as resulting from a "non-intervening" state, and the mistaken judgment that government parastatals, particularly in Africa, are always a failure.

There is still much comparative research to be done on what has worked and what has not in the public sector. If the Foundation wants LEIG concerns to be taken seriously, and if it wants to help policymakers and program designers to make informed decisions in this area, it should be funding more research. The research should have a somewhat narrower and different focus than that of the past. Past research on third-world poverty falls into two categories: (1) cross-country and longitudinal studies of the relationship between economic growth and income distribution (including policy effects); and (2) studies of the "anatomy" of poverty, including analyses of the adverse effects of growth and many government programs on the poor. One of the results of our learning so much about the adverse effects of change on the poor is that, in a certain sense, we have become incapable of acting--pessimistic about things working out, and worried that we will harm the very subjects of our concern. This is why we now need to add to our understanding of poverty a better sense of what works institutionally in terms of service delivery and what kinds of interventions bring about significant changes in people's lives.

References

Ashe, Jeffrey (1985). The PISCES II Experience: Local Effort in Micro-Enterprise Development. Bureau for Science and Technology, United States Agency for International Development. April.

Chen, Marty (1984). "Development Projects for Women: Oxfam America's Program in India and Bangladesh." Presented at the conference entitled "The International Women's Decade and Beyond." Sponsored by the American Association of University Women. New York. October 12-13.

Chen, Marty (1986). "Overview of Women's Program: India and Bangladesh, 1980-1986." Oxfam America. October.

DAI (Development Alternatives, Inc.) (1979). The Development Impact of Private Voluntary Organizations: Kenya and Niger. By A.H. Barclay, Jr., Marilyn W. Hoskins, Wamburi K. Njenga, Robert B. Tripp. Washington, D.C. February.

Farbman, Michael, ed. (1981). The PISCES Studies: Assisting the Smallest Economic Activities of the Urban Poor. Washington D.C.: Office of Urban Development, Bureau for Science and Technology, United States Agency for International Development. September.

Hirschman, Albert O. (1967). Development Projects Observed. Washington, D.C.: The Brookings Institution.

James, Estelle, and Susan Rose-Ackerman (1986). The Nonprofit Enterprise in Market Economies. New York: Harwood Academic Publishers.

Kilby, Peter (1979). "Evaluating Technical Assistance." World Development 7:309-323.

Kilby, Peter, and David D'Zmura (1985). Searching for Benefits. AID Special Study Number 28. Washington, D.C.: United States Agency for International Development. June.

Paul, Samuel (1982). Managing Development Programs: The Lessons of Success. Boulder: Westview Press.

Rial, Charles, and Charles Howell (1986). Internal document. "Final Report on PRI Financial Intermediaries. Report to the Ford Foundation, Program Related Investments (PRI)." New York. January 10.

Tendler, Judith (1982). Turning Private Voluntary Organizations into Development Agencies: Questions for Evaluation. AID Program Evaluation Discussion Paper No. 12. Washington, D.C.: U.S. Agency for International Development. April.

Draft April 1988

Micro-level Strategies for Supporting Livelihoods, Employment, and Income Generation of Poor Women in the Third World -- The Challenge of Significance

by

Katharine McKee*

Prepared for the Ford Foundation's Women's Program Forum Symposium,
"Expanding Income Earning Opportunities for Women in Poverty:
A Cross Regional Dialogue,"
Nairobi, Kenya,
May 1-5, 1988

* Associate Director, Center for Community Self-Help, Durham, North Carolina; formerly Program Officer, Rural Poverty and Resources Program, The Ford Foundation

Micro-level Strategies for Supporting Livelihoods, Employment, and Income Generation of Poor Women in the Third World -- The Challenge of Significance

I. INTRODUCTION

Where does direct, productive, micro-level assistance fit in the range of strategies pursued by development organizations and donors to support poor women's livelihoods, employment and income generation (LEIG)? How does it relate, for example, to policy reform efforts, grassroots organizing, or social welfare interventions? Has the extensive experimentation with micro-level LEIG projects and programs of the past decade and a half led to significant improvements in poor women's earnings and income security? And even if significant economic gains have been achieved in some settings, what are the political, ideological, and social implications of making self-employment upgrading and enterprise promotion the centerpieces of development strategies aiming to improve the living standards and the power base of the poor and of women?

This paper seeks to explore these thorny questions and their meaning for the goals, strategies, and impact of donors active in the LEIG field. Its analysis concentrates on organizations and programs that pursue increases in women's opportunities and status through interventions which are primarily economic in nature, rather than social or political (although such distinctions can become somewhat fuzzy when strategies are examined in depth). It focuses on efforts providing direct assistance to beneficiaries, delivered at the micro-level and aimed at strengthening their income-earning activities in the "informal sector." As such, it is intended to complement other papers prepared for this symposium that examine micro-level interventions targetted to women's employment in the formal sector, and macro-level policy changes which could improve women's economic position in the informal or formal sectors.

A central conclusion will be that direct productive assistance can indeed achieve significant gains for poor women engaged in the informal sector. Yet such assistance must be viewed by donors as only one component of a comprehensive approach to grassroots development and structural change. Other vital components include advocacy, policy reform, programs aimed at asset acquisition and transfer, and, most importantly, basic investment in human resources. While it is neither desirable nor feasible for all donors to support all such components, improved understanding of their interrelationship will strengthen our collective efforts.

The paper first examines the central challenge facing development organizations and donors that support direct productive assistance to poor women at the micro level: are these efforts achieving significant results, and how should their significance be measured and assessed? After proposing four possible measures of program effectiveness and significance, the paper presents a typology of three such LEIG strategies currently being pursued by diverse development organizations across the Third World. It attempts to suggest which offer particular promise for achieving significant economic gains for poor women. The final section examines implications for donors in program goals, design, and implementation.

II. IN SEARCH OF SIGNIFICANCE

In a recent analysis of over 100 Ford Foundation grantees engaged in support of livelihoods, employment, and income generation of the poor, Tendler identified eight organizations that stood out as being "better performing." The criterion she applied in judging performance of direct micro-level projects and programs was the significance of the results achieved. She suggested two specific measures. The first was meaningful, sustainable gains in income levels and stability (although not necessarily a permanent escape from poverty) achieved by large numbers of beneficiaries as a direct result of program participation. This measure would tend to favor strategies, programs, and services that are subject to economies of scale. The second measure of significance was more indirect, but no less important: influencing in a positive way those government policies and market forces that substantially shape the livelihoods opportunities of the poor. Included in this category would be micro-level interventions or programs that result in changed behavior and resource flows of other major development actors -- be they public sector agencies, the national banking system, or large-scale international donor agencies -- to the advantage of low-income people.

While these measures of significance are somewhat subjective, they suggest benchmarks for assessing effectiveness of LEIG projects, programs, organizations, and donor efforts. The essence of performance, in Tendler's view, remained the beneficiary's own bottom line -- real improvements in income, whether achieved through direct assistance or systemic change. Based on this measure of significance, she described the characteristics of relatively effective LEIG organizations and outlined strategies of donor support that would serve to reinforce this effectiveness and identify future "better performers."

While we will return in the final section of this paper to review these findings, let us briefly explore two alternative measures of significance. The first perspective shares Tendler's focus on economic impacts, but argues that such programs should be assessed primarily in terms of their contribution to aggregate employment, economic growth, and diversification of the local economic base, rather than (or in addition to) poverty alleviation and participants' income gains. As such, this argument tends to give relatively less weight to distributional concerns. Furthermore, its proponents are perhaps more confident than are other observers that development of the informal sector, or of strong subsectors, can itself generate a self-sustaining economic dynamic.

A fourth proposed measure of significance, and one perhaps particularly salient to discussion of supporting poor women's LEIG efforts, is the extent to which beneficiaries, and in some cases their households or communities, are mobilized and thereby empowered. Even if actual income gains and/or the number of individuals involved is rather small, this argument runs, the results achieved by the micro-level interventions are important (and worth funding) if the participants are thereby able to embark upon self-sustaining processes of asserting their rights and exercising their new-found power. Unfortunately, "empowerment" is a slippery concept to define and measure. As evidence of such processes, proponents would point particularly to collective actions undertaken by groups of program participants and to signs of new sex roles for women, including entry into non-traditional economic activities and exercise of leadership.

Thus, four possible measures -- scale, systemic change, employment and economic growth, and empowerment -- have been suggested whereby LEIG organizations, and the donors that support them, can assess the results and significance of their work. By no means are these criteria mutually exclusive; indeed, most programs hope, and claim, to be achieving more than one at a time. It is important to bear in mind, however, that each measure of significance reflects a different perspective on how socioeconomic change processes can be promoted most effectively for disadvantaged people. They also mirror different goals being pursued by donors and the organizations and projects they support. In particular, does the intervention aim to create jobs and entrepreneurial opportunities that can lift people out of poverty or incremental improvements in income levels and security? Are social and political objectives accorded equal priority with economic ones? What trade-offs do these choices imply in terms of which constituencies can be targetted and how many individuals can benefit? As we outline a typology of LEIG strategies at the micro-level in the following sections, we will return to these different measures of significance, to analyze strengths and weaknesses of the various strategies, and to assess the implications of this analysis for funders.

III. THE RANGE OF STRATEGIES PROVIDING DIRECT PRODUCTIVE ASSISTANCE TO SELF-EMPLOYED WOMEN AND MICROENTERPRISES

Once a development organization commits itself to micro-level efforts to improve the LEIG options of poor women, it must then make a series of important strategic choices about whom to assist and how best to organize its assistance programs. As a general rule, the organization will first specify the characteristics of the intended beneficiaries, in terms of asset levels, caste, class, ethnic group, refugee or migrant status, or other targetting criteria. Thereafter it must apply a further targetting "lens," in designing its lead program strategy. I would suggest a categorization of at least three broad approaches toward addressing the problems of self-employed individuals and microenterprises: area/beneficiary-, sector-, and function-focused strategies.

The first strategy has been perhaps the dominant mode of NGO-initiated LEIG efforts targetted to low-income women, as well as many programs carried out by governments during the International Decade for Women. This area/beneficiary-focused strategy offers a comprehensive range of services to a target group of clients (e.g., refugee women, women from landless households, female household heads) within a delimited, often rather small geographic area. Typically, the target area consists of one or several poor neighborhoods in an urban settlement or clusters of rural villages, although it may be expanded over time. The strategy's holistic approach to meeting beneficiaries' multiple needs (which to some extent resembles that of the community development movement in the Third and First Worlds) shapes program characteristics in several ways. To meet the succession of needs jointly identified by staff and participants, the program must provide or identify externally a wide range of services, including skills training, credit, health/nutritional interventions, and/or marketing services. Given the multi-purpose nature of the program, staff are likely to have a generalist background, with organizing ability being the single most important skill requirement. Social and political goals, such as leadership development and improvements in health or education, are often accorded equal status with

economic ones. Over time, the non-economic interventions may prevail, as when organizing and group formation come to be viewed as appropriate ends in themselves even if income gains achieved are minimal. (Hereafter I will use the shorthand term "area-focused" to refer to this strategy.)

The second approach, i.e., the sector-focused, also requires delivery of a comprehensive range of LEIG services, but with a very different orientation than that of the area-focused. In essence, it engages the development organization in addressing the specific problems confronting microenterprises and the self-employed within one or several economic sectors, industries, trade groups, or occupations. In undertaking this strategy, the organization commits to analyzing the target sectors and activities in some detail. It also commits to being an active participant within that sector by undertaking a range of interventions in the marketing, input supply, technology, training, and credit areas. Engaging in advocacy with powerful public and private sector institutions (e.g., technical ministries and parastatals, municipal authorities, regulatory and licensing bodies) may also be an indispensable element of success.

The third strategy, which might also be called the "missing piece" approach, targets a single constraint to its target group's LEIG initiatives, the removal of which will allow beneficiaries to practice their livelihoods more productively and profitably. By far the most common "missing piece" identified for attention by direct assistance programs is credit. While this is not necessarily assumed to be the only constraint to improved livelihoods, it is viewed as a very significant one. A central rationale for such programs is that making capital available will itself unlock considerable self-employment, enterprise start-ups, and expansions. By focusing on a generic constraint such as credit, the development organization can legitimately remove itself from the role of trying to analyze (and pick "winners") from among the large array of income-earning activities and sectors in which its constituency engages. Less commonly, marketing services and training can also provide the lead entry point for function-focused programs.

The three strategies are not mutually exclusive. In fact, several of the most successful LEIG organizations combine them, especially the function- and sector-focused approaches, whether simultaneously or sequentially. Tendler and others have observed that some of the "better performers" have begun with services largely limited to streamlined, "minimalist" credit delivery, only later to move on to other (and, I would argue, probably more difficult) strategies such as comprehensive sectoral development. In its early history, for example, the Self-Employed Women's Association (SEWA) concentrated primarily on credit delivery to women in the urban informal sector. Credit access was viewed as the "missing piece" which would itself serve to achieve significant gains in income levels and stability for its members. While its current array of programs represents a sophisticated combination of sectoral, credit, and marketing strategies, SEWA has built this program incrementally, and may indeed have failed had it sought to pursue an overly ambitious combination of strategies from the outset. The Bangladesh Rural Advancement Committee (BRAC) offers a similar example. Indeed, upon closer analysis, the overall program of such large, multi-purpose LEIG organizations is perhaps best seen as a combination of the three strategies.

At a practical level, the significance of these strategic choices is that they represent the initial "screen" made by the development organization

to organize its activities. Ideally they help it avoid dissipating the effectiveness of its work by trying to do too much for too many. The choice of area, sectoral, or functional focus permits the organization to specialize and develop the necessary expertise on its staff to implement the selected strategy successfully. Staff of an area-focused program, for example, must develop in-depth knowledge of the needs and circumstances of the geographic area designated for intensive support. Similarly, organizations pursuing the other two approaches must attain the requisite professional expertise in the targetted sector(s), or in design of cost-effective credit delivery systems, marketing services, or training methodologies, respectively.

Not surprisingly, an organization's decision about which lead strategy or strategies to pursue tends to reflects its basic philosophy of how processes of socioeconomic change and empowerment occur and can best be promoted. Most fundamentally, whom does it seek to serve? Only the very poorest women? Their families? Their communities? Does the development organization seek to generate new employment or is it content with increasing its clients' sources of supplemental income? How does it resolve the likely trade-offs between helping large numbers of participants to achieve incremental improvements in their livelihood base, or assisting a smaller number to make more major gains that might remove them permanently from poverty? Is its overriding goal to help its constituencies to achieve better and more secure livelihoods, or does it also seek to directly promote empowerment (e.g., through grassroots mobilization and the formation of advocacy organizations, pressure groups, trade unions, etc.)? In the next section we will return to these choices and how they "fit" with different LEIG strategies. Obviously, the organization's goals and worldview, as well as its choice of program strategy, are also fundamentally shaped by the macroeconomic and policy environment in which it works.

In my view, the sectoral and "missing piece" strategies offer relatively greater promise than the area-focused for attaining significant improvements in poor women's LEIG prospects, and thus are worthy of further major support by the donor community. The advantages and disadvantages of each will be explored in the following section, to lay a base for discussion among symposium participants as to how donors might better: specify goals for their LEIG programming; choose which development organizations to nurture, which of their programs to support, and how to promote their institutional development; identify consequent policy advocacy roles that they should play, if any; and assess the effectiveness of their work.

The Sector-Focused Strategy: A Quick Overview

In pursuing this strategy, the development organization generally selects sectors or trades in which: large numbers of poor women are already concentrated; evidence exists of significant unmet market demand or of new technologies with productivity-enhancing potential which might be capitalized upon to benefit low-income producers; and there is a strongly articulated policy concern with increasing output in that sector, which is often accompanied by the creation of large, government-funded subsidy pools and an infrastructure to deliver technical and marketing services. A good example that illustrates the application of these criteria is dairying in India:

- While women have the main responsibility for care of milk animals, their income does not adequately reflect their labor inputs. Rarely have they been members of the dairy co-ops set up by the government and provided with subsidies and services.

- A strong demand exists for milk and dairy products. While the most isolated areas experience some distribution problems, for the most part this is a fairly safe and expanding market.

- Matching this market demand is a strong government concern with expanding production. The government launched Operation Flood in response, through which state-level parastatal organizations organize co-ops, provide inputs and services, and market the milk.

Support from the Ford Foundation and other international donors has permitted parastatals and NGOs to experiment with strategies focused on improving women's participation in this sector, by training women extension agents and technical staff, supporting their outreach efforts, forming all-women co-ops, and requiring that mixed-sex co-ops elect women to leadership positions. The pilot programs, which have achieved rapid increases in both milk production and women's incomes, are now being expanded and have generated strong interest within the National Dairy Development Board.

What activities is the "sectoral" approach likely to involve? Once the organization has committed itself to improving livelihoods within one or several specific sectors, it then seeks to identify those interventions which are most likely to improve the competitive position of its clients and hence their incomes, business survival, and working conditions. Generally, the first step is detailed analysis of the prevailing constraints, in terms of the organization of production and markets, technologies, and vertical linkages. Through this analysis, key intervention points are identified. Often the organization will pursue several specific actions at once:

- When SEWA, for example, found that police harassment severely depressed the earnings of vendors, it organized its members and successfully sought relief from the municipal authorities. Other groups have also taken on regulatory and licensing problems.

- Key problems might be raw materials and input supplies, in which case the organization may need to help producers either gain access, negotiate better terms with suppliers, or make collective purchases to get volume discounts.

- Another common type of intervention, aimed at enhancing productivity, is upgraded technology and equipment. This may require conducting research on the technology options and providing producers with credit and technical assistance to purchase the improved technologies.

- To help clients capture new and higher-value markets, the development organization may carry out market research to identify underserved markets and steer producers towards them, seek protected markets, or itself set up a marketing intermediary.

- o All of the above may require providing producers with credit for expanding and upgrading their enterprises.

- o And finally, success with all of these initiatives may require organizing, advocacy, and policy reform efforts.

In short, successfully intervening within sectors or trades requires an analytical and comprehensive approach. At issue may be who owns the raw materials and processing facilities, the terms on which small producers have access to them, obstacles toward obtaining financing from public and private sources for such activities, and the regulations and policies which depress the competitiveness of microenterprises and the self-employed.

Credit as the "Missing Piece": Models of Credit Delivery

Since credit is generally accepted as a very serious constraint to self-employment and enterprise development in the Third World, many micro-level programs seek to reduce capital constraints. While the primacy of credit as a constraint to growth in business profits, employment, and income levels and security can be debated, few would dispute that access to affordable institutional credit can serve to improve livelihoods and business survival, as well as permitting entry and establishment of new enterprises. Rarely do banks and other formal credit institutions lend to self-employed individuals or informal sector businesses. They cite the high transactions costs and also perceive the risks of such enterprises to be very high, because of their scale, lack of collateral, low capitalization, lack of financial records and formal management training, and sectors of activity. Discrimination undoubtedly plays a role as well, since many of these prospective borrowers are women, refugees and migrants, ethnic minorities, and/or illiterate.

Gender-based constraints faced by women in pursuing their livelihoods -- isolation, relatively lower levels of literacy and education, inferior legal status, and unpaid reproductive responsibilities -- exacerbate their problems of credit access. Furthermore, undercapitalization contributes to the marginal nature of the LEIG activities in which they tend to be concentrated. Denied access to formal credit sources, women traders, domestic outworkers, and artisans may have to rely on credit from their suppliers or marketing intermediaries. Women's lack of bargaining power in this dependent relationship -- and the interlinkages of input, credit, and market access -- often depress the level and security of their earnings. Thus, gaining access to credit on reasonable terms for women producers and traders has emerged as the central objective of many LEIG initiatives.

In the credit-led variant of the "missing piece" strategy, four broad approaches have been pursued to get credit to poor borrowers with viable (or potentially viable) microenterprises. The two most common seek to substitute for the lack of credit available from formal capital markets by setting up "parallel" systems, either in the form of government-sponsored credit programs or revolving loan funds run by NGOs. A third type seeks to involve banks in microenterprise credit delivery in various ways. Since the banking system represents such an enormous pool of resources, changing its behavior even at the margin offers the potential to improve the livelihoods of millions of poor

people without having to directly target them or their businesses for one-on-one assistance. A final alternative is the creation of a new type of financial institution -- poverty-focused development banks. I'd like to briefly comment on the latter two, which I believe offer the most long-term promise.

In seeking to increase involvement of commercial banks in small-scale lending programs, several alternatives have been pursued. In some programs, the bank is itself responsible for the lending and related technical assistance, sometimes utilizing a guarantee facility to offset its risk. Or the bank may provide the loan supervision only, with the technical assistance provided by another intermediary, e.g., a business advisory service or a poverty-focused NGO. Under other variants, the bank only processes the loans, assuming no risk, or accepts deposits from borrowers who are required to save as a condition of their loan.

The fourth approach to micro-credit provision, the creation of specialized development banks, is relatively new and has evoked considerable excitement in development circles. The most important feature distinguishing a development bank from a commercial one is its overriding concern with economic development and livelihood promotion in poor communities, rather than profitability. Two impressive examples are SEWA and the Grameen Bank in Bangladesh, the majority of whose borrowers and shareholders are women from landless households. Both started out working through banks but decided they could more effectively serve their clients' needs by creating autonomous financial institutions.

The past decade has yielded successful, large-scale examples of each of these four models: government initiatives, NGO-managed credit facilities, bank-focused programs, and development banks. The main operational lessons emerging from this experience help determine the significance of credit-led, function-focused strategies for low-income women.

- Perhaps the most important lesson is that delivery mechanisms can be designed which extend credit to poor borrowers at relatively unsubsidized interest rates and achieve repayment rates exceeding ninety percent. For these borrowers, standardized short-term loans have proven both worthwhile and cost-effective.

- Several significant innovations have served both to mitigate risk in the absence of conventional collateral and to reduce transactions costs, the most important of which are character-based lending and "solidarity" or borrower groups. Peer pressure and the prospect of successively large loans have proven to be powerful incentives for timely repayment by borrowers with few or no alternative credit sources.

- Another surprising (and, still controversial) finding is that in many cases, "minimalist" credit models perform as well as or better than "credit-plus" programs providing management training and technical assistance to borrowers.

- A final lesson concerns the importance of linking credit delivery with savings, insurance and emergency schemes, to provide a cushion against default, mobilize additional resources for

investment, and create wealth and a growing sense of economic empowerment for the disadvantaged.

The growing body of experience also reinforces the need to tailor the credit program's design and services to the client's specific needs. Flexibility -- in the form of small loans, frequent repayment, flexible hours for the bank, or outreach to borrowers in their homes and places of business -- appears to be a vital ingredient in the success of many programs, particularly those seeking to serve poor women, given the circumstances of their livelihoods and reproductive responsibilities. The smaller the loans available and the more "informal" the intermediary, the higher the participation of women.

IV. Achieving Significance: How the Strategies Perform

Earlier we suggested four possible measures of impact and significance: scale; systemic or policy change; employment and economic growth and diversification; and empowerment. The following observations about the strengths and weaknesses of each strategy are meant to be provocative and to stimulate discussion, since the experience to date with women's LEIG initiatives is so young and has been carried out under extremely varied circumstances.

A. Area/beneficiary-focused Strategies

This strategy, which has been practiced by NGOs and the public sector alike, engages the organization in providing a comprehensive range of services to its target group, which is usually defined both in terms of geography and of participant characteristics. Examples from the Ford Foundation's experience include the Rose Hall community development experiment carried out by the Women and Development Unit (WAND) in the Caribbean and many integrated rural development projects across the Third World. In these cases, the intermediary's goals generally include non-economic ones. Organizing and group formation are often essential features of this strategy, and at its best, it seeks to promote extensive beneficiary participation.

Proponents argue that the area-focused approach is intrinsically more empowering than other strategies, because of its accountability to the designated constituency and responsiveness to their expressed needs. Practitioners also assert that its comprehensive orientation better suits the circumstances of poor women, whose economic constraints are inextricably linked to their inferior social and cultural status. This approach may also offer the only option for intervention, at least initially, in very poor rural areas with a virtually non-existent "infrastructure" to support LEIG initiatives. An additional selling point concerns targetting. The intensive staff involvement in, and supervision of, such programs may increase the likelihood that area-focused services and benefits flow exclusively to the intended beneficiaries, rather than being captured by men or less disadvantaged women. And finally, given the often small geographic boundaries of such programs, they may be able to create noticeable improvements in their beneficiaries' lives and communities within a relatively short time period, sometimes creating a self-sustaining momentum in socioeconomic change

processes. (See Peirce for discussion of the significance of "symbolic" projects and programs in the U.S. community development movement.)

Yet the experience of the International Decade for Women has also highlighted some of the limitations of the area/beneficiary-focused strategy, raising serious questions about its ability to bring meaningful economic gains to large numbers of poor women, to bring about systemic changes in policies and markets, and to promote economic growth and diversification. Although some important exceptions exist, for the most part measurable improvements in participants' income levels and security have been disappointing or difficult to measure. The fact that this strategy entails pursuit of both economic and non-economic goals has often meant in practice that the "bottom line" results were either obscured or overshadowed by organizing efforts, leadership development, provision of basic services, and other community development initiatives. In short, the multiple goals may become confused in practice. A related concern is that implementation of this strategy is costly and labor-intensive in relation to the number of individuals typically served. Tendler and other observers have noted the structural limitations of these programs and of their sponsoring organizations, which militate against scaling-up or replication.

A final potential weakness relates to the systemic change measure of significance. While the area-focused strategy may sometimes require advocacy with local public officials or resource agencies (e.g., technical ministries, banks) to gain improved access to services, once the constituency's needs have been met (or indeed, once program staff have determined that they cannot be met at the local level), there is little incentive to undertake further efforts to change the system at higher levels. Thus, the potential for bringing indirect benefits to individuals beyond the immediate catchment area is limited.

B. Sector-Focused Strategies

Sectoral intervention strategies appear to achieve the most powerful benefits, as measured by any of the four significance criteria, if three conditions are met. The first is that sectors, occupations, or activities targetted for action have large numbers of poor women concentrated within them and already active in production and distribution. Second, a strong (and preferably growing) market exists for the sector's goods and services. And finally, the government (and in some cases, major international donors as well) recognize the sector's importance and have begun investing in increasing its productivity and output. Examples which fit these criteria, and in which sectoral interventions have been undertaken, include dairying, small animal and poultry husbandry, fish culture, production of staple and secondary crops, food processing and distribution, sericulture, trading, artisanal production, scavenging and recycling, and provision of transport, financial, and construction services. The worldwide effort of the past decade to promote increased awareness of women's vital agricultural roles, and to reduce the male bias of input delivery and research services in agriculture, represents a very significant example of a comprehensive sector-focused strategy.

Obviously the choice of sector is crucial to this strategy's success. On the scale measure of significance, experience suggests there are direct trade-offs between the number of beneficiaries the program can serve (whether

directly or indirectly), and the size of income gains to be achieved by program participants. Some programs have started with sectors and trades in which client groups are already concentrated, then seeking to strengthen the infrastructure supporting women's livelihoods within the sector, thereby achieving incremental improvements in their production relations and living standards. Others have tried to "pick winners" by identifying underserved markets or technologies which can be captured by their clients (e.g., mechanized food processing, high-input aquaculture and fish ponds, or high end, export-oriented handicrafts production), thereby achieving greater gains in income and productivity than the incrementalist approach generally can produce. Proponents of the former argue that starting from what exists in the local economy and seeking marginal improvements offers the best promise of success and of upscaling. Supporters of the latter would argue that while it can perhaps serve fewer clients and is higher-risk and more management-intensive, it is worthwhile because of the potentially more substantial income gains it can offer. They may also argue that if successful, such interventions demonstrate the scope for structural change through the poor's ownership and control of "modern" technologies and enterprises.

An LEIG organization's choice of sectors for intervention is also likely to be shaped by its concept of empowerment processes for women. Some would argue that targetting non-traditional sectors, occupations, and niches in the economy and seeking to remove barriers to women's entry is inherently more empowering than concentrating on upgrading traditional female-dominated areas of economic activity. They point to the creation of new role models and the greater need for solidarity in tackling male-dominated spheres of the economy. Here one must raise two questions. First, is it more empowering to achieve tangible, albeit modest gains through an incremental strategy, or to fail while pursuing a potentially higher-reward approach? And second, do the economic risks justify the potential socio-cultural gains, especially for very poor women? An important ethical issue concerns whether the LEIG organization (or the donor) should absorb most or all of the risk associated with such experimentation. While very poor women may sometimes have to take on risky new and non-traditional activities in their quest for survival, is it not problematic for organizations to steer them towards such activities, unless the program can offer a "safety net" in the case of failure?

Another dimension of the empowerment debate is whether there exists greater potential to build <u>movements</u> of working women by focusing on sectors in which they are traditionally concentrated. Over time, such movements may be able to seek policy and market changes which improve the structural position of large numbers of poor women, thus achieving significance through scale, systemic change, and empowerment. SEWA and Working Women's Forum have designed their comprehensive programs toward this long-term vision.

An LEIG organization that is primarily concerned with promoting employment growth and economic diversification, rather than scale or empowerment, would tend to target sectors for intervention on the basis of somewhat different considerations. Unexploited market demands, technology transfer potential, and the existence of strong forward and backward linkages with industry and commercial agriculture would dominate, suggesting a much more selective application of the sector-focused strategy than for organizations more directly accountable to particular disadvantaged constituencies. The gender implications of a growth-oriented sectoral

approach are complex. On the one hand, the weight of empirical evidence suggests that women are concentrated in livelihoods and enterprises with inherently less potential to grow and benefit from industrialization and agricultural modernization, due to their low levels of technology, capital, and skills. Liedholm's research, for example, indicates that while certain niches of the informal sector offer relatively good earnings potential, the great majority of one-person and home-based firms (in which poor women appear to predominate) are "at the margin of economic survival." On the other hand, women also play critical roles in some key sectors such as agricultural production, processing and distribution. Furthermore, many of the activities and sectors in which they are concentrated are precisely those most essential to meeting basic human needs, at the household level, and to the maintenance and reproduction of human resources, at the societal level. Although such activities are often marginalized by modernization processes and growth-oriented policies, they are essential to survival. Sector-focused strategies can strengthen women's competitive positions in these sectors and ability to provide these basic services.

Another targetting question concerns possible rural-urban and regional differences in the appropriateness of strategies. Do sectoral intervention strategies make more sense in rural areas, whereas credit-led are more cost-effective and appropriate in urban? If the urban poor are more likely to be pursuing a multiplicity of enterprises, their informal sector occupations may be too small and fragmented for sectoral interventions to be cost-effective. On the other hand, if urban markets are generally strong and more easily identifiable, the provision of minimalist credit itself might enable low-income individuals to respond quickly to new opportunities. In rural areas, in contrast, livelihoods may be more likely to be constrained by a range of factors requiring a comprehensive sectoral attack. (Jiggins' example of soap production in Mali offers an extreme example of the lack of LEIG infrastructure.) Furthermore, although many countries do not have well-developed sectoral service delivery systems, to the extent that government resources exist in Africa, perhaps they are more likely to be found in agriculture and related rural-based sectors.

The sector-focused strategy is not without disadvantages. First, and perhaps most obviously, micro-level evidence indicates that the majority of poor women pursue a portfolio approach to LEIG, by undertaking a diverse and changing range of economic activities depending on their time and resource availability and changing market conditions. Intervention in any single sector may be of limited interest and relevance to them unless the potential gains in income levels and security from the enhanced activity are sufficient to motivate them toward greater specialization. (And in a context of poverty and insecurity, overspecialization is not without dangers.) Thus, successful sector-focused programs tend to select occupations and activities from which large numbers of women earn a major part of their cash income.

A second potential limitation is that the publicly-supported systems of subsidies, credit and non-financial inputs, and market services, to which sector-focused programs seek to gain access for their female constituencies, generally exhibit a strong male bias. This bias tends to be evident in personnel patterns, client eligibility requirements, and the nature of the services provided. Thus, gaining effective access for women may require a long-term advocacy effort seeking structural changes in the delivery system itself.

A related point is that the policy and regulatory constraints identified in the implementation of a sectoral intervention strategy (e.g., rationing of import licenses, illegality of street vending, health regulations for street foods) may be exogenous to the project or program and beyond the control of the sponsoring organization and its clients. Thus, the success of prospective sectoral intervention strategies may be very much dependent on the political environment. For example, are trade unions permitted? Are NGOs tolerated and permitted to organize the poor? Does government have a proactive policy towards poverty alleviation, the informal sector, or women's advancement which makes it more willing to consider measures such as protected markets or favorable regulatory changes? Yet in the long run, the policy dialogue demanded by the sector-focused strategy may serve not only to win livelihood gains for program participants and other women benefitting indirectly from the system-wide changes. It may also have the effect of making women's economic contributions to the sector more visible and valued in general, thereby furthering a major goal of the worldwide women's movement. Dairying in India presents just one such example of changed policies and perceptions. A further potential dividend is that this approach permits poor women to recognize the commonalities of their constraints in their production relations, which in turn empowers them to the extent they are able to undertake collective action and achieve greater bargaining power.

In sum, sector-focused strategies offer considerable promise in terms of scale, systemic change, and empowerment goals. They may also contribute more than do other strategies to economic growth and diversification, through their focus on market and technology options (although the selectivity in sectors for intervention which this requires may tend to exclude many poor women dependent for their livelihoods on less dynamic income-earning activities). The sector-focused strategy is a complex one. The intermediary organization must possess considerable sophistication and technical expertise if it is to successfully develop forward and backward linkages advantageous to low-income women. In many cases, it appears that the investment of time, analysis, and money is well worthwhile, because of the policy support and public resources that can ultimately be mobilized to the benefit of many beyond those receiving direct assistance. The gradual reorientation of powerful technical bureaucracies, such as the Ministries of Agriculture and Industry, is an especially important potential by-product of this strategy.

Function-Focused Strategies: Credit

This "missing piece" strategy assumes that credit access can itself unlock new economic activity leading to income and job growth. Looking across the range of credit-led experiments, what evidence is there of the impact on borrowers and their enterprises of gaining access to credit? Until recently, there was surprisingly little hard evaluation of program impact, and even now there are only a few well-documented cases. This is perhaps not so surprising in fact, considering how difficult it is to gather information on incomes of poor households, and on the cash flows and profits of tiny businesses (e.g., the difficulty of disentangling the business from the whole scope of household activities, particularly for self-employed women and home-based enterprises). These caveats notwithstanding, the picture is beginning to emerge. Contrary to the predictions of many, the availability of credit has enabled self-employed people and microenterprises at a minimum to stabilize and modestly increase their incomes, and in many cases to expand their businesses, move

into newer and more profitable (although often riskier) lines of work, and build up a savings cushion.

The relatively well-documented Grameen Bank case offers perhaps the best example of this process of livelihood stabilization and growth. Often there has been a progression of uses of the loans. At first the borrowers may have carried out an income-earning activity they knew well, but were able to perform more profitably as a result of the loan, e.g., by buying larger quantities of inputs and/or inventory at a lower unit price, as well as having lower interest payments. When a succession of loans is available, functioning in effect as a line of credit, they may over time move into more complex and potentially more profitable activities. (But they may not.) Thus, in some settings, credit access alone appears to offer much promise for incremental improvements in livelihoods.

The evidence on employment generation and enterprise growth is more mixed. It would appear that self-employed individuals and microentrepreneurs are often seeking modest improvements in the stability and level of their earnings, and do not necessarily give high priority to business expansion through reinvestment of profits at the expense of consumption. Women in particular may prefer to allocate earnings to improved housing or their children's education. Evidence on microenterprise assistance efforts suggests that with infusions of working capital, most tiny firms (i.e., those employing one to five persons) tend to expand only to the point where family labor and management capacities are fully utilized and basic consumption goals are met. Further expansion and upgrading of the enterprise may not be perceived as worth the substantially greater risk and headaches involved. This lesson applies to the sector-, area-, and training-focused strategies as well, of course.

To date, the credit-led variant of the function-focused strategy has achieved the most impressive results in terms of scale. Public and private sector programs are serving tens of thousands of borrowers in several Asian countries and thousands in Latin America and Africa. As noted above, many (although by no means all) have developed cost-effective, minimalist models which appear capable of continuing operations with little ongoing subsidy to cover losses and operating costs. To the extent that credit-led programs have involved group formation, they may also contribute to broader empowerment and community development of the poor. Such organization is an explicit element of the Grameen Bank and SEWA strategies, for example.

Given the apparent promise of minimalist credit provision efforts to date, it is important to consider which particular models are most worthy of further experimentation and donor support. In my view, priority should be accorded to initiatives seeking to open up mainstream capital markets, on the one hand, through programs carried out by banks or through bank/NGO partnerships, and to create specialized and targetted financial institutions within them such as poverty-focused development banks, on the other. Most practitioners in the field would concur that the availability of large-scale private capital must provide the long-run solution to the credit constraints of poor entrepreneurs.

I have serious doubts about the creation of parallel credit delivery systems within broader-purpose NGOs as a long-term measure to gain access to capital for the poor and women. As a rule, NGOs are rightly perceived to have

certain advantages over government agencies and banks in delivering credit and business assistance, particularly their greater propensity to target more disadvantaged clients. They have two principal disadvantages, however. Although there are exceptions, few NGOs have adequate managerial, business and technical skills on their staff to run revolving loan fund programs that are successful in terms of client impact, loan recovery and long-term sustainability. Many programs have also suffered decapitalization. A second and related weakness is that these programs tend to stay small due to their management and structural limitations, and few seem capable of major expansion even after running a successful small program for a number of years. Thus, while some NGO-managed credit programs are effectively serving poor clients, with few exceptions they do so at high cost per loan dollar. Economies of scale appear to be significant in credit delivery.

In terms of seeking to reorient mainstream capital markets, the actual experience to date in trying to change the behavior of banks so as to be more responsive to poor clients has been for the most part rather discouraging. Basically, the banks do not consider development to be their central mission. Their structure and orientation militates against meeting the needs of this clientele and internalizing the design features of successful micro-credit models. Experience from across the world suggests that with very few exceptions, banks will only get involved in small-scale lending when they are pressured to do so, as when a government nationalizes part of the banking system and requires it to target a portion of its loan portfolio on more disadvantaged borrowers and smaller firms. Often these policy sticks are sweetened with carrots -- incentives such as guarantee schemes, or access to low-cost capital. However, such programs as exist have indeed remained special and marginal facilities at the banks -- loan windows for poor people and their businesses that have absorbed a tiny share of the bank's overall portfolio and seem to have brought about little fundamental change in the bank's structure or practices, at least so far.

Perhaps a model is called for that marries the client orientation of NGOs with the efficient standardization of a bank. Indeed, in recent years experimentation has begun with programs wherein banks earmark funds from their portfolios for micro-credit lending, while a "partner" NGO intermediary is responsible for outreach, client screening, group formation (if the model calls for it), loan packaging, and any complementary technical assistance that is required. Not only would such an arrangement play to the comparative advantage of each partner, but it could also increase the likelihood of "graduating" that small proportion of microenterprises with significant growth potential to regular bank services and hence to mainstream capital sources. Although policy carrots and sticks may be needed to induce bank participation in what they will rightly perceive as higher-cost lending, the NGO could also be compensated for absorbing the lion's share of the higher transactions costs of making many short-term, small loans.

While experience suggests that interest rates need not be subsidized, the unit costs of meeting the credit needs of low-income, self-employed individuals and microenterprises are undoubtedly higher. This is particularly so if client characteristics and program goals suggest the need for a credit-plus model, and/or if credit is being provided as part of a sector- or area-focused strategy. It may be both unrealistic and counterproductive to expect the borrowers to bear the full costs of non-credit inputs (i.e., technical assistance, marketing studies, skills training, etc.). Rather, in

bank/NGO partnerships it may be appropriate for donors to support these costs through grants, although requiring clients to pay something provides a good market test of their quality and utility to borrowers, as well as reducing the technical assistance provider's long-term dependence on external funding.

Another promising model worthy of further major support is that of the specialized development bank extending credit solely to a constituency disadvantaged by its gender, race, and/or poverty status. SEWA and Grameen Bank offer inspiring examples. They also illustrate an important feature of development banks, i.e., that to achieve more significant LEIG gains for their constituency, they may need to create non-bank affiliates to develop sectoral intervention strategies, carry out advocacy, and provide more comprehensive technical assistance, organizational, and research services. Examples include SEWA's comprehensive work with trade groups and SIDE (Studies in Innovation, Development and Experimentation), created by Grameen Bank. While their banking services may be capable of large-scale coverage and expansion, they view these smaller-scale, complementary services as essential to the challenge of building knowledge on means to move people permanently out of poverty.

The significance of the debate which has emerged from the credit experience of the past decade -- whether to create alternative financial institutions or seek instead to change the behavior of mainstream capital markets at the margin -- extends beyond credit delivery. In my view, the two approaches should be viewed as complementary rather than competitive. In light of the obvious difficulties in reorienting banks' policies and underwriting practices (even if the necessary public policy levers and regulatory measures are in effect), we should view partnership programs and development banks as laboratories for creating practical credit delivery mechanisms that offer potential for long-term significance as measured by systemic change.

They may also offer the only alternative for meeting developmentally important, but currently "unbankable" markets and credit needs. Is it reasonable to expect that the great majority of poor women will ever be adequately served by mainstream financial institutions, given their multiple constraints, the sectors of the economy in which they are concentrated, and the tenacity of sexism? I fear not. This may be particularly true for rural women, due to the inherently higher costs of extending financial services, as well as the likelihood that credit is not the only major "missing piece" to improved livelihoods. This in turn suggests a more or less permanent need for alternative institutions able to offer credit tailored to these borrowers' needs and circumstances. And, as suggested above, these institutions are likely to require at least some ongoing subsidy, given the unavoidable costs of this type of credit delivery. SEWA, Grameen Bank, Working Women's Forum, BKK (Indonesia) and other institutions offer some encouragement that the investment is worthwhile.

D. Significance of Function-Focused Strategies: Management Training and Technical Assistance

While credit is by far the most common "missing piece" addressed by function-focused strategies, a significant number have viewed delivery of general management training and technical assistance as a potentially powerful intervention. The ILO, for example, has promoted this approach through its

"entrepreneurship" development programs worldwide, and many NGOs have led with business training in their LEIG efforts targetted to women.

World Education, for example, an NGO based in the U.S., has collaborated for almost a decade with Tototo Home Industries, a Kenyan NGO, in development of a unique training "product" and methodology. Oriented towards income generation and enterprise development, its key feature is the combination of hard business skills, group dynamics, and leadership development in a training methodology designed specifically for women. The sponsoring organizations argue, first, that such training is a necessary precondition to sector-focused or credit-led strategies for their constituency of rural African women, many of whom have little prior experience in the monetized economy. Further, they suggest that this function-focused strategy has demonstrated its significance -- not only on empowerment grounds, but also in terms of its potential for scaling-up and possibly for bureaucratic reorientation and systemic change -- by virtue of the strong demand for World Education and Tototo to train women fieldworkers in other Southern and Eastern African countries. Clients to date include not only other African NGOs but such mainstream institutions as the Kenya Rural Enterprise Program, the Swaziland Agriculture Ministry, and UNICEF.

Yet the actual economic impacts of general management training are difficult to assess, and a number of questions remain. There is considerable debate, for example, as to whether "entrepreneurs" can be created, and whether this type of assistance demonstrably improves the performance of poor women's enterprises and income-earning activities, and hence their incomes. Under what circumstances might this be a powerful "missing piece"? It would appear more suited, for example, to the needs of existing entrepreneurs than to women with tiny enterprises, a changing mix of income sources, and limited experience in the market. Its utility would also likely be greater in well-developed urban economies than in relatively undiversified rural areas.

A further concern is that entrepreneurship development, as typically practiced, requires specialized staff expertise and is thus costly to provide, particularly since the benefits are largely limited to program participants. Although my knowledge of this strategy is limited, it appears unclear whether cost-effective and sustainable models have been developed to deliver these services outside of the context of sector- or credit-focused programs. Some observers of the field have even questioned whether the provision of such assistance improves business performance or loan repayment, when it is offered (or required) in conjunction with micro-credit. (See, for example, Stearns.) Clearly there is a need for careful monitoring and evaluation of entrepreneurship development programs, to assess the significance and potential of this "missing piece" strategy.

E. A Few Additional Comments on the Quest for Significance

Once again it must be stated that this preliminary attempt at analyzing LEIG strategies and impacts is a dangerous undertaking, given the dearth of empirical evidence and the tremendous diversity of circumstances in which donors seek to program development assistance. Strategic trade-offs always appear clearer in retrospect than at the program design stage. Furthermore, the strategic choices of LEIG organizations are not static, and as noted above, many pursue multiple strategies, whether sequentially or concurrently.

This combination of the strengths of various strategies has much to recommend it. To the extent that area- or sector-focused programs identify credit as a critical constraint, for example, they would do well to apply some of the important lessons of minimalist credit provision models, whether they choose to deliver the service directly or to advocate improved access to existing credit sources. Similarly, credit-plus strategies may be more powerful when undertaken with a sectoral lens. Furthermore, while seeking to address a critical "missing piece" may offer a good starting point for an organization's entry into the LEIG field, as a general rule it will move on to more complex and comprehensive strategies over time, in response to its constituency's demands and increased understanding of LEIG constraints. Several of the premier minimalist credit institutions, including Grameen Bank, have diversified their strategies in this manner.

V. CHALLENGES FOR DONORS: STRATEGIC AND PROGRAMMING CHOICES

To progress from discussing the strengths and weaknesses of various LEIG strategies into making specific recommendations for development assistance agencies is indeed fraught with peril. The diversity of the donor community -- in terms of goals, human and financial resources, and governance structures -- makes such generalization virtually impossible. One enormously important factor in a donor's scope for action, for example, is the extent to which it directly designs and implements development programs and projects, creating new institutions when necessary, in contrast to supporting initiatives of existing LEIG organizations. Another key factor is whether its political and operational mandate permits it to work through Third World governments, the non-governmental sector, or both.

In this concluding section I would like to briefly explore two critical programming issues for donors, drawing in part on Tendler's analysis. (It is important to bear in mind that this analysis was oriented toward strategic choices confronting the Ford Foundation, a relatively small, non-operational, flexible funder whose scope of action includes the governmental, non-governmental, and academic communities. Symposium participants from other agencies will need to assess whether and how these findings relate to their organization's mission and <u>modus operandi</u>.) The first issue concerns identification or design of appropriate organizations through which to implement the LEIG strategies discussed in preceding sections, and the likely need for capacity-building and institutional development of such organizations. The second issue concerns the need for, and means of, donor engagement in seeking the policy and regulatory changes that have emerged as necessary components of at least some LEIG initiatives.

A. <u>Effective Organization for Livelihood and Enterprise Development</u>

The eight "better performing" organizations and programs identified by Tendler were quite different from those typically involved in women's income-generating projects, i.e., the small NGO pursuing an area/beneficiary-focused strategy. Those that "stood out," perhaps not surprisingly, were the <u>specialized</u> organizations created to support self-employment and enterprise development <u>per se</u>. Five of the "better-performers" focused solely on women which, Tendler concluded, gave them a powerful cohesion. The remaining three had devoted serious attention

and resources from the very beginning to serving women clients. All were led by powerful individuals who were elite or well-connected, whether by family and political ties or by their professional status. As a result, they were willing and able to challenge (when necessary) and to work in partnership with (when useful) powerful institutions in society, such as the banking system, parastatals, and mainstream ministries. In almost all cases they had led the organization from its initial small-scale experimental stage to the development of major institutionalized programs with beneficiaries numbering in the tens of thousands. Taken as a whole, these findings led Tendler to recommend that donors focus increased attention and support on specialized, professional NGOs exhibiting the above characteristics, on the one hand, and selective public sector experimentation, on the other.

Thus resurfaces the debate surrounding parallel vs. mainstream service delivery. Is Tendler's preferred model of a rather benign government bureaucracy experimenting with targetted LEIG interventions more problematic in Africa than in Asia or Latin America, in light of both the overall relative scarcity of resources in Africa (which determines the capacity to do good), as well as the preponderance of one-party states (which, some would argue, shapes the will to do good)? India, for example, has not only a longstanding stated commitment and complex bureaucracy directed toward poverty alleviation, but arguably far greater resources to do so than virtually all African nations. In the African context, are NGO efforts to develop cost-effective alternative delivery systems at least more understandable, even if their coverage will remain small and hence their significance limited (as assessed by the scale and systemic change criteria)? Yet if the LEIG organization chooses to substitute for inadequate or non-existent government services, it must continually weigh the alternatives of itself providing the service directly or exerting pressure on the government (or the banks, in the case of financial services) to provide them. Public/private partnership models raise similar questions, both about the public sector's will and capacity to respond to the needs of the poor, and about the NGO's inclination and ability to play this role. For donors this poses the institutional development challenge very starkly.

Given the infancy of this field, and the limited absorptive capacity of its practitioners, clearly there is a need for donors to support capacity-building as well as projects. This is especially the case if the "infrastructure" of LEIG organizations, whether public or private, is to be built up so it can achieve scale, influence policies, promote economic growth, and empower the poor. Tendler's analysis offers a tentative starting point for determining which types of LEIG organizations are worth strengthening, and which should become more or less permanent features in the landscape. With resources so scarce, donors face very difficult trade-offs in making investment decisions. One might view their resources as external "subsidies" brought into the development process. It is perhaps more powerful in the long run to allocate these "subsidies" to strengthening effective, poverty-oriented institutions, rather than specific projects or the individual enterprises of the poor.

Another capacity-building issue grows out of a central recommendation of this paper: that in the future, donor LEIG investments should concentrate particularly on supporting experimentation with sector-focused and certain types of credit-led strategies. Are there sufficient capable and thoughtful LEIG organizations in a position to experiment with them? Already we are

seeing increasing donor competition for effective LEIG organizations. Clearly, we have a responsibility to help grow more, either from scratch or by assisting existing intermediaries to strengthen their structures and strategic focus. What stance should we take with respect to the growing number of NGOs engaged in this field, for example? If their goal is economic (vs. strictly social welfare), at a minimum we should structure incentives for them to develop their capacity to pull on existing services rather than setting up parallel ones. Might we encourage indigenous NGOs that are pursuing an area-focused approach, for example, to try out sectoral interventions? Or to explore the potential for partnerships with banks in delivery of credit and other business services and resources? We must not underestimate the difficulties of retaining a clear focus on poor women as we seek to promote such partnerships and the large-scale replication of NGO models by public and quasi-public agencies.

B. Donor Roles in Supporting Advocacy and Policy Reform

Both the weight of empirical evidence and the experience of the past decade of experimentation suggests that poor women's economic opportunities have been restricted by a complex and interrelated web of constraints. Prevailing policies and market mechanisms have tended to work against them because of their gender, the scale of their enterprises, and the sectors of the economy in which they are concentrated. Sector-focused strategies in particular, and area- and function-focused approaches to a lesser extent, are likely to identify such structural barriers which can often only be addressed through collective advocacy and policy reform. The best-conceived enterprise-focused interventions of development organizations, for example, can be absolutely overwhelmed by policy changes, such as new restrictions on street vending.

Yet to what extent is it both appropriate and feasible for donors to engage in support of policy reform and related advocacy efforts? Clearly there is no single answer to this question. The nature and extent of such intervention will be shaped both by the assistance agency's internal political and structural constraints, and by the LEIG organizations with which it works. Indigenous NGOs, for example, may need to chart a very careful course in their advocacy strategies, and some may fear both the visibility and the issues of legitimacy and outside control that are raised if they accept overt outside support for their advocacy work. I would argue, however, that virtually any donor could identify some additional opportunities to improve its beneficiaries' livelihood prospects through policy-oriented measures.

The mechanisms whereby donors can promote sector- and macro-level policy changes beneficial to their constituencies are several. Official multilateral donors, and to some extent bilateral funders, may have scope to raise such issues (which, it should be pointed out, have productivity ramifications as well as equity and welfare ones) in the context of structural adjustment discussions and the negotiation of major budgetary support to Third World governments. In some cases, funding of policy advisor positions or special units within mainstream ministries or parastatals may be appropriate. Support of demonstration projects, if they are carefully designed to ensure involvement of the intended policy audience and meticulously monitored and evaluated, can also yield significant pay-offs. If the political will for change exists, or can be stimulated through effective advocacy efforts,

policy-oriented applied research can highlight significant LEIG-related problems, such as scale biases or potential labor displacement from new technologies, and suggest possible remedies. Finally, for those donors able to do so, investment in strategic organizing and advocacy initiatives can yield high returns.

These program instruments are not new, although many have been less frequently used in the LEIG field than in longer standing areas of donor involvement. This is due in part to a thorny practical problem. With few exceptions LEIG concerns do not have an institutional "home" in Third World governments. Rather, given the heterogenity of the rural non-farm and urban informal sectors, strategic LEIG interventions are likely to hinge on responsibilities and actions of government bodies far beyond the Ministries of Agriculture and Industry. This makes it much more difficult both for LEIG organizations and their donors to seek needed policy changes, and to knit together the key actors and actions required for their effective implementation.

VI. CONCLUSION

My final point concerns the relationship between improving poor women's livelihoods and bringing about more fundamental empowerment and improvement in their social and political status. As the Ford Foundation entered the field, a central premise held by its staff was that increasing and diversifying poor women's earning power was a precondition for their exercise of rights and decision-making power in other spheres of their lives. From a reading of the experience to date I think we can conclude that this premise was correct, that is, the rather economistic view that gaining women a stable economic base and an above-survival level for themselves and their families is a necessary, although by no means sufficient condition for more far-reaching, sustainable empowerment.

At the end of the International Decade for Women, we have learned some very important lessons about what <u>types</u> of economic interventions are most likely to end up empowering women relatively more or less, and to have relatively greater or fewer social and political spill-overs. The prospect of improving their livelihoods and gaining access to scarce resources like credit has proven to be a very powerful incentive for organizing. Thus, collective action has often emerged as an essential element of effective micro-level LEIG strategies. Its results can benefit the broader community, as well as poor women beyond those directly engaged. Furthermore, many of the better-performing organizations created to improve women's self-employment and enterprises have moved on to actions of a more overtly political and social nature, once they have been able to demonstrate their bottom-line capabilities to their constituency, policymakers, their funders, and other important audiences.

Finally, the enormous importance of supporting new role models for women through LEIG interventions cannot be underestimated. Those efforts which have helped poor women to be economically active outside the home, to enter non-traditional sectors and activities, or to themselves staff LEIG organizations appear particularly powerful in stimulating such changes, without which sustainable, long-term improvements in the structure of women's economic opportunities are inconceivable.

Sources and References

Bhatt, Ela. "Women and Small-Scale Enterprise Development in a New Era." Remarks presented to The International Institute of Development, Ottawa, Canada. 27 October 1987.

Bruce, Judith. "A Home Divided: Women and Income in the Third World."

Buvinic, Mayra. "Projects for Women in the Third World: Explaining their Misbehavior." Paper Prepared for U.S. Agency for International Development, Office of Women in Development. 1984.

Chen, Martha. "A Sectoral Approach to Promoting Women's Work: Lessons From India." May 1988.

Jiggins, Janice. "Conceptual Overview: How Poor Women Earn Income in Rural Sub-Saharan Africa and What Prevents Them From Doing So." March 1988.

Liedholm, Carl and Donald Mead. "Small Scale Industries in Developing Countries: Empirical Evidence and Policy Implications." Prepared for the Employment and Enterprise Development Division, Office of Rural and Institutional Development, Bureau for Science and Technology, U.S. Agency for International Development.

Nelson, Candace. World Education. Conversation on March 23, 1988.

Peirce, Neal and Carol Steinbach. "Corrective Capitalism -- The Rise of America's Community Development Corporations." A Report to the Ford Foundation. July 1987.

Stearns, Katherine. "Assisting Informal-Sector Microenterprises in Developing Countries." A Report Prepared for the Department of Agricultural Economics, Cornell University. August 1985.

Tendler, Judith. "What Ever Happened to Poverty Alleviation?" A Report Prepared for the Mid-decade Review of the Ford Foundation's Program on Livelihood, Employment, and Income Generation. March 1987.

MARTY CHEN

A SECTORAL APPROACH TO PROMOTING WOMEN'S WORK: LESSONS FROM INDIA

Marty Chen
Harvard Institute for International Development

Paper prepared for the symposium, "Expanding Income Earning Opportunities for Women in Poverty: A Cross-Regional Dialogue," sponsored by the Ford Foundation, Nairobi, Kenya, May 1988.

Women's income earning opportunities can be categorized along a number of different parameters including type of activity, mode of production, location of work, or sector of production. In this paper, sector is the preferred parameter and is used to refer to the various production sectors of an economy like agriculture or handloom or fishery. So defined, sector holds significant promise as the unit of analysis and intervention in projects designed to expand income earning opportunities for poor women.

Government policies and programs are typically developed along sectoral lines: that is, critical sectors of the economy are assigned, with significant budget outlays, to specific ministries or departments for support and development. Although, over the past decade in response to the United Nations Decade for Women, many governments have established women's ministries or have opened women's desks within different ministries, these mechanisms have been relatively ineffective, to date, in relating women's specific requirements to the macro-level sectoral policies and programs.

In a parallel effort, over the past decade, non-government organizations have established women's units or developed women's components to supplement or be integrated with their on-going development activities. Non-goverment policies and programs are typically developed and implemented along either beneficiary or enterprise/activity lines: that is, either the basic needs of selected beneficiary groups or the constraints faced in selected enterprises/activities are identified and addressed. However innovative, the non-government projects have generally failed to catch the serious attention of government planners, in part because they are not developed on sectoral lines.

This paper argues that applying a sectoral framework to the analysis and promotion of women's work provides one way of closing the gap between the now well-documented economic roles of women and the as yet male-biased macro-economic planning by governments. Further, this paper recommends that non-government organizations and donor agencies might consider developing pilot projects for women in the critical sectors of the economy, documenting and advocating these pilot efforts, and, thereby, showing the potential for mainstreaming women into the major sectoral plans and programs of the government.

In the first section of this paper, I define the sectoral framework and present the assumptions which led to advocating a sectoral approach. In the second and third sections of the paper, I describe how to operationalize a sectoral framework and illustrate the approach with examples of sectoral projects from India. And, in a final concluding section of the paper, I

discuss the strengths and weaknesses of the approach and outline some implications of a sectoral framework for future research and action.

I. SECTORAL FRAMEWORK

The sectoral framework, advocated in this paper, represents a strategic way of thinking and planning. As such, it is best defined in operational terms. At the level of conceptual or policy analysis, the sectoral framework calls not only for the analysis of any given sector within the overall economy (eg. which sectors show promise of continuing growth or significance? which sectors are endangered by structural changes within the economy as a whole?) but also for the analysis of dynamics within each sector. So defined, the sectoral approach involves analysis within any given sector of the various, often co-existing, modes and relationships of production; the time trends in terms of potential new markets and technologies or possible "dead-end" activities and products; and the structural and systemic constraints to women's full employment or productivity.

Through such sectoral analysis, intervening structural constraints or strategic needs can be identified and then translated into planned interventions. Key sectorally-specific interventions can be tailored to meet the needs of particular sectoral groups: in this case, poor women. Further, as government programs are typically developed along sectoral lines, the project interventions can build upon and link women to existing support systems and institutions.

Few non-government organizations have adopted the sectoral way of thinking. Most NGO's conceptualize the development problem, whether of women or the poor in general, either in beneficiary or enterprise/activity terms. The <u>beneficiary</u> approach involves, typically, an analysis of the basis needs of a given set of beneficiaries (usually defined or deliminated in a mix of class and geographic boundaries: eg. the poorest residents of a given number of villages or urban settlements). Under the beneficiary approach, the NGO's generally offer a wide range of economic and social services. The <u>enterprise/activity</u> approach involves the analysis of the main constraints to the enterprises or economic activities carried out by a designated beneficiary group. Under the enterprise/activity approach, the NGO's generally address a few constraints common to all the enterprises or activities, most frequently the need for credit.

The reason for advocating a sectoral approach to promoting women's work is based on several assumptions. First, that women are left out of national plans in part because they are not conceptualized as workers in the critical sectors of the economy. When macro-level planners analyze and measure development, they do so in economic terms: that is, they discuss the functioning

and performance of different markets (factor, labor, capital, commodity) within different sectors of the economy. Implicit in their analysis is the assumption that workers, producers, farmers are men. When these same planners analyze and address the issue of women or the poor, they do so in welfare terms: that is, much like the non-government organizations, they categorize women (or the poor) into social categories (mothers, female heads of households) or asset-holding classes (landless, asset-poor) and debate whether to provide assets, credit, or employment. If development planners and practitioners, whether from government, non-government, or donor agencies, were to conceptualize women's work in sectoral terms they would, it is assumed, be more convinced of the possibility and necessity of mainstreaming women.

A second, related assumption is that the sectoral approach offers the potential for helping bridge the gap between micro-level insights about women's work and macro-level plans. Whereas the Women in Development (WID) movement has generated a reasonable amount of data about female labor input into various sectors of the economy in different regional contexts, the analysis of and insights from this data have not, to date, been adequately reflected in national plans or translated into development programs. Government planners in India draw a sharp distinction between projects dealing with production and projects dealing with poverty: the poor, explicitly, and women, implicitly, are relegated to poverty projects and the issues of the poor and of women are seldom raised in the context of production projects. One way to bridge the welfare-to-economics or the poverty-to-production gap is not only to conceptualize women as workers within sectors of the economy but also to develop pilot projects in support of women's roles within given sectors.

A third assumption is that opportunities and constraints for promoting women's work are often specific to particular sectors. Although the need for credit or organizing or training or ownership over the means of production can be said to be common needs across sectors, different types and levels of credit, organizing, training, or legal advocacy may be appropriate to different sectors, even to different situations within sectors.

This paper concentrates on sectors in which large numbers of women are concentrated and for which, atleast in some regional contexts, significant public-sector services and infrastructure exist. For some sectors in some regional contexts, public-sector services and infrastructure do not exist, so that a slightly different strategy is called for, one that either provides directly or lobbies for support services. In some sectors in some regional contexts, women are not employed in significant numbers; in such situations, a strategy to integrate and promote women in that sector may be called for. Further, although this

application is not discussed in this paper, a sectoral analysis could be applied to new sectors which are emerging under structural changes in an economy: that is, the sectoral way of thinking could be used to diagnose or predict the future structure and growth of emerging sectors so as to position women, with necessary training and support, in significant niches within promising sectors.

II. OPERATIONALIZING THE SECTORAL FRAMEWORK

The following discussion is based on program experience from India, where government services and infrastructure in support of critical sectors of the economy are significant and where the experience of non-government organizations (NGO's) is rich and varied. In India, many pilot projects in support of women's work have been developed. Before the more successful pilot projects were launched, prior surveys of the sectors in which women are engaged were undertaken to uncover and diagnose the relationships and modes of production and marketing; the growth and/or stagnation trends within each sector; the number and type of critical constraints faced by women; and key interventions to address these constraints.

Most critical to this diagnostic process was the analysis of women's niche in the particular sector. The questions asked in such an analysis included: if women work as wage labor, in which segments of the labor market and for what level of wages; if women work as piece-rate workers, in which operations and under what terms and conditions; if women work as family labor, at which tasks and with what degree of control over the means of production and the income from production; and, if women are self-employed, either as vendors or in micro-enterprises, at what levels of trade or production and with what degree of access to institutional sources of credit and inputs.

Although most of the successful projects in India started with a single "entry point" intervention (typically credit services), most have, over time, evolved into complex projects carrying out multiple interventions. These interventions have been adopted, sometimes with modifications, from five different types of development strategies: credit or banking services; technical extension, training, and inputs; trade union organizing; cooperative formation; and social welfare services. The sequencing and mixing of interventions has been determined not only by the diagnosis described above, but also by the capacities and skills of the project staff and by the changing environment for women workers.

For women who are self-employed or work as family labor in petty trade or micro-enterprises, the most common "entry point" intervention is to provide credit directly or to leverage

institutional credit. Various mechanisms have been worked out in this regard: from savings-and-loans groups which operate on their own capital to mutual guarantee groups which provide group collateral as a means of leveraging bank credit to women's banks which raise their own capital from the savings and membership fees of their members. Most commonly, the credit is used by women for working capital. In some cases, with repeat loans, women are able to expand or upgrade their enterprises.

Projects working with urban self-employed women frequently undertake interventions to address the harrassment by police, municipal authorities, and traders. For example, in organizing vegetable vendors, the Self-Employed Women's Association (SEWA) in India, has negotiated licenses for the vendors from the municipality, staged a protest "sit-in" against competitive traders, fought a legal battle to guarantee the vendors space in a "modern" market, and, most recently, negotiated a contract with the municipality to supply vegetables to a government child-feeding scheme. In working with piece-rate workers, the same projects find they must address exploitation by middle-men and traders. For example, a project in Delhi was able to organize Muslim women gold-embroiderers to eliminate the middle-men and to deal directly with the traders: thus capturing for themselves the middle-men's share of value-added. Other projects working with piece-rate workers in muslin-embroidery and block-printing have helped women avoid the middle-men and traders altogether by training the women in specially-designed products which the project markets directly.

In some sectors or trades, self-employed women face stiff competition, often from the industrial sector, for raw materials. Projects have typically responded by offering loans for bulk purchase of raw materials at wholesale prices. Some projects have attempted, albeit with limited success, to lobby for protective quota systems or price policies.

In many situations, women lack ownership or control over the means of production, most notably land or cattle in rural areas and equipment or vehicles (eg. push-carts) in urban areas. A few projects, not nearly enough, have negotiated land deeds for women, either individually or jointly with their husbands; other projects have provided loans for women to redeem mortgaged land. Several projects have provided cattle loans to women and have insisted that the cattle purchased with these loans are insured in the women's names. Many urban projects have arranged credit for women to purchase equipment or vehicles.

In both urban and rural settings, women wage laborers generally do not have equal access as men to labor markets and are paid less than the minimum wage. Although no major battles have been won in the fight for minimum wages from private employers, several projects have successfully lobbied the

government for equal access and equal wages for women (as for men) at food-for-work or other public works schemes.

Generally, women piece-rate workers do not receive the employment benefits or support services offered formal-sector workers. A few projects have developed occupational insurance, life insurance, or maternity benefit schemes. Several projects provide day care schemes for women workers. Other projects have lobbied or fought legal cases to ensure women's rights to worker's benefits and bonus schemes.

Although most projects to all target groups begin with interventions which they can undertake directly or leverage easily from other sources, most encounter constraints to women's full productivity or employment which cannot be addressed without supportive or protective public policy. The necessity for advocacy and lobbying leads to an opportunity to mainstream women into public policies and programs. Several examples of successful influencing of public policy will be discussed below.

In determining the sequence and mix of interventions, the more successful projects appear to have followed certain common guiding principles. First, the more successful projects developed a priority list of interventions based on the women's expressed needs and on the project's diagnosis of the sectoral context in which women work. Second, these projects then identified a single key intervention (eg. provision of credit, leasing of land, or improved spinning technology) through which they began the project. And, third, they developed a sequence of interventions according to the their own capacity to respond and the changing work environment of the women.

Few projects have tackled the full range of strategies required to increase women's economic productivity and employment. Fewer still possess the requisite skills to provide this complex range of assistance. What is necessary by way of staff capabilities is different at each stage of developing a project. At the beginning of a project, some staff should have reasonable analytic skills in order to diagnose constraints to women's work; other staff may need only the generalist, promotional skills of community development work. But further into the project's life-cycle, what will most likely be required are both specialized technical and managerial expertise and sophisticated unionizing skills. At issue is not whether projects have weaknesses because all suffer one or another weakness, but whether they are aware of and admit to these weaknesses and are prepared to address them.

In the context of the often limited technical and managerial capacity of NGO's, the sectoral approach has a distinct advantage over many other income expanding approaches. Because the sectoral approach assumes that women are working, the NGO

projects can be developed around the existing skills and entrepreneurial know-how of the women. Moreover, the sectoral approach provides the NGO a strategic planning framework. With a reasonal degree of strategic planning capacity and general promotional skills, an NGO can initiate a sectoral program with women workers without putting the women beneficiaries at risk or the project staff at a disadvantage. If they were required to train women in new skills and to initiate a new enterprise, the NGO would require a greater degree of technical and managerial capacity from the start.

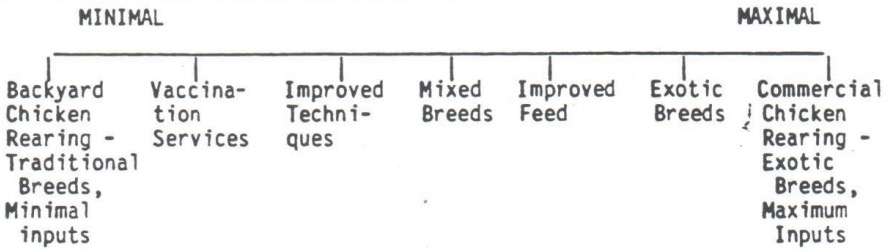
In prioritizing and sequencing interventions, projects are faced with at least two sets of critical options. The first set relates to the degree to which the project should provide directly or leverage from government the resources and services required by women workers. Under the sectoral programs of government, financial (credit, subsidies) and technical assistance (extension, inputs and services) are made available to varying degrees, depending on the sectoral and regional context, but typically by-pass women. The projects must, therefore, decide which of these inputs and services to leverage or lobby for and which to provide directly. In addition, the project may identify and choose to provide support services to women, which are not currently offered by the government's sectoral programs, either to men or women.

The second set of options faced by pilot projects relates to the degree of increased economic returns and security to be aimed for. Within each sector, the objectives and related interventions could range from only minimal gains to maximal benefits. As conceptualized here, minimal gains represent incremental gains in income and security of work whereas maximal benefits represent significant increases in income and security. For piece-rate or wage workers, minimal gains typically involve unionizing women to demand higher prices/wages or legal protection. For self-employed or family workers, minimal gains typically include provision of credit, inputs, or training. Maximal benefits in all cases generally involve moving the women workers into new product markets or new lines of employment.

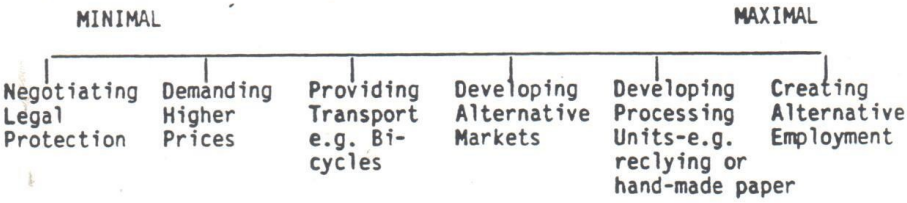
The factors that might determine the choice taken by an individual project should include the skills and capacities, both technical and managerial, of the women beneficiaries and the project staff; a diagnosis of market demand and constraints within the given sectors; and a calculation of investment and risk. But most importantly the project must decide whether it aims to benefit large numbers of women with minimal gains or smaller numbers of women with more maximal benefits. Experience to date indicates that those projects which have aimed for maximal gains (eg. alternative higher-return employment) have at most been able to benefit several hundred women, whereas those that have deliberately adopted minimal gain strategies have

benefitted large numbers of women, as many as several thousand.[1]

To illustrate the minimal-maximal calculation, the following examples might be useful. In designing poultry schemes, project staff face two broad options: to support traditional backyard poultry rearing geared to local markets and consumption or to develop commercial poultry rearing with improved or imported varieties geared to urban markets. The intervention required to reach these two options can be placed along an objective-interventions continuum as follows:



Similarly, although in a completely different sectoral context, a pilot project for garbage pickers would face two broad options: to improve the working environment of the garbage pickers or to develop alternative employment for them.



One major qualifying note on the minimal-maximal gain calculation. What appears, in the short run, to be a minimal gain may, in the long run, prove to be a maximal gain; or vica versa. For example, efforts to negotiate protective legislation or higher prices for a traditional occupation could lead to

---

[1] Generally, the choice of whether to pursue minimal gains or maximal benefits for a particular set of women workers represents a "trade-off". However, in certain contexts both types of objectives might be pursued for women workers in a given sector. Although SEWA generally unionizes women by trade groups to demand higher prices/wages or protective legislation, SEWA has recognized the necessity of organizing some women within certain trade groups into cooperatives which negotiate autonomous or new markets as a contingency plan for women victimized in the union struggle.

significant macro-structural change that would improve the working environment for large numbers of garbage pickers, forest-gatherers, or any other occupational group, whereas efforts to provide alternative employment for the same occupational group might run the risk of proving non-viable or unprofitable. Additionally, such efforts might result in the reduction of women's bargaining power by withdrawing them from confrontation with forces that obstruct or exploit them.

III. THE SECTORAL APPROACH IN PRACTICE

In choosing sectors in which to promote women's work, two criteria should be applied. First, one should identify sectors which employ large numbers of women. Second, one should choose sectors which show promise of continuing growth or significance and which are, therefore, of major interest to national policy makers. In India, women are engaged in large numbers in most of the critical sectors of the economy, except industry: including, agriculture, dairying, small animal husbandry, fishery, forestry/natural resources, artisan production, silk production, and home-based manufacturing.[2] Rough estimates of the number of men and women in India engaged in these sectors are presented in Table 1.

The following broad characteristics hold true for all these sectors in India. First, except for the urban informal, the governments have developed significant policies and programs of support in each of these sectors. Second, these sectors represent the critical sectors of the economy with the notable exception of industry. Therefore, thirdly, if new market and technology opportunities (other than in industry) are to develop, they will, in all likelihood, develop within these sectors. Fourth, women are engaged in large numbers within one or more production and/or distribution niches within each of these sectors. At issue, therefore, is not whether women are engaged in the critical sectors of the economy but how to design and implement strategies in support of women's work within these sectors.

What follows is a brief description of NGO and donor agency experience in working with women in three sectors in India: dairying, forestry/wasteland development, and silk. The description attempts to highlight a process whereby NGO's and donor agencies, in developing pilot projects, effectively interacted with and influenced government programs in these sectors. In concluding this section of the paper, I then discuss a sector in which no significant pilot project for women have

---

[2] Home-based manufacturing falls under the "Khadi and Village Industries" rubric and infrastructure in India.

Table [1]

Approximate Employment Figures in the Ten Employment Systems

Employment System	Women (million)	Men (million)
I. Agriculture and allied activities		
1. Agriculture[1]	19.87	75.47
2. Dairying[2]	75.00	5.00
3. Fisheries[3]	1.00	1.80
4. Small animal husbandry[4]	15.00	2.00
5. Forestry/natural resources[8]	n.d.	n.d.
II. Village and small industries		
1. Khadi and village industries[5]	1.70	1.99
2. Handlooms[6]	2.98	4.48
3. Handicrafts[7]	0.54	2.20
4. Sericulture[4]	0.80	1.20
5. Urban Informal [8]	n.d.	n.d.

1. Census of India, 1981, the number of women cultivators under main workers is taken here.
2. Dairy India, 1985.
3. Department of Fisheries, Government of Tamil Nadu
4. Manorama Yearbook, 1985.
5, 6, 7. Seventh Plan document and Manorama Yearbook, 1985.
8. No data available but guesstimates are in the tens of millions for men and women in each sector.

Table adapted from Viji Srinivasan's discussion paper: "Integration of Women into Large Employment Systems in India", 1986.

---

* Census data generally undercount women's work. For instance, the 1981 census lists women under agriculture only if a woman is cited as main worker, which generally is not the case. The numbers of women actually engaged in agriculture is more likely to be close to 75 million (that is, to the number of households reporting men as main workers in agriculture as in most farm households women work alongside men).

5. Have you seen or do you forsee seeing any changes in the agency's investments in and actions regarding expanding poor women's earning opportunities as a result of the recent recession, the current emphasis on policy-based lending, and/or austerity policies adopted by a number of LDC governments. Yes:_____ No:_____
If yes, please explain.:

6. Does your agency have an explicit employment or small-scale enterprise development policy? Yes:_____No:_____. If Yes, could you please describe its basic principles (and/or attach documents if available) and reflect on how the agency's actions on women's employment/income generation support (or differ from) these policies?

7.a. Circle the number that you think best corresponds with the agency's experience/position regarding the statements that are made below. If you can give your personal experience but not the agency's, indicate so by marking a "P" on the left hand side in front of the statement.

- o Donor interventions in this area should explicitly attempt to reduce gender inequalties and increase women's power within poor households in the Third World:

1	2	3	4	5	6	7
strongly agree			uncertain			strongly disagree

- o Donors should actively combat (through policy, programs, or project interventions) the inferior perception of women that many governments and institutions have:

1	2	3	4	5	6	7
strongly agree			uncertain			strongly disagree

- o Increasing women's earning power will increase women's status and change the balance of power between women and men within the family:

1	2	3	4	5	6	7
strongly agree			uncertain			strongly disagree

- o Increasing women's earnings will have a positive effect on economic output/growth:

1	2	3	4	5	6	7
strongly agree			uncertain			strongly disagree

b. Please comment if you perceive that there are different positions within the agency regarding these statements and if the agency's view has changed in the last decade:

PROJECT STYLES

11. For the items listed below, could you circle the number that most accurately characterizes the predominant style of employment and/or income generation projects in the area of expanding the income earning opportunities of women that the agency is currently supporting:

Projects mostly target:

1. women who are already engaged in income generation or employment
2. women who are otherwise not working for cash or pay
3. combination of both

Projects most frequently target:

1. individual women entrepreneurs, employees, trainees, etc.
2. women's groups
3. combination of both

Projects mostly focus on expanding:

1. income generation/employment activities that are traditionally performed by women in recipient country
2. non-traditional income generation/employment activities for women
3. both

Projects intervene most frequently in the following sector:

1. assistance to women in formal sector employment and businesses
2. assistance to women in informal sector employment and income-generation
3. combination of both
4. other: _____

The agency's project support is channeled principally through the following implementing agencies (circle all that apply):

1. international and/or national NGOs
2. international and/or national women based NGOs
3. cooperatives
4. banks
5. government women's bureau
6. government labor or other technical ministries
7. government ministry of social welfare
8. business associations
9. trade unions
10. grassroots women's groups
11. housewives clubs
12. other: _____

Projects focus on the following priority intervention (circle all that apply):

1. financial assistance (credit)
2. technical assistance (to individual women clients and/or in form of marketing, feasibility analyses, etc.)
3. training
4. social promotion or human development
5. child care and/or other services
6. other:_____

Projects most often include:

1. one or two interventions at most (the "minimalist" approach)
2. a combination of interventions (the multicomponent appraoch)

12. In the experience of the agency, what are the benefits and/or disadvantages of a multitask or multicomponent approach versus a "minimalist" (single intervention) approach when designing income generation/employment projects for poor women. Please discuss.

13. In the experience of the agency, what are the tradeoffs of directing project interventions to individual women versus women's groups when expanding income earning opportunities of poor women?

14. Has the agency's prevailing project style changed in the last ten or so years? If so, please explain

LESSONS

15. In the last decade (since the mid-70s), what do you think have been the agency' three major accomplishments in the area of expanding the income-earning opportunities for women in poverty? Please elaborate if necessary.

1: _____

_____

_____

2: _____

_____

_____

3. _____

16. Has the work of your agency in the last decade revealed or suggested any negative impacts or effects on women, the family and/or the recipient economy, of investments and actions devoted to expanding income earning opportunities for women in poverty? Yes_____No_____. If yes, please specify:

17. From the experience of your agency, which one of the following alternatives has achieved the most impact in terms of expanding women's income opportunities in the last decade?

1. demonstration or pilot interventions
2. interventions that reach large number of beneficiaries
3. actions to influence development and/or sectoral policies
4. research in this area
5. other; please specify: _____

18. What do you think are <u>three</u> major changes or modifications that would improve the implementation of your agency's objectives and/or policies in this area. Please distinguish internal or bureaucratic changes within the agency (in terms of staff, resources, agency policies), and external factors that impinge on the agency's performance (in the donor and recipient environments).

1: _____

_____

_____

2. _____

_____

_____

3. _____

_____

_____

19. Given your agency's record in this area in the past decade, and your experience and knowledge, how would you use the agency's next year resources to maximize impact?

REFERENCES

Adelman, Irma. 1986. "A Poverty-Focused Approach to Development Policy." Development Strategies Reconsidered. Edited by John P. Lewis and Valeriana Kallab. ODC: Washington, D.C.

Bowles, W. Donald. 1986. "AID Experience with Selected Employment Generation Projects." Draft. Prepared for U.S. Agency for International Development: Washington, D.C.

Buvinić, Mayra. 1986. "Projects for Women in the Third World: Explaining their Misbehavior." World Development 14 (May 1986).

Buvinić, Mayra; Graeff, Judith; and Leslie, Joanne. 1987. "Individual and Family Choices for Child Survival and Development: A Framework for Research in Sub-Saharan Africa." Report prepared for the U.S. Agency for International Development and Policy Review.

Carloni, Alice S. 1987. "Women in Development: A.I.D.s Experience, 1973-1985." Vol. 1 - Synthesis Paper. A.I.D. Program Evaluation Report No. 18.

CIDA. 1987. "Women In Micro and Small-Scale Enterprise (MSE) Development." Paper prepared for the International Seminar on Women in Micro and Small Enterprise Development.

Deere, Carmen D. 1987. "The Latin American Agrarian Reform Experience." Rural Women and State Policy. Edited by Carmen Deere and Magdalena Leon. Westview Press: Boulder, Colorado.

Dore, Elizabeth; Henriques-Girling, Robert; Reichmann, Rebecca. 1983. "A Mid-course Evaluation of a Training and Advisory Center for Women (APEC/CENAM) in Santo Domingo, The Dominican Republic." Prepared for the International Center for Research on Women and U.S. Agency for International Development.

Himmelstrand, Karin; and Bickham, Noella. 1985. The Peripheral Centre: Swedish Assistance to Africa in Relation to Women. An Assessment. Stockholm: Swedish International Development Authority.

International Labor Organization. 1981. Women at Work Series. "Work and Family: The New ILO Norms: 2. p.1-2.

Leslie, Joanne. 1987. "Women's Work and Child Nutrition in the Third World." Report prepared for the Carnegie Corporation and the Rockefeller Foundation. November 1987.

Levitsky, Jacob. 1986. "Review of World Bank Lending to Small Enterprises." Photocopy.

Lewis, John. 1988. Strengthening the Poor: Lessons for AID Donors. Draft introduction. Forthcoming. Overseas Development Council: Washington, D.C.

Liedholm, Carol; and Mead, Donald. 1987. "Small Scale Industries in Developing Countries: Empirical Evidence and Policy Implications." Paper Prepared for the U.S. Agency for International Development: Washington, D.C.

Lycette, Margaret. 1985. "Industrial and Commercial Job Training for Women, 608-0147, Morocco." Paper prepared for the International Center for Research on Women.

_____. 1984. "Improving Women's Access to Credit in the Third World: Policy and Project Recommendations." ICRW Occasional Papers, No. 1. International Center for Research on Women: Washington, D.C.

McCormack, Jeanne; Walsh, Martin; Nelson, Candace. 1986. Women's Group Enterprises: A Study of the Structure of Opportunity on the Kenya Coast. Report to the U.S. Agency for International Development, Human Resource Division. World Education, Inc.: Boston.

McKee, Katherine W. 1987. "Lessons from the Field -- Supporting Livelihoods, Employment, and Income Generation of Poor Women in the Third World." Prepared for SOM Conference. February, 1987.

Oppong, Christine; Abu, Katharine. 1983. Seven roles of women: Impact of education, migration and employment on Ghanaian mothers. International Labor Office: Geneva.

Overseas Development Council and International Labor Organization. 1977. "National Strategies: Developing Countries." Employment Growth and Basic Needs: A One-World Problem. Praeger publishers: New York.

Seeds. A pamphlet series to provide information about program ideas developed by and for low income women. Sponsored by the Carnegie Corporation, the Ford Foundation, and the Population Council. Recent pamphlet titles include: The Women's Construction Collective: Building for the Future. Ruth Mcleod. 1986:9; Community Management of Waste Recycling: The SIRDO. Marianne Schmink. 1984:8. Developing Non-Craft Employment for Women in Bangladesh. Marty Chen. 1984:7.

Staudt, Kathleen. 1985. "The Agency for International Development: Structure, Environment, and Change." Women, Foreign Assistance, and Advocacy Administration. Praeger Publishers: New York.

Tendler, Judith. 1987. "What Ever Happened to Poverty Alleviation?" Paper prepared for the Mid-decade Review of the Ford Foundation's Programs on Livelihood, Employment, and Income Generation. March, 1987.

United Nations Development Fund for Women. 1987. "UNIFEM's Mainstream Experience." UNIFEM Occasional Paper No. 5. October, 1987.

_____. 1985. Development Co-operation with Women: The Experience and Future Directions of the Fund. UNIFEM. Department of International Economic and Social Affairs. United Nations: New York.

U.S. Agency for International Development. 1985. "Private Enterprise Development - A.I.D. Policy Paper." Bureau for Program and Policy Coordination, U.S. Agency for International Development: Washington, D.C.

United States Foreign Aid Bill. Committe Report on Fiscal Year 1988 Continuing Resolution.

World Bank. 1981. "To the Massachusetts Institute of Technology, An Address on the Population Problem - April 28, 1977." The McNamara Years at the World Bank: major policy addresses. The John Hopkins University Press: Baltimore and London.

_____. 1979. Recognizing the "Invisible" Woman in Development: The World Bank's Experience. World Bank: Washington, D.C.

JUDITH TENDLER

WHAT EVER HAPPENED TO POVERTY ALLEVIATION?

Judith Tendler

This report was prepared for the Mid-decade Review of the Ford Foundation's Programs on Livelihood, Employment, and Income Generation in March 1987. It has been reprinted with the author's permission for inclusion in the Ford Foundation's Women's Program Forum Symposium, entitled "Expanding Income Earning Opportunities for Women in Poverty: A Cross Regional Dialogue," in Nairobi, Kenya, May 1-5, 1988. Annexes are not included but are available upon request.

Table of contents

Preface and acknowledgments..... i

Executive summary..... iv

Introduction..... 1

I - The Good Performers..... 6

Bound by the trade..... 9
Minimalism in credit..... 15
The link to performance..... 17
Leaders, links, and upscaling..... 21
The urban edge..... 22
The Grameen exception..... 25
Traits of the trade..... 26
What kind of lesson?..... 31

II - Between the Government and the Nongovernment Sector..... 36

Constraints..... 36
Opportunities in the public sector..... 39

III - Recommendations..... 42

Research..... 46

References..... 49

Descriptions of Selected LEIG Programs and Projects..... Annex I

LEIG grantmaking activities--charts and grants lists..... Annex II

Preface and acknowledgments

In the spring of 1986, the Ford Foundation initiated a review of its program in the area of Livelihood, Employment, and Income-generation (LEIG). This assessment was to be part of a larger mid-decade review of all Foundation programs. LEIG is a relatively new program area at the Foundation and has worked mainly through nongovernment organizations. LEIG is meant to address the need for increased income and employment among those rural poor who are not directly affected by programs in agriculture, water, and forestry--people in the off-farm rural occupations and particularly women, who are disproportionately represented among the rural poor. LEIG grantees provide a variety of services--credit in small amounts for income-earning activities, business and technical assistance, organizing for collective enterprise, brokering with public authorities to provide access to public services, and complementary social services like pension and death-benefit funds.

Though LEIG spending became significant only in 1982, some of the important grantee organizations received their initial support from the Foundation as early as the mid-1970s. In 1982, LEIG funding was $2.9 million out of a total Foundation expenditure that year of $32.5 million for developing country programs (DCP). Over the 1982-1986 period, LEIG funding amounted to $21 million--10% out of a total of $208 million for DCP programs during that period. Six Foundation field offices account for 85% of the LEIG program--India (32%), Kenya (20%), Bangladesh (16%), Indonesia (9%), Egypt (7%), and Mexico (6%). Out of these six, the Foundation chose India, Bangladesh, Kenya, and Egypt for field studies for this review.

Between April and September of 1986, I spent three weeks in India, and one week apiece in Bangladesh, Egypt, and Kenya. For the latter three countries, I was fortunate to be able to work with Bishwapriya Sanyal (Bangladesh), Assistant Professor of Urban Planning at M.I.T.; Moustafa Mourad (Egypt), Ph.D. student at the Department of Urban Studies and Planning at M.I.T.; and in Kenya, Paula Nimpuno-Parente, graduate student of the Institute of Social Studies at the Hague, Jennifer Kariuki, business advisor of the Undugu Society in Nairobi, and Steve Hawkins, Ford Foundation Summer Intern in Nairobi. All the consultants spent three to four weeks on the fieldwork in their countries, and their reports are available at the Foundation. Their work and their interaction with me were very important to this endeavor. Fortunately for me, my colleague Bishwapriya Sanyal was nearby for much of the time that I was writing, so that we were able to have several useful conversations about the issues and his Bangladesh fieldwork.

The assessment also benefitted from the contributions of Paul Robinson, graduate student at the Appropriate Technology Center of the University of Pennsylvania and Ford Foundation Summer Intern in Dhaka, who provided invaluable assistance to Bish Sanyal in his country study of Bangladesh; and of Tony Willett, Ph.D. student at the Department of Urban Studies and Planning at M.I.T. and summer consultant to the Foundation's Delhi Office, who carried out a comprehensive review of Foundation assistance to NGOs in India.

In all countries, we interviewed project management, staff, and clients, other nongovernment and international organizations, government officials and staff, bank managers, and researchers. We visited or met with

individuals from the following Foundation grantee organizations: in India, the Manipal Industrial Trust, Working Women's Forum, Professional Assistance for Development Action (PRADAN), and Self-Employed Women's Association; projects or initiatives not visited, but read about in Foundation files and discussed with staff and others, were Annapurna Mahila Mandal, Andhra Pradesh Dairy Development Cooperative Federation, Mahila Vikas Sangh, the sericulture projects in Tamil Nadu and Karnataka States, MYRADA, Institute of Rural Management at Anand, and the "third sector" initiative of the Delhi office to build a community of interest among banks providing credit to small firms.

In Bangladesh, Proshika, Grameen Bank, Bangladesh Rural Advancement Committee (BRAC), Mirpur Agricultural Workshop and Training School (MAWTS), Micro Industries Development Assistance Society (MIDAS), Bangladesh Institute of Development Studies (BIDS), Bangladesh Rural Development Board (BRDB), and Agricultural Development Agencies in Bangladesh (ADAB). In Kenya, the Kenya Women's Finance Trust, Partnership for Productivity, Tototo Home Industries, Undugu Society, Kenya Rural Enterprise Project, International Labor Office, and Voluntary Agencies Development Assistance (VADA). In Egypt, Environmental Quality International and the Zabaleen Association, the Dumiat regional headquarters of the Principal Bank for Agricultural Development, and the National Development Bank; projects or initiatives not visited but discussed and read about were the Integrated Social Services Center at Tanta, and Euro Action Acord in Port Sudan.

In carrying out the fieldwork for this study and thinking out the issues, my conversations with Foundation staff were invaluable. Two meetings at which I had the opportunity to discuss my preliminary findings with a large number of Foundation staff were extremely important in helping me formulate my views--an October meeting in New York during the Foundation's annual program reviews, and a week-long workshop in November in Kenya. At an earlier stage, a planning meeting hosted by the Foundation's Delhi office and two long meetings in Cambridge with John Gerhart, Katharine McKee, and Jan Jaffe were all important in helping me to understand the thinking about and experience with the LEIG program at the Foundation.

I am indebted to program officers Barbara Ibrahim in Cairo, Jennefer Sebstad in Nairobi, Ken Marshall in Dhaka, and Ravi Narain, Viji Srinivasan and Lynn Bennett in Delhi. Without them, it would not have been possible to accomplish as much as I was able to in a short period of time. Much of what I learned about their country programs and their countries came out of long discussions with them. Likewise, I thank Representatives Lincoln Chen, Charles Bailey, Lee Travers, and William Saint for dedicating so much of their offices' time and support to this effort, and for making sure that I was well taken care of.

Katharine McKee, who coordinated this assessment at the Foundation and managed my contract, was central to my work. We have had long discussions about the subject and the study throughout the last six months, and her constant presence and help have made this undertaking a stimulating and very satisfying experience. In a seemingly effortless way, she made the immense organization required for such a project run smoothly. With the latter task, she and I were assisted by Brian Mori, whose constant help and good graces I always felt very thankful for.

Julia Vindasius, Master's in City Planning graduate from M.I.T., worked with me in Cambridge and New York as a research assistant. She is responsible for the large amount of work and ingenuity that went into gathering and interpreting the written materials involving the Foundation's LEIG program. My only regret about Julia's work is that she could not travel with me, for I found that she asked the most penetrating questions about the subject simply from reading the materials.

Finally, I thank Karla Stryker, Administrative Secretary at the Mechanical Engineering Department of M.I.T., who did a remarkable job of word processing on this manuscript at a difficult time of the year and within a record period of time.

Executive summary

Of the Foundation's programs in Livelihood, Employment, and Income Generation (LEIG), six stand out: their beneficiaries number in the thousands, they have grown into competent organizations, and they have had an influence on policies that affect large numbers of poor people. Though five of the six programs are carried out by nongovernment organizations (NGOs), one is part of a public-sector enterprise. The NGOs, moreover, are quite different from the typical NGO in this field: three are trade unions, one is registered as a bank, and the other is a private consulting firm. Despite the difference between these programs and their environments, they share a surprisingly consistent set of traits--traits that are absent from a large number of the LEIG programs funded by the Foundation and other donors. While the six programs do not represent the full breadth of the Foundation's grantees, the findings about the traits they share help us to gain a better understanding of programming in the LEIG field.

The common traits are: (1) a narrow focus on a particular trade or sector, at least at the beginning, (2) or a narrow focus on one activity, particularly credit, in an unusually "minimalist" form, (3) organizational leadership well linked to powerful institutions, and (4) an urban setting, or at least an urban beginning with its economies of agglomeration and the closeness it allows to important centers of power.

The economic activities of the clients supported by the better-performing organizations also shared common traits which, in turn, were different from the activities often promoted under LEIG programs: (1) clients were already producing what they were receiving assistance for or, if new activities were introduced, these new activities were well known in the region and easily mastered; (2) the grouping of clients for purposes of assistance did not require collective production or, if it did, managerial and work requirements of the ongoing collective operation were minimal; (3) assisted activities did not face competition from large-scale capital-intensive industries; (4) the assisting organizations did not need to support marketing activities because sales markets were securely in place; (5) supplies of basic inputs were assured; (6) many of the supported products or services had high social value in economic and distributional terms, such as garbage-collection services and the provision of irrigation water; and (7) powerful consumers often played an important role in bringing about support for the assisted producers.

These findings should be of use to the Foundation in designing future LEIG programs and advising grantee organizations. At the same time, however, the fact that so few of the LEIG grantees reached a significant number of the poor, and that the better-performing NGOs were so different from most, suggests that the search for effective LEIG programs must be more selective, on the one hand, and broadened beyond the NGO sector, on the other.

The nongovernment sector, where much of the Foundation's LEIG program is concentrated, has a certain structural inability to expand or to have its experiments replicated. This is why the impact of NGO projects is usually quite limited, a disturbing finding for donors interested in having an impact

on poverty. The constraints on NGO expansion and replication by others have to do with the fact that: (1) NGO strength and effectiveness often derive from smallness and social homogeneity, which get lost when NGOs try to expand; (2) NGOs see each other and the public sector as competitors for scarce donor funding, rather than as cooperators in a quest to alleviate poverty, which makes it inherently difficult for them to cooperate with each other or imitate each other's successes; (3) foreign funding accounts for a large share of NGO funding in some countries, which places the NGO sector somewhat at odds with the state, thereby blocking the path to replication of NGO experiments by the public sector; (4) though NGO projects may have small budgets in comparison to the public sector, their costs per beneficiary are often high, which means that even their successful projects are not necessarily feasible as models for serving larger populations; and (5) NGOs themselves often do not strive to serve large numbers of clients, nor are they under pressure to do so, which means they are often content to accomplish programs that work well in a handful of communities.

For various reasons, our better-performing NGOs were free of the above-listed constraints, or they operated in an environment that forced them to be different from the pattern traced above. Part of the task of choosing effective LEIG programs, then, involves watching for NGOs that have the traits that facilitated expansion, one of which is the ability and willingness to link up to the public sector. The Foundation's efforts to improve its LEIG programming might therefore focus on those NGOs with links to the public sector, or with the capacity and the will to develop them.

Though narrowing the Foundation's requirements for supporting NGOs might increase the probability of greater impacts, it would also make the Foundation's task more difficult by limiting the already scarce supply of NGO programs from which to choose. A complementary strategy is to broaden the supply of opportunities by opening up the search to include the public sector, whose policies and programs have major impacts on employment and poverty. The Foundation itself is accustomed to working more with the public sector in its programs in agriculture, water, and forestry; the Delhi office has in particular tried to broaden its LEIG programming to the public sector. If experiments carried out in the public sector work well, then the institutional infrastructure to expand them is already in place, as well as the political pressure to do so.

Opportunities for experimentation with LEIG programs in the public sector are greater today than one might think, and are in some ways greater than they were in the 1970s when, ironically, poverty alleviation was in style. This is because (1) the harsh austerity programs of the 1980s have made third-world leaders more politically vulnerable than usual, creating a more receptive political environment for targetted programs, or at least for political gestures toward the poor; (2) the current economic conservatism of economists and policy advisors, with its emphasis on "getting the prices right," is sympathetic to policy reforms favoring informal-sector producers; (3) the current balance-of-payments and debt problems of third-world countries, leading to restraints on imports, have made it possible for some informal-sector producers to flourish; (4) the current sympathy for

decentralization has created a more enabling environment for local-level experimentation in the public sector; and (5) public-sector actors, humbled by the disappointing experience with state-sponsored poverty-alleviating initiatives of the 1970s, have become more receptive to modest approaches, and to learning from the NGO experience.

Finally, government policy and programs have had major impacts on employment over the last forty years of development assistance--not only through policies on exchange rates, credit subsidies, and agricultural development, but through the ways that powerful ministries spend funds and set standards for the construction of buildings, roads, and waterworks. We know a lot about the adverse effects of government action on the poor, which means that we also have learned a lot about what it takes to turn some of these programs to their advantage. But the rush of academic and policy interest to issues of debt and macroeconomic policy has left a vacuum in this area, and a dearth of support for public-sector actors who want to do something, have an idea of how to do it, and can mobilize considerable resources. This kind of experimentation is difficult for governments to undertake, even when funding is not a problem, because of the political problems involved in favoring certain geographic areas over others.

LEIG programs have difficulty achieving impact partly because they are plagued, more than others, with the syndrome of "reinventing the wheel." NGOs claim they are pioneering with a new approach when, indeed, they are not; project proposers allege that past efforts have not worked when, indeed, there is not enough of a record to know whether or not this is true; NGOs claim they "do better than the public sector" at poverty alleviation when, indeed, there is little evidence to support this claim. The LEIG sector, in other words, suffers from a lack of comparative knowledge about what has worked and what has not, in the public as well as the nongovernment domain.

The reasons for the lack of a comparative record on LEIG initiatives have to do with: (1) the "premature" abandonment by the development field of the state-sponsored poverty alleviation programs of the 1970s--much like what occurred in this country with respect to the 1960s War on Poverty--and hence of the efforts to evaluate these programs and modify them accordingly; (2) the change in focus of the field of development economics from institutions to prices and markets, resulting in a decline of interest in, and funding for, comparative evaluation studies of poverty-alleviating initiatives in both the government and nongovernment spheres; (3) the increased macroeconomic problems of third-world countries, starting in the mid-1970s, which replaced the research interest in poverty alleviation with issues of debt, austerity, and macroeconomic policy; (4) a mood of disappointment and disparagement about poverty alleviation among the researchers who did carry out evaluation studies, which resulted in an abundant chronicling of failures and what caused them, but very little understanding of the more successful efforts and their ingredients. If the Foundation's programs are to strive toward impact, then they will also have to create a record of what has worked and what has not. To do this involves not only the funding of comparative evaluation studies, but also restoring academic prestige, and therefore power, to this particular subject matter.

If the Foundation were to broaden its LEIG initiatives to include the public sector, it could distinguish its programming from that of other donors and move closer to its comparative advantage: (1) though the need for experimentation with programs capable of reaching large numbers of the poor is recognized by large donors, they cannot support it themselves because of the pressure on them to transfer large amounts of resources in relatively short periods of time; (2) most small donors in the LEIG area, unlike the Foundation, work only in the nongovernment sector and do not have the public-sector contacts that the Foundation has; (3) few donors who work in the public sector are as well connected as the Foundation to the nongovernment sector as well, which puts the Foundation in the unique position of linking the NGO experience to the public sector; (4) among donors, the Foundation is unusual in spanning the research sector as well as that of government and nongovernment, which means that it can play an important role in funding the badly needed comparative studies on LEIG initiatives and, just as important, in making sure the results of these studies are used to guide programming by governments and NGOs.

Introduction

Soon after I started work on this study, I was faced with three challenges. One was that many Foundation staffers assumed that I would come up with findings that everybody "already knew"--namely, that the Foundation's Delhi office would prove to be the "success story" in the LEIG area. The Indian case and its "success" was seen as having little to teach about the Foundation experience in other countries, because it was the "obvious" result of India's unique history of post-colonial political stability, of voluntaristic institutions in the Gandhian tradition, and of a professional civil service.

The second challenge came from my own difficulty at describing the subject I was working on. First, I thought that LEIG programs were women's income-generating projects, but several of them were not and the Foundation did not describe them that way. Then, I thought that LEIG programs might be described as microenterprise credit, urban projects, or nongovernmental organizations (NGOs). But for each of these categories, there were several projects that did not fit and the Foundation itself did not agree with the description. Finally, with the Foundation's help, I decided that the common theme of these programs was self-employment of the rural poor in activities outside agricultural production. Even this description was not quite right, because some of the most impressive projects were urban. And describing a subject as a residual--all the employment "left over" from agriculture--always leaves something to be desired.

The third challenge arose from the way Foundation people talked about their work. As a donor working in third-world countries, staffers say, the Foundation is "unique." It has the flexibility required for experimental projects, it can fund small projects, and it has excellent networks in the countries where it works--at the universities, in the world of policy, and among grassroots organizations. All this, the Foundation says, adds up to a special "comparative advantage," to programs that are innovative and on the "cutting edge." After observing the Foundation at work, I decided that it really <u>was</u> unique among donors, and in just the ways it said it was. The more I came to understand the Foundation's particular uniqueness, however, the more I came to feel that its LEIG projects were not in themselves particularly unique.

These three challenges or puzzles troubled me throughout the fieldwork for this study. Only upon completing a first draft of this report did I realize that my findings were responses to these seemingly unrelated questions. With respect to the Foundation's comparative advantage, I wanted to be able to suggest an LEIG program that would be less like that of other donors and more consistent with the Foundation's unique style. With respect to the quandary about how to describe the LEIG program, I discovered that my concern was not merely a taxonomic one. The description I felt most comfortable with turned out to be a question rather than a statement: what could the Ford Foundation do about problems of unemployment and poverty in third-world countries? Once the question was in place, the current LEIG program did not seem to be exactly the answer.

Finally, I had beginner's luck with the problem of discovering findings that would make sense outside India. Right off, I found that the Foundation's most successful grantee organization was not in India but in Bangladesh--the

Grameen Bank, whose 160,000 borrowers place it head and shoulders above any other Foundation project in terms of the number of persons reached. If India's tradition of political stability, Ghandhian volunteerism, and civil service tradition "explained" the India program, then the very lack of these traditions in Bangladesh left us bereft of an explanation for the Grameen Bank. The need for an explanation of the Grameen Bank success, then, illuminated a path that led away from a country-specific explanation of the India cases. I had to discover some common themes that would explain India and Bangladesh, let alone Kenya and Egypt, and the variation in performance within India.

The result of this attempt to go beyond an India-specific explanation, and to avoid coming up with something that everybody "already knew," is presented in Part I of this paper. That section discusses a series of traits that were shared by the better-performing organizations, regardless of country. The question about how the Foundation's uniqueness might best be translated into an LEIG program, it turns out, is inextricably linked to the question of what the Foundation might do about problems of unemployment and poverty. The answers to these interlinked questions lie in a discussion of the NGO sector, the public sector, and the current historical moment, corresponding to Parts II and III of the paper. The analyis and suggestions of these subsequent sections rely for illustration and evidence on the first.

Though the LEIG "sector" may be defined in a residual way as "nonfarm" and "nonfactory" employment, the significance of this sector is anything but residual. Landless or near-landless families currently account for more than 50% of rural households in various Asian and Latin American countries. The nonfarm share of the rural labor force has shown a steady increase over the last ten to twenty years, with current nonfarm shares ranging from 20% to 50%. Projections of labor-force growth and employment in third-world countries show a doubling of the labor force from 1970 to 2000, with agriculture supplying only 8% of the increased jobs necessary to employ that expanded labor force.

The employment picture in third-world cities shows an at least equally preponderant role for urban employment outside the "modern" sector--i.e., outside the firms that are registered with the authorities and provide fringe benefits in accordance with the law. Urban labor forces in the third world, moreover, are growing at rates more than double that of the rural labor force. Shares of the urban labor force in non-modern or "informal-sector" activities are estimated to range between 30% to 70% in selected cities of the third world. Though the dispersion of incomes in nonfarm, nonfactory activities is high, including many small-firm operators who fall into the upper 50% of the income distribution, the poor are nevertheless overwhelmingly concentrated in this sector. Thus, any attempt to directly reach large numbers of the third-world poor through employment- and income-generating activities will have to work through the economic activities of the nonfarm, nonfactory sector.

The LEIG sector is difficult to describe because, unlike agriculture and industry, it does not correspond to a well-defined set of economic activities. Earlier thinking about growth and employment placed great faith in modern industrial growth, and later in agriculture, to provide an increasing number of jobs for the growing labor forces of the third world. The recent shift of thinking about employment to the LEIG sector has resulted

from the inability of agriculture and modern industry to generate sufficient employment, and from the discovery of increasingly larger numbers of poor persons dependent for their livelihood on activities outside agriculture and industry.

Though the significance of the LEIG sector for employment is just as great as industry and agriculture were previously felt to be, the economic activities engaged are in no way as homogeneous--ranging from petty vending and trading through at-home piecework production to myriad small manufacturing activities like bakeries, furniture manufacture, and shoemaking. This heterogeneity of the sector makes programming for it difficult. There is not an obvious single institution through which one could work--like a ministry of agriculture--nor a set of professionals skilled in the subject, like agronomists or agricultural economists. Nor is there a uniform set of standards or interventions that are typically associated with a particular economic activity, and around which debates about the best form of intervention might focus. Though the heterogenity of the LEIG sector makes it more difficult to describe and to prescribe for, it in no way reduces the importance of this sector for those concerned about employment, as the above figures dramatically suggest.

I - The Good Performers

Out of the various organizations I reviewed, six stand out: the Grameen Bank of Bangladesh, the Self-Employed Women's Association (SEWA) of Ahmedabad, the Working Women's Forum (WWF) of Madras, the Annapurna Caterers of Bombay, the women's dairying project of the Dairy Development Federation of the Indian state of Andhra Pradesh (APDDCFL), and Environmental Quality International (EQI) working in conjunction with the association of Zabaleen garbage collectors in Cairo.[1] In addition, I was impressed with three of the economic activities assisted by two other organizations--the landless pump groups of Proshika in Bangladesh, and the collectively-owned rental houses and standpipes of the Undugu Society's women's groups in Nairobi. When I refer to "programs," I am including these last three activities; "organizations" refer to the six I name above.

Four of the organizations I discuss are in India, one in Bangladesh, and one in Egypt. They stand out because they are reaching an unusually large number of poor people,[2] or are indirectly affecting large numbers through their impacts on policy and institutions. Or they stand out as "successful" organizations in that the Foundation and other donors have found them to be honest, strong, self-criticizing, and highly capable.

The six organizations differ markedly from each other, as well as being different in form and origin from most nongovernmental organizations working in the LEIG area. One is in the public sector (APDDCFL), while the rest are in the nongovernmental sector. Two arose out of the women's wings of Indian trade union organizations (SEWA, Annapurna), and another out of political-party organizing in India (WWF). These latter three are organized as trade unions, while Grameen Bank is registered as a financial institution and EQI is a private consulting firm. Four of the six programs work only with women (SEWA, APDDCFL, WWF, Annapurna).[3] Four work mainly in cities or started out there, while only two work predominantly in rural areas (Grameen Bank, APDDCFL). Though all of these programs provide credit, each has a quite different mix of credit, business and technical assistance, organizing for group production or marketing or input-supply, social services like death-benefit and pension funds, or strong advocacy for clients vis-a-vis public institutions, political authorities, and monopolistic buyers and sellers.

What is remarkable about this set of cases is that, despite their diversity and their location in very different countries, they share a common set of characteristics or traits. To many readers, this list of traits and their association with good performance may seem obvious. But many LEIG programs and organizations, including those supported by the Foundation, have exactly the opposite traits. In addition, we tend not to notice these traits

---

1 Descriptions of each organization and its program can be found in Annex I.

2 Grameen Bank 160,000 borrowers, WWF 38,000 members, SEWA 15,000 members, Annapurna 8,000 members, APDDCFL women dairying project 5,000 women members.

3 The majority of APDDCFL members are men, but the Foundation-funded program works only with women.

when looking at any of these organizations in particular, because their rhetoric obscures the traits, because some of the traits go back to times when these organizations were quite different than they are today, and because we usually do case studies of individual organizations rather than comparative studies across them.

For reasons akin to Hirschman's statement that there are no successful projects, only those that have less problems than others (1967), I purposely do not refer to this set of better-performing programs as "successes." They are also riddled with problems, mistakes, and false starts. Some of them are having a difficult time expanding beyond their first victories (Annapurna, in moving from individual credit to collective food catering). Some of them seem to be diversifying too fast and into more difficult activities (Grameen Bank into duck-raising and venture capital, EQI and the Zabaleen into collectively-owned garbage-collection services, Proshika into fish ponds). Only time will tell whether they will do well or poorly at these more difficult tasks. Some of these organizations, finally, seem to be expanding into new activities before they have exhausted the potential for reaching larger numbers of people by continuing to do what they are good at. This premature diversification is a common pattern, caused by the greater lure to expanding organizations of complex programs over simpler ones and by the very success of the initial program, which attracts swarms of donors, each with its own project agenda.

At least one of our organizations seems stuck at the level of serving a limited number of beneficiaries with an increasing array of services, some of which it will do better at than others--the EQI in Cairo, and its work with the Zabaleen Association in a garbage-collecting settlement of 1,000 households.[4] Because of its single-community focus, EQI may end up standing out more as an impressive organization than as an instrument for alleviating poverty in Cairo. In fact, the significance of the Zabaleen program as a model of LEIG activity may have been somewhat exaggerated because of the fascinating quality of the Zabaleen microeconomy, and because of the winning nature of the EQI staff--urban, Western-educated, English-speaking, skilled, and committed. I nevertheless included the Zabaleen project, albeit with some ambivalence, because EQI possessed many of the same traits as the other better-performing organizations.

The organizations or programs left out of this list should not be considered failures. They were just reaching far fewer persons and having much less of an impact on thinking in professional circles and the public sector (Tototo, Partnership for Productivity, Undugu, Manipal Industrial Trust). In other cases, the programs were too new to allow definitive comment (KWFT, ISSC, PRADAN, Euro Action Acord, MYRADA, the Indian sericulture projects, the new Foundation-funded womens' programs of PfP and Undugu). I nevertheless had misgivings about these latter programs; they seemed to be doing too much too soon, taking on too difficult tasks, spreading themselves too thinly, or expending large amounts per beneficiary.

---

4 There are actually six garbage-collecting Zabaleen communities in Cairo. EQI says it plans to move into these other communities, but its hands already seem quite full with the array of services it has been setting up for the one community.

Bound by the trade

All the better-performing organizations started out with a narrow focus, and some continue that way to this day. They concentrated on a particular task (credit), to be discussed in the next section, or on a particular trade, sector, or income-earning activity (e.g., garbage collectors, food preparers, dairy producers, vegetable vendors, landless groups owning tubewells). An evaluation of the Foundation's minority business programs in the U.S. found that one of the most successful programs was sector-specific, focused on cable radio and television (Rial & Howell 1986).

The narrow sectoral focus of these organizations forced them to tailor their interventions to the needs of that particular sector or trade. This meant that they proceeded by doing careful studies of a sector, after which they would identify possible points of intervention. In this process, they gained a highly grounded understanding of one sector--production processes, sources of supply, product markets, industry structure. The meticulous sectoral studies of these organizations, which informed so much of their thinking, were carried out by bright young generalist staffs. Though they were usually untrained in social science research, their previous work experience in the field combined with strong intelligence, passionate dedication, and street "smarts," helped them to produce remarkably complete pictures of the trades they were studying. Because of the high "labor-intensity" of the work required to map the structure of these trades, a more sophisticated research effort would probably have been much more costly.

The trade-by-trade way of proceeding contrasts sharply with the many LEIG programs that work across various trades and even try to introduce new ones. These "generalist" organizations get less involved in the details of a particular trade, trying as they do to provide nonspecific income-earning assistance. The trade-specific programs were no less concerned about the broader issues of poverty than were the generalist ones--namely, denial of access to public services, lack of information, discrimination, exploitation, and poor health. Indeed, many of the trade organizations were passionately driven by these larger social issues, and added programs that dealt with them later on. But they anchored their work around the economics of a trade, or a succession of trades.

In contrast to our set of better-performing organizations, many LEIG programs take a multi-task approach to their work. This broader approach is based on widely held notions of what is "needed" for development to take place, or of how services are "supposed" to be supplied. Though the broader vision has substantial truth--communities <u>do</u> lack various services--it often does not work well in practice, because it is too demanding on the organization. The importance ascribed here to learning about a trade, then, does not reflect a judgment that economics is more important than social, political, and service issues, but rather that many LEIG interventions fail because they are too ambitious. They represent unrealistic assessments of what organizations can do and of how people can improve their incomes. Out of a deep concern about poverty, they cast their nets too widely. Organizations and leaders with social welfare and service backgrounds, in particular, need a way of proceeding that teaches them about economic reality, and forces them to be guided by it.

Learning about a trade is a process that leads organizations to propose small changes in the way existing things work--institutions, market structures, production processes. One tries to identify bottlenecks, and then work on them one at a time. With women vegetable vendors, for example, SEWA learned that police harassment was a major problem, leading to frequent losses in income. It therefore negotiated for the vendors with municipal authorities, and only after some results were achieved, did it move on to the next problem. Similar processes of inquiry led to EQI's decision to provide credit to garbage collectors for simple re-cycling equipment, to Annapurna's decision to provide working-capital credit to women providers of meals to textile workers, and to the Delhi office's decision to support the organization of women-only dairy coops within an already functioning system of federated dairy coops. All these actions were carried out by organizations in a continual process of study, identification, and intervention. Their way of thinking was iterative and incremental.

Many LEIG organizations do not see their actions as so constrained by existing economic systems. Indeed, they see existing ways of doing things as keeping their clients down, and they want to help liberate them from these structures--introducing new economic activities into communities, having people produce goods collectively who previously worked individually, providing new sources of credit independently of existing financial institutions. Though these attempts are admirable, they usually do not produce the same quality of results as the less ambitious way of proceeding.

This emphasis on the "marginal" qualities of the interventions carried out by the trade-bound organizations is consistent with the findings of two other comparative studies of projects--one of a set of technical assistance projects in sub-Saharan Africa (Kilby 1979), and another of a set of community-development projects in East Africa (DAI 1979). The most successful projects, according to these studies, were those that supplied a "missing component" to a set of activities that was already in place. Though the projects studied were not all trade-specific, what they shared with our set of programs was the incremental nature of their interventions. The trade orientation, then, is not the only way to come up with powerful incremental interventions. The narrow focus on credit, in the "minimalist" form discussed below, also represents an incremental approach: credit without any complementary services was the missing ingredient provided in support of a system of economic activities and financial institutions that was already in place.

The trade-bound organizations bargain with authorities for their clients as a class, whereas the generalist organizations negotiate on behalf of individual clients or small groups of them (e.g., SEWA vs. Kenya Women's Finance Trust). These struggles for trade-wide concessions, and the victories they sometimes lead to, constitute one of the important potential impacts of such programs, particularly when they are carried out by small organizations that may not be able to directly serve a large number of clients. Just as important, trade-wide bargaining raises these matters to powerful authorities in the form of social <u>issues</u>, whereas individual cases brought by NGOs to the authorities are seen by the latter as the granting of favors in particular cases. Given the strength of the trade orientation, it is not surprising that three out of our five better-performing NGOs were trade unions (SEWA, WWF, Annapurna), almost the only trade-union grantees in the Foundation's entire LEIG program. Trade unions actually define their principal task in terms of

the struggle to obtain concessions from powerful institutions, whereas most other NGOs define their task as providing a service, in the course of which they may or may not need to take on the authorities for the cause of their clients.

Trade-based struggle, of course, is not limited to trade unions. EQI of Cairo, a private consulting firm, engaged in an ongoing struggle with the governorate of Cairo for concessions to garbage collectors. The Foundation's Delhi office struggled with the Indian dairy parastatal for a long period of time to gain recognition for women producers. The Delhi office, in fact, proceeded in a manner quite similar to SEWA: it identified eight production systems in which women were important, commissioned studies on how these systems worked, and then struggled with the authorities who held power over each of these systems for concessions and action programs.

The trade-bound approach defines LEIG problems in a way that attracts powerful technocrats and government agencies. That the Zabaleen micro-economy was built on garbage collection and disposal made its problems interesting to a small engineering elite in a prestigious consulting firm, specialized in solid-waste and other urban infrastructure projects. The Delhi office defined its LEIG women's program in terms of eight production systems all of which were located in "ministries of importance" and had "significant Seventh Plan outlays." And that the Grameen Bank defined its task in terms similar to commercial banking practice, as explained below, attracted professionals from the country's Central Bank, who took leaves from their jobs to work with Grameen.

Getting prestigious professionals to see LEIG programs as professionally challenging is one way to get around the much-bemoaned problem of technocrats and their institutions showing little professional interest in the poor. Attracting skilled persons by defining a project in trade-bound terms also bears on a staffing problem discussed perennially in the LEIG sector--that of insufficient salaries to attract skilled professionals, coupled with the problem of training committed generalists in "hard" skills, a problem to which the Foundation and other LEIG donors have devoted considerable attention. Attracting technocrats with trade-based tasks, in other words, is a way of getting around the "skills-vs.-commitment" formulation of the LEIG staffing problem: the technocrats in our cases turned out to have more commitment than anyone thought, when presented with the problem in professionally interesting terms and, of course, they already had the right skills.

The trade-bound view of LEIG problems has its limitations. An organization may end up serving virtually the whole trade and still be working with only a small number of people--the case of the EQI and the Zabaleen garbage collectors being the most obvious one. EQI's work with the Zabaleen Association involves only 1,000 garbage-collecting households in one settlement, which does not even represent all the Zabaleen garbage collectors, who live in six different settlements of Cairo. The trade orientation may also leave an organization "stuck," once it reaches every member of the trade. The Annapurna caterers is a case in point: after providing credit to 8,000 members of this trade in Bombay, Annapurna had a difficult time figuring out what to do next that would be as easy and as effective. SEWA, in contrast, escaped the limiting problem of the trade approach by taking on one trade after another--from vegetable vendors to foodhawkers to quilt makers to fish marketwomen. It could therefore benefit from the discipline and power of

the trade orientation, while at the same time not being confined by the number of persons in any particular trade.

Minimalism in credit

Credit turned out to be another way by which the better-performing organizations were able to approach their task narrowly. Four of our programs started out by providing only credit. Even though they later moved into other activities, credit continues to be a central part of their program. (Two of these credit organizations, SEWA and Annapurna, also followed the trade approach.) Though other LEIG programs customarily provide credit--in Kenya, for example, Tototo Industries, Kenya Women's Finance Trust, and Partnership for Productivity--the approach of our four organizations to credit was quite different.

First, all four organizations started out only as credit brokers, providing their clients with access to existing financial institutions, rather than lending from their own funds. Second, they all required savings as a prerequisite to borrowing. Third, these organizations financed activities mainly in the trade and commerce sector, as opposed to manufacturing and services, sectors in which economic and employment payoffs may promise to be higher but where risks to lenders are also higher.

Fourth, these organizations all provided a kind of stripped-down or "minimalist" credit, which entailed little or no evaluation of the merits of investments for which applicants wished to borrow and no technical or business extension. The burden of the selection process was shifted from the credit entity to peer groups of borrowers themselves. Though groups might give opinions on a member's purpose for borrowing, their ultimate acceptance of the member was based on an assessment of that person's likelihood of repaying, regardless of the viability of the proposed project. Though group members were not necessarily jointly liable for each other's loans, the group could not receive subsequent loans until all were paid up. This process of decisionmaking about credit, though decentralized, was not "participatory": borrowers were not included in decisionmaking councils of the credit-providing organizations, they had no say in setting credit policy or in declaring and prosecuting delinquency, and the credit agency itself made the ultimate decision as to who could borrow.

Fifth, though our four credit organizations now provide some social and other services in addition to plain credit, they started first with credit. This is in distinct contrast to many LEIG grantees, who are trying with difficulty to make the opposite transition--from social and welfare services to the income-generating ones. Although our four organizations shared this common set of credit characteristics, they were quite different in other ways--one a bank (Grameen), the second a women's trade union working with various trades (SEWA), the third a women's trade union working with only one trade (Annapurna), and the fourth a trade union working on a neighborhood rather than a trade basis (WWF).

Many LEIG credit programs, unlike our four, do not start out by trying to link their clients up with existing banks. Typically, they get funding from donors to start their own credit operation (e.g., Tototo, Undugu, Partnership for Productivity). This gives them little chance to learn the business

through a division of labor between themselves and the established banks--the banks taking care of the money, and the NGOs the processing of applications. Though three of our four organizations ultimately did create their own banks (SEWA, WWF, and Grameen), this occurred only after a long tutelage of doing no more than working as brokers between their clients and an established bank.

Many credit-providing NGOs would view the minimalist credit provided by our four organizations as "insufficient." Businesses, they say, need to learn how to keep books, improve their production techniques, learn about inventory, and find better markets. Credit, according to this assessment of need, must therefore be accompanied by assistance with these other matters, and credit applicants should be helped to evaluate the financial viability of their proposed use of loan funds. Though this view seems perfectly reasonable, it also leads to higher unit costs of lending and greater demands for organizational sophistication. Evaluation studies, moreover, have cast doubt on how much this assistance actually leads to increased incomes (Farbman 1981, Ashe 1985, Kilby 1985, Tendler 1982). Because of the higher costs and greater encumbrances, "complete" credit is almost never found in programs that have succeeded in reaching large numbers of small borrowers. Thus it is no surprise to learn that the Grameen Bank, with many more clients than any of the Foundation's LEIG grantees, insisted most on the minimalist form of credit, and diversified least into noncredit activities.

The link to performance. Why was this particular approach to credit, and the way in which it evolved, so central to the better performance of these four organizations? That these organizations spent a long apprenticeship providing access to existing credit, rather than lending their own funds, made the task easier. It divided credit into loan processing and banking, allowing the new organizations to take on and master the task of processing first, before having to go into the more difficult task of banking. That a banking infrastructure already existed was crucial to this sequence, an advantage of credit that we tend to forget because of our ire at banks for the way they exclude the poor. Other LEIG activities, like business and technical extension or the formation of group production or marketing ventures, do not have such well established institutions to which they can turn for structure, advice, and sharing of the task.

Minimalist credit was also easy because clients borrowed more for trade than manufacturing. As indicated by bank practice all over the world, lending to trade and retail establishments is less risky than to manufacturers, partly because repayments can be made with greater frequency and within a shorter time period. Though some researchers believe that lending to manufacturers will have greater employment and income impacts than to traders, trade credit may nevertheless be easier on fledgling banking operations.

Minimalist credit was also easy because the repayment rate constitutes a clear and concise measure of good performance. With such an indicator, performance can be ascertained by any good evaluator who spends a few hours at a bank office, and the credit agencies themselves can keep close tabs on how they are doing. Performance in other LEIG activities, including credit with business and technical extension, is more difficult to measure and can be verified only over a longer term. That minimalist credit provides such a conspicuous performance measure means that organizations working this way are quite exposed to outside scrutiny; in this sense, credit is a hard taskmaster,

as well as being "easy." Given that other LEIG activities lack this clear and accessible indicator of performance, mediocre performance will elicit less censure from the outside, as well as less concern within the organization itself. In lieu of clear performance indicators, organizations tend to look at commitment, honesty, and hard work as proxies for performance. Mediocrity gets tolerated more, simply because the results of what these organizations do are more difficult to see.

Small-loan programs usually run high costs per dollar spent because of the time and skills required to evaluate numerous small applications. Banks resist small loans because of these high unit costs, and because of the impossibility of making character judgments about applicants with whom they are not familiar. Minimalist credit reduces these problems by shifting much of the cost of processing loan applications from the bank to borrower groups, an important advantage of the group mechanism used by all four organizations. Groups base their decisions as to who gets loans on character judgments about the borrowers, rather than on an evaluation of their finances and business proposals. Surprisingly enough, this system of judging credit applications seems to work well, as attested to not only by repayment rates in these four cases but by studies of other programs of this nature (Ashe 1985, Kilby 1985). By reducing markedly the credit agency's need for staff trained in financial analysis, the group selection mechanism also reduces the problem of finding skilled professionals to do such work and of paying them adequately.

Credit institutions that require savings prior to borrowing, like our four, usually point to the wholesome impact on the borrower who, it is said, needs to learn the discipline of giving in order to receive, and of repaying regularly. More generally, LEIG donors have been increasingly asking their grantees to require some payment from clients in exchange for the services they receive--credit, technical assistance, or other services meant to increase income. Requiring savings or charges for services, the argument goes, not only helps the client to learn the behavior required in a modern economy, but also helps to set the service-providing organization on the path toward financial self sufficiency.

Less commented on is the fact that when clients have to save in order to borrow, the credit organization will have to first prove that it is a trustworthy place to put one's savings. And if the organization performs poorly once it possesses the savings, clients can withdraw their deposits overnight and bring the organization to ruin. Even if depositors are not allowed to withdraw savings, as is often the case with savings required for borrowing, their financial stake in the organization gives them the right to make trouble if they are concerned; and organizing them into groups gives them a social form in which to make more effective trouble. Charges for services make an organization even more vulnerable to outside pressure to perform: if clients are dissatisfied, they need not even protest and can simply refrain from buying the service.

Though LEIG organizations often argue against charging for services on the grounds that the poor cannot afford to pay, they also fear that they will lose their clientele if they start charging. The organization that agrees to charge for services or require prior savings, then, has considerable confidence in the quality and worth of what it provides. Put in another way, charges and savings requirements can force an organization to be more responsive to the poor and their definition of their needs, than a situation

of no charges, justified out of sympathy for the plight of the poor. Again, this is a somewhat different approach to the issue of finding committed staffs: in this case, the structure of the situation helps make the organization responsive, rather than just the hiring of committed staff.

Required saving, in sum, introduces external pressures to perform into the worlds of fledgling credit organizations. Donors usually deal with the matter of organizational performance by a combination of helping (funds for training, budgets for hiring capable staff) and monitoring (by donors themselves, by requiring and funding audits, by funding monitoring and evaluation operations) All of these approaches, though standard good practice, are costly and timeconsuming, and often do not yield the desired results. Some of this concern might be invested, instead, in finding tasks and structures that produce these pressures themselves, without the expenditure of time and funds. Forced savings and charges are one way of providing that external pressure. The easily measurable repayment rate of minimalist credit is another.

Leaders, links, and upscaling

All the leaders of our five nongovernmental organizations were strong and driven individuals who, through class or previous work experience, had links to important political figures and powerful institutions in the public and private sector. All five, moreover, had founded their organizations. Though donors look up to these strong and charismatic leaders, they perpetually worry about whether the organization could survive their loss. Will the leaders learn to delegate? Can they build strength in their managerial staff?

In a study of successful development programs in the public sector, Paul (1982) also found the same dynamic person who had led the program from the organization's founding to the present moment. Paul's reason for emphasizing this continuity was to say that the person who initiated the project as an experiment was the same one who carried out the transition to a nation-wide program. It was the energy of the single founding leader that drove the successful expansion of the program, in other words, and not just the force of a particular organizational model.

A common argument for funding small NGO projects is that they are experiments which, once the bugs are worked out, will be replicated. But Paul's findings, along with mine, suggest that unless the experiment is replicated by the original experimentor, it may not grow beyond its original size, no matter how well it works. And if replication actually takes place, the leader of the pilot project is likely to have had large ambitions, along with the status and connections to carry them out.

These are the kinds of visions, status, and connections that our set of NGO leaders had. Two of the leaders were technocrats with Ph.D. degrees from the United States--a sanitary engineer (EQI) and an economist (Grameen Bank). By virtue of their class, foreign educations, and professional specializations, they were members of a small elite class. Two more of our leaders came out of a long-established trade-union movement (SEWA, Annapurna). Another, also well-connected, came from a long experience with political organizing in the neighborhoods of Madras for India's dominant Congress (I) party (WWF). The trade-union and party-organizing backgrounds

accustomed these leaders to thinking in terms of reaching large numbers of persons, and familiarized them with powerful institutions--big management, and state government officials who mediated labor-management disputes.

That our leaders had these particular backgrounds should come as no surprise, given the success of their ventures. But many NGO leaders do not fit this image, and we ourselves usually do not think of LEIG leadership as coming from the ranks of technocrats or social elites. Many NGO leaders shy away from people in power. They may prefer to work in remote areas, where their programs can operate undisturbed by powerful institutions. And they often wear their distance from the holders of power with pride, as a kind of badge of commitment to their clients. They tend to describe themselves as "against" the system, not part of it. This kind of remoteness is not necessarily bad. Indeed a few studies have pointed to geographical remoteness from powerful institutions as an element of success (Kilby 1979, Paul 1982). But our leaders were anything but distant from power, even though they may have liked to portray themselves that way.

The urban edge

Closeness to power among our set of organizations was spatial as well as social. Four of our nongovernmental organizations got their start in cities, and most continue to have their greatest number of clients there. (I explain the exception, Grameen Bank, below.) This is a somewhat surprising finding, given that the Foundation emphasizes rural rather than urban poverty in its LEIG programming. The Foundation's rural emphasis is consistent with that of many researchers and donors, who believe that rural poverty is a more serious and widespread problem than urban poverty and that the agricultural economies of rural areas provide more possibilities for off-farm employment than do urban economies. Nevertheless, there is something about the dynamics of LEIG organizations in the urban setting that sets them apart from the rural programs. I suggest four explanations for this difference.

First, the four cities where these organizations work are large and important. Bombay, Ahmedabad, and Madras are capitals of their respective states, as well as thriving economic centers; Cairo, aside from being the national capital, is a city of thirteen million people. Powerful elites live and work in these cities, and powerful institutions are seated there--bank headquarters, municipal authorities, politicians, and government parastatals, ministries, and departments. The impact achieved by our organizations resulted, in part, from the influence they had with these holders of power and the concessions won from them. Rural-based programs provide much less of a chance to have an influence on power.

Second, and related, programs for the poor usually have to win over local elites in each community where they work--or, at least, gain their acquiescence. Since elite opposition often undermines LEIG projects at the community level, the investment in gaining elite tolerance or support is crucial to the success of these programs. Having influence with elites arises, in part, from a lifetime of living with them. This kind of familiarity is difficult for the leaders of organizations operating in rural areas, because there is no one geographically concentrated set of elites or powerful institutions that controls decisions affecting thousands of people. As one of our leaders said, in commenting on the difficulty of expanding her

urban program into rural areas, "I couldn't just call up somebody powerful and say he should help out. There were so many of them! I didn't know them and they didn't know me."

Third, the trade- or sector-bound approach discussed above works better in urban areas. Because the rural poor live more dispersed and change from one income-earning activity to another with changes in the agricultural cycle, it is more difficult to find large numbers in one place who work at a single trade, let alone at the same trade throughout the year.[5] LEIG organizations in rural areas, then, find fewer opportunities to work with only one trade or sector.

Fourth, and implicit in these last three points, there are agglomeration economies in serving dense populations. In cities, one can see more clients per staff trip away from the office, one can use public transport instead of having to invest in vehicles, one can spend less on the operation of one's own vehicle, and one's service is less vulnerable to problems of vehicle breakdown, shortage of spare parts, and lack of budget monies for fuel and maintenance. All of the latter are central problems in rural service programs.

The lesson of our finding that urban programs have a certain edge over rural programs is not that we should fund more urban projects, though that might be a perfectly logical conclusion. Rather, the urban stories help us to see that the path to impact in the LEIG area often lies in the influence wielded over powerful persons and institutions. The experience should encourage us to search for rural program strategies that imitate these urban configurations, or compensate for the lack of them. Though the suggestion may seem fanciful, the Grameen Bank provides us with a quite realistic illustration. Grameen Bank was the only rural exception to the urban siting of our better-performing programs. And Grameen had by far the largest number of beneficiaries of them all, so its status as an exception requires explanation.

The Grameen exception. Grameen Bank operates in a country with one of the highest rural population densities in the world, thus making it possible to reach a larger number of clients per unit space than is typical for a rural program. The minimalist credit practiced by Grameen, moreover, requires less understanding of the economy and social structure of each particular locality where the bank has a branch, and less adaptation to local forms of production--in contrast to more complete credit services and other LEIG activities. Grameen's leader felt strongly about providing a "franchisable" service that, once perfected, could be applied anywhere throughout the nation, regardless of local conditions. Minimalist credit can accommodate this kind of vision. Just as important, it took a leader who wanted to make his mark in large numbers to be attracted to this particular form of the credit task, and to resist the blandishments to embellish it. This vision contrasts sharply with that of many other NGO leaders, who see their task as doing a good job at providing various services to ten, twenty, or thirty communities.

Grameen Bank provided a service to landless laborers that, in contrast to our experience with many other such programs, pleased local elites. Local landowners did not mind that Grameen organized their labor force into credit

---

5 This point has also been made by Chen (1984, 1986).

groups, thereby freeing the laborers from dependence on landowners for credit. Indeed, some landowners even said they preferred being relieved of these credit obligations to their laborers, and that this new and independent source of credit made for a more "stable" work force in the region. This reaction, by the way, is just the opposite of that predicted by the economic literature on interlinked contracts for labor, land, and credit.

We tend to notice the importance of elites only when they oppose projects, because so many LEIG projects have been undone by such opposition. But we can see from the Grameen case that it is also important to understand the circumstances under which elites are not opposed. One of the lessons of the Grameen exception to our urban cases, then, is that the rural handicap can be reduced if activities are supported that are to the liking of elites. We may not know in advance, of course, how elites will react--as illustrated by the Grameen Bank and the elite reactions to it, different from what one would expect from experience and the literature. This is why experimentation is so important: it can show us, as well as the elites, that things may not be as bad in reality as we think they will be.

As distinct from many rural projects, finally, the Grameen Bank was linked from the start to a major urban center of national power--the Bangladesh Central Bank. Though Grameen is now an independent financial institution, it found its first institutional home in the Central Bank, as an experimental project. When Grameen became its own bank, the link to the Central Bank continued informally, partly through the three Central Bank professionals who went on extended leave to take managerial positions with Grameen. As in the case of many organizations with links to power, one tends not to notice them, because they are often buried in the early history of the organization, and because leaders of these organizations like to stress their independence from the establishment, and not their connections to it.

Traits of the trade

The traits shared in common by our set of organizations suggests that their performance was influenced by the kinds of economic activities their clients engaged in. Something outside the control of these organizations, in other words, helped them perform well. This "something" falls into seven categories.

First, the clients of these organizations were already producing what they were receiving assistance for (dairying, garbage-collecting, food hawking, food preparation, cigarette rolling). Or, in the case of activities newly undertaken with the organization's assistance, these were well known in the area and easily mastered (installation and operation of shallow tubewells, water standpipes, and rental houses).

Second, though clients always belonged to groups, some formed by the assisting organization (credit groups, dairy coops, garbage collectors' association), the group did not necessarily engage in collective ownership or work. In the cases where the assisting organization did introduce collective ownership (landless pumps, group standpipes, rental housing), ongoing work requirements after the initial installation period were minimal.

Third, the assisted activities did not show economies of scale, so that they did not face competition from large-scale capital-intensive industries (dairying, garbage-collecting, shallow tubewell irrigation vs. handloom silk production, cigarette-making, garment manufacture).

Fourth, supplies of basic inputs were assured (garbage for garbage collecting, water for shallow tubewells, produce for vending, fodder for cattle, though fodder supply was sometimes a significant problem for the poor).

Fifth, sales markets were already securely in place, though they were not necessarily free markets (dairy products, garbage collection services, water for irrigation).

Sixth, many of the products or services supported were in scarce supply and had high social value in economic and distributional terms (irrigation water, garbage collection services, pork and milk supply, standpipe water and rental housing in squatter settlements). This meant that consumers also benefitted from the expansion in supply of these activities, in addition to the providers assisted by the project. The high social value or "externalities" of assisting these providers is reflected in the fact that some of these services are traditionally provided or subsidized by the public sector (garbage collection, irrigation water, potable water, low-cost housing). Indeed, for most of these services, there had been a history in all four countries of public sector activity that was inadequate. The activity under our programs, then, represented a kind of ad hoc "privatization" or decentralization of these services, though nobody portrayed things in these terms.

Seventh, powerful consumers of these services themselves often played a role in bringing about support for the project (e.g., the Indian dairy parastatal as the purchaser of milk supplied by women producers). Or, these consumers had enough self-interest in seeing supplies increase that they did not stand in the way of organizing for that purpose among the poor (e.g., the land-owning employers as purchasers of irrigation water from groups formed by their landless employees).

Though the last two findings of these seven came as a surprise to me, the rest seem to reflect good common sense. Yet many LEIG programs choose economic activities and ways to support them that do not reflect this sense. Many programs, for example, are more ambitious with respect to their clients' income-earning activities. They may try to introduce activities that are new (Tototo and crafts production) or that generate opposition from elites (Proshika and fish ponds). In choosing certain sectors, moreover, LEIG programs often take on a difficult battle against scale economies in the sector which, though perhaps created by past government subsidization of large producers, have already led to large-scale, capital-intensive, and competitive production (handloomed textiles, leather footwear, garments, cigarettes). In our set of activities, there were no scale economies constantly threatening to overwhelm the assisted activities, and against which a constant and often losing battle had to be fought.

Many LEIG programs promote collective enterprises (e.g., Grameen Bank's mustard oil mills, EQI's composting plant and garbage-collectors' firm, PRADAN's community-enterprise program) because they believe that the poor are locked into low-income occupations and that collective production, often of

something new, is the only way to get them out. The designers of these programs often look for their inspiration to community traditions of cooperation around certain tasks--the building of a school, a road, a church, or a soccer field. In contrast to these latter endeavors, a large number of the collective production ventures promoted by assisting organizations do not succeed, or do so only at a high cost and with benefits to only a small number of participants. One reason for these disappointing outcomes is that the traditional collective tasks named above have a beginning and an end, in contrast to the work requirements of LEIG-promoted collective production, which is usually of an ongoing nature.

Collective work obligations often lead to disputes among cooperators about their relative work loads, and about who is working hard and who is slacking off. Also, collective work requirements fall hardest on the poor, since they are least able to take time away from their current employment; and most collective ventures do not begin to pay a return for a long period of time, let alone enough of a return to live on exclusively. The work requirements of our collectively-owned activities, in contrast, were more like those of traditional collective patterns. They involved a discrete task at the start, with a minimal amount of sustained work afterwords--the installation of a tubewell and the digging of canals, the installation of a standpipe, and the construction of rental housing.

LEIG organizations usually recognize the importance of markets, but they often approach the matter by trying to set up their own marketing outlets (Tototo, Mahila Vikas Sangh). Since nonprofit organizations have no particular comparative advantage in marketing, which itself often involves economies of scale, these attempts at creating marketing outlets frequently fail; or, at best, they benefit a limited number of producers. In our cases, in contrast, the market was already in place, even when clients were producing the service for the first time (irrigation water in rainfed rice-growing areas, potable water and rental housing in squatter settlements).

Problems of input supply also tend to be overlooked in LEIG programs, attention usually being riveted on production processes and sales markets. In our set of activities, the supply of the major input was unusually secure (water for standpipes, housing stock for rental, garbage for garbage collection), or variations in supply were predictable (irrigation water for tubewells, fodder for dairy cattle).

We tend to think of consumers as atomistic and faceless and, therefore, of little relevance to our attempts to increase production, just so long as their presence is attested to by a given volume of sales. When we do think of consumers as powerful, we view them as persons or institutions from whose clutches we want to help our clients get away, a classic example being the apparel manufacturer who subcontracts out to women working at home at piecework rates (SEWA). In our cases, however, powerful consumers played an important role in supporting improved producer conditions, out of their interest in seeing supplies increase (the dairy parastatal's support for women dairy coops and for a training institute in rural management, the Cairo governorate's holding back from banishing the Zabaleen donkey carts, the Bangladesh rice farmer's donation of a small plot of land for installation of the tubewell owned by a group of his landless employees).

When powerful consumers did not play an active role in supporting increased supply, they at least did not oppose program activities. As noted above, Grameen Bank did not get much trouble from local landowners for organizing landless laborers, partly because these elites felt that there was something in it for them. Powerful consumers or parties interested in seeing increased supply of an input, then, can be forces of support, just as much as they can oppose or exploit.

What kind of lesson?

What is the lesson to be learned from the traits shared by these better-performing programs? I should say, first, what the lesson is not. Most importantly, I do not see these traits as a checklist of prerequisites or proscriptions. Credit worked well in its minimalist form, for example, because it had certain attributes that made it both "easy" and demanding of good performance. The lesson of the story is not that LEIG programs should do credit rather than other things, but that some tasks and their environments are easier than others and, at the same time, more demanding of good performance. Programs should be designed with this in mind, with tasks being chosen or avoided for reasons of this nature.

Though this statement about lessons seems obvious, we tend to design programs in terms of what we think is needed for the clients (increased skills, access to capital, reduced dependence), rather than in terms of what is needed for the organization to be able to function passably well. We often act, in other words, as if the problem is only to figure out how to increase people's incomes, but that is only the half of it. Organizations are often just as handicapped as the poor in trying to do what they want.

Rather than being prescriptive, this list of traits is both cautionary and constructive. It is cautionary in that it shows that some of our standard approaches to program strategy and organizational design do not work well, and explains why. Providing business assistance to poor borrowers, for example, has become an unquestioned part of the way many planners think about microenterprise credit. But our study shows the better-performing credit programs as consistently not providing business assistance. The lesson is not that we should never provide business assistance, which is to exchange one set of rules for another, but that we should pay attention to what works well and what doesn't, that we should be constantly questioning our accustomed ways of doing things, and that doing less often works better than doing more. Similarly, for organizations that want to promote collective enterprises, or take on marketing, or promote new production processes, this list should be interpreted as cautionary, not proscriptive. Some of our better-performing organizations did just these things, after all, though only after travelling along the narrow path described. Finally, I consider this list as constructive because it points to opportunities where LEIG planners often do not expect to find them--monopsonistic buyers, old-fashioned products and markets, well-connected technocrats (including an economist!), acquiescent elites, poor people collectively providing public-sector-like services, support from powerful public-sector actors, tedious surveys of narrow sectors, non-specialist staffs succeeding at providing a specialized service like credit.

The question arises as to whether this small set of cases represents a good "return" on the Foundation's investment of $21 million in the LEIG area over the last five years. Part of the answer should involve a judgment on the economic return to the investments in credit, requiring some comparative benefit-cost analysis across activities, projects, and countries. Though benefit-cost ratios will not illuminate impacts in important areas like policy and professional thinking, they would help us to understand the actual impact of such programs on poor people's incomes and the sectors in which results are more robust. A recent AID-funded comparative benefit-cost analysis of five microenterprise credit programs showed high rates of return for some programs--at least as high as those obtained on large World Bank infrastructure and rural development projects (Kilby 1985). That represents a clear standard by which to compare projects in an area where comparison is quite difficult, though I would not want to approve or disapprove of an LEIG program solely on benefit-cost grounds.

At present, the Foundation has only bits and pieces of impressions about credit impacts, and they are conflicting: some evaluations say that credit has no impact, leaving people in their poverty traps with insignificant incomes, and some report just the opposite. The question is not merely academic because donors, NGOs, and governments are constantly making decisions on program design based on unverified assertions about credit. Credit organizations, for example, often justify their expansion into non-credit activities on the grounds that credit is "not enough" to increase people's incomes significantly--the rationale behind Annapurna's move into collective food catering and Grameen Bank's move to collective enterprises and venture capital. If credit <u>does</u> have more potential for impact than these other activities, or vice-versa, then funders need to know this, and comparative economic analysis is one way to find out.

The AID study of comparative benefit-cost findings showed that high rates of return had just as much to do with the characteristics of the lending program as they did with the type of economic activity assisted. The high-return programs provided only credit (*no* business or technical assistance), lent through the group mechanism, and operated in low-inflation countries--that is, where real interest rates were positive. Benefit-cost analysis, in other words, can also help us make judgments about program strategies and organizational design. Since this kind of analysis represents one of the few clear quantitative indicators we can rely on in the LEIG field, and since the methodological path has already been paved by others (also unusual), it would take little additional effort by funders to avail themselves of this opportunity to understand their programs better.

It is difficult to make a judgment about the return to the Foundation's investment in the LEIG sector without specifying what the "returns" have been in other sectors where the Foundation works and has a longer history. The Foundation's programs in agriculture, forestry, and water management are most akin to LEIG because they all carry a poverty focus, at least now, and involve activities that generate income. The Foundation's reviews and discussions of these program areas seem to exhibit no more of a sense of "hard" data or comparative economic returns than the LEIG materials. The reviews describe changes in policies, new approaches being tried, small groups being benefitted--evidence that is just as qualitative and case-oriented as that coming from the LEIG program. Reviews of these three areas may <u>seem</u> "harder" and more impressive, because each one corresponds to an identifiable set of

professionals (agronomists, agricultural economists, irrigation engineers, botanists, etc.), research institutes, and government departments and ministries. And discussion in each of these areas focuses on the way one manages something physical: land, water, trees. There is no such concreteness or professional homogeneity in the LEIG field, a matter taken up further below.

What kinds of results in the older areas of agriculture, forestry, and water have led the Foundation to feel confident about its continued programming there? The answer to this question would point to institution-building at universities and research institutes and to an impact on policies and institutions in the public sector. And it is <u>this</u> standard that goes to the heart of the comparison between LEIG and the other areas, rather than the analytical or systematic quality of the results. It is according to this standard, in my view, that the Foundation's approach to LEIG programming might be improved. This takes us into the subject of the following section.

II - Between the Government and the Nongovernment Sectors

Why does LEIG programming need improving, and how might the Foundation go about doing so? The answer to these questions has to do with (1) the Foundation's comparative advantage as a donor, (2) the inherent features of income-generating projects in the NGO sector, (3) the path by which the Foundation came upon the NGO sector as an approach to employment problems, and (4) the opportunities emerging from the present historical moment for a different style of Foundation involvement.

Among donors, the Foundation is somewhat unusual in that it has worked simultaneously in the public sector, the nongovernmental sector, and with research institutions. Whereas the Foundation's programs in agriculture, water, and forestry reflect this history of working across three sectors, its LEIG program has focused primarily on the NGO sector, with the exception of the recent initiatives of the India program. In this section, I suggest why the Foundation might want to reduce its emphasis on the NGO sector and take more initiatives in the public sector and research.

Constraints

The Foundation has had good reason for concentrating so much of its LEIG attention on the nongovernment sector. First, LEIG has no professional home. It does not correspond to a field of study nor does it deal with one particular economic sector. Unlike agriculture, water, and forestry, LEIG expertise or commitments cannot be found in a particular government ministry or academic discipline. For the Foundation, the NGO sector has come to represent an analog to that missing professional home--a place where everyone is committed to the alleviation of poverty and where substantial program experience in the subject has been accumulated.

Second, the Foundation's recent shift toward the nongovernment sector in the LEIG area arises out of a deep disappointment, shared by many other observers of development in the third world, about the persistence of massive poverty despite impressive growth records in many countries and several decades of state-promoted development. This disappointment has also extended to the poverty-oriented government programs of the 1970s, which were meant to alleviate the inequities of growth by redirecting public-sector services and subsidies to the poor.

Third, the Foundation was drawn to the NGO sector out of its belief that empowerment of the poor is central to their ability to increase their incomes. Because governments have often repressed the poor when they organize, or simply neglected them, the Foundation has viewed independent assistance in organizing the poor as crucial to their gaining of rights to government protections, services, and subsidies. In Foundation eyes, improving the incomes of the poor is therefore inextricably linked to empowerment, and it is difficult to empower people through government, particularly military ones.

Though the Foundation's affinity for the NGO sector in the LEIG area is understandable, major emphasis on this sector is difficult to justify. First, various donors have funded LEIG-type projects among NGOs since at least the early 1980s. The Foundation is not alone in this area and not "on the cutting

edge." Nor is it bringing to bear on this problem its unique ability to act simultaneously in the government, nongovernment, and research sectors.

Second, NGO programs in the LEIG area typically do not make significant inroads on poverty in a particular country--either directly in terms of beneficiary numbers, or indirectly in terms of affecting policy or programs carried out by larger institutions. The low impact and lack of replication of NGO programs has to do with certain "diseconomies of scale" affecting their expansion. The diseconomies take the following form:

(a) the strength of many successful NGO efforts arises out of a certain ethnic, religious, or other social homogeneity, which is irretrievably lost when these organizations expand and become less parochial;

(b) NGOs compete against each other and the public sector for funding from foreign donors, which means that they are driven to "differentiate their product" from these "competitors," rather than cooperating with them or exchanging ideas about service-delivery models in the cause of getting good program ideas replicated;

(c) because a large share of NGO funding comes from foreign donors, and because NGOs usually prefer foreign funding to local support, distance and mistrust prevails between the government and nongovernment sectors, thereby reducing the possibility that government will replicate successful NGO "experiments";

(d) NGO programs do not grow partly because NGOs are under no external pressure to reach large numbers of persons, in contrast to the public sector, where political pressure to reach large numbers is high.

As a result of these diseconomies, the path to replication of successful NGO experiments in the LEIG area is somewhat blocked, meaning that the relevance of their experiments to nationwide problems of poverty and unemployment can be quite limited.

Third, history has shown us that in third-world countries with good performance on income distribution, government policies and programs have played a key role. Conversely, certain government policies regarding credit subsidization, tariff protection, and agricultural development have had major adverse impacts on employment. Though the behavior of government may leave much to be desired in the poverty-alleviation area, in other words, what government does exerts a powerful impact on poverty. If the Foundation wants to have a significant impact in this sector, it cannot afford to stay away from such a powerful actor.

Fourth, our understanding of what works in the public sector with respect to poverty alleviation is woefully inadequate, partly because recent events have cut short the process of learning from this experience. The economic crises of many third-world countries have brought about a reinterpretation of much past government policy as "bad"--as having laid the groundwork for the crises--even those policies previously considered to have been good. This current disappointment about the performance of third-world public sectors can be seen, in part, as an almost predictable over-reaction to the excessive optimism of an earlier period, when everyone had great faith in the ability of third-world governments and first-world donors to eradicate poverty and bring about sustained growth.

The economic and debt crises of the 1980s have turned a generation of economists away from the study of poverty and poverty-alleviating initiatives to issues of debt, trade, and macroeconomic management. As a result, our ability to make informed judgments about the potential of policy and programs to alleviate poverty is constrained by the lack of comparative research on what has worked well. We have turned our backs on the public sector without informed enough reason and have put excessive faith in a "new" sector, the NGOs, which is impeded by its very structure from bringing about the kinds of impacts we hope to achieve.

Opportunities in the Public Sector

At first glance, the opportunities for significant LEIG programs in today's world of economic crisis, fiscal austerity, and "unfashionability" of poverty concerns, would seem quite limited. Upon closer examination, however, the current moment also turns out to provide some new opportunities for LEIG initiatives:

First, the political unpopularity of today's austerity programs, with their removal of long-standing public sector subsidies on basic goods, their reductions in public-sector jobs, and their general reductions in employment, constitute a serious political concern to today's third-world leaders. This has made them more sympathetic to certain LEIG-type initiatives than they would have been in the 1970s. Though resources were more abundant and poverty alleviation was more in fashion at that time, the informal sector was held in scorn by political leaders and development planners alike, because of their visions of "modernization" through large-scale industrialization.

Examples of current public-sector gestures in the LEIG area are India's Integrated Rural Development Program, Kenya's emphasis on the informal sector in its national plan and recent tariff-rebate measure for small manufacturers, and Egypt's programs to fund the acquisition of equipment for artisanal activities and to allow pensioners to take their retirement benefits in one lump sum for the start-up of small businesses. Though all these programs have major flaws, they are nevertheless reaching thousands of poor persons.

Second, the economic conservatism of the times, with its emphasis on "getting the prices right" as the answer to most economic and social ills, turns out to harbor a distinct sympathy for the small-firm sector in third-world countries. Firms outside the regulatory power and the privileges of the state, in this view, use capital and labor in the "right" proportions because they face prices for capital and labor that have not been tampered with by the state. That is, they use capital more parsimoniously and labor more extravagantly than large modern firms, with their access to state-subsidized credit and their labor costs "encumbered" by government-mandated fringe benefits. With respect to small firms producing in the informal sector, then, the interests of the "right-price sympathizers" overlap somewhat with those of the "poverty sympathizers." This convergence, linking the currently unpopular poverty concerns to the powerful conservative economics of today, provides a distinct opening for LEIG initiatives in the public sector.

Third, and related, the current debt crises have forced many third-world countries to reduce imports drastically through devaluation and import controls. Though lower-income groups have no doubt suffered disproportionately from these crises and the related policy measures, some small producers have flourished as a result of the disappearance of cheap competing imports and of local goods produced by large firms dependent on imported inputs. The current situation, in other words, has made it more difficult for third-world countries to pursue growth strategies biased toward large, capital-intensive firms. And from some of the countries experiencing reduced imports, some surprising and useful evidence has emerged on how robustly the small-firm sector can respond when policy changes in its favor.

Fourth, the current popularity of "decentralization" among development planners translates into more autonomy to local government and to local offices of central-government ministries and parastatals. This opens up the field for LEIG experimentation by allowing a donor like the Foundation to pick and choose from among the most capable and interested local offices of government. This is exactly what the Foundation has done with the women's dairying project in Andhra Pradesh (working through the state office of the national dairy parastatal), the sericulture projects in Bihar and Karnataka (working through the state offices of the national sericulture board), and the initiative with the Principal Bank of Egypt (working through the regional branch in Dumiat).

III - Recommendations

In searching for and evaluating grant proposals in the NGO sector, the Foundation should place priority on the potential for impact, rather than on institution-building for its own sake in the NGO sector. Impacts can take the form of large beneficiary numbers, influence on policy, or likely replicability by other institutions. In advance, of course, any project proposer can predict these kinds of impacts. From this assessment and others, however, we have learned that certain kinds of project designs and environments are more likely to lead to impact than others. Organizations can reach a much larger number of people if tasks are carried out in certain ways--the minimalist form of credit being a striking example. Organizational leaders with visions of reaching masses of people are more likely to have impact than those who aim to do an excellent job in a few communities.

"Experiments" in the NGO sector should be viewed with particular caution. Experiments that work well on the small scale characteristic of many NGO programs usually do not lend themselves to large-scale operation because of diseconomies of scale--in the organizational and political sense, as well as economic. In order for an experiment to be replicated, it is not sufficient that it only be "successful." The experiment must also be conducted in an environment where the institutional capacity for replication is already in place; or the links of project leaders to centers of power must be strong enough so that the experiment has a path along which it can later spread to broader institutional networks. The Grameen Bank is an example: leadership was closely tied to important elites, including the country's Central Bank, in addition to the fact that the organization's founder was determined to follow a "franchisable" model of service delivery that could be repeated throughout the country.

One of the obvious ways of choosing a setting with the potential for replication is to fund NGO projects that have some relationship to government programs. This can take various forms: programs can help a certain class of clients to gain access to government-subsidized goods and services (Working Women's Forum and credit), they can effectively pressure government for changes in policy that will result in increased incomes to large numbers of persons (SEWA achieving reduced police harassment of vendors), they can be given the responsibility for implementing certain parts of large government programs (MYRADA and India's Integrated Rural Development program), or they can help provide a missing ingredient to government programs that are not working well (Proshika's rehabilitation of defunct government-owned tubewells in Bangladesh and sale of them at subsidized prices to landless pump groups).

To suggest a link to government as a criterion for funding NGOs may seem a constraint on the Foundation, and inconsistent with the very character of the nongovernment sector. But comparative research on NGOs shows that in many countries they have been most important in sectors where a substantial share of their funding comes from government, and where government has been interested in allowing them to play a complementary role in providing services (James & Rose-Ackerman 1986). Even in the United States, where private philanthropy is high, government funding still accounts for roughly one quarter of NGO budgets--the share being even higher for social services, community development, and health care in third-world countries. The health sector is a good example of public-private complementarity, because NGOs have

made important contributions to health there. In most such programs, NGOs and government actually "jointly produce" the service, though neither side might describe it that way: governments supply vaccines and medicines, and official certifications to service providers, while NGOs supply the outreach. Neither could operate without the other.

In that NGOs receive public-sector support in countries where they have been important, the largely foreign-funded NGO sectors of many third-world countries can be seen as somewhat of an aberration. The Foundation could help them develop the public-sector connections they need to grow, and to have a greater impact, by requiring of the NGOs it supports some kind of matching commitment from government. The commitment need not be financial--it can take the form of office space, vehicles, seconded staff--as long as it creates the link and hence the potential for replication.

The Foundation could make a unique contribution in the LEIG area if it broadened its program to include the public sector. As a small donor, of course, the Foundation is not in a position to make a significant contribution to large public-sector programs. But it does have a unique role to play in supporting experimentation in the public sector, as it has with its women's dairying project in India and its initiative with the regional branch of a government bank in Egypt. Governments find it politically difficult to initiate and fund these experiments themselves, because they can be accused of favoring certain geographic areas.

Though government bureaucracies often act insensitively to the poor, and may seem incapable of carrying out poverty-alleviating programs, an LEIG program that seeks to have impact should address the challenge of discovering program designs and methods of service delivery that <u>can</u> work in these organizational environments, or that attract skilled and committed people to them. The Foundation should draw on its skills in "networking" to find the committed, competent, and powerful professionals in the public sector and to locate experiments in their departments or branches. This kind of search should not be limited to the "social ministries," since they usually are weak, have low budgets, and follow a welfare approach to their task. Construction ministries are an opposite example: they are powerful, run by skilled technocrats, and their spending and contracting have significant impacts on employment. Powerful parastatals are another example, like India's federated system of cooperatives, where the Foundation's women's dairying project was located.

The Foundation's long history of relating to professionals in third-world governments, along with its more recent experience with the NGO sector during the last six years of LEIG programming, have placed it in a unique position to bring together NGOs and government for exchanges about some of the more successful NGO experiences. Through this kind of interchange around concrete experience, it may be possible to reduce some of the mistrust between government and NGOs--a mistrust that prevents a complementary relationship between NGOs and governments from evolving. In supporting such interaction, of course, the Foundation will be limited by the fact that there are strong and rational reasons for the distrust, and that cooperation for cooperation's sake will often not be in the interest of either party. The Foundation can identify situations, however, in which cooperation might be of mutual interest.

The Foundation should take advantage of some of the new opportunities for LEIG initiatives created by the environment of austerity. Though some of the "new" policy wisdom has favorable implications for the informal sector, as noted above, the prevailing economic conservatism and the related decline of interest in issues of equity have led to the disappearance of employment and equity as prime objectives of policy. The Foundation might want to provide support to policy-making units on these issues, so that thinking about them becomes less of a "luxury."

Research

In the 1970s, poverty alleviation was of much greater concern to economists and project designers than it was beforehand, or today. This was partly because the subject became prestigious in the field of development economics. One of the reasons that poverty issues gained such prestige is that the leader of a powerful institution, the World Bank, decided to invest large amounts in research on the relationship between growth, policy, and income distribution. Giving prestige to research, of course, is not all that it takes to turn the attention of politically powerful decisionmakers to a subject. But it helps.

One result of the fall from prestige of equity-oriented research and policy is that development scholars and professionals with such interests today have no institutional home--research funds, graduate students, colleagues working on the same subject. They do not have the kind of professional support that the field of economics today provides, for example, to economists doing research on issues of debt, trade, and macroeconomic policy. Partly as a result, students and scholars still interested in LEIG issues tend to be found mainly in the non-economist social sciences. And economics has come to be thought of as a discipline that is inhospitable to poverty concerns, even though it was in the forefront of research on the subject in the 1970s.

The field of economics is becoming more and more powerful in determining how policy is made. It also provides some of the important analytic tools necessary to understand the impacts of policy and programs on poverty. If LEIG concerns continue to remain as intellectually peripheral in economics as they are today, it will be difficult to command the kind of attention that is necessary to attract powerful persons and institutions to the task of changing policies and adopting effective programs. For all these reasons, the field of economics cannot be avoided by those with LEIG concerns--just as the public sector cannot be avoided if one wants to carry out a program that has significant impacts on poverty.

LEIG needs research attention because relatively little comparative analysis has been carried out on the 1970s experience with public-sector poverty-alleviating programs in the third world. Though there is a rich literature on the failures of that period, there is very little to help us understand the successes, and the common traits they share. The record is not only incomplete but, because of prevailing intellectual fashions, it is often wrong--good illustrations being the until-recent misinterpretation of the East Asian growth experience as resulting from a "non-intervening" state, and the mistaken judgment that government parastatals, particularly in Africa, are always a failure.

There is still much comparative research to be done on what has worked and what has not in the public sector. If the Foundation wants LEIG concerns to be taken seriously, and if it wants to help policymakers and program designers to make informed decisions in this area, it should be funding more research. The research should have a somewhat narrower and different focus than that of the past. Past research on third-world poverty falls into two categories: (1) cross-country and longitudinal studies of the relationship between economic growth and income distribution (including policy effects); and (2) studies of the "anatomy" of poverty, including analyses of the adverse effects of growth and many government programs on the poor. One of the results of our learning so much about the adverse effects of change on the poor is that, in a certain sense, we have become incapable of acting--pessimistic about things working out, and worried that we will harm the very subjects of our concern. This is why we now need to add to our understanding of poverty a better sense of what works institutionally in terms of service delivery and what kinds of interventions bring about significant changes in people's lives.

References

Ashe, Jeffrey (1985). The PISCES II Experience: Local Effort in Micro-Enterprise Development. Bureau for Science and Technology, United States Agency for International Development. April.

Chen, Marty (1984). "Development Projects for Women: Oxfam America's Program in India and Bangladesh." Presented at the conference entitled "The International Women's Decade and Beyond." Sponsored by the American Association of University Women. New York. October 12-13.

Chen, Marty (1986). "Overview of Women's Program: India and Bangladesh, 1980-1986." Oxfam America. October.

DAI (Development Alternatives, Inc.) (1979). The Development Impact of Private Voluntary Organizations: Kenya and Niger. By A.H. Barclay, Jr., Marilyn W. Hoskins, Wamburi K. Njenga, Robert B. Tripp. Washington, D.C. February.

Farbman, Michael, ed. (1981). The PISCES Studies: Assisting the Smallest Economic Activities of the Urban Poor. Washington D.C.: Office of Urban Development, Bureau for Science and Technology, United States Agency for International Development. September.

Hirschman, Albert O. (1967). Development Projects Observed. Washington, D.C.: The Brookings Institution.

James, Estelle, and Susan Rose-Ackerman (1986). The Nonprofit Enterprise in Market Economies. New York: Harwood Academic Publishers.

Kilby, Peter (1979). "Evaluating Technical Assistance." World Development 7:309-323.

Kilby, Peter, and David D'Zmura (1985). Searching for Benefits. AID Special Study Number 28. Washington, D.C.: United States Agency for International Development. June.

Paul, Samuel (1982). Managing Development Programs: The Lessons of Success. Boulder: Westview Press.

Rial, Charles, and Charles Howell (1986). Internal document. "Final Report on PRI Financial Intermediaries. Report to the Ford Foundation, Program Related Investments (PRI)." New York. January 10.

Tendler, Judith (1982). Turning Private Voluntary Organizations into Development Agencies: Questions for Evaluation. AID Program Evaluation Discussion Paper No. 12. Washington, D.C.: U.S. Agency for International Development. April.

Draft April 1988

Micro-level Strategies for Supporting Livelihoods, Employment, and Income Generation of Poor Women in the Third World -- The Challenge of Significance

by

Katharine McKee*

Prepared for the Ford Foundation's Women's Program Forum Symposium,
"Expanding Income Earning Opportunities for Women in Poverty:
A Cross Regional Dialogue,"
Nairobi, Kenya,
May 1-5, 1988

* Associate Director, Center for Community Self-Help, Durham, North Carolina; formerly Program Officer, Rural Poverty and Resources Program, The Ford Foundation

Micro-level Strategies for Supporting Livelihoods, Employment, and Income Generation of Poor Women in the Third World -- The Challenge of Significance

I. INTRODUCTION

Where does direct, productive, micro-level assistance fit in the range of strategies pursued by development organizations and donors to support poor women's livelihoods, employment and income generation (LEIG)? How does it relate, for example, to policy reform efforts, grassroots organizing, or social welfare interventions? Has the extensive experimentation with micro-level LEIG projects and programs of the past decade and a half led to significant improvements in poor women's earnings and income security? And even if significant economic gains have been achieved in some settings, what are the political, ideological, and social implications of making self-employment upgrading and enterprise promotion the centerpieces of development strategies aiming to improve the living standards and the power base of the poor and of women?

This paper seeks to explore these thorny questions and their meaning for the goals, strategies, and impact of donors active in the LEIG field. Its analysis concentrates on organizations and programs that pursue increases in women's opportunities and status through interventions which are primarily economic in nature, rather than social or political (although such distinctions can become somewhat fuzzy when strategies are examined in depth). It focuses on efforts providing direct assistance to beneficiaries, delivered at the micro-level and aimed at strengthening their income-earning activities in the "informal sector." As such, it is intended to complement other papers prepared for this symposium that examine micro-level interventions targetted to women's employment in the formal sector, and macro-level policy changes which could improve women's economic position in the informal or formal sectors.

A central conclusion will be that direct productive assistance can indeed achieve significant gains for poor women engaged in the informal sector. Yet such assistance must be viewed by donors as only one component of a comprehensive approach to grassroots development and structural change. Other vital components include advocacy, policy reform, programs aimed at asset acquisition and transfer, and, most importantly, basic investment in human resources. While it is neither desirable nor feasible for all donors to support all such components, improved understanding of their interrelationship will strengthen our collective efforts.

The paper first examines the central challenge facing development organizations and donors that support direct productive assistance to poor women at the micro level: are these efforts achieving significant results, and how should their significance be measured and assessed? After proposing four possible measures of program effectiveness and significance, the paper presents a typology of three such LEIG strategies currently being pursued by diverse development organizations across the Third World. It attempts to suggest which offer particular promise for achieving significant economic gains for poor women. The final section examines implications for donors in program goals, design, and implementation.

II. IN SEARCH OF SIGNIFICANCE

In a recent analysis of over 100 Ford Foundation grantees engaged in support of livelihoods, employment, and income generation of the poor, Tendler identified eight organizations that stood out as being "better performing." The criterion she applied in judging performance of direct micro-level projects and programs was the significance of the results achieved. She suggested two specific measures. The first was meaningful, sustainable gains in income levels and stability (although not necessarily a permanent escape from poverty) achieved by large numbers of beneficiaries as a direct result of program participation. This measure would tend to favor strategies, programs, and services that are subject to economies of scale. The second measure of significance was more indirect, but no less important: influencing in a positive way those government policies and market forces that substantially shape the livelihoods opportunities of the poor. Included in this category would be micro-level interventions or programs that result in changed behavior and resource flows of other major development actors -- be they public sector agencies, the national banking system, or large-scale international donor agencies -- to the advantage of low-income people.

While these measures of significance are somewhat subjective, they suggest benchmarks for assessing effectiveness of LEIG projects, programs, organizations, and donor efforts. The essence of performance, in Tendler's view, remained the beneficiary's own bottom line -- real improvements in income, whether achieved through direct assistance or systemic change. Based on this measure of significance, she described the characteristics of relatively effective LEIG organizations and outlined strategies of donor support that would serve to reinforce this effectiveness and identify future "better performers."

While we will return in the final section of this paper to review these findings, let us briefly explore two alternative measures of significance. The first perspective shares Tendler's focus on economic impacts, but argues that such programs should be assessed primarily in terms of their contribution to aggregate employment, economic growth, and diversification of the local economic base, rather than (or in addition to) poverty alleviation and participants' income gains. As such, this argument tends to give relatively less weight to distributional concerns. Furthermore, its proponents are perhaps more confident than are other observers that development of the informal sector, or of strong subsectors, can itself generate a self-sustaining economic dynamic.

A fourth proposed measure of significance, and one perhaps particularly salient to discussion of supporting poor women's LEIG efforts, is the extent to which beneficiaries, and in some cases their households or communities, are mobilized and thereby empowered. Even if actual income gains and/or the number of individuals involved is rather small, this argument runs, the results achieved by the micro-level interventions are important (and worth funding) if the participants are thereby able to embark upon self-sustaining processes of asserting their rights and exercising their new-found power. Unfortunately, "empowerment" is a slippery concept to define and measure. As evidence of such processes, proponents would point particularly to collective actions undertaken by groups of program participants and to signs of new sex roles for women, including entry into non-traditional economic activities and exercise of leadership.

Thus, four possible measures -- scale, systemic change, employment and economic growth, and empowerment -- have been suggested whereby LEIG organizations, and the donors that support them, can assess the results and significance of their work. By no means are these criteria mutually exclusive; indeed, most programs hope, and claim, to be achieving more than one at a time. It is important to bear in mind, however, that each measure of significance reflects a different perspective on how socioeconomic change processes can be promoted most effectively for disadvantaged people. They also mirror different goals being pursued by donors and the organizations and projects they support. In particular, does the intervention aim to create jobs and entrepreneurial opportunities that can lift people out of poverty or incremental improvements in income levels and security? Are social and political objectives accorded equal priority with economic ones? What trade-offs do these choices imply in terms of which constituencies can be targetted and how many individuals can benefit? As we outline a typology of LEIG strategies at the micro-level in the following sections, we will return to these different measures of significance, to analyze strengths and weaknesses of the various strategies, and to assess the implications of this analysis for funders.

III. THE RANGE OF STRATEGIES PROVIDING DIRECT PRODUCTIVE ASSISTANCE TO SELF-EMPLOYED WOMEN AND MICROENTERPRISES

Once a development organization commits itself to micro-level efforts to improve the LEIG options of poor women, it must then make a series of important strategic choices about whom to assist and how best to organize its assistance programs. As a general rule, the organization will first specify the characteristics of the intended beneficiaries, in terms of asset levels, caste, class, ethnic group, refugee or migrant status, or other targetting criteria. Thereafter it must apply a further targetting "lens," in designing its lead program strategy. I would suggest a categorization of at least three broad approaches toward addressing the problems of self-employed individuals and microenterprises: area/beneficiary-, sector-, and function-focused strategies.

The first strategy has been perhaps the dominant mode of NGO-initiated LEIG efforts targetted to low-income women, as well as many programs carried out by governments during the International Decade for Women. This area/beneficiary-focused strategy offers a comprehensive range of services to a target group of clients (e.g., refugee women, women from landless households, female household heads) within a delimited, often rather small geographic area. Typically, the target area consists of one or several poor neighborhoods in an urban settlement or clusters of rural villages, although it may be expanded over time. The strategy's holistic approach to meeting beneficiaries' multiple needs (which to some extent resembles that of the community development movement in the Third and First Worlds) shapes program characteristics in several ways. To meet the succession of needs jointly identified by staff and participants, the program must provide or identify externally a wide range of services, including skills training, credit, health/nutritional interventions, and/or marketing services. Given the multi-purpose nature of the program, staff are likely to have a generalist background, with organizing ability being the single most important skill requirement. Social and political goals, such as leadership development and improvements in health or education, are often accorded equal status with

economic ones. Over time, the non-economic interventions may prevail, as when organizing and group formation come to be viewed as appropriate ends in themselves even if income gains achieved are minimal. (Hereafter I will use the shorthand term "area-focused" to refer to this strategy.)

The second approach, i.e., the sector-focused, also requires delivery of a comprehensive range of LEIG services, but with a very different orientation than that of the area-focused. In essence, it engages the development organization in addressing the specific problems confronting microenterprises and the self-employed within one or several economic sectors, industries, trade groups, or occupations. In undertaking this strategy, the organization commits to analyzing the target sectors and activities in some detail. It also commits to being an active participant within that sector by undertaking a range of interventions in the marketing, input supply, technology, training, and credit areas. Engaging in advocacy with powerful public and private sector institutions (e.g., technical ministries and parastatals, municipal authorities, regulatory and licensing bodies) may also be an indispensable element of success.

The third strategy, which might also be called the "missing piece" approach, targets a single constraint to its target group's LEIG initiatives, the removal of which will allow beneficiaries to practice their livelihoods more productively and profitably. By far the most common "missing piece" identified for attention by direct assistance programs is credit. While this is not necessarily assumed to be the only constraint to improved livelihoods, it is viewed as a very significant one. A central rationale for such programs is that making capital available will itself unlock considerable self-employment, enterprise start-ups, and expansions. By focusing on a generic constraint such as credit, the development organization can legitimately remove itself from the role of trying to analyze (and pick "winners") from among the large array of income-earning activities and sectors in which its constituency engages. Less commonly, marketing services and training can also provide the lead entry point for function-focused programs.

The three strategies are not mutually exclusive. In fact, several of the most successful LEIG organizations combine them, especially the function- and sector-focused approaches, whether simultaneously or sequentially. Tendler and others have observed that some of the "better performers" have begun with services largely limited to streamlined, "minimalist" credit delivery, only later to move on to other (and, I would argue, probably more difficult) strategies such as comprehensive sectoral development. In its early history, for example, the Self-Employed Women's Association (SEWA) concentrated primarily on credit delivery to women in the urban informal sector. Credit access was viewed as the "missing piece" which would itself serve to achieve significant gains in income levels and stability for its members. While its current array of programs represents a sophisticated combination of sectoral, credit, and marketing strategies, SEWA has built this program incrementally, and may indeed have failed had it sought to pursue an overly ambitious combination of strategies from the outset. The Bangladesh Rural Advancement Committee (BRAC) offers a similar example. Indeed, upon closer analysis, the overall program of such large, multi-purpose LEIG organizations is perhaps best seen as a combination of the three strategies.

At a practical level, the significance of these strategic choices is that they represent the initial "screen" made by the development organization

to organize its activities. Ideally they help it avoid dissipating the effectiveness of its work by trying to do too much for too many. The choice of area, sectoral, or functional focus permits the organization to specialize and develop the necessary expertise on its staff to implement the selected strategy successfully. Staff of an area-focused program, for example, must develop in-depth knowledge of the needs and circumstances of the geographic area designated for intensive support. Similarly, organizations pursuing the other two approaches must attain the requisite professional expertise in the targetted sector(s), or in design of cost-effective credit delivery systems, marketing services, or training methodologies, respectively.

Not surprisingly, an organization's decision about which lead strategy or strategies to pursue tends to reflects its basic philosophy of how processes of socioeconomic change and empowerment occur and can best be promoted. Most fundamentally, whom does it seek to serve? Only the very poorest women? Their families? Their communities? Does the development organization seek to generate new employment or is it content with increasing its clients' sources of supplemental income? How does it resolve the likely trade-offs between helping large numbers of participants to achieve incremental improvements in their livelihood base, or assisting a smaller number to make more major gains that might remove them permanently from poverty? Is its overriding goal to help its constituencies to achieve better and more secure livelihoods, or does it also seek to directly promote empowerment (e.g., through grassroots mobilization and the formation of advocacy organizations, pressure groups, trade unions, etc.)? In the next section we will return to these choices and how they "fit" with different LEIG strategies. Obviously, the organization's goals and worldview, as well as its choice of program strategy, are also fundamentally shaped by the macroeconomic and policy environment in which it works.

In my view, the sectoral and "missing piece" strategies offer relatively greater promise than the area-focused for attaining significant improvements in poor women's LEIG prospects, and thus are worthy of further major support by the donor community. The advantages and disadvantages of each will be explored in the following section, to lay a base for discussion among symposium participants as to how donors might better: specify goals for their LEIG programming; choose which development organizations to nurture, which of their programs to support, and how to promote their institutional development; identify consequent policy advocacy roles that they should play, if any; and assess the effectiveness of their work.

The Sector-Focused Strategy: A Quick Overview

In pursuing this strategy, the development organization generally selects sectors or trades in which: large numbers of poor women are already concentrated; evidence exists of significant unmet market demand or of new technologies with productivity-enhancing potential which might be capitalized upon to benefit low-income producers; and there is a strongly articulated policy concern with increasing output in that sector, which is often accompanied by the creation of large, government-funded subsidy pools and an infrastructure to deliver technical and marketing services. A good example that illustrates the application of these criteria is dairying in India:

- While women have the main responsibility for care of milk animals, their income does not adequately reflect their labor inputs. Rarely have they been members of the dairy co-ops set up by the government and provided with subsidies and services.

- A strong demand exists for milk and dairy products. While the most isolated areas experience some distribution problems, for the most part this is a fairly safe and expanding market.

- Matching this market demand is a strong government concern with expanding production. The government launched Operation Flood in response, through which state-level parastatal organizations organize co-ops, provide inputs and services, and market the milk.

Support from the Ford Foundation and other international donors has permitted parastatals and NGOs to experiment with strategies focused on improving women's participation in this sector, by training women extension agents and technical staff, supporting their outreach efforts, forming all-women co-ops, and requiring that mixed-sex co-ops elect women to leadership positions. The pilot programs, which have achieved rapid increases in both milk production and women's incomes, are now being expanded and have generated strong interest within the National Dairy Development Board.

What activities is the "sectoral" approach likely to involve? Once the organization has committed itself to improving livelihoods within one or several specific sectors, it then seeks to identify those interventions which are most likely to improve the competitive position of its clients and hence their incomes, business survival, and working conditions. Generally, the first step is detailed analysis of the prevailing constraints, in terms of the organization of production and markets, technologies, and vertical linkages. Through this analysis, key intervention points are identified. Often the organization will pursue several specific actions at once:

- When SEWA, for example, found that police harassment severely depressed the earnings of vendors, it organized its members and successfully sought relief from the municipal authorities. Other groups have also taken on regulatory and licensing problems.

- Key problems might be raw materials and input supplies, in which case the organization may need to help producers either gain access, negotiate better terms with suppliers, or make collective purchases to get volume discounts.

- Another common type of intervention, aimed at enhancing productivity, is upgraded technology and equipment. This may require conducting research on the technology options and providing producers with credit and technical assistance to purchase the improved technologies.

- To help clients capture new and higher-value markets, the development organization may carry out market research to identify underserved markets and steer producers towards them, seek protected markets, or itself set up a marketing intermediary.

- o All of the above may require providing producers with credit for expanding and upgrading their enterprises.

- o And finally, success with all of these initiatives may require organizing, advocacy, and policy reform efforts.

In short, successfully intervening within sectors or trades requires an analytical and comprehensive approach. At issue may be who owns the raw materials and processing facilities, the terms on which small producers have access to them, obstacles toward obtaining financing from public and private sources for such activities, and the regulations and policies which depress the competitiveness of microenterprises and the self-employed.

Credit as the "Missing Piece": Models of Credit Delivery

Since credit is generally accepted as a very serious constraint to self-employment and enterprise development in the Third World, many micro-level programs seek to reduce capital constraints. While the primacy of credit as a constraint to growth in business profits, employment, and income levels and security can be debated, few would dispute that access to affordable institutional credit can serve to improve livelihoods and business survival, as well as permitting entry and establishment of new enterprises. Rarely do banks and other formal credit institutions lend to self-employed individuals or informal sector businesses. They cite the high transactions costs and also perceive the risks of such enterprises to be very high, because of their scale, lack of collateral, low capitalization, lack of financial records and formal management training, and sectors of activity. Discrimination undoubtedly plays a role as well, since many of these prospective borrowers are women, refugees and migrants, ethnic minorities, and/or illiterate.

Gender-based constraints faced by women in pursuing their livelihoods -- isolation, relatively lower levels of literacy and education, inferior legal status, and unpaid reproductive responsibilities -- exacerbate their problems of credit access. Furthermore, undercapitalization contributes to the marginal nature of the LEIG activities in which they tend to be concentrated. Denied access to formal credit sources, women traders, domestic outworkers, and artisans may have to rely on credit from their suppliers or marketing intermediaries. Women's lack of bargaining power in this dependent relationship -- and the interlinkages of input, credit, and market access -- often depress the level and security of their earnings. Thus, gaining access to credit on reasonable terms for women producers and traders has emerged as the central objective of many LEIG initiatives.

In the credit-led variant of the "missing piece" strategy, four broad approaches have been pursued to get credit to poor borrowers with viable (or potentially viable) microenterprises. The two most common seek to substitute for the lack of credit available from formal capital markets by setting up "parallel" systems, either in the form of government-sponsored credit programs or revolving loan funds run by NGOs. A third type seeks to involve banks in microenterprise credit delivery in various ways. Since the banking system represents such an enormous pool of resources, changing its behavior even at the margin offers the potential to improve the livelihoods of millions of poor

people without having to directly target them or their businesses for one-on-one assistance. A final alternative is the creation of a new type of financial institution -- poverty-focused development banks. I'd like to briefly comment on the latter two, which I believe offer the most long-term promise.

In seeking to increase involvement of commercial banks in small-scale lending programs, several alternatives have been pursued. In some programs, the bank is itself responsible for the lending and related technical assistance, sometimes utilizing a guarantee facility to offset its risk. Or the bank may provide the loan supervision only, with the technical assistance provided by another intermediary, e.g., a business advisory service or a poverty-focused NGO. Under other variants, the bank only processes the loans, assuming no risk, or accepts deposits from borrowers who are required to save as a condition of their loan.

The fourth approach to micro-credit provision, the creation of specialized development banks, is relatively new and has evoked considerable excitement in development circles. The most important feature distinguishing a development bank from a commercial one is its overriding concern with economic development and livelihood promotion in poor communities, rather than profitability. Two impressive examples are SEWA and the Grameen Bank in Bangladesh, the majority of whose borrowers and shareholders are women from landless households. Both started out working through banks but decided they could more effectively serve their clients' needs by creating autonomous financial institutions.

The past decade has yielded successful, large-scale examples of each of these four models: government initiatives, NGO-managed credit facilities, bank-focused programs, and development banks. The main operational lessons emerging from this experience help determine the significance of credit-led, function-focused strategies for low-income women.

- Perhaps the most important lesson is that delivery mechanisms can be designed which extend credit to poor borrowers at relatively unsubsidized interest rates and achieve repayment rates exceeding ninety percent. For these borrowers, standardized short-term loans have proven both worthwhile and cost-effective.

- Several significant innovations have served both to mitigate risk in the absence of conventional collateral and to reduce transactions costs, the most important of which are character-based lending and "solidarity" or borrower groups. Peer pressure and the prospect of successively large loans have proven to be powerful incentives for timely repayment by borrowers with few or no alternative credit sources.

- Another surprising (and, still controversial) finding is that in many cases, "minimalist" credit models perform as well as or better than "credit-plus" programs providing management training and technical assistance to borrowers.

- A final lesson concerns the importance of linking credit delivery with savings, insurance and emergency schemes, to provide a cushion against default, mobilize additional resources for

investment, and create wealth and a growing sense of economic empowerment for the disadvantaged.

The growing body of experience also reinforces the need to tailor the credit program's design and services to the client's specific needs. Flexibility -- in the form of small loans, frequent repayment, flexible hours for the bank, or outreach to borrowers in their homes and places of business -- appears to be a vital ingredient in the success of many programs, particularly those seeking to serve poor women, given the circumstances of their livelihoods and reproductive responsibilities. The smaller the loans available and the more "informal" the intermediary, the higher the participation of women.

IV. Achieving Significance: How the Strategies Perform

Earlier we suggested four possible measures of impact and significance: scale; systemic or policy change; employment and economic growth and diversification; and empowerment. The following observations about the strengths and weaknesses of each strategy are meant to be provocative and to stimulate discussion, since the experience to date with women's LEIG initiatives is so young and has been carried out under extremely varied circumstances.

A. Area/beneficiary-focused Strategies

This strategy, which has been practiced by NGOs and the public sector alike, engages the organization in providing a comprehensive range of services to its target group, which is usually defined both in terms of geography and of participant characteristics. Examples from the Ford Foundation's experience include the Rose Hall community development experiment carried out by the Women and Development Unit (WAND) in the Caribbean and many integrated rural development projects across the Third World. In these cases, the intermediary's goals generally include non-economic ones. Organizing and group formation are often essential features of this strategy, and at its best, it seeks to promote extensive beneficiary participation.

Proponents argue that the area-focused approach is intrinsically more empowering than other strategies, because of its accountability to the designated constituency and responsiveness to their expressed needs. Practitioners also assert that its comprehensive orientation better suits the circumstances of poor women, whose economic constraints are inextricably linked to their inferior social and cultural status. This approach may also offer the only option for intervention, at least initially, in very poor rural areas with a virtually non-existent "infrastructure" to support LEIG initiatives. An additional selling point concerns targetting. The intensive staff involvement in, and supervision of, such programs may increase the likelihood that area-focused services and benefits flow exclusively to the intended beneficiaries, rather than being captured by men or less disadvantaged women. And finally, given the often small geographic boundaries of such programs, they may be able to create noticeable improvements in their beneficiaries' lives and communities within a relatively short time period, sometimes creating a self-sustaining momentum in socioeconomic change

processes. (See Peirce for discussion of the significance of "symbolic" projects and programs in the U.S. community development movement.)

Yet the experience of the International Decade for Women has also highlighted some of the limitations of the area/beneficiary-focused strategy, raising serious questions about its ability to bring meaningful economic gains to large numbers of poor women, to bring about systemic changes in policies and markets, and to promote economic growth and diversification. Although some important exceptions exist, for the most part measurable improvements in participants' income levels and security have been disappointing or difficult to measure. The fact that this strategy entails pursuit of both economic and non-economic goals has often meant in practice that the "bottom line" results were either obscured or overshadowed by organizing efforts, leadership development, provision of basic services, and other community development initiatives. In short, the multiple goals may become confused in practice. A related concern is that implementation of this strategy is costly and labor-intensive in relation to the number of individuals typically served. Tendler and other observers have noted the structural limitations of these programs and of their sponsoring organizations, which militate against scaling-up or replication.

A final potential weakness relates to the systemic change measure of significance. While the area-focused strategy may sometimes require advocacy with local public officials or resource agencies (e.g., technical ministries, banks) to gain improved access to services, once the constituency's needs have been met (or indeed, once program staff have determined that they cannot be met at the local level), there is little incentive to undertake further efforts to change the system at higher levels. Thus, the potential for bringing indirect benefits to individuals beyond the immediate catchment area is limited.

B. Sector-Focused Strategies

Sectoral intervention strategies appear to achieve the most powerful benefits, as measured by any of the four significance criteria, if three conditions are met. The first is that sectors, occupations, or activities targetted for action have large numbers of poor women concentrated within them and already active in production and distribution. Second, a strong (and preferably growing) market exists for the sector's goods and services. And finally, the government (and in some cases, major international donors as well) recognize the sector's importance and have begun investing in increasing its productivity and output. Examples which fit these criteria, and in which sectoral interventions have been undertaken, include dairying, small animal and poultry husbandry, fish culture, production of staple and secondary crops, food processing and distribution, sericulture, trading, artisanal production, scavenging and recycling, and provision of transport, financial, and construction services. The worldwide effort of the past decade to promote increased awareness of women's vital agricultural roles, and to reduce the male bias of input delivery and research services in agriculture, represents a very significant example of a comprehensive sector-focused strategy.

Obviously the choice of sector is crucial to this strategy's success. On the scale measure of significance, experience suggests there are direct trade-offs between the number of beneficiaries the program can serve (whether

directly or indirectly), and the size of income gains to be achieved by program participants. Some programs have started with sectors and trades in which client groups are already concentrated, then seeking to strengthen the infrastructure supporting women's livelihoods within the sector, thereby achieving incremental improvements in their production relations and living standards. Others have tried to "pick winners" by identifying underserved markets or technologies which can be captured by their clients (e.g., mechanized food processing, high-input aquaculture and fish ponds, or high end, export-oriented handicrafts production), thereby achieving greater gains in income and productivity than the incrementalist approach generally can produce. Proponents of the former argue that starting from what exists in the local economy and seeking marginal improvements offers the best promise of success and of upscaling. Supporters of the latter would argue that while it can perhaps serve fewer clients and is higher-risk and more management-intensive, it is worthwhile because of the potentially more substantial income gains it can offer. They may also argue that if successful, such interventions demonstrate the scope for structural change through the poor's ownership and control of "modern" technologies and enterprises.

An LEIG organization's choice of sectors for intervention is also likely to be shaped by its concept of empowerment processes for women. Some would argue that targetting non-traditional sectors, occupations, and niches in the economy and seeking to remove barriers to women's entry is inherently more empowering than concentrating on upgrading traditional female-dominated areas of economic activity. They point to the creation of new role models and the greater need for solidarity in tackling male-dominated spheres of the economy. Here one must raise two questions. First, is it more empowering to achieve tangible, albeit modest gains through an incremental strategy, or to fail while pursuing a potentially higher-reward approach? And second, do the economic risks justify the potential socio-cultural gains, especially for very poor women? An important ethical issue concerns whether the LEIG organization (or the donor) should absorb most or all of the risk associated with such experimentation. While very poor women may sometimes have to take on risky new and non-traditional activities in their quest for survival, is it not problematic for organizations to steer them towards such activities, unless the program can offer a "safety net" in the case of failure?

Another dimension of the empowerment debate is whether there exists greater potential to build <u>movements</u> of working women by focusing on sectors in which they are traditionally concentrated. Over time, such movements may be able to seek policy and market changes which improve the structural position of large numbers of poor women, thus achieving significance through scale, systemic change, and empowerment. SEWA and Working Women's Forum have designed their comprehensive programs toward this long-term vision.

An LEIG organization that is primarily concerned with promoting employment growth and economic diversification, rather than scale or empowerment, would tend to target sectors for intervention on the basis of somewhat different considerations. Unexploited market demands, technology transfer potential, and the existence of strong forward and backward linkages with industry and commercial agriculture would dominate, suggesting a much more selective application of the sector-focused strategy than for organizations more directly accountable to particular disadvantaged constituencies. The gender implications of a growth-oriented sectoral

approach are complex. On the one hand, the weight of empirical evidence suggests that women are concentrated in livelihoods and enterprises with inherently less potential to grow and benefit from industrialization and agricultural modernization, due to their low levels of technology, capital, and skills. Liedholm's research, for example, indicates that while certain niches of the informal sector offer relatively good earnings potential, the great majority of one-person and home-based firms (in which poor women appear to predominate) are "at the margin of economic survival." On the other hand, women also play critical roles in some key sectors such as agricultural production, processing and distribution. Furthermore, many of the activities and sectors in which they are concentrated are precisely those most essential to meeting basic human needs, at the household level, and to the maintenance and reproduction of human resources, at the societal level. Although such activities are often marginalized by modernization processes and growth-oriented policies, they are essential to survival. Sector-focused strategies can strengthen women's competitive positions in these sectors and ability to provide these basic services.

Another targetting question concerns possible rural-urban and regional differences in the appropriateness of strategies. Do sectoral intervention strategies make more sense in rural areas, whereas credit-led are more cost-effective and appropriate in urban? If the urban poor are more likely to be pursuing a multiplicity of enterprises, their informal sector occupations may be too small and fragmented for sectoral interventions to be cost-effective. On the other hand, if urban markets are generally strong and more easily identifiable, the provision of minimalist credit itself might enable low-income individuals to respond quickly to new opportunities. In rural areas, in contrast, livelihoods may be more likely to be constrained by a range of factors requiring a comprehensive sectoral attack. (Jiggins' example of soap production in Mali offers an extreme example of the lack of LEIG infrastructure.) Furthermore, although many countries do not have well-developed sectoral service delivery systems, to the extent that government resources exist in Africa, perhaps they are more likely to be found in agriculture and related rural-based sectors.

The sector-focused strategy is not without disadvantages. First, and perhaps most obviously, micro-level evidence indicates that the majority of poor women pursue a portfolio approach to LEIG, by undertaking a diverse and changing range of economic activities depending on their time and resource availability and changing market conditions. Intervention in any single sector may be of limited interest and relevance to them unless the potential gains in income levels and security from the enhanced activity are sufficient to motivate them toward greater specialization. (And in a context of poverty and insecurity, overspecialization is not without dangers.) Thus, successful sector-focused programs tend to select occupations and activities from which large numbers of women earn a major part of their cash income.

A second potential limitation is that the publicly-supported systems of subsidies, credit and non-financial inputs, and market services, to which sector-focused programs seek to gain access for their female constituencies, generally exhibit a strong male bias. This bias tends to be evident in personnel patterns, client eligibility requirements, and the nature of the services provided. Thus, gaining effective access for women may require a long-term advocacy effort seeking structural changes in the delivery system itself.

A related point is that the policy and regulatory constraints identified in the implementation of a sectoral intervention strategy (e.g., rationing of import licenses, illegality of street vending, health regulations for street foods) may be exogenous to the project or program and beyond the control of the sponsoring organization and its clients. Thus, the success of prospective sectoral intervention strategies may be very much dependent on the political environment. For example, are trade unions permitted? Are NGOs tolerated and permitted to organize the poor? Does government have a proactive policy towards poverty alleviation, the informal sector, or women's advancement which makes it more willing to consider measures such as protected markets or favorable regulatory changes? Yet in the long run, the policy dialogue demanded by the sector-focused strategy may serve not only to win livelihood gains for program participants and other women benefitting indirectly from the system-wide changes. It may also have the effect of making women's economic contributions to the sector more visible and valued in general, thereby furthering a major goal of the worldwide women's movement. Dairying in India presents just one such example of changed policies and perceptions. A further potential dividend is that this approach permits poor women to recognize the commonalities of their constraints in their production relations, which in turn empowers them to the extent they are able to undertake collective action and achieve greater bargaining power.

In sum, sector-focused strategies offer considerable promise in terms of scale, systemic change, and empowerment goals. They may also contribute more than do other strategies to economic growth and diversification, through their focus on market and technology options (although the selectivity in sectors for intervention which this requires may tend to exclude many poor women dependent for their livelihoods on less dynamic income-earning activities). The sector-focused strategy is a complex one. The intermediary organization must possess considerable sophistication and technical expertise if it is to successfully develop forward and backward linkages advantageous to low-income women. In many cases, it appears that the investment of time, analysis, and money is well worthwhile, because of the policy support and public resources that can ultimately be mobilized to the benefit of many beyond those receiving direct assistance. The gradual reorientation of powerful technical bureaucracies, such as the Ministries of Agriculture and Industry, is an especially important potential by-product of this strategy.

Function-Focused Strategies: Credit

This "missing piece" strategy assumes that credit access can itself unlock new economic activity leading to income and job growth. Looking across the range of credit-led experiments, what evidence is there of the impact on borrowers and their enterprises of gaining access to credit? Until recently, there was surprisingly little hard evaluation of program impact, and even now there are only a few well-documented cases. This is perhaps not so surprising in fact, considering how difficult it is to gather information on incomes of poor households, and on the cash flows and profits of tiny businesses (e.g., the difficulty of disentangling the business from the whole scope of household activities, particularly for self-employed women and home-based enterprises). These caveats notwithstanding, the picture is beginning to emerge. Contrary to the predictions of many, the availability of credit has enabled self-employed people and microenterprises at a minimum to stabilize and modestly increase their incomes, and in many cases to expand their businesses, move

into newer and more profitable (although often riskier) lines of work, and build up a savings cushion.

The relatively well-documented Grameen Bank case offers perhaps the best example of this process of livelihood stabilization and growth. Often there has been a progression of uses of the loans. At first the borrowers may have carried out an income-earning activity they knew well, but were able to perform more profitably as a result of the loan, e.g., by buying larger quantities of inputs and/or inventory at a lower unit price, as well as having lower interest payments. When a succession of loans is available, functioning in effect as a line of credit, they may over time move into more complex and potentially more profitable activities. (But they may not.) Thus, in some settings, credit access alone appears to offer much promise for incremental improvements in livelihoods.

The evidence on employment generation and enterprise growth is more mixed. It would appear that self-employed individuals and microentrepreneurs are often seeking modest improvements in the stability and level of their earnings, and do not necessarily give high priority to business expansion through reinvestment of profits at the expense of consumption. Women in particular may prefer to allocate earnings to improved housing or their children's education. Evidence on microenterprise assistance efforts suggests that with infusions of working capital, most tiny firms (i.e., those employing one to five persons) tend to expand only to the point where family labor and management capacities are fully utilized and basic consumption goals are met. Further expansion and upgrading of the enterprise may not be perceived as worth the substantially greater risk and headaches involved. This lesson applies to the sector-, area-, and training-focused strategies as well, of course.

To date, the credit-led variant of the function-focused strategy has achieved the most impressive results in terms of scale. Public and private sector programs are serving tens of thousands of borrowers in several Asian countries and thousands in Latin America and Africa. As noted above, many (although by no means all) have developed cost-effective, minimalist models which appear capable of continuing operations with little ongoing subsidy to cover losses and operating costs. To the extent that credit-led programs have involved group formation, they may also contribute to broader empowerment and community development of the poor. Such organization is an explicit element of the Grameen Bank and SEWA strategies, for example.

Given the apparent promise of minimalist credit provision efforts to date, it is important to consider which particular models are most worthy of further experimentation and donor support. In my view, priority should be accorded to initiatives seeking to open up mainstream capital markets, on the one hand, through programs carried out by banks or through bank/NGO partnerships, and to create specialized and targetted financial institutions within them such as poverty-focused development banks, on the other. Most practitioners in the field would concur that the availability of large-scale private capital must provide the long-run solution to the credit constraints of poor entrepreneurs.

I have serious doubts about the creation of parallel credit delivery systems within broader-purpose NGOs as a long-term measure to gain access to capital for the poor and women. As a rule, NGOs are rightly perceived to have

certain advantages over government agencies and banks in delivering credit and business assistance, particularly their greater propensity to target more disadvantaged clients. They have two principal disadvantages, however. Although there are exceptions, few NGOs have adequate managerial, business and technical skills on their staff to run revolving loan fund programs that are successful in terms of client impact, loan recovery and long-term sustainability. Many programs have also suffered decapitalization. A second and related weakness is that these programs tend to stay small due to their management and structural limitations, and few seem capable of major expansion even after running a successful small program for a number of years. Thus, while some NGO-managed credit programs are effectively serving poor clients, with few exceptions they do so at high cost per loan dollar. Economies of scale appear to be significant in credit delivery.

In terms of seeking to reorient mainstream capital markets, the actual experience to date in trying to change the behavior of banks so as to be more responsive to poor clients has been for the most part rather discouraging. Basically, the banks do not consider development to be their central mission. Their structure and orientation militates against meeting the needs of this clientele and internalizing the design features of successful micro-credit models. Experience from across the world suggests that with very few exceptions, banks will only get involved in small-scale lending when they are pressured to do so, as when a government nationalizes part of the banking system and requires it to target a portion of its loan portfolio on more disadvantaged borrowers and smaller firms. Often these policy sticks are sweetened with carrots -- incentives such as guarantee schemes, or access to low-cost capital. However, such programs as exist have indeed remained special and marginal facilities at the banks -- loan windows for poor people and their businesses that have absorbed a tiny share of the bank's overall portfolio and seem to have brought about little fundamental change in the bank's structure or practices, at least so far.

Perhaps a model is called for that marries the client orientation of NGOs with the efficient standardization of a bank. Indeed, in recent years experimentation has begun with programs wherein banks earmark funds from their portfolios for micro-credit lending, while a "partner" NGO intermediary is responsible for outreach, client screening, group formation (if the model calls for it), loan packaging, and any complementary technical assistance that is required. Not only would such an arrangement play to the comparative advantage of each partner, but it could also increase the likelihood of "graduating" that small proportion of microenterprises with significant growth potential to regular bank services and hence to mainstream capital sources. Although policy carrots and sticks may be needed to induce bank participation in what they will rightly perceive as higher-cost lending, the NGO could also be compensated for absorbing the lion's share of the higher transactions costs of making many short-term, small loans.

While experience suggests that interest rates need not be subsidized, the unit costs of meeting the credit needs of low-income, self-employed individuals and microenterprises are undoubtedly higher. This is particularly so if client characteristics and program goals suggest the need for a credit-plus model, and/or if credit is being provided as part of a sector- or area-focused strategy. It may be both unrealistic and counterproductive to expect the borrowers to bear the full costs of non-credit inputs (i.e., technical assistance, marketing studies, skills training, etc.). Rather, in

bank/NGO partnerships it may be appropriate for donors to support these costs through grants, although requiring clients to pay something provides a good market test of their quality and utility to borrowers, as well as reducing the technical assistance provider's long-term dependence on external funding.

Another promising model worthy of further major support is that of the specialized development bank extending credit solely to a constituency disadvantaged by its gender, race, and/or poverty status. SEWA and Grameen Bank offer inspiring examples. They also illustrate an important feature of development banks, i.e., that to achieve more significant LEIG gains for their constituency, they may need to create non-bank affiliates to develop sectoral intervention strategies, carry out advocacy, and provide more comprehensive technical assistance, organizational, and research services. Examples include SEWA's comprehensive work with trade groups and SIDE (Studies in Innovation, Development and Experimentation), created by Grameen Bank. While their banking services may be capable of large-scale coverage and expansion, they view these smaller-scale, complementary services as essential to the challenge of building knowledge on means to move people permanently out of poverty.

The significance of the debate which has emerged from the credit experience of the past decade -- whether to create alternative financial institutions or seek instead to change the behavior of mainstream capital markets at the margin -- extends beyond credit delivery. In my view, the two approaches should be viewed as complementary rather than competitive. In light of the obvious difficulties in reorienting banks' policies and underwriting practices (even if the necessary public policy levers and regulatory measures are in effect), we should view partnership programs and development banks as laboratories for creating practical credit delivery mechanisms that offer potential for long-term significance as measured by systemic change.

They may also offer the only alternative for meeting developmentally important, but currently "unbankable" markets and credit needs. Is it reasonable to expect that the great majority of poor women will ever be adequately served by mainstream financial institutions, given their multiple constraints, the sectors of the economy in which they are concentrated, and the tenacity of sexism? I fear not. This may be particularly true for rural women, due to the inherently higher costs of extending financial services, as well as the likelihood that credit is not the only major "missing piece" to improved livelihoods. This in turn suggests a more or less permanent need for alternative institutions able to offer credit tailored to these borrowers' needs and circumstances. And, as suggested above, these institutions are likely to require at least some ongoing subsidy, given the unavoidable costs of this type of credit delivery. SEWA, Grameen Bank, Working Women's Forum, BKK (Indonesia) and other institutions offer some encouragement that the investment is worthwhile.

D. Significance of Function-Focused Strategies: Management Training and Technical Assistance

While credit is by far the most common "missing piece" addressed by function-focused strategies, a significant number have viewed delivery of general management training and technical assistance as a potentially powerful intervention. The ILO, for example, has promoted this approach through its

"entrepreneurship" development programs worldwide, and many NGOs have led with business training in their LEIG efforts targetted to women.

World Education, for example, an NGO based in the U.S., has collaborated for almost a decade with Tototo Home Industries, a Kenyan NGO, in development of a unique training "product" and methodology. Oriented towards income generation and enterprise development, its key feature is the combination of hard business skills, group dynamics, and leadership development in a training methodology designed specifically for women. The sponsoring organizations argue, first, that such training is a necessary precondition to sector-focused or credit-led strategies for their constituency of rural African women, many of whom have little prior experience in the monetized economy. Further, they suggest that this function-focused strategy has demonstrated its significance -- not only on empowerment grounds, but also in terms of its potential for scaling-up and possibly for bureaucratic reorientation and systemic change -- by virtue of the strong demand for World Education and Tototo to train women fieldworkers in other Southern and Eastern African countries. Clients to date include not only other African NGOs but such mainstream institutions as the Kenya Rural Enterprise Program, the Swaziland Agriculture Ministry, and UNICEF.

Yet the actual economic impacts of general management training are difficult to assess, and a number of questions remain. There is considerable debate, for example, as to whether "entrepreneurs" can be created, and whether this type of assistance demonstrably improves the performance of poor women's enterprises and income-earning activities, and hence their incomes. Under what circumstances might this be a powerful "missing piece"? It would appear more suited, for example, to the needs of existing entrepreneurs than to women with tiny enterprises, a changing mix of income sources, and limited experience in the market. Its utility would also likely be greater in well-developed urban economies than in relatively undiversified rural areas.

A further concern is that entrepreneurship development, as typically practiced, requires specialized staff expertise and is thus costly to provide, particularly since the benefits are largely limited to program participants. Although my knowledge of this strategy is limited, it appears unclear whether cost-effective and sustainable models have been developed to deliver these services outside of the context of sector- or credit-focused programs. Some observers of the field have even questioned whether the provision of such assistance improves business performance or loan repayment, when it is offered (or required) in conjunction with micro-credit. (See, for example, Stearns.) Clearly there is a need for careful monitoring and evaluation of entrepreneurship development programs, to assess the significance and potential of this "missing piece" strategy.

E. A Few Additional Comments on the Quest for Significance

Once again it must be stated that this preliminary attempt at analyzing LEIG strategies and impacts is a dangerous undertaking, given the dearth of empirical evidence and the tremendous diversity of circumstances in which donors seek to program development assistance. Strategic trade-offs always appear clearer in retrospect than at the program design stage. Furthermore, the strategic choices of LEIG organizations are not static, and as noted above, many pursue multiple strategies, whether sequentially or concurrently.

This combination of the strengths of various strategies has much to recommend it. To the extent that area- or sector-focused programs identify credit as a critical constraint, for example, they would do well to apply some of the important lessons of minimalist credit provision models, whether they choose to deliver the service directly or to advocate improved access to existing credit sources. Similarly, credit-plus strategies may be more powerful when undertaken with a sectoral lens. Furthermore, while seeking to address a critical "missing piece" may offer a good starting point for an organization's entry into the LEIG field, as a general rule it will move on to more complex and comprehensive strategies over time, in response to its constituency's demands and increased understanding of LEIG constraints. Several of the premier minimalist credit institutions, including Grameen Bank, have diversified their strategies in this manner.

V. CHALLENGES FOR DONORS: STRATEGIC AND PROGRAMMING CHOICES

To progress from discussing the strengths and weaknesses of various LEIG strategies into making specific recommendations for development assistance agencies is indeed fraught with peril. The diversity of the donor community -- in terms of goals, human and financial resources, and governance structures -- makes such generalization virtually impossible. One enormously important factor in a donor's scope for action, for example, is the extent to which it directly designs and implements development programs and projects, creating new institutions when necessary, in contrast to supporting initiatives of existing LEIG organizations. Another key factor is whether its political and operational mandate permits it to work through Third World governments, the non-governmental sector, or both.

In this concluding section I would like to briefly explore two critical programming issues for donors, drawing in part on Tendler's analysis. (It is important to bear in mind that this analysis was oriented toward strategic choices confronting the Ford Foundation, a relatively small, non-operational, flexible funder whose scope of action includes the governmental, non-governmental, and academic communities. Symposium participants from other agencies will need to assess whether and how these findings relate to their organization's mission and <u>modus operandi</u>.) The first issue concerns identification or design of appropriate organizations through which to implement the LEIG strategies discussed in preceding sections, and the likely need for capacity-building and institutional development of such organizations. The second issue concerns the need for, and means of, donor engagement in seeking the policy and regulatory changes that have emerged as necessary components of at least some LEIG initiatives.

A. <u>Effective Organization for Livelihood and Enterprise Development</u>

The eight "better performing" organizations and programs identified by Tendler were quite different from those typically involved in women's income-generating projects, i.e., the small NGO pursuing an area/beneficiary-focused strategy. Those that "stood out," perhaps not surprisingly, were the <u>specialized</u> organizations created to support self-employment and enterprise development <u>per se</u>. Five of the "better-performers" focused solely on women which, Tendler concluded, gave them a powerful cohesion. The remaining three had devoted serious attention

and resources from the very beginning to serving women clients. All were led by powerful individuals who were elite or well-connected, whether by family and political ties or by their professional status. As a result, they were willing and able to challenge (when necessary) and to work in partnership with (when useful) powerful institutions in society, such as the banking system, parastatals, and mainstream ministries. In almost all cases they had led the organization from its initial small-scale experimental stage to the development of major institutionalized programs with beneficiaries numbering in the tens of thousands. Taken as a whole, these findings led Tendler to recommend that donors focus increased attention and support on specialized, professional NGOs exhibiting the above characteristics, on the one hand, and selective public sector experimentation, on the other.

Thus resurfaces the debate surrounding parallel vs. mainstream service delivery. Is Tendler's preferred model of a rather benign government bureaucracy experimenting with targetted LEIG interventions more problematic in Africa than in Asia or Latin America, in light of both the overall relative scarcity of resources in Africa (which determines the capacity to do good), as well as the preponderance of one-party states (which, some would argue, shapes the will to do good)? India, for example, has not only a longstanding stated commitment and complex bureaucracy directed toward poverty alleviation, but arguably far greater resources to do so than virtually all African nations. In the African context, are NGO efforts to develop cost-effective alternative delivery systems at least more understandable, even if their coverage will remain small and hence their significance limited (as assessed by the scale and systemic change criteria)? Yet if the LEIG organization chooses to substitute for inadequate or non-existent government services, it must continually weigh the alternatives of itself providing the service directly or exerting pressure on the government (or the banks, in the case of financial services) to provide them. Public/private partnership models raise similar questions, both about the public sector's will and capacity to respond to the needs of the poor, and about the NGO's inclination and ability to play this role. For donors this poses the institutional development challenge very starkly.

Given the infancy of this field, and the limited absorptive capacity of its practitioners, clearly there is a need for donors to support capacity-building as well as projects. This is especially the case if the "infrastructure" of LEIG organizations, whether public or private, is to be built up so it can achieve scale, influence policies, promote economic growth, and empower the poor. Tendler's analysis offers a tentative starting point for determining which types of LEIG organizations are worth strengthening, and which should become more or less permanent features in the landscape. With resources so scarce, donors face very difficult trade-offs in making investment decisions. One might view their resources as external "subsidies" brought into the development process. It is perhaps more powerful in the long run to allocate these "subsidies" to strengthening effective, poverty-oriented institutions, rather than specific projects or the individual enterprises of the poor.

Another capacity-building issue grows out of a central recommendation of this paper: that in the future, donor LEIG investments should concentrate particularly on supporting experimentation with sector-focused and certain types of credit-led strategies. Are there sufficient capable and thoughtful LEIG organizations in a position to experiment with them? Already we are

seeing increasing donor competition for effective LEIG organizations. Clearly, we have a responsibility to help grow more, either from scratch or by assisting existing intermediaries to strengthen their structures and strategic focus. What stance should we take with respect to the growing number of NGOs engaged in this field, for example? If their goal is economic (vs. strictly social welfare), at a minimum we should structure incentives for them to develop their capacity to pull on existing services rather than setting up parallel ones. Might we encourage indigenous NGOs that are pursuing an area-focused approach, for example, to try out sectoral interventions? Or to explore the potential for partnerships with banks in delivery of credit and other business services and resources? We must not underestimate the difficulties of retaining a clear focus on poor women as we seek to promote such partnerships and the large-scale replication of NGO models by public and quasi-public agencies.

B. Donor Roles in Supporting Advocacy and Policy Reform

Both the weight of empirical evidence and the experience of the past decade of experimentation suggests that poor women's economic opportunities have been restricted by a complex and interrelated web of constraints. Prevailing policies and market mechanisms have tended to work against them because of their gender, the scale of their enterprises, and the sectors of the economy in which they are concentrated. Sector-focused strategies in particular, and area- and function-focused approaches to a lesser extent, are likely to identify such structural barriers which can often only be addressed through collective advocacy and policy reform. The best-conceived enterprise-focused interventions of development organizations, for example, can be absolutely overwhelmed by policy changes, such as new restrictions on street vending.

Yet to what extent is it both appropriate and feasible for donors to engage in support of policy reform and related advocacy efforts? Clearly there is no single answer to this question. The nature and extent of such intervention will be shaped both by the assistance agency's internal political and structural constraints, and by the LEIG organizations with which it works. Indigenous NGOs, for example, may need to chart a very careful course in their advocacy strategies, and some may fear both the visibility and the issues of legitimacy and outside control that are raised if they accept overt outside support for their advocacy work. I would argue, however, that virtually any donor could identify some additional opportunities to improve its beneficiaries' livelihood prospects through policy-oriented measures.

The mechanisms whereby donors can promote sector- and macro-level policy changes beneficial to their constituencies are several. Official multilateral donors, and to some extent bilateral funders, may have scope to raise such issues (which, it should be pointed out, have productivity ramifications as well as equity and welfare ones) in the context of structural adjustment discussions and the negotiation of major budgetary support to Third World governments. In some cases, funding of policy advisor positions or special units within mainstream ministries or parastatals may be appropriate. Support of demonstration projects, if they are carefully designed to ensure involvement of the intended policy audience and meticulously monitored and evaluated, can also yield significant pay-offs. If the political will for change exists, or can be stimulated through effective advocacy efforts,

policy-oriented applied research can highlight significant LEIG-related problems, such as scale biases or potential labor displacement from new technologies, and suggest possible remedies. Finally, for those donors able to do so, investment in strategic organizing and advocacy initiatives can yield high returns.

These program instruments are not new, although many have been less frequently used in the LEIG field than in longer standing areas of donor involvement. This is due in part to a thorny practical problem. With few exceptions LEIG concerns do not have an institutional "home" in Third World governments. Rather, given the heterogenity of the rural non-farm and urban informal sectors, strategic LEIG interventions are likely to hinge on responsibilities and actions of government bodies far beyond the Ministries of Agriculture and Industry. This makes it much more difficult both for LEIG organizations and their donors to seek needed policy changes, and to knit together the key actors and actions required for their effective implementation.

VI. CONCLUSION

My final point concerns the relationship between improving poor women's livelihoods and bringing about more fundamental empowerment and improvement in their social and political status. As the Ford Foundation entered the field, a central premise held by its staff was that increasing and diversifying poor women's earning power was a precondition for their exercise of rights and decision-making power in other spheres of their lives. From a reading of the experience to date I think we can conclude that this premise was correct, that is, the rather economistic view that gaining women a stable economic base and an above-survival level for themselves and their families is a necessary, although by no means sufficient condition for more far-reaching, sustainable empowerment.

At the end of the International Decade for Women, we have learned some very important lessons about what <u>types</u> of economic interventions are most likely to end up empowering women relatively more or less, and to have relatively greater or fewer social and political spill-overs. The prospect of improving their livelihoods and gaining access to scarce resources like credit has proven to be a very powerful incentive for organizing. Thus, collective action has often emerged as an essential element of effective micro-level LEIG strategies. Its results can benefit the broader community, as well as poor women beyond those directly engaged. Furthermore, many of the better-performing organizations created to improve women's self-employment and enterprises have moved on to actions of a more overtly political and social nature, once they have been able to demonstrate their bottom-line capabilities to their constituency, policymakers, their funders, and other important audiences.

Finally, the enormous importance of supporting new role models for women through LEIG interventions cannot be underestimated. Those efforts which have helped poor women to be economically active outside the home, to enter non-traditional sectors and activities, or to themselves staff LEIG organizations appear particularly powerful in stimulating such changes, without which sustainable, long-term improvements in the structure of women's economic opportunities are inconceivable.

Sources and References

Bhatt, Ela. "Women and Small-Scale Enterprise Development in a New Era." Remarks presented to The International Institute of Development, Ottawa, Canada. 27 October 1987.

Bruce, Judith. "A Home Divided: Women and Income in the Third World."

Buvinic, Mayra. "Projects for Women in the Third World: Explaining their Misbehavior." Paper Prepared for U.S. Agency for International Development, Office of Women in Development. 1984.

Chen, Martha. "A Sectoral Approach to Promoting Women's Work: Lessons From India." May 1988.

Jiggins, Janice. "Conceptual Overview: How Poor Women Earn Income in Rural Sub-Saharan Africa and What Prevents Them From Doing So." March 1988.

Liedholm, Carl and Donald Mead. "Small Scale Industries in Developing Countries: Empirical Evidence and Policy Implications." Prepared for the Employment and Enterprise Development Division, Office of Rural and Institutional Development, Bureau for Science and Technology, U.S. Agency for International Development.

Nelson, Candace. World Education. Conversation on March 23, 1988.

Peirce, Neal and Carol Steinbach. "Corrective Capitalism -- The Rise of America's Community Development Corporations." A Report to the Ford Foundation. July 1987.

Stearns, Katherine. "Assisting Informal-Sector Microenterprises in Developing Countries." A Report Prepared for the Department of Agricultural Economics, Cornell University. August 1985.

Tendler, Judith. "What Ever Happened to Poverty Alleviation?" A Report Prepared for the Mid-decade Review of the Ford Foundation's Program on Livelihood, Employment, and Income Generation. March 1987.

MARTY CHEN

A SECTORAL APPROACH TO PROMOTING WOMEN'S WORK: LESSONS FROM INDIA

Marty Chen
Harvard Institute for International Development

Paper prepared for the symposium, "Expanding Income Earning Opportunities for Women in Poverty: A Cross-Regional Dialogue," sponsored by the Ford Foundation, Nairobi, Kenya, May 1988.

Women's income earning opportunities can be categorized along a number of different parameters including type of activity, mode of production, location of work, or sector of production. In this paper, sector is the preferred parameter and is used to refer to the various production sectors of an economy like agriculture or handloom or fishery. So defined, sector holds significant promise as the unit of analysis and intervention in projects designed to expand income earning opportunities for poor women.

Government policies and programs are typically developed along sectoral lines: that is, critical sectors of the economy are assigned, with significant budget outlays, to specific ministries or departments for support and development. Although, over the past decade in response to the United Nations Decade for Women, many governments have established women's ministries or have opened women's desks within different ministries, these mechanisms have been relatively ineffective, to date, in relating women's specific requirements to the macro-level sectoral policies and programs.

In a parallel effort, over the past decade, non-government organizations have established women's units or developed women's components to supplement or be integrated with their on-going development activities. Non-goverment policies and programs are typically developed and implemented along either beneficiary or enterprise/activity lines: that is, either the basic needs of selected beneficiary groups or the constraints faced in selected enterprises/activities are identified and addressed. However innovative, the non-government projects have generally failed to catch the serious attention of government planners, in part because they are not developed on sectoral lines.

This paper argues that applying a sectoral framework to the analysis and promotion of women's work provides one way of closing the gap between the now well-documented economic roles of women and the as yet male-biased macro-economic planning by governments. Further, this paper recommends that non-government organizations and donor agencies might consider developing pilot projects for women in the critical sectors of the economy, documenting and advocating these pilot efforts, and, thereby, showing the potential for mainstreaming women into the major sectoral plans and programs of the government.

In the first section of this paper, I define the sectoral framework and present the assumptions which led to advocating a sectoral approach. In the second and third sections of the paper, I describe how to operationalize a sectoral framework and illustrate the approach with examples of sectoral projects from India. And, in a final concluding section of the paper, I

discuss the strengths and weaknesses of the approach and outline some implications of a sectoral framework for future research and action.

I. SECTORAL FRAMEWORK

The sectoral framework, advocated in this paper, represents a strategic way of thinking and planning. As such, it is best defined in operational terms. At the level of conceptual or policy analysis, the sectoral framework calls not only for the analysis of any given sector within the overall economy (eg. which sectors show promise of continuing growth or significance? which sectors are endangered by structural changes within the economy as a whole?) but also for the analysis of dynamics within each sector. So defined, the sectoral approach involves analysis within any given sector of the various, often co-existing, modes and relationships of production; the time trends in terms of potential new markets and technologies or possible "dead-end" activities and products; and the structural and systemic constraints to women's full employment or productivity.

Through such sectoral analysis, intervening structural constraints or strategic needs can be identified and then translated into planned interventions. Key sectorally-specific interventions can be tailored to meet the needs of particular sectoral groups: in this case, poor women. Further, as government programs are typically developed along sectoral lines, the project interventions can build upon and link women to existing support systems and institutions.

Few non-government organizations have adopted the sectoral way of thinking. Most NGO's conceptualize the development problem, whether of women or the poor in general, either in beneficiary or enterprise/activity terms. The <u>beneficiary</u> approach involves, typically, an analysis of the basis needs of a given set of beneficiaries (usually defined or deliminated in a mix of class and geographic boundaries: eg. the poorest residents of a given number of villages or urban settlements). Under the beneficiary approach, the NGO's generally offer a wide range of economic and social services. The <u>enterprise/activity</u> approach involves the analysis of the main constraints to the enterprises or economic activities carried out by a designated beneficiary group. Under the enterprise/activity approach, the NGO's generally address a few constraints common to all the enterprises or activities, most frequently the need for credit.

The reason for advocating a sectoral approach to promoting women's work is based on several assumptions. First, that women are left out of national plans in part because they are not conceptualized as workers in the critical sectors of the economy. When macro-level planners analyze and measure development, they do so in economic terms: that is, they discuss the functioning

and performance of different markets (factor, labor, capital, commodity) within different sectors of the economy. Implicit in their analysis is the assumption that workers, producers, farmers are men. When these same planners analyze and address the issue of women or the poor, they do so in welfare terms: that is, much like the non-government organizations, they categorize women (or the poor) into social categories (mothers, female heads of households) or asset-holding classes (landless, asset-poor) and debate whether to provide assets, credit, or employment. If development planners and practitioners, whether from government, non-government, or donor agencies, were to conceptualize women's work in sectoral terms they would, it is assumed, be more convinced of the possibility and necessity of mainstreaming women.

A second, related assumption is that the sectoral approach offers the potential for helping bridge the gap between micro-level insights about women's work and macro-level plans. Whereas the Women in Development (WID) movement has generated a reasonable amount of data about female labor input into various sectors of the economy in different regional contexts, the analysis of and insights from this data have not, to date, been adequately reflected in national plans or translated into development programs. Government planners in India draw a sharp distinction between projects dealing with production and projects dealing with poverty: the poor, explicitly, and women, implicitly, are relegated to poverty projects and the issues of the poor and of women are seldom raised in the context of production projects. One way to bridge the welfare-to-economics or the poverty-to-production gap is not only to conceptualize women as workers within sectors of the economy but also to develop pilot projects in support of women's roles within given sectors.

A third assumption is that opportunities and constraints for promoting women's work are often specific to particular sectors. Although the need for credit or organizing or training or ownership over the means of production can be said to be common needs across sectors, different types and levels of credit, organizing, training, or legal advocacy may be appropriate to different sectors, even to different situations within sectors.

This paper concentrates on sectors in which large numbers of women are concentrated and for which, atleast in some regional contexts, significant public-sector services and infrastructure exist. For some sectors in some regional contexts, public-sector services and infrastructure do not exist, so that a slightly different strategy is called for, one that either provides directly or lobbies for support services. In some sectors in some regional contexts, women are not employed in significant numbers; in such situations, a strategy to integrate and promote women in that sector may be called for. Further, although this

application is not discussed in this paper, a sectoral analysis could be applied to new sectors which are emerging under structural changes in an economy: that is, the sectoral way of thinking could be used to diagnose or predict the future structure and growth of emerging sectors so as to position women, with necessary training and support, in significant niches within promising sectors.

II. OPERATIONALIZING THE SECTORAL FRAMEWORK

The following discussion is based on program experience from India, where government services and infrastructure in support of critical sectors of the economy are significant and where the experience of non-government organizations (NGO's) is rich and varied. In India, many pilot projects in support of women's work have been developed. Before the more successful pilot projects were launched, prior surveys of the sectors in which women are engaged were undertaken to uncover and diagnose the relationships and modes of production and marketing; the growth and/or stagnation trends within each sector; the number and type of critical constraints faced by women; and key interventions to address these constraints.

Most critical to this diagnostic process was the analysis of women's niche in the particular sector. The questions asked in such an analysis included: if women work as wage labor, in which segments of the labor market and for what level of wages; if women work as piece-rate workers, in which operations and under what terms and conditions; if women work as family labor, at which tasks and with what degree of control over the means of production and the income from production; and, if women are self-employed, either as vendors or in micro-enterprises, at what levels of trade or production and with what degree of access to institutional sources of credit and inputs.

Although most of the successful projects in India started with a single "entry point" intervention (typically credit services), most have, over time, evolved into complex projects carrying out multiple interventions. These interventions have been adopted, sometimes with modifications, from five different types of development strategies: credit or banking services; technical extension, training, and inputs; trade union organizing; cooperative formation; and social welfare services. The sequencing and mixing of interventions has been determined not only by the diagnosis described above, but also by the capacities and skills of the project staff and by the changing environment for women workers.

For women who are self-employed or work as family labor in petty trade or micro-enterprises, the most common "entry point" intervention is to provide credit directly or to leverage

institutional credit. Various mechanisms have been worked out in this regard: from savings-and-loans groups which operate on their own capital to mutual guarantee groups which provide group collateral as a means of leveraging bank credit to women's banks which raise their own capital from the savings and membership fees of their members. Most commonly, the credit is used by women for working capital. In some cases, with repeat loans, women are able to expand or upgrade their enterprises.

Projects working with urban self-employed women frequently undertake interventions to address the harrassment by police, municipal authorities, and traders. For example, in organizing vegetable vendors, the Self-Employed Women's Association (SEWA) in India, has negotiated licenses for the vendors from the municipality, staged a protest "sit-in" against competitive traders, fought a legal battle to guarantee the vendors space in a "modern" market, and, most recently, negotiated a contract with the municipality to supply vegetables to a government child-feeding scheme. In working with piece-rate workers, the same projects find they must address exploitation by middle-men and traders. For example, a project in Delhi was able to organize Muslim women gold-embroiderers to eliminate the middle-men and to deal directly with the traders: thus capturing for themselves the middle-men's share of value-added. Other projects working with piece-rate workers in muslin-embroidery and block-printing have helped women avoid the middle-men and traders altogether by training the women in specially-designed products which the project markets directly.

In some sectors or trades, self-employed women face stiff competition, often from the industrial sector, for raw materials. Projects have typically responded by offering loans for bulk purchase of raw materials at wholesale prices. Some projects have attempted, albeit with limited success, to lobby for protective quota systems or price policies.

In many situations, women lack ownership or control over the means of production, most notably land or cattle in rural areas and equipment or vehicles (eg. push-carts) in urban areas. A few projects, not nearly enough, have negotiated land deeds for women, either individually or jointly with their husbands; other projects have provided loans for women to redeem mortgaged land. Several projects have provided cattle loans to women and have insisted that the cattle purchased with these loans are insured in the women's names. Many urban projects have arranged credit for women to purchase equipment or vehicles.

In both urban and rural settings, women wage laborers generally do not have equal access as men to labor markets and are paid less than the minimum wage. Although no major battles have been won in the fight for minimum wages from private employers, several projects have successfully lobbied the

government for equal access and equal wages for women (as for men) at food-for-work or other public works schemes.

Generally, women piece-rate workers do not receive the employment benefits or support services offered formal-sector workers. A few projects have developed occupational insurance, life insurance, or maternity benefit schemes. Several projects provide day care schemes for women workers. Other projects have lobbied or fought legal cases to ensure women's rights to worker's benefits and bonus schemes.

Although most projects to all target groups begin with interventions which they can undertake directly or leverage easily from other sources, most encounter constraints to women's full productivity or employment which cannot be addressed without supportive or protective public policy. The necessity for advocacy and lobbying leads to an opportunity to mainstream women into public policies and programs. Several examples of successful influencing of public policy will be discussed below.

In determining the sequence and mix of interventions, the more successful projects appear to have followed certain common guiding principles. First, the more successful projects developed a priority list of interventions based on the women's expressed needs and on the project's diagnosis of the sectoral context in which women work. Second, these projects then identified a single key intervention (eg. provision of credit, leasing of land, or improved spinning technology) through which they began the project. And, third, they developed a sequence of interventions according to the their own capacity to respond and the changing work environment of the women.

Few projects have tackled the full range of strategies required to increase women's economic productivity and employment. Fewer still possess the requisite skills to provide this complex range of assistance. What is necessary by way of staff capabilities is different at each stage of developing a project. At the beginning of a project, some staff should have reasonable analytic skills in order to diagnose constraints to women's work; other staff may need only the generalist, promotional skills of community development work. But further into the project's life-cycle, what will most likely be required are both specialized technical and managerial expertise and sophisticated unionizing skills. At issue is not whether projects have weaknesses because all suffer one or another weakness, but whether they are aware of and admit to these weaknesses and are prepared to address them.

In the context of the often limited technical and managerial capacity of NGO's, the sectoral approach has a distinct advantage over many other income expanding approaches. Because the sectoral approach assumes that women are working, the NGO

projects can be developed around the existing skills and entrepreneurial know-how of the women. Moreover, the sectoral approach provides the NGO a strategic planning framework. With a reasonal degree of strategic planning capacity and general promotional skills, an NGO can initiate a sectoral program with women workers without putting the women beneficiaries at risk or the project staff at a disadvantage. If they were required to train women in new skills and to initiate a new enterprise, the NGO would require a greater degree of technical and managerial capacity from the start.

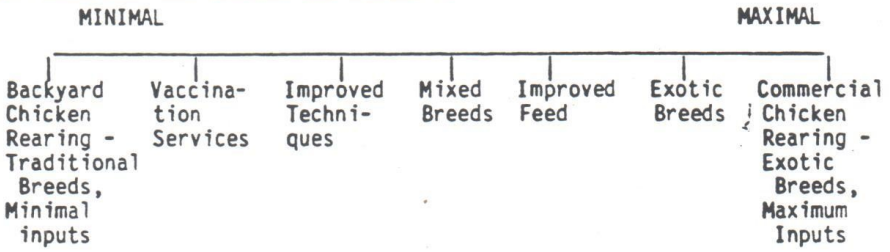
In prioritizing and sequencing interventions, projects are faced with at least two sets of critical options. The first set relates to the degree to which the project should provide directly or leverage from government the resources and services required by women workers. Under the sectoral programs of government, financial (credit, subsidies) and technical assistance (extension, inputs and services) are made available to varying degrees, depending on the sectoral and regional context, but typically by-pass women. The projects must, therefore, decide which of these inputs and services to leverage or lobby for and which to provide directly. In addition, the project may identify and choose to provide support services to women, which are not currently offered by the government's sectoral programs, either to men or women.

The second set of options faced by pilot projects relates to the degree of increased economic returns and security to be aimed for. Within each sector, the objectives and related interventions could range from only minimal gains to maximal benefits. As conceptualized here, minimal gains represent incremental gains in income and security of work whereas maximal benefits represent significant increases in income and security. For piece-rate or wage workers, minimal gains typically involve unionizing women to demand higher prices/wages or legal protection. For self-employed or family workers, minimal gains typically include provision of credit, inputs, or training. Maximal benefits in all cases generally involve moving the women workers into new product markets or new lines of employment.

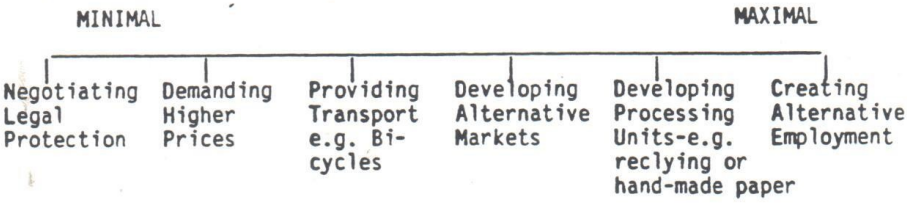
The factors that might determine the choice taken by an individual project should include the skills and capacities, both technical and managerial, of the women beneficiaries and the project staff; a diagnosis of market demand and constraints within the given sectors; and a calculation of investment and risk. But most importantly the project must decide whether it aims to benefit large numbers of women with minimal gains or smaller numbers of women with more maximal benefits. Experience to date indicates that those projects which have aimed for maximal gains (eg. alternative higher-return employment) have at most been able to benefit several hundred women, whereas those that have deliberately adopted minimal gain strategies have

benefitted large numbers of women, as many as several thousand.[1]

To illustrate the minimal-maximal calculation, the following examples might be useful. In designing poultry schemes, project staff face two broad options: to support traditional backyard poultry rearing geared to local markets and consumption or to develop commercial poultry rearing with improved or imported varieties geared to urban markets. The intervention required to reach these two options can be placed along an objective-interventions continuum as follows:



Similarly, although in a completely different sectoral context, a pilot project for garbage pickers would face two broad options: to improve the working environment of the garbage pickers or to develop alternative employment for them.



One major qualifying note on the minimal-maximal gain calculation. What appears, in the short run, to be a minimal gain may, in the long run, prove to be a maximal gain; or vica versa. For example, efforts to negotiate protective legislation or higher prices for a traditional occupation could lead to

---

[1] Generally, the choice of whether to pursue minimal gains or maximal benefits for a particular set of women workers represents a "trade-off". However, in certain contexts both types of objectives might be pursued for women workers in a given sector. Although SEWA generally unionizes women by trade groups to demand higher prices/wages or protective legislation, SEWA has recognized the necessity of organizing some women within certain trade groups into cooperatives which negotiate autonomous or new markets as a contingency plan for women victimized in the union struggle.

significant macro-structural change that would improve the working environment for large numbers of garbage pickers, forest-gatherers, or any other occupational group, whereas efforts to provide alternative employment for the same occupational group might run the risk of proving non-viable or unprofitable. Additionally, such efforts might result in the reduction of women's bargaining power by withdrawing them from confrontation with forces that obstruct or exploit them.

III. THE SECTORAL APPROACH IN PRACTICE

In choosing sectors in which to promote women's work, two criteria should be applied. First, one should identify sectors which employ large numbers of women. Second, one should choose sectors which show promise of continuing growth or significance and which are, therefore, of major interest to national policy makers. In India, women are engaged in large numbers in most of the critical sectors of the economy, except industry: including, agriculture, dairying, small animal husbandry, fishery, forestry/natural resources, artisan production, silk production, and home-based manufacturing.[2] Rough estimates of the number of men and women in India engaged in these sectors are presented in Table 1.

The following broad characteristics hold true for all these sectors in India. First, except for the urban informal, the governments have developed significant policies and programs of support in each of these sectors. Second, these sectors represent the critical sectors of the economy with the notable exception of industry. Therefore, thirdly, if new market and technology opportunities (other than in industry) are to develop, they will, in all likelihood, develop within these sectors. Fourth, women are engaged in large numbers within one or more production and/or distribution niches within each of these sectors. At issue, therefore, is not whether women are engaged in the critical sectors of the economy but how to design and implement strategies in support of women's work within these sectors.

What follows is a brief description of NGO and donor agency experience in working with women in three sectors in India: dairying, forestry/wasteland development, and silk. The description attempts to highlight a process whereby NGO's and donor agencies, in developing pilot projects, effectively interacted with and influenced government programs in these sectors. In concluding this section of the paper, I then discuss a sector in which no significant pilot project for women have

---

[2] Home-based manufacturing falls under the "Khadi and Village Industries" rubric and infrastructure in India.

Table [1]

Approximate Employment Figures in the Ten Employment Systems

Employment System	Women (million)	Men (million)
I. Agriculture and allied activities		
1. Agriculture[1]	19.87	75.47
2. Dairying[2]	75.00	5.00
3. Fisheries[3]	1.00	1.80
4. Small animal husbandry[4]	15.00	2.00
5. Forestry/natural resources[8]	n.d.	n.d.
II. Village and small industries		
1. Khadi and village industries[5]	1.70	1.99
2. Handlooms[6]	2.98	4.48
3. Handicrafts[7]	0.54	2.20
4. Sericulture[4]	0.80	1.20
5. Urban Informal [8]	n.d.	n.d.

1. Census of India, 1981, the number of women cultivators under main workers is taken here.
2. Dairy India, 1985.
3. Department of Fisheries, Government of Tamil Nadu
4. Manorama Yearbook, 1985.
5, 6, 7. Seventh Plan document and Manorama Yearbook, 1985.
8. No data available but guesstimates are in the tens of millions for men and women in each sector.

Table adapted from Viji Srinivasan's discussion paper: "Integration of Women into Large Employment Systems in India", 1986.

---

* Census data generally undercount women's work. For instance, the 1981 census lists women under agriculture only if a woman is cited as main worker, which generally is not the case. The numbers of women actually engaged in agriculture is more likely to be close to 75 million (that is, to the number of households reporting men as main workers in agriculture as in most farm households women work alongside men).

been developed, either by NGO's or government: the sector in which, ironically, the largest number of women are engaged - agriculture.

A. Dairying

In India, commercial dairying has been developed to a significant degree. Under the National Dairy Development Board, a nation-wide grid of village-level cooperatives which collect, test, and pay for the milk supplied to the cooperative; district-level unions responsible for the transport and processing of milk and milk products plus cattle feed plants, cross-breeding, and veterinary services; and state-level marketing federations which coordinate production planning and marketing have been established.

Traditionally, women throughout India have had the primary responsibility for the care, feeding, and maintenance of milk animals and the processing of milk products. Although there are no official statistics available as to the degree of participation of women in dairying, experience and micro-studies indicate that women play a major role in dairying. Although women's labour inputs into livestock maintenance vary to some degree by region, age or caste, generally speaking all cleaning, washing, feeding, watering and milking of animals is performed by women and female children except grazing where, generally, male children are used.

Wherever commercial dairying has reached, however, women have not been integrated to the degree their labor inputs warrant. In most areas, women have not been granted membership in the dairy cooperatives; provided with subsidies, credit, and services (eg. vaccination, veterinary, feed); or paid directly for the milk they deposit at the dairy depots. Moreover, women's roles in two critical technologies, the gathering/growing and processing of feed and the processing of milk products, has been usurped by mechanized techniques under the commercialized dairy sector.

Given the strong and expanding market for milk and dairy products, the strong and expanding infrastructure in India for commercialized dairy production, and the acknowledged predominance of women in most stages of milk production, commercial dairying is a significant sector in which to mainstream women. In India, therefore, a set of pilot projects in support of women's roles in dairying have been undertaken both at the parastatal level and at the non-government level. With strategic planning and financial assistance from the Ford Foundation, the Andhra Pradesh Dairy Development Federation developed a pilot project which trained women extension agents nd technical staff, organized all-women dairy cooperatives, and required that mixed-sex cooperatives elect women to leadership

positions. At the same time, in a parallel effort, several non-government organizations assisted by Oxfam America also formed all-women dairy cooperatives; arranged cattle loans and waived membership requirements so that previously asset-less women could join the dairy cooperatives; trained women as extension agents, dairy cooperative officers, technical staff, and para-veterinarians.

These pilot projects were undertaken with two broad objectives in mind. One, to integrate women into the national dairy program at all levels: as producers, as veterinary care providers, as members and officers of dairy cooperatives, as extension staff, and as supervisors and managers. Two, to lobby for change in the national dairy program: changes in the cooperative membership rules (to allow not only women but also the poor equal membership in the cooperatives) and changes in certain technologies (improved local breeds of animals rather than imported breeds; decentralized veterinary care through female para-veterinarians; improved traditional, rather than commercialized, techniques of feed production and processing and milk processing).

Under the national dairy program, significant time and money is spent on scientific research to improve the national herd, with a special emphasis on imported high-yielding cattle breeds; special factories produce feed concentrates for supply to village dairy cooperatives; a network of veterinary doctors is supposed to provide veterinary services to dairy cooperative members; and an extensive grid of village-level cooperatives and milk collection depots streamline the collection and testing of milk and the disbursement of milk payments. In practice, milk collection and testing in each of the countless member villages takes place daily (in some areas, twice daily) on a remarkably regular and efficient basis. However, the provision of loans and subsidies for people to acquire cattle is left to the nationalized banks and the government's Integrated Rural Development Program; veterinary care services are at best sporadic (as each veterinary doctor is expected to cover too many villages); and the supply and sale of feed is irregular.

Under the NGO-run pilot projects, special efforts are made to provide cattle loans to asset-less women for the purchase of improved local varieties of cattle; to organize and register all-women dairy cooperatives; to provide loans and subsidies for cooperative members to grow fodder, either individually or collectively; to train women to be para-veterinarians in their own villages; to provide regular payments for milk directly to women; and to train women to be dairy cooperative officers, dairy extension workers, and dairy program managers. As yet, although the issue has been discussed, no NGO has started cooperative processing of milk products.

In an effort to document and disseminate the lessons from these pilot projects, the Ford Foundation financed the publication of a set of case-studies of these pilot projects and the convening of the first national conference on "Women in Dairying". In large part as a result of these efforts, the state-level project has been expanded to other parts of Andhra Pradesh and replicated in another state of India; the National Dairy Development Board has increased its overall commitment to women in dairying; and the non-government projects are better able to leverage training, extension, and other services from the government's dairy infrastructure.

B. Social Forestry and Wasteland Development

Natural resources play a crucial role in meeting the daily subsistence needs of the vast majority of rural households in India: food, fuel, fodder, fertilizer, building materials, and medicines are all gathered and collected from the biomass. According to the sexual division of labor within the family in India, the collection of household needs like fuel, fodder, and water is primarily the responsibility of women. Therefore, it is women, probably more than any other group, who are most affected by environmental destruction. As natural resources become increasingly difficult to obtain, women have to spend an inordinate amount of time foraging for them.[3]

There is today within the country, and in government agencies, a new consciousness about the importance of forests, pastures, grazing land, and the biomass in general to people's lives. This consciousness has been translated into two waves of recent government programming. Since the mid-1970's, social forestry schemes, that is, forestry aimed at meeting the fuel, fodder, fruit and timber needs of the people, have been promoted. Since the early-1980's, wasteland development schemes, that is, development of wasted land into fuelwood and fodder plantations, have been promoted. As a result, the commitment to and rate of afforestation have picked up substantially.

In the social forestry and wasteland development movements, the government has not only recognized the importance of people-centered afforestation but also of NGO's in organizing community reforestation schemes. The NGO's have had, then, two important roles to play in these movements. First, cooperation with official development agencies in helping to bring together the technical experise and the organizational skills needed for

---

[3] Figures for the area of land degraded or otherwise wastefully utilized in India are at best rough estimtes. But most estimates concur that between one-third to one-half of India's total lands (whether forest, grazing, arable, or fallow) suffer from serious environmental degradation.

successful afforestation. Second, lobbying with and "watch-dogging" official development agencies to ensure that government-sponsored afforestation schemes retain a people-focus. For instance, many NGO environmentalist have questioned the choice of tree species, the wisdom of monoculture plantations, and the nature of the actual beneficiaries of the government's social forestry and wasteland development schemes.

In recognition of and response to the problems people, especially women, face in the wake of environmental destruction, the NGO's in India launched a significant environmental movement, spearheaded by the efforts of hill women with support from local Gandhian NGO's to protect the Himalyan forests. In many different locations, NGO's began organizing women's environmental protection groups and/or women's tree-planting cooperatives. One NGO unionized tribal women who work for the forestry corporation, collecting and processing minor forest produce, to demand minimum wages. Other NGO's lobbied for quotas of minor forest products and other natural resources for women's cooperatives and women artisans who live off processing these products. A consortium of NGO's protested and obtained a stay order against a proposed new Forest Bill which would increase the power of forest officials and curtail the rights of people to gather forest produce. And, fortunately for the movement, one NGO concentrated its energies on thoroughly and forcefully documenting the deteriorating condition not only of India's environment but also of the lives of people, especially women, who live off the environment.

As a result of these efforts and the growing awareness of the degraded state of a major portion of India's land mass, the government established a National Wasteland Development Board in early 1985. The Board's mandate was to bring five million hectares of land each year under fuelwood and fodder plantation. The National Wasteland Development Board has appealed to voluntary agencies to play an active role in promoting wasteland development, emphasising the crucial role women can play in such a people's movement since fuelwood and fodder collection are the primary responsibility of women. Under the Board's directives and with Board financing, NGO's have negotiated the allocation of common properties to organized groups of women for plantation of trees, shrubs, and grasses. In some cases, the NGO's have negotiated the deeding of standing trees, either for ownership or management, to individual women or groups of women.

As a result of the coordinated actions of government and non-government organizations in this sector, several important policy developments have occurred. The Government of India's Seventh Five Year Plan has included, for the first time, supply of fuelwood to meet rural energy needs as a component of the Minimum Needs Programme. A significant shift in strategy has taken place in the plan with regard to social forestry. The Plan

notes that whereas, earlier, priority had been given to plantation of exotic species, there is now a need to identify and propogate indigenous, fast-growing species which are location specific and which are acceptable to the people, particularly women. The Plan also advocates promoting community invovlvement through granting of tree pattas (rights), sharing of usufructs, and devising institutional arrangements which would vest the rights of trees planted to the agencies or persons who plant the trees.

C. Silk Production

There are four types of silk produced in India: each variety requires slightly different production processes. Significant numbers of women are engaged in the cultivation, rearing, and spinning of silk, fewer in the reeling and weaving of silk: the degree and type of involvement depending on the variety of silk and the area of operation.

In collaboration with the Central Silk Board and selected state-level silk departments, several pilot projects in India (assisted by the Ford Foundation and Oxfam America among other donors) have hired women extension workers and/or trained and engaged women in all stages of silk production. The process of vertically integrating women into all stages of silk-production has meant that, whereas women were typically confined to the cultivation, rearing, and non-mechanized spinning processes of silk-production, women are now able to earn the value-added from other steps in the production process.

One project trained women in carpentry to manufacture spinning wheels. Another project trained women to manufacture silk-rearing trays and other equipment necessary for silk rearing. Several projects trained women to operate and manage mechanized silk-reeling units; normally all mechanized operations are the preserve of men. Two projects trained women to weave silk; in most weaving households, except in areas of back-strap weaving, women are generally engaged in ancillary activities but not in actual weaving on the loom. And, the same two projects trained women to tailor and embroider silk cloth.

These pilot projects were initiated with three objectives in mind. One, to integrate women through specialized training into all stages of silk production. Two, by making women's contribution to silk production "visible", to integrate women into the infrastructure and planning process of the government's silk programs. And, three, to create an interest in and demand for non-mulberry varieties of silk and labor-intensive technologies for silk production. As a result of these efforts, and concomittant research on women's inputs into silk production, the government has begun to rethink and restructure its silk

development plans. For instance, the government has provided training and seed-production services to NGO's; hired women extension workers in a pilot state-level silk program; redrafted plans for a large-scale silk project which threatened to undermine the traditional roles of artisans who produce silk-rearing trays (by introducing centralized production of silk-rearing equipment); stepped up its efforts in support of a neglected variety of silk (tassar) which grows wild in tribal belts. And, in a drought-prone state of India where silk had never been cultivated, after an NGO introduced mulberry silk cultivation[4], the state-level Tribal Development Board provided loans and subsidies to tribal women to develop the necessary infrastructure (irrigation facilities, rearing huts) and purchase the necessary equipment (rearing trays, spinning wheels) for silk production.

D. Agriculture

In India, women's contribution to the production, processing, and preservation of food grain is substantial. Although there are significant differences in the incidence of female agricultural wage labor and women cultivators across agro-ecological zones in India (eg. irrigated vs. rain-fed paddy, irrigated vs. rain-fed wheat), women are found working independently or alongside men in all field operations, except ploughing, through harvesting to threshing. Generally, preservation and processing operations are the preserve of women.

Most women cultivators in India face two sets of constraints in their agricultural roles: the first associated with the size of their land-holding, the second associated with their gender. If they are from landpoor households, women cultivators face the standard problems of small-holder and rain-fed agriculture: the lack of credit and risk-bearing capacity to invest in HYV's; the lack of equipment or bullock-power; the lack of crop insurance; and the neglect, relative to large-holder cultivation, by mainstream agricultural research and extension. Not only in support of landpoor women but small-holder agriculture in general, the agricultural establishment might put more emphasis on dry-land and small-holder agriculture. In landless households, many women care for home gardens, which provide plant materials which help carry families over lean seasons. Agricultural research and extension systems might take

---

[4]A scientist at a local agricultural university had developed drought-resistant varieties of the mulberry bush and the mulberry silk worm. The local NGO offered to field-test these varieties on a pilot basis. The field-testing proved successful and the NGO began an extension project with tribal women.

into consideration the husbandry and utilization of these homestead plots.

From whatever land-holding strata, women farmers face other constraints by virtue of their being women: constraints which derive from the male-bias of mainstream agriculture and the male-bias of traditional patterns of land ownership and control. Under most traditional patterns of property ownership and inheritance, women exercise very limited ownership or control in their own rights. Even if legally entitled to land, customary rights and patterns generally operate which keep women's share under the control of male members of the extended family or kinship group. Without land as collateral or as proof of their role in agriculture, women are denied access to institutional sources of credit, inputs, or extension. Under the existing rules and norms of the agricultural cooperatives and the Training and Visit extension program, only those who own agricultural property have been enrolled as members of agricultural cooperatives or as contact farmers.

To address these constraints to women's full productivity in agriculture, several interventions or strategies might be tried. Civil and revenue laws could be amended and special directives issued to provide joint titles to land and housesites for husbands and wives. The move in one state (Andhra Pradesh) to issue land deeds, both jointly with their husbands and individually to women, should be studied and promoted, if found to be effective. Legal measures to ensure and enforce women's rights not only to land but also to cattle and other property might be introduced. Water is another significant means of production. Women should be considered not only as consumers (for homestead production and animal husbandry activities in addition to domestic requirements) but also as managers of irrigation projects. More critically, deliberate efforts should be made to include women as contact farmers under the national agricultural extension program. Finally, to provide land utilization rights to landless women, schemes for collective or individual leasing of land for agriculture, horticulture, or fodder plantations might be considered.

In order to begin the process of integrating women into mainstream agricultural development, NGO's and donor agencies might consider developing some pilot projects which address the two sets of constraints outlined above.[5] If developed reasonably quickly and effectively, these projects could help focus the attention of the agricultural establishment and national policy makers on women as legitimate clients for agricultural research

---

[5]Some of these strategies have already been tested by NGO's, but in isolation, not in the context of a comprehensive agricultural development project for women.

and extension.

V. CONCLUSION

Despite the range of project interventions tested and the significant impact on public policy achieved by the non-government efforts described here, there are several areas of limited success which relate to weaknesses in the sectoral approach. First, because the sectoral approach builds on women's traditional economic roles, the occupational structure for women workers has not been altered significantly and women by and large have not moved out of the lowest level occupations. However, it is not clear given the overall economic context of limited absorbtion of surplus labor power, whether NGO's should aim or have the capacity to move women out of their traditional occupations or the traditional sexual division of labor. Second, whereas earnings have increased for some women and wage rates have been increased for certain activities in given sectors, earnings and wage rates remain low for most women. However, if one compares the pre-intervention earnings in many occupations with post-intervention earnings, the increase in earnings in relative terms is significant.[6]

Thirdly, only limited attempts have been made to help women enter higher-priced product markets or the formal sector of labor. To help women gain access to the formal sector, skills-training programs for women in electronics and other high-growth industrial sectors should be increased. And attempts should be made to help women expand their enterprises and enter higher-priced product markets or to train women in new skills so they can compete for jobs in emerging sectors as the structure of the economy changes. However, given the often limited technical and managerial capacities of NGO staff, helping women move in these directions may be better carried out by professional institutions rather than by NGO's.

As discussed earlier, limited success in the areas noted here may actually lead to far greater success in the long term. There are potential trade-offs in terms of scale, coverage, and mobilization when projects aim to capture higher margins of profit or different product and labor markets for women. Experience from projects which have been able to move women out of the lowest level occupations or to maximize earnings for women indicates that the process tends to benefit only a few women and

---

[6] Women artisans working as piece-rate workers, either as paper bag-makers, lace-makers, or bangle-makers, earn as little as Rs. 2 (about 16 cents) a day. Where projects have been able to unionize these women to demand higher piece rates, they have begun to earn Rs. 3-5 per day.

to require a high degree of staff time and skills. Moreover, schemes aimed to move women into new jobs or higher income brackets tend to cushion women from the wider realities of their lives and to avoid, therefore, strengthening their bargaining power. Most of the projects referred to in this paper explicity aim for marginal increases in income but strengthening the bargaining power and increasing the visibility of large numbers of women. What in the short-term may appear to be marginal change has the potential to lead, in the long-term, to macro-structural change if the bargaining power of significant numbers of women is strengthened and if the centrality of their work in the critical sectors of the economy is recognized and incorporated into national policies.

In terms of strengthening the bargaining power and increasing the visibility of women, the sectoral approach to expanding income earning opportunities of poor women has three distinct advantages over more conventional beneficiary or activity-focussed approaches. By working with women in the critical sectors of the economy, the approach serves not only to link women to sectorally-specific government programs but also, by so doing, to make their work in these sectors "visible" to national policy makers. By treating women as an economic category (workers) rather than as social or asset-poor categories, the approach effectively argues the case for women as agents and clients for the mainstream programs and policies of government. By tailoring interventions to meet the needs of specific sectoral groups, those interventions relate not just to a given number of beneficiaries but to a whole sector of women workers.

Assuming the usefulness of the sectoral approach as argued above, several steps should be taken on both the research and action fronts. In order for sectoral establishments and national bureaucracies to carry out sectoral planning with a gender perspective, a series of sector-specific analyses of women's work, employing both a gender and a class framework, might be undertaken. What is needed for effective planning is not just aggregate figures as to how many women participate in each sector, but comprehensive descriptions of each sector, detailing the various systems of production and distribution and women's and men's roles under each system. For some sectors, the data may already be available so that all that is required is a collation and synthesis of existing data. Although NGO's already have a wealth of data and insights on women's work by sectors, the task of researching, collating, and synthesizing might be best done by a professional institution in consultation with NGO's.

In order to analyze and disseminate the experience of NGO's, a series of case-studies of pilot projects in each sector could be prepared. The series for each sector might, then, be published

with an overview of the sector and a summary of the research described above. If feasible and negotiable, the case studies might best be prepared by professional institutions working in the given sector. The actual process of preparing the case-studies could, thereby, lead to a two-way exchange: the NGO might benefit from the professional skills of the case-study writer and the case-study writer might imbibe some of the gender perspective of the NGO.

Finally, on the action front, donor agencies should consider developing more pilot projects for women in the critical sectors of the economy with the explicit objective of showing the potential for mainstreaming women into the major sectoral plans and programs of the government. There are atleast three possible roles for donor agencies in this regard. Firstly, to promote and disseminate the sectoral approach through strategic planning exercises or specialized training sessions. Secondly, to fund more pilot projects which adopt a sectoral approach. And, thirdly, to foster a dialogue between NGO projects which have developed a sectoral perspective and relevant professional or government institutions.

Donor agencies which have existing programs in certain sectors, working with government and/or professional institutions, could also select one of two successful NGO's working in these sectors and establish a three-way partnership. Coordination among institutions, in sectoral work, could be effective in utilizing the particular strengths of each institution. NGO's would benefit from the technical expertise and direct linkage with the government or professional institution; the government or professional institutions would benefit from the gender and/or poverty perspective of the NGO; and the beneficiaries would benefit from the widest possible range of interventions and support.

MONICA FONG

KRISHNA AJOOJA-PATEL

UNITED NATIONS INTERNATIONAL RESEARCH AND TRAINING
INSTITUTE FOR THE ADVANCEMENT OF WOMEN
(INSTRAW)

WOMEN'S NON-ACCESS TO CREDIT: PROBLEMS AND POLICIES

by Dr. Krishna Ahooja-Patel

Presented to the
Ford Foundation Women's Program Forum
International Donor Symposium on
"Expanding Income Earning Opportunities for Women
in Poverty: A Cross Regional Dialogue".
Nairobi, Kenya 1-5 May 1988

Introduction

1. This paper is based on three premises. First that women are both directly and indirectly linked to the world economy and that they make a substantial economic contribution to the wealth of nations. Most importantly, a large part of the labour input of women is not rewarded in monetary terms. Finally, that the majority of women are below the poverty line (no matter how defined) is itself an indicator of low incomes or no incomes. This more than other statistics reflects that women do not have equal access to capital, assets and income. Their non-access to credit is only part of a global problem inter-linked to economic and social indicators in the development process.

2. An attempt is made in this paper to delineate the main features which determine women's near exclusion from financial resources almost at all levels of society. As a distinct majority, in every society women continue to be discriminated by legal, economic and financial suprastructures. To this is added the additional burden of work at the community and household levels. After outlining the size of the problem globally which marginalizes women more than men in the national economies, this paper will analyze the research results from UN and non-UN sources. From the existing sources, preliminary evidence is collated to suggest policy action at the macro and micro levels. To translate research into policy, the paper will briefly present research priorities which could assist in presenting a coherent picture of the problem.

Filling the Research Gaps on Credit

3. A brief review of the existing United Nations and non-United Nations documents shows that so far the research on the mechanisms used by women to obtain credit formally and informally is fragmentary and disjointed. Also, the main reasons which continue to exclude women from formal and informal financial institutions are unclear. The current concepts in development economics have not yet focussed on understanding the role that credit could play in increasing productivity and enhancing the status of women. The core issues, which can provide a useful starting point for further work on this subject, can therefore be classified only in a preliminary fashion; much more work remains to be undertaken at an inter-disciplinary level.

4. The unique combination of world conferences during the UN Decade for Women (Mexico 1975, Copenhagen 1980 and Nairobi 1985) where governmental, non-governmental and women's organizations as well as individual women met was an innovation in demanding the rights of women. Through the experience gained in this process, a new type of international co-operation has evolved resulting in a formal and informal global network for women which is contributing to a deeper understanding of the problems women are facing in rich and poor countries and how women are in fact the dynamic dimension in development. The UN system continues to be a catalyst in this complex social process in providing a platform for enhancing the status of women until the

end of the century. Linking women's issues with global issues has had significant results: for example, bringing to the surface the crucial problem of women's non-access to capital, assets and income. The fact that they are not able to obtain credit from existing institutions (formal or informal) indicates why women continue to form the largest group among the poor of the world.

5. The International Research and Training Institute for the Advancement of Women (INSTRAW) within its programme on "Financial Policies for Improving Women's Access to Credit", has conducted a global study. This study would assess the situation in developing countries, particularly financial, institutional and legal constraints, from existing United Nations and non-United Nations sources, and ascertain ways in which women's access to credit may be enhanced. The Institute proposes to implement the final phase of its "Financial Policies for Improving Women's Access to Credit" programme during the biennium 1988/89 and to consolidate the findings of the research study for the dissemination and possible implementation of its recommendations.

6. The study is linked to the implementation of the Nairobi Forward-looking Strategies for the Advancement of Women[1] adopted in July 1985 by the World Conference to Review and Appraise the Achievements of the United Nations Decade for Women: Equality, Development and Peace. The Forward-looking Strategies support the research and assessment of cultural economic and social constraints which limit women's access to credit in developing countries and express concern, in paragraphs 115 and 128, which read:

> "Emphasis should be placed on strategies to assist women in generating and keeping income including measures, designed to improve women's access to credit. Such strategies must focus on the removal of legal, customary and other barriers, and on strengthening women's capacity to use existing credit systems..."
>
> "Governments should recognize the importance of and the need for full utilization of women's potential for self-reliance and for the attainment of national development goals and should enact legislation to ensure this. Programmes should be formulated and implemented to provide women's organizations, co-operatives, trade unions and professional associations with access to credit and other financial assistance".

7. The Institute has examined the subject from a global perspective at the macro and micro-levels of the economy. For this purpose, the different aspects of women's access to formal and informal credit have been analysed in the developing regions of Africa, Asia, Latin America and the Caribbean.

---

1. United Nations: Nairobi Forward-looking Strategies for the Advancement of Women (United Nations-Dept. of Public Information, New York, 1986).

8. This research entails four main activities:

a -Data collection and analysis on cultural and socio-economic factors affecting women's access to formal credit in developing countries;

b -Identification of national programmes which have been successful in reaching women through legal and institutional reforms;

c -Global survey of self-reliance strategies developed by women for coping with the problems of restricted access to formal credit;

d -Formulation of recommendations on future policy action for improving women's access to credit.

The Size of the Problem

9. It is generally agreed that the most severe setback to the development process has occured during the 1980's particularly affecting the developing countries. As a result, social and economic stagnation has followed causing severe damage to economic and social infrastructures and making a dent in the wellbeing of the family - particularly women. An UNCTAD Report in 1987 pointed out that "recent reductions in many developing countries' investments in productive capacity and infrastructure and in their expenditures on key social services can be expected to harm their ability to meet the future needs of their populations and to achieve the changes in the structures of their economies required for sustained growth."[2]

10. The decline in trade and output has resulted in halting the expansion and innovation in industry and seriously affected agriculture and services. The indebtedness of the developing countries and the deterioration of the international environment has made the prevailing conditions of the working life of women more unfavourable than the two previous decades. "The resulting increase in debt service payments coincided with depressed levels for developing countries' export earnings - important influences in this respect being exerted by sharply lower prices for primary commodities and for many countries by increased levels of protectionism in the OECD countries".[3] In the urban sector of developing economies, more and more women appear to have lost their jobs in the manufacturing sector while the work burden in the agriculture sector substantially increased. The sharp cuts in education, health and 'welfare' programmes have particularly hit the low income groups. As a result of this multi-pronged crisis, higher percentages of women joined the ranks of the unemployed and underemployed. The industries in which women

2. United Nations Conference on Trade and Development (UNCTAD): Revitalising development, growth and International trade: Assessment and Policy options - Report (Geneva 9-11 July 1987) pp. 1-2 Para. 3.

were employed or seeking employment were further affected by rapid technological change which threw them out of the skilled and the unskilled occupations pushing them into the category of unskilled and deskilled workers.

11. The final statement of a recent UN/NGO Workshop on "Debt, Adjustment and the Needs of the Poor" explained the crisis thusly: "In the Third world, the impact of the crisis is felt principally amongst the most vulnerable groups, women and children, food-deficit farming households, pastoral communities, the landless, the urban unemployed and those with jobs that do not pay enough for survival.[4]

12. The above mentioned paragraphs clearly indicate that the world economy and its shifting scenery has a direct impact on women's work and wellbeing. The rationale in designing income-generating projects for women has been to put some money in the hands of women. If the majority of the poor are women, it stands to reason that their poverty is spelled out in two main indicators: inadequacy of food and insufficient income. Imagine millions of women who have never earned any cash income nor controlled what they have earned. To improve the capacity of women to obtain credit at different levels would require a multi-pronged policy action: the alteration and modification of legislation at various levels including the reform of property laws, tax systems and social security regimes. The present financial structures with its myriad of regulations virtually excludes women by discriminatory practices; while the legal system attempts to deal with the problem by leaving much to juridical discretion. The result is uncertainty about who owns what particularly where family property is concerned!

13. Given the current interest on the economic activity of women in the informal sector, it is important to highlight first the undefinable nature of the phenomenon. According to conservative estimates, the informal sector accounts for 10 to 20 per cent of the gross domestic product in two-thirds of all countries.[5] It appears to be the only source of work and income for millions of women - mostly in the urban sector. While it is agreed that informal activities are often neglected to the detriment of low income groups, the redefinition of the concept of the informal sector would add to macro accounting statistics or measurement of women's production.

---

3. Ibid.

4. UN/NGO: "Debt, Adjustment and the needs of the poor" . (Oxford, 19-22 September, 1987) Final Statement, pp. 4 and 5.

5. UN/INSTRAW: Expert Group Meeting on Measurement of Women's Income and their Participation and Production in the Informal Sector, 13-17 October 1987, Santo Domingo, Dominican Republic. The Expert Meeting agreed that the sheer economic importance of the output in the informal sector, especially in developing countries, amply justifies the need for its adequate measurement.

14. The current concepts on the informal economy could address two major issues: first, the statistical invisibility of women's work, (mainly the perception of household survey respondents and enumerators or in some cases of the women themselves); second, the inadequacy of national accounts aggregates in analyzing production structures in developing and (to an increasing extent) developed countries. This could provide a clue to understanding which economic activities need additional credit to make them more efficient and profitable.

15. There are special problems women face at various levels in the economy. The preliminary summary of the overall findings of current research could be classified for convenience into economic, financial and administrative and self-reliant categories.

Emerging Signals from Recent Evidence

a) Legal Tangles

16. Current research has not yet adequately examined the national legal systems with their fiscal, monetary and property laws which co-jointly result in discriminatory practices thereby depriving women of access to resources which could improve their standard of life. While the constitution guarantees equality between men and women at the formal level, various legal provisions have yet be modified or altered in order to remove the inherent discrimination which women face in daily life; particularly in the monetary and fiscal regimes.

17. In many developing countries, despite legal equality at the formal level, customary laws and religious beliefs have combined to enforce the subordinate status of women. Women continue to have the status of a "minor" in many legal systems and are not able to buy or sell land or enter into agreements involving finance and money. In addition, the fiscal and monetary provisions are discriminatory. For instance in the developing regions such as Bolivia and Peru, India and Bangladesh and Malawi and Senegal, traditionally smaller portions of the estates are left to daughters. In some cases, the requirements of male consent make it virtually impossible for women to have independent access to credit even though they are legally entitled to it.

b) Economic Crises Weighing Down Women

18. In current literature, there is one fact that has been repeatedly emphasized which should be noted here. The majority of women in the rural areas of developing countries have received much attention from researchers and donor agencies at the cost of women working in industry - large-scale, small-scale or sweat shops. In statistical terms, recent estimates indicate that women form the largest pool of the urban population at the lowest socio-economic levels.[6] Their numbers in developing countries are increasing as more and more countries are transformed from agricultural mono-commodity countries towards economies in different stages of

sectors in most developing countries that women are predominantly employed in the urban sector in uncertain and unstable occupations and with low incomes. In some cases where such planning has been undertaken, its interlinkages with the overall economic and educational structure process are not defined.

21. Researchers have attempted to examine women's non-access to credit by separating the demand and supply factors. However, it appears that such a distinction does not necessarily give us any new insights. The demand factors are considered to be linked to a lower percentage of women in financial schemes and credit programmes. For example, a survey carried out in 1981 in Jamaica reported that although 13% of the farm households held current loans only 7% of them has reported as having unsuccessfully applied for loans. The results of this survey support the assumption that only a small percentage of farm households have benefited from loan facilities because the majority had not actively sought this benefit.

22. It is also suggested that due to segregated labour markets and occupational structures, the economic activities in which women are mostly engaged are not considered credit worthy. For example, while women predominate in occupations such as food processing, clothing and garments and general retail trade, men seem to be engaged in lucrative skilled occupations such as carpentry, welding and mechanical and technical jobs. These occupational differences are, in turn, based on discrimination carried over from the educational structure where women have unequal access to education and training facilities. These obstacles naturally result in inadequate information or the lack thereof on money matters. Obtaining credit for better income is an integral part of this complexity.

23. The fragmentary evidence on the supply side also does not enlighten us about the precise difficulties women may have in obtaining loans from banks and other financial institutions. What emerges from the ad-hoc information is that concessional interests rates, and high lender transaction costs are extremely discouraging to the small-scale borrowers who are unable to service them. This incidentally is what is happening also in many developing countries.

c) Financial/Administrative Complexities

24. Most financial institutions do not have control over supporting services which they perceive as being necessary to render the loans productive. Consequently, they expect a low repayment rate and consider it risky to extend small-scale credit to rural borrowers. In the case of women borrowers, the expectancy of low repayment increases because of traditional misconceptions on the capability of women to effectively administer finances. These facts show that at the root of all these problems is the national, financial and economic policies which do not consider women's needs and, hence, women's poverty becomes more acute.

25. Most banks and credit institutions in urban sectors of most developing countries have complex and sophisticated procedures which are not easily understood by semi-literate urban populations. For example, in Senegal, the

banks and financial institutions operating there make no sex-based distinction in the grant of bank loans, the principal criterion being rather the matter of loan security enabling them to recover the funds lent.[10] But the reality is that to apply for a personal or business loan requires the hiring of outsiders to undertake the responsibilities or travelling long distances or waiting in long queues. Most importantly, in critical economic situations or crises for most women workers it means taking a day off from work or losing a day's income. In addition, women have to make arrangements for child care.

26. Even when the institutional difficulties are overcome and the application for a loan is completed, the size of the loan and the terms of its repayment signify more gauging of current income and being deprived of nutrition and basic necessities. In addition, the business hours of most banks and lending agencies are not adapted to women's working hours and are ill-suited to their need for small loans.

27. The majority of the women employed in industries in the modern urban sector of developing countries do not possess any of the assets required. The most significant requisite that becomes an obstacle for women in almost all countries surveyed is collateral; since women do not own any property in their own right. The types of collateral usually required include legal mortgage over residential properties, supported or unsupported guarantees of third parties and mortgage on life insurance policies of the borrower.

28. Most commercial banks find it risky and expensive to design an effective credit delivery system for women, either in the rural sector or the urban informal sector. This problem is linked to the fact that the majority of senior executives in banking are men who intimidate small borrowers, particularly women.

d) Self Reliant Strategies

29. Despite limited access to formal financial institutions, women are extensively involved in informal sources of credit. Caught in between the inadequacy of formal financial institutions as a source of credit and their increasing need for capital, women have turned to informal sources to bridge the gap. Through their interactions with these informal sources, women gain experience in borrowing as well as in accumulating savings. Most importantly, they demonstrate credit-worthiness and a willingness to pay interest. Studies show, for example, from the Self Employed Women's Association (SEWA) in India, that over ninety percent of women repay punctually their loans. And this from those women who are unable to read and write.

---

10. Consideration of Reports Submitted by States Parties Under Article 18 of the Convention, Committee on the Elimination of Discrimination against Women (CEDAW), CEDAW/C/5/Add.42/Amend.1, 3 February 1988.

30. Available information from several countries indicates that women place heavy reliance on informal sources such as relatives and friends; moneylenders and pawn brokers and middlemen, shopkeepers and wholesalers (in that order). There is a remarkable innovation in this area in which women use their own techniques to borrow funds and this in almost all parts of the world.

31. The importance of relatives and friends as a source of credit for women is widely acknowledged. One of the main advantages of borrowing from relatives is that only rarely do they turn down requests for small loans. Relatives know each other's needs for financial assistance or capacity to lend. Neighbors can readily understand the dynamics of household food supply and cash problems. These sources usually live nearby so that small loans can usually be arranged and perhaps most importantly, such loans can be obtained immediately.

32. Moneylenders make loans available with little or no collateral requirements and are flexible with regards to arrangements for repayment. The interest rates that women pay to the moneylenders not only indicate that women are willing to borrow, but also that they are willing to pay a rate of interest far higher than the commercial rates in order to get short term loans and rapid disbursement. The immediate and flexible financial services they provide are apparently highly valued, since small borrowers are not deterred from turning to the moneylenders for financing, despite the high interest rates they usually charge. Pawnbrokers are a viable alternative for women because they allow women to put up jewelry, ornaments, or gold as collateral. In cases where women own few cattle or plots of land or lack control over productive outputs, these personal items constitute their only form of collateral. Like the moneylenders, pawnbrokers provide small loans in a timely and flexible fashion. As with relatives and friends, these loans are immediately available with little or no paper work involved.

33. The disadvantages of borrowing from informal sources, particularly from moneylenders and pawnbrokers, is that women are frequently exploited and their subordination is perpetuated sometimes for generations, as in Peru and India.

Primary Causes of Women's non-Access to Credit

34. The above discussion reflects that there are several factors which have a direct or indirect impact on women's inability to apply for and accept credit from formal financial institutions. It is also evident that women have themselves opened doors in an informal way to subsist and survive. But these innovative strategies are not substitutes for sustainable economic growth with social equity. And yet, there are certain dimensions of this problem which are non-measureable and could be only defined as social mythology. It is surprising to note that even where legal, economic, and financial procedures could be simplified and obstacles eliminated, the social beliefs negatively affecting women still persist. Some of these are, for example, that women are not reliable or responsible and, therefore, not credit-worthy and that they do not have the skills to control income and expenditures and that they are defaulters in loan transactions.

35. The other factor which inhibits women's participation in banking and financial institutions is discouragement from decision-makers who do not employ women in occupations requiring technical skills and top executive jobs. For example, in the banking sector as well as in financial institutions of many developing countries women are mostly working in clerical, accounting and secretarial jobs according to preliminary results. Only a few are controlling or managing big corporations, financial portfolios and stock exchange. This signifies that there are not many advocates for women's need for credit in the financial markets of the world.

36. Taking into account the current status of women and the fragmentary nature of research, it might be useful to identify the levels at which policy action urgently needs to be undertaken to eliminate discrimination and the poverty of women. Simultaneously,, policy level changes at the macro level need to influence economic and fiscal and monetary programmes at the project level which could create important linkages. The project component in mainstream projects could also have a demonstration effect which would ultimately start an economic or social process effectively changing the financial and monetary structures in favour of women.

Policy Action at all Levels

National level

37. At the macro level, three types of changes are immediately needed:

1. Review of national statistics and data: to improve the flow of information on the economic activity of women and securing more accurate data would assist the decision making at the planning level as well as policy formulation. While there have been major break throughs in the building of a data base, there are still several gaps in current knowledge particularly on capital and income assets[11].

2. Reform of legal procedures: legal reforms in monetary and financial provisions are critical to improving women's access to credit. Since a growing number of women are heads of households, they must be given equal status in the law in order to own and control productive assets. Legislation regarding the distribution of property and land needs to be re-examined in order to grant de facto equality to women so that they are not disenfranchised by future land reform systems.

---

11. INSTRAW's activities in developing statistics and indicators on women have concentrated on research to improve data collection and compilation and analyses of data related to women and development issues and on developing methodological approaches needed to improve statistics and data on women. Activities also include training on the use of available statistics, and the fostering of a dialogue between users and producers of statistics which would lead to generating improved statistics and indicators on women and development.

3. Analysis of customary laws: in many developing countries customary laws are a mixed bag - in some cases granting complete equality while in others subjecting women to an inferior status. In such cases, the socio-economic structures push women towards destitution and dependency. These need to be closely analysed in relation to formal statutes and monetary and financial policies.

4. Improvement of procedures at formal level: financial and administrative procedures need to be simplified in order to reach women who are unable to overcome constraints imposed by banking, credit and savings institutions. Interest rates need to be certain, stable and provide incentives to small borrowers in order to enable women to start their own enterprises. Inflexible collateral requirements, cumbersome loan application procedures and transaction costs need to be revised.

5. Development of co-operatives, banks and other institutions: in some countries these are evolving in order to directly benefit women and link women to the financial services of commercial banks and other implementing agencies. Governments could assist these intermediary organizations, particularly at the community level, to provide extension services which effectively encourage women to apply for commercial credit.

Project level

1. Dissemination of information on credit facilities: most existing communication channels do not reach women who are mostly deprived of information on development programmes, banking procedures and extension services. This type of information needs to be especially focussed on women's interests and needs so that the existing channels do not bypass them. For this purpose women's organizations, groups, mothers' clubs, small savings associations and other grass roots organizations need to be made more aware and responsive to the economic contribution of women.

2. Mainstream credit programmes: the main reason why women are mostly excluded from development programmes and projects is because of their low status in the community and the family even when programmes are designed to reach small and inexperienced borrowers. For this reason, women need to be identified as a target group within credit programmes, projects and schemes so they are not at a disadvantage because of gender. More and more women need to be trained to be managers of banking and savings institutions in order to support this trend.

3. Women specific programmes and supportive services: women specific credit programmes should be designed as an intermediary step towards the full participation of women and men in mixed credit and savings programmes. Development agencies must make greater efforts

to increase both rapidly and substantially the number of females employed as credit officers and extension agents. In addition, these agencies should make special efforts not only to improve women's access to credit and financial facilities but also to re-orient field staff toward providing technical assistance which recognizes the particular needs of women's economic activities.

4. Analysis of informal borrowing systems: recognition of these schemes will contribute more effectively in designing programmes and projects to support women entrepreneurs to start an economic or a social activity in the development process. The traditional systems of borrowing could be streamlined to bring them into the formal credit schemes serving women's interests. Flexible collateral requirements, reduced amounts of paper work and administrative procedures, and reduced transaction costs are some of the innovations which could be adopted at the formal level to receive financial and administrative support.

Priorities for future research

38. The following areas have been identified as requiring empirical evidence to gain better insight on the reasons why women continue to be excluded from financial resources at all levels:

- research to clarify concepts linking women's non-access to credit with economic, financial and monetary policies at the national level[12];
- statistical data for efficient targeting of credit programmes correlated to percentage of women headed households and household production;
- countries specific socio-economic analysis of laws and regulations on individual ownership and banking practices affecting women's access to formal credit institutions;
- studies of relationship between provisional credit and increase of productivity and
- case studies of informal credit systems most frequently used by women in economic activities.

12. INSTRAW is preparing a study which analyses economic and financial policies of selected developing countries to identify the areas in which women are particularly discriminated against in acquiring and keeping financial resources.

Selected References

Bruce, Judith; Market Women's Co-operatives: Giving Women Credit SEEDS, (New York, 1980).

Canadian Council for International Co-operation; "Women in Development: Small Scale Projects" (Ottawa k982).

Gomez, Arelis;"Impact Evaluation of the Credit Program of Mujeres en Desarrollo Dominicana Inc. (MUDE) (Santo Domingo, 1987).

International Women's Tribune Centre Inc. Women Making Money: The Tribune, Newsletter 18, 1st Quarter (New York, 1982).

Lycette, Margaret; "Improving Women's Access to Credit in Developing Countries: Some Project and Policy Recommendations", ICRW Occasional Paper (Washington, D.C., 1984).

North-South Institute; "Women in Industry: North-South Connections" (Canada, 1985).

Shields, Nwanganga; "Women in the Urban Labour Markets of Africa: The Case of Tanzania" World Bank Staffing Working Paper No.38 (Washington, D.C., 1980).

Tomsic, Vida et al; South-South Co-operation and the Role of Women in Development (Yugoslavia, 1987).

White, Karen et al; "Integrating women into development programmes: A guide for implementation for Latin America and the Caribbean", International Centre for Research on Women (Washington, D.C., 1986).

Yudelman, Sally W.; Hopeful Openings: A Study of Five Women Development Organizations in Latin America and the Caribbean (Washington, D.C., 1986).

United Nations Sources

Compiling Social Indicators on the Situation of Women, Series F. No.32 (Dept. of International Economic and Social Affairs (DIESA)/Statistical Office (UNSO)/INSTRAW, New York, 1984).

Improving Concepts and Methods for Statistics and Indicators on the Situation of Women, Series F. No.33 (DIESA/UNSO/INSTRAW, New York, 1984).

Report of Expert Group Meeting on Measurement of Women's Income and their Participation and Production in the Informal Sector (INSTRAW/UNSO, Santo Domingo, 1987).

Women in Economic Activity: A Global Statistical Survey (1950)-2000) (ILO/INSTRAW, Santo Domingo, 1985).

World Survey on the Role of Women in Development (United Nations, New York, 1986).

VICTOR TOKMAN

POLICIES FOR AN HETEROGENEOUS INFORMAL SECTOR

Victor E. Tokman*

---

* Director of PREALC. Document prepared for the international symposium "Expanding Income Earning Opportunities for Women in Poverty: A Cross-Regional Dialogue", to be held in Nairobi, Kenya, May 1-5, 1988.

Unlike 15 years ago when the informal sector was first mentioned (ILO, 1972), this concept has not only gained acceptance nowadays but has also become a cause for concern for action both at a national and an international level. The objective of the present work is to contribute to the discussion within the same perspective or, in other words, to what can be done to improve the incomes of the approximately 30 million Latin Americans working in this sector. With this aim in mind, we shall first focus on identifying the factors determining the present popularity of the informal sector and we will then analyse the nature of the sector, particularly its heterogeneity. This will serve as inputs for the last section which identifies some components of a sector-supporting policy.

A. The current popularity of the informal sector 1/

The warning voices raised in the 70s with respect to the existence of a significant and growing number of people who, because of not being incorporated to the modern sector had to resort to carrying out low-productivity and badly paid activities went generally unheeded, save for a growing academic interest in their conceptualisation and identification. The traditional credibility of the trickle-down strategy, reinforced by the high economic dynamism registered by the Region in the last decade prevented this concern from reaching the decision-making levels and brought about the formulation of policies. This happened despite the fact that the information available showed that the informal sector's share in the total workforce was growing from 16.9 to 19.3 per cent and that the accelerated creation of jobs in the modern sectors only allowed for the reduction of the proportion of informal jobs in the urban centres from 29.6 to 28.7 per cent between 1970 and 1980.

Today the situation has reversed. This issue has aroused the interest of governmental and private spheres in the majority of the countries of the Region. Similarly, the international financial institutions allocate increasing resources to develop supporting programmes for this sector. Private foundations have also appeared, which have begun to take action directed to the same objective. The big question is why this sudden popularity of the informal sector.

There are two types of factors which contribute to explain this behaviour. On the one hand, there are economic reasons and, on the other, ideological and political grounds. A first economic reason is, as already mentioned, that despite a high economic

dynamism, the informal sector's share in the non-agricultural workforce only decreased slowly, whereas the number of people employed in the sector rose by 55 per cent during the last decade. This is valid even for such countries which showed a greater growth like Brazil, Mexico, Panama, Costa Rica, Colombia and Venezuela. In others, such as the Southern Cone countries, the share has increased (Tokman, 1987a). The second reason is that the crisis of the 80s has implied a considerable expansion of informal employment. Between 1980 and 1985 there was a contraction in job creation in the large private enterprises as a means of adjusting to recession. People made redundant and those newly arrived in the labour market had therefore to resort to the informal sector to survive. The result of this was an expansion of 39 per cent in the number of people employed in the informal sector and a reduction in this sector's average income.

A third economic cause is determined by the growing concern for poverty and by the acknowledgement that there is a close connection between poverty conditions and employment in the informal sector. In 1980, between 75 and 80 per cent of those employed in the informal sector got incomes which were lower than the minimum. Similarly, a high percentage of the poor (62 per cent in Lima) were employed in this sector. A fourth reason is that there is a consensus that even under the most optimistic assumptions,growth in the next few years will not be rapid. The prospects of the international markets are not good; the inflow of capital from abroad has reversed its course and the pending problem of the external debt still persists. Because of all this, growth expectations are modest and, in any case, lower than the growth registered in the previous decade. A lower growth will in turn imply a slower recovery of the employment levels in the modern sectors. Given the expected increase in labour supply, the possibilities of a reduction in the size of the informal sector through the transfer of the employed in this sector to modern activities will also be slimmer. This process will be slow, particularly, because of the exaggerated present size of the informal sector as a consequence of the crisis. Finally, the interest in formulating policies increases when there is a growing awareness that these do not call for large amounts of resources. The capital-output ratios are low, therefore their financial support needs fewer resources than would be required if assistance was to be given to the modern sector. There are also other policies such as the revision of legal regulations, training and technical assistance that either require no resources or may be undertaken with a reduced financial outlay.

The second set of causes is extra-economic in nature: some of them are cultural and other political and/or ideological. We shall refer to only three. The first cause is cultural and has to do with the popularisation of concepts imported from the

Unlike the central countries, the Latin American periphery incorporates imported technology that is generated according to needs that are not its own. On the contrary, they reflect the relative factor scarcities of the developed countries and the changes in the goods consumed, whose demand is transferred via imitative consumption. In addition, such technological incorporation takes place within a different structural context. Among the differences, there are two which are the most important ones in terms of our analysis. The first one has to do with the high inequality in the distribution of assets and, consequently, of income; the second, with the accelerated growth of the labour force. This has brought about the adoption of consumption patterns and technology originating from the centres. However, the gains of technological progress do not reach the majority of the population because the employment generated is insufficient to absorb the large growth of the workforce and because the prevailing market structures do not allow for transferring such benefits to the consumers by price reductions.

The technological bias has partly determined the birth of the informal sector by making the generation of employment in the modern sectors more capital-intensive, by altering the demand profile to the detriment of the attributes prevailing in the excluded labour force, and at present, by resorting to decentralisation as a new production modality, although this last process may also result in positive effects on the incomes of the people employed in the informal sector. When the relative surplus of the workforce cannot find employment in the modern sectors, it generates its own employment modalities. These are partly determined by the scant or no availability of both the physical and human resources that this group of the population has, which, ultimately, resorts to productive activities characterised by a low level of technology, small size, capital requirements that are not too severe, limited division of labour and little differentiation in the ownership of the means of production. Similarly, these modalities tend to concentrate in the more easily accessible markets, which makes average income become the adjustment variable in case of changes in employment. It is obvious that not all markets present an equal access capacity or that all the members of the surplus workforce are uniformly deprived of capital. Consequently, inequalities are also generated within the sector and it is this feature that defines its heterogeneous nature and that, as shall be seen below, is important to take into account in the formulation of policies.

The informal organisation of production and of the labour process also has its counterpart in the current institutionality.

In fact, a large part of the informal activity takes place beyond the limits of the present institutional framework, since because the way in which it functions, it is impossible to enforce, even if there was a will to do so or the government had the required coercive capacity to impose it. Given the growing magnitudes of the informal sector, an increasing weakness of the regulation apparatus is emerging and, lately, popular outbursts have brought about a situation of crisis in the Latin American State as argued by Matos Mar (1984) and De Soto (1986) in the case of Peru. Labour relations are not protected because social security, minimum wages and other protective legislation cannot be applied and the productive unit does not meet the existing legal registration and tax requirements. In some aspects, failing to meet the legal requirements denotes how inadequate such regulations are (as in the case of permits to go into business), in others it shows the economic non-feasibility of implementing protection mechanisms designed to ensure a more equitable secondary distribution of the surplus simply because this surplus does not exist or because its magnitude is insufficient.

2. Heterogeneity

A crucial aspect for policy formulation concerns to the degree of heterogeneity within the informal sector. Contrary to the prevailing image of a decade and a half ago to the effect that the informal sector was of a homogeneous nature, it is clear today that there are different segments within this sector. If the form of organisation is taken as the main variable to define an informal activity, a difference should be established at the outset between those units using additional labour (whether paid or unpaid) and those representing activities performed by only one person. In addition, although, on the average capital is scarce, it is further not evenly distributed among all informal activities. In some, like domestic services or street-vendors, very little capital or none is required. In others, like taxi-drivers or small shops, more capital is involved in the operation. Hence, income resulting from informal activities is in some cases restricted to labour remuneration while in others, it also includes earnings on capital.

Most of the surveys available (see table 1) show that the lowest pay is received by domestic servants. The next occupation is that of waged workers in informal firms, who obtain between double and triple the pay for domestic services. The self-employed receive around 50 per cent more than wage-earning workers in informal activities, while the owners of the informal shops make more than double the level of the workers employed in their own firms. When compared with the wages in the formal sector, it is clear that the self-employed receive incomes that are similar or even slightly above the wages of workers in small

Table 1

INCOME DIFFERENTIALS BY SECTORS IN THREE COUNTRIES
(workers informal=100)

Sectors	Costa Rica a/	Colombia b/ Males	Colombia b/ Females	Peru c/
Formal sector	204	176	151	209
Public	251	201	193	n.d.
Owner formal	} 359	614	422	558
Self-employed professional		340	264	253
Worker large firm	180	} 151	} 130	} 139
Worker small firm	136			
Informal sector d/	138	123	91	140
Owner informal shops	} 163	273	250	332
Self-employed		123	71	146
Workers informal shop	100	100	100	100
Domestic services	39	87	87	61

a/ San José city, 1982 (Costa Rica, MIDEPLAN, 1985).

b/ Ten cities, López (1986).

c/ Metropolitan Lima, Carbonetto (1985).

d/ Without including domestic services.

establishments of the modern sector, while definitely below those perceived by workers in larger establishments. The owners of small establishments, however, gain larger incomes than all of the workers, except those employed in the public sector but they earn of course less than the average income of owners of larger establishments and self-employed professionals with degrees.

Although the income figures available support the existence of income differentials, problems of estimation tend to widen the existing gaps. On the one hand, at the bottom of the scale, the income of domestic services is usually underestimated, since it does not include remuneration in kind, mostly the providing of housing and food. If such allowances are included, the income perceived for domestic services is similar to the remuneration of waged workers in informal establishments. At the other extreme of the informal sector, the average income allocated to owners of small shops does not allow for remuneration of unpaid family members. If an adjustment were introduced for such a concept, the differences would decrease from double to one and a half times the incomes of informal waged workers. After this adjustment, income differentials are still significant but the owners of informal shops would not obtain larger incomes than the waged workers in modern firms. This suggests that in spite of the heterogeneity of the sector, incomes tend to be determined within a limited range. This is the result, on the one hand, of direct competition in the labour market in those activities which are performed by individuals, like domestic services or self-employment; and on the other, of the existence of easy entry in competitive markets, which determines that extraordinary incomes cannot be made in the product market. This leads us to a further issue, namely the query whether in spite of the differences registered within the sector, the concept of "a sector" remains valid.

3. Is there a sector?

Income differences seem to suggest that on the whole there are some factors which allow us to work with a single sector. However, differences in forms of organisation as well as in income determination rules also give support to the idea of dividing segments within the sector. The discussion on this topic has advanced less than in the other fields, particularly because there seems to be a mixture of analytical categories with regard to markets of products and factors.

The whole idea of working with the unit of production as a unit of analysis implies working from a product market perspective. Self-employed were regarded not as persons but as activities which are able to produce goods and/or services for the market. In turn, domestic services were sellers of services to a market organised in households. It then follows, that the

analysis of the form of production was mostly addressed to the question of access to complementary factors other than labour, mostly capital. In some cases, the argument of capital-labour ratios discontinuity was presented to prove that it is there that the difference between the informal and formal sector lies (Carbonetto and Chávez, 1984; López, 1986). However, such an analysis does not take into account the behaviour of waged workers in informal activities. To understand this, one has to look into the labour market. Part of the oversight can be explained by a practical reason. In the past, data sources very seldom allowed for accounting for waged workers in informal shops. A pioneer work by Portes (1984) shows what has been increasingly supported by new data, namely that workers in establishments of small size (say, less than five employees), constitute around 30 per cent of informal employment (Carbonetto and Chávez, 1984). In addition, the labour market becomes the relevant perspective of the analysis of informal workers who supply their labour force without capital, such as domestic services and other personal services.

A relevant question to analyse in the case of the labour market is the pattern of mobility. There are very few studies available in this important field. An analysis made for Costa Rica provides some interesting evidence (see table 2). Owners of informal shops and self-employed register very little mobility and only an insignificant proportion of them are likely to become owners of modern establishments. The opposite process, however, is not true, particularly during periods of crisis, as the one measured by the survey available when some of the modern shop owners became informalised as a way to face the economic recession. Domestic services also show restricted mobility, since three quarters of the corresponding individuals were still working in the same jobs during the five years covered by the survey. However, those who were able to change jobs did secure a wage-paying worker's job, either in medium or large firms of the modern sector. Ten per cent of them were employed in establishments of between five and 14 employees, while 14 per cent obtained jobs in establishments of 15 or more employees.

Workers in larger establishments also show little mobility in both directions. On the one hand, a significant proportion turned into public employees, while on the other, eight per cent became self-employed and 15 per cent became workers either in the informal shops or in small establishments. Finally, the pattern of mobility of workers in informal activities (less than five employees) and those in small formal establishments show some similarities. Both groups register larger mobility ratios, since 55 per cent of them have left their occupation in the last five years. Part of them became self-employed or owners of an informal shop, while in the case of informal workers, they also moved to occupy jobs as workers both in small and larger

Table 2

COSTA RICA: LABOUR MOBILITY

Sector of origin a/	Formal sector				Informal sector			Total e/
	Public	Owner	Worker large b/	Worker small b/	Owner and self-employed	Waged worker d/	Domestic services	
Formal sector								
Public	89	1	4	1	2	2	1	100
Owner formal	8	70	6	–	14	2	–	100
Worker large formal	12	1	61	9	8	6	2	100
Worker small formal	8	2	22	45	11	11	1	100
Informal sector								
Owner and self-employed informal	1	2	2	1	88	5	–	100
Worker informal shops	5	1	14	13	18	47	2	100
Domestic services	–	–	11	10	2	3	75	100

Source: Costa Rica, MIDEPLAN (1985).

a/ Sector and occupational category of origin 5 years before survey. Year of survey, 1982.
b/ Establishment of 15 or more employees.
c/ Establishments of between 5 and 14 employees.
d/ Establishment of less than 5 employees.
e/ Due to rounding decimals not all rows add up to 100.

establishments of the modern sector. The same pattern of mobility was also registered by the workers of small firms in the formal sector. A significant proportion either became self-employed, owners or else workers in informal shops. However, 22 per cent also entered as workers in larger establishments.

The above figures suggest that the mobility patterns differ from each other and, in turn underline the importance of clarifying whether the analysis should be based on the product or on the labour market. It is clear that the self-employed and the owners of small shops are capitalist or pre-capitalist entrepreneurs. They lack mobility and their pattern of development is tied to the growth possibilities of their unit of production. According to the data just mentioned, their chances of success are indeed very small. It is also clear that at the other extreme, the workers in domestic services, although recording restricted mobility, perform in the labour market, moving from domestic services to waged work in formal establishments.

Workers in larger modern establishments do not become informal owners, save for a small proportion, which could have been overestimated given the period of economic recession during which the survey was undertaken. However, the pattern of mobility of workers in informal shops or in small establishments of the formal sector shows mixed indications. Some of them become self-employed or owners of informal shops, thus being retained within the informal sector. Others, move through the labour market to be hired as workers in larger establishments. The evidence also suggests that it is easier to become a worker in a larger establishment coming from a smaller formal one, than the reverse process. The movement from an informal workshop to a large modern firm seems to be a more difficult step in the occupational cycle.

The analysis of the labour market should be accorded higher priority than it received in the past. Access to complementary resources is important only for those who perform activities in self-employment or are owners of informal establishments. For the rest, dependent job opportunities are as important as becoming an entrepreneur. Since several studies have also shown that there is concentration of certain personal characteristics in the labour force employed in the informal sector, more emphasis should be placed on the study of labour supply conditions. There is a clear association between migrant women and domestic services and young men performing as waged workers in informal shops. In addition, these occupations concentrate a large part of the less educated of the labour force. Origin of migrants and household strategies seem also to influence the type of activity and its organisation (Fernández-Kelly and García,

1986; Stepick, 1986). This suggests that a segmentation on the supply side could reinforce the segmentation identified on the demand side as regards the product market for the owners of informal shops also influencing income determination within each segment.

C. A proposal for action

The analysis carried out above displays the complexity and multi-dimensional aspects that characterise the informal sector. Consequently, there are no simple prescriptions or particular actions that may produce sufficient general effects to improve the standards of living of the people employed in the informal sector. The risk that we run in connection with this issue is that after more than 15 years of ignoring the problem due to the belief in the automaticity of the absorption process, we may fall into the trap of oversimplification and think that its solution may be relatively easy. Because of this, a necessary requirement is a series of measures that may be mutually reinforced. In this section we shall explore three ways. The first one has to do with productive assistance for informal units, the second is related with assistance for people working in the sector and the third with the norms and regulations that govern these activities.

1. The productive assistance package

We have identified the fact that one of the main constraints of the informal sector is its restricted access to productive resources (capital and skills) and to more dynamic markets. Because of this the first priority is to set up mechanisms to permit access to them and eliminate the discrimination which this sector suffers in practice by being excluded. This implies the design of at least three types of measures. The first measure proposed is to examine the systems whereby the State invites bids from suppliers, eliminate the restrictions that prevent the informal enterprises from acting as such and, even, facilitate this participation. In addition, their competitive capability will be reinforced by the two following measures, which may also result in their increased share in the public and private market. The second measure should be to facilitate access to both investment and working capital in order to reduce the high interest rates confronting the informal producers when, because of their exclusion, they have to resort to parallel credit channels. This necessarily leads to the conception of collateral mechanisms not linked as at present to individual assets, by means of the introduction of insurance schemes or trusts to serve this purpose. The third measure proposed is to train the informal producers in the use of accounting and managerial procedures: they and their dependants would benefit from their improved expertise in production matters

which, at the same time, could become a suitable vehicle for the introduction of new technologies.

2. The welfare package

Given the heterogeneous nature of the informal sector, a productive assistance action has, however, some limitations in terms of potential effects. The two main ones are that productive assistance may only be directed to the more organised productive units that constitute the central nucleus (mainly in industry and some non-personal services) and that within them the benefits derived from this assistance may involve a larger income for the entrepreneur, which may not necessarily be transferred to the informal workers. What conspires against improving remunerations is the large existing labour supply and the scant or non-existent negotiation capacity of this sector of workers. However, its productive reinforcement may imply an increase in the hours worked per week, or the creation of new jobs and in this more indirect way the benefits would be transferred to the informal workers.

This leads to three consequences. First, that if the policy for supporting the informal sector is limited to this instrument, it should not be justified in terms of the full size informal employment, since it will overestimate the reaching capacity of these policies. Second, is that the policy will be more efficient in terms of its productive results rather than on its impact on extreme poverty in the short run. Informal entrepreneurs, particularly those of the core activities which will be the direct beneficiaries, receive the higher incomes while wages will probably not be affected and the employment effects will require time to mature. A third consequence is that a significant proportion of the informal sector will therefore be excluded from the benefits of productive support since to a large extent they depend on their own workforce and carry out activities, particularly services, which are unlikely to receive this type of support. For this reason, measures tending to improve the welfare levels of the population are also required, in order to ensure that their basic nutrition, education, health and housing needs may be duly satisfied. It is obvious that such an assistance policy will have to tackle the constraints imposed by the availability of resources in almost all the countries, but this situation makes it imperative, on the one hand, to focus the present social spending on these target-groups and, on the other, to study the possibility of increasing it by cutting down on other spending which may be socially inefficient.

The improvement in the welfare levels of the poorer groups, a vast majority of which can be found in the informal sector, will also have productive effects. It will permit to reinforce

their capacity to compete for better jobs by preventing the minimum requirements which are more frequently demanded (mainly in health and education) from becoming barriers excluding those employed in the informal sector. There is also an additional dimension that may make the combination of the welfare package and the productive assistance package more effective. The informal units are characterised by their dual home-enterprise nature and the resources available are allocated to both uses. The reinforcement given to the needs of the home will free resources for productive purposes and in this way a "virtuous" circle of expansion will be generated.

3. The legal-institutional package

The "illegality" of informal activities is the result and not the cause of its operation modality. Owing to this, the actions adopted in this field do not solve the deeper problems that determine the low incomes prevailing in the sector. However, there are measures than can be adopted and that in conjunction with the adoption of the former packages should contribute to meet the desired target.

There are three aspects of "legality" that should be distinguished. The recognition of legal existence, tax and labour legality. Each of them should be analysed in a separate way since they pose different problems and options. They are, however, inter-related since, for example, legal recognition is a pre-requisite to regularise both tax and labour status and is also important for the application of the productive assistance package in its different dimensions. This, at least, is the situation in formal juridical terms because, in practice, the different State dependencies which are responsible for enforcing sectoral laws many times adjust their demands in terms of complying with enforcing the more specific norms and being more flexible in terms of the other current legal norms. We can find evidence to prove this reality when we analyse the action of the bodies in charge of looking after the taxation aspects, compared with those that are responsible for labour protection (Fernández-Kelly and García, 1986) or of the former vis-à-vis municipal governments as in the case of local tax contributions 2/.

We shall deal in the first place with the aspects related to legal recognition and here, we must distinguish between two situations. The first one occurs when "illegality" has been the result of a prolonged bureaucratic process to meet the multiple legal requirements. This involves such a high cost in terms of resources and time that, in fact, it constitutes what De Soto (1986) calls the "paper wall", which is equivalent to a prohibition to operate legally. In this situation it is necessary to revise and simplify both norms and procedures in order to facilitate and not impede the progress of informal activities

towards legality. The second situation occurs in such cases as there is regulation on the part of the State with the purpose of protecting the general interests of the community. The municipality, must watch, among other things, over the easy flow of traffic in the city, over its aesthetic harmony and over the population's access to a safe and efficient transport system. Because of this, the municipality regulates building permits, trading licenses, transport licenses for public transport (taxis or others, which is jointly done with the national transport bodies). On regulating, it generates benefits that favour some protected groups, or it alters the rules of competence with respect to a situation in which there is no intervention. However, economic calculations should also incorporate protecting the common good. This can become deprived of protection if regulation is eliminated and, therefore, the solution does not reside here.

Neither does regulation seem to be effective if it is not observed or if, on the contrary, reality outgrows it as it is the case of pedlars, unlicensed taxis or buildings with no permits, among others. The answer is not increased coercion by means of, for example, the police force to deal with street vendors. However, the effectiveness of control is variable and the causes of non-compliance are different. In such cases as public transport, control is feasible and desirable. In others such as housing, it will be necessary to differentiate between housing that does not comply with current legislation for real reasons, as happens in shanty towns, or because of reasons of convenience, as happens with zoning laws in medium and high-income areas 3/. The latter must most certainly be controlled; the former call for a revision of the regulations and procedures to prevent an unrealistic institutionality from being detrimental to such people who are not in condition to comply. Finally, there is little or nothing to be done with such clearly overflowing sectors as street peddling. It is always feasible to apply transitory measures that alter the situation in a temporary way. However, sooner or later it reverts to its former state because, in fact, its permanent nature is determined by the existence of a structural labour surplus that will only decrease when sufficient productive employment is generated. Until this happens, and since due to the crisis rock-bottom has been reached, the tension produced as a consequence of the action generated when an increased degree of coercion is seen as necessary will be inevitable.

The second aspect of legality has to do with taxes. Within it, it is necessary to differentiate between direct taxes which, given the income and profit levels at which the informal sector operates are not important, and indirect taxes. In particular, among this group we shall refer to value added tax (VAT), of almost universal application in Latin America and whose rates

Another possibility is to revise the form in which the social security system is funded and that instead of making a contribution on the payroll, such funding should come from another type of taxation, be it production, sales or capital. The effect of this may imply a growth of employment in general and releasing or, at least, reducing the number of informal sector enterprises from this obligation and may make it possible to protect their workers.

4. On the institutional arrangements and grass-roots support

A policy to be effective and produce permanent effects should receive the support of the potential beneficiaries. The heterogeneous nature of the informal sector results in a diversity of interests as perceived by those working in the informal sector. Its identification could provide a basis for mobilising grass-roots support and to discriminate among the three broad policy actions outlined before.

Matos Mar (1986) distinguishes for example the diversity of interests of four main informal groups: street sellers, small shop owners, transport purveyors and workers in small shops. For the first group, the main claim is job security. This means a secure place where to sell their merchandise and access to the formal credit system to substitute the present informal credit set up that implies a heavy interest burden. For the informal shop owners, the main claim is the excess of legal requirements which conspires against regularisation of their businesses. For those working in transport activities, their claims refer not only to the issue of legality but rather to costs and tariffs of transport activities. Costs depend on macro-economic policies and are beyond their capacity of leverage, but tariff setting is a matter of bargaining sometimes combined with special subsidies to crucial cost items, like gasoline. Finally, the workers of small shops claim for protection. They suffer from instability, difficulties to join trade unions, lack of access to social security, and they are paid wages that are not guaranteed by law. Some of these claims, if not all, are addressed to the government's efficiency to enlarge the coverage of labour legislation and welfare protection rather than to the shop owners, since there is awareness of their economic possibilities to attend these demands.

When this list of claims is examined, different policy instruments and levels of action can be identified. However, a large number of them rest at the local level, be it to clear up the persecution by local police of street sellers or the form of legal requirements for shop owners or the question of permits for transport activities. What is more, measures to solve these problems do not imply a mobilisation of large amounts of

financial resources. However, other claims cannot be confronted locally and should constitute national policy decisions. But for the local decisions, there is need to provide local governments with enough power and capacity to answer and settle the claims originated in the informal sector. This could provide an appropriate level for analysing and solving the problems, while at the same time contributing to enhancing the efficiency of the State. In addition, conflicts will be decentralised and as a result, a more stable democracy could be attained.

At first sight all these proposals may create the impression that this is a multiple programme for State intervention. However, their detailed analysis permits to observe that what is being proposed is to improve the efficiency of the State's intervention, which implies to rationalise it in some cases, to reduce or eliminate it in others and to increase it in a few other cases. In the first place and as a general rule, the intention is not to generate new institutions, which would imply more bureaucracy and, given the level of massive intervention, might lend itself to political manipulation by the government in power. There are a large number of public and private bodies which, given the right kind of influence, may redefine their activities and incorporate these objectives. This will also ensure the permanent nature of the actions.

In the second place, our proposals are simplification measures, as was the case of a revision of the system of State purchases or of the rules and procedures to attain legal recognition. We have also suggested the elimination of some tax and labour obligations and, finally, we have recommended more intervention - though not necessarily in a direct way - in the constitution of collateral mechanisms to facilitate access to credit for training purposes and to increase and focus social spending in the more deprived groups. Ultimately, the idea is not to increase or reduce the State's action, but to make it more effective.

Notes

1/ This issue, together with the advances registered in the academic world, has been analysed in greater depth in another recent study (Tokman, 1987a).

2/ Fernández-Kelly and García (1986), in their analysis of the home work of women of Hispanic origin in Southern California and Southern Florida posit that the expansion of the informal sector has been made possible, among other factors, because of the actions and policies of agencies

acting on different and often contradictory authority. An illustration of this is the definition of the employer-employee relationship, which varies depending on whether the Internal Revenue Service (IRS) or the Department of Industrial Relations is adopted. In actual practice there are differences, as shown by a tax inspector, whose comment is quoted: "Our objective is to ensure that the monies that belong to the State should get paid ... We are not in the business of determining whether some people are exploited or not". At present in Chile a procedure for the voluntary declaration of improvements made on houses - including the whole of the property - is being applied for taxation purposes, without a simultaneous requirement of regularisation of the property's municipal status, which is what should strictly come before tax status according to the established regulations.

3/ In Santiago de Chile, for example, according to data supplied by the Ministry of Housing, only 4 out of 10 new houses started between 1984 and 1985 have been duly authorised. I should be added that most of these works are located in high income zones and that the building enterprises involved are modern and, in general, comply with the tax and labour laws and regulations.

BIBLIOGRAPHY

Carbonetto, D. 1985 Informe sobre investigación del sector informal urbano de Lima Metropolitana (Lima; Mimeo).

Carbonetto, D.; Chávez, E. 1984 "Sector informal urbano: Heterogeneidad del capital y excedente bruto del trabajo", en Socialismo y Participación (Lima, Ediciones Socialismo y Participación), June.

Costa Rica, Ministerio de Planificación Nacional y Política Económica 1985 Segmentación del mercado de trabajo en el área metropolitana de San José (San José, MIDEPLAN).

De Soto, H. 1986 El otro sendero (Lima, Editorial El Barranco).

Fernández-Kelly, P.; García, A.M. 1986 Informalization at the core: Hispanic women, home work and the advanced capitalist State, document presented at the Conference "The Comparative Study of the Informal Sector", Harper's Ferry, West Virginia, 2-6 October 1986.

ILO 1972 Employment, incomes and equality. A strategy for increasing productive employment in Kenya (Geneva, ILO).

López, H. 1986 Sector informal urbano (Bogotá, Universidad de Antioquia; Informe de Avance).

Matos Mar, J. 1984 Desborde popular y crisis del Estado: El nuevo rostro del Perú en la década de 1980, series Perú Problema, No. 21 (Lima, Instituto de Estudios Peruanos).

- 1986 Los interlocutores sociales y el proceso peruano de la concertación (Draft).

Portes, A. 1984 Latin American class structures: Their composition and change during the last decades, series Occasional Paper, Núm. 3 (Washington, D.C., The Johns Hopkins University).

Souza, P. R.; Tokman, V.E. 1976 "El sector informal urbano en América Latina", in Revista Internacional del Trabajo (Geneva, ILO).

Stepick, A. 1986 Immigrants, racism, and Miami's informal sector, paper presented at the Conference "The Comparative Study of the Informal Sector", Harper's Ferry, West Virginia, 2-6 de October, 1986.

Tokman, V.E. 1978 "An exploration into the nature of the informal-formal sector relationships", in World Development (Oxford, Pergamon Press Ltd.), Sep.-Oct.

- 1982 "Unequal development and the absorption of labour. Latin America 1950-1980", in CEPAL Review (Santiago, CEPAL), Aug.

- 1987a. "El sector informal: Quince años después", in El Trimestre Económico (Mexico, Fondo de Cultura Económica), July-Sep.

- 1987b. "Progreso técnico, empleo y desarticulación social", en Pensamiento Iberoamericano (Madrid, Instituto de Cooperación Iberoamericana), Jan.-June.

ELA BHATT

I. A vegetable vendor borrows from a private moneylender early in the morning, buys vegetables, trades in them the whole day and returns $5.50 to the money lender at the end of the day. Next morning she borrows from him again.

A patchworker gets work from a private trader to stitch rags of waste cloth from textile mills into quilt covers. She is paid eight cents per quilt cover, using her own sewing machine, thread, and labour. The covers sell for anything from $1.00 to $1.50 per piece.

A junksmith buys metal scrap from a scrap dealer to make crude pots, pans, containers, and other household utility items. Working with primitive tools, she hammers 15 to 20 times to cut a hole in the metal, even in the 1980s.

A farm labourer toils eight to ten hours a day and gets four rupees at the end of the day. Agricultural work provides income only for a few months in the year, thus making her vulnerable to indebtedness and consequent passive acceptance of low wages to repay loans.

A bidi roller coughs all day. To be paid half a dollar for 1000 bidis, she has to give 1500 rolled bidis to the contractor. A tobacco processor cuts and grinds crushed tobacco leaves in her home, delivers the powder to the factory to be paid at the rate of half a dollar per 20 kgs. of powdered tobacco. The factory has bought a huge machine to displace 50 women like her.

A firewood picker spends 10 hours on the Girnar hill to collect a headload of firewood, sells it at the depot at the foothill, takes back the earning of 60 cents to cook the evening meal.

Yes, these are enterprises, if the entrepreneur is one who takes risk in his/her business. Yes, these are the entrepreneurs, if we are concerned with the vast majority of the women economically active in the third world. But before I go into discussing their problems and experience in organizing them, let me say something about the world of work as we understand it in SEWA.

II. In India, and probably in other developing countries, self-employment and employment are the two major forms of work and of earning a livelihood. Both these forms of work are different from each other but yet they are inter-dependent. Self-employment is usually meant to include individuals who work independently to produce goods and/or services which are sold for a price, whereas employment is usually meant to include people who work in regular salaried jobs for somebody else in an employer-employee relationship.

The work of the self-employed can be of three broad categories:

1. The home-based producers producing products such as bidis (cigarettes), garments, textiles, footwear, food products, handicrafts, etc., either on their own as artisans, or on piece rate from a contractor or a tradesman.

money. The vast majority of the self-employed have neither security nor money. How to provide them both is the question.

III. I joined the Textile Labour Association (TLA) in 1955. While working with textile workers I realized that there is a large workforce which has no protection of leave/social security. SEWA was born in 1972. Gandhian thinking has been a source of inspiration for us.

Two ideas were clear in my mind at that time. First, in India, where most of the production of goods and services is done through self-employment, one idea is that the self-employed should be in the mainstream of our country's labour movement. Second, in the women's movement too, it is the self-employed women, the majority of whom are poor, rural, illiterate and economically very active women, who should be playing a leading role.

With these objectives in our minds, without having any blueprint to follow, we started the Self-Employed Women's Association (SEWA) in 1972. The very first block came when we went to register it as a trade union. The registrar said, "How can you call it a trade union? Where is the employer? Against whom are you going to agitate?" We said to him that the purpose is to create solidarity amongst ourselves. Yes, we have to agitate against certain policies, certain defaults in implementation of policies. It took nine months to convince the registrar. Now other unions of the self-employed are developing.

As a union, we struggle for higher wages for garment workers. We struggle for implementing the law of minimum wages for agriculture workers, bidi rollers, and cotton pod shellers. We struggle for introducing minimum wages through the Labour Department for "papad" rollers, head loaders, garment workers, handloom weavers, "chikan" embroiders, and domestic maids. We struggle for social security schemes and new laws for setting up commissions. We struggle with ILO and ICFTU for redefining "work," "workers," and "workplace." I am pleased to say that now SEWA is an affiliate of two international unions, the IUF and IFPAAW, thus entering the mainstream.

While leading various struggles, we soon realized that only an integrated service would help the trade groups to become self-sustaining. A lone typical trade union struggle for wages would be suicidal in a general absence of any legislative or policy protection. Therefore, our struggle has to combine itself with development activities.

Only then will their bargaining power increase. Only that much for the struggle part of SEWA. I shall now describe the efforts of economic development activities taken by SEWA.

IV. <u>Economic Wing</u>:

The most common problems of our members we found through our surveys were two: one, their means of production are hired, e.g. they have to pay rent for their tools, sewing machines, and push carts; and two, they have to pay very high rates of interest for the small capital they need for the business.

So, the first programme that SEWA adopted in 1972 was providing credit facilities to the members. The recently nationalized banks with their policies to "serve the poor," held out hope. So we approached the banks. But, it was not so simple. We were inexperienced and so were the banks in dealing with the poor and women. They did not have conceptional clarity, technical know-how and trained personnel at that time to serve the poor. The bankers were horrified at the lack of collateral, at the illiterate, uncouth manners of our members. At that time, SEWA served as an intermediary self-appointed regulator of repayment, as well as mutual spokesman for the banks and our members. We processed loan applications, and made recommendations for loanees, and the bank disbursed the loans to our members.

Although the first step of providing credit was taken, the members faced a number of practical difficulties, like fixed hours of receiving cash. If the bank refused to accept the cash when women were free to come, then the money got spent. Very often they deposited the loan money with the very wholesaler from whose very clutches we tried to rescue them. Also, they had no place for the cash, which they could not spend at one time. Many such difficulties poured out in a meeting of SEWA members. In the meeting, one of the members, supported by a few others, said, "Why can't we have our own bank?" I said, "But we are so poor." They said "Yes, but we are so many." Four thousand members collected the share-capital of about 60,000 rupees in six months time. We went to the Registrar of Corporations to register our Coop Bank of SEWA. He said, "A bank for poor, illiterate, self-employed?" That, to him, signalled a disastrous and suicidal attempt. "How can you have banking with women who cannot even sign their name?" We resolved this by using a photograph instead of a signature, and won our battle in 1974.

The SEWA Coop Bank provided facilities for savings, developed habits of thrift in women, and ensured safe custody of the cash amount from the evil eyes of outsiders. The SEWA Bank provides credit to further women's economic activities, as well as to release jewelry pawned with private moneylenders. The SEWA Bank extends technical and management assistance in production, storage, procuring raw-materials, designing products, and selling goods and services. The bank provides deposit-linked group insurance. Besides this, the SEWA Bank, through Mahila SEWA Trust provides its members access to legal aid, productivity training, maternity protection, social security and creche facilities.

Today having 22,000 savings accounts, more than 10,000,000 rupees (one million dollars) as its working capital, and 96 percent repayment rate, the SEWA Bank has shattered certain myths and proved that it is possible for illiterate poor, but economically active women, to run a financial unit like the bank viably and to strengthen their trade.

The lessons learned from the SEWA Bank are:

1. Credit has to be combined with all other support services which are badly needed; only then are women able to receive loans for productive purposes and make regular repayments.

2. Having come out of the clutches of middlemen and moneylenders, the women are gradually able to attain bargaining power with the middlemen.

3. Women's need for savings is equally, perhaps more, urgent than her need for credit.

4. Illiteracy of the directors of the board has been overcome in the way in which decisions are taken in board meetings.

Let me also mention SEWA's other economic units: cooperatives. Each coop has a history behind it. We have numbers of coops, but I shall mention only a few.

The Patchworker's Coop emerged out of our union's involvement in the demand for fair wages of patchworkers, who worked at very low piece rates on dilapitated sewing machines. They worked for contractors. We wanted to make the principal employer responsible for paying low wages. The union struggle lasted for a year, and within that period of time 40 women were victimized. Out of moral pressure, we had to start a production unit. Soon we realized that this enterprise was profitable, and it could directly link the urban producers (poor) to the rural consumers, also poor, eliminating middlemen at every level of the production process. Later some more victimized members joined the production unit. Next year the unit showed some surplus. They decided to form a cooperative. The SEWA Bank funded them for the initial working capital, and the State Government's Cottage Industries Department provided subsidy for the cost of the management. The State Cooperative Department arranged for training in cooperative education for the members and staff. Today, the Patchworkers Cooperative has a shop in the very row of shops owned by the traders against whom they were fighting.

The biggest constraint of this cooperative is the availability of raw material, e.g., rags of the textile, particularly dirty rags, which are in big demand. The coop approached the government textile mills corporation for procuring the rags. After a lengthy formality, the representative of the coop sits on the price committee. Still the supply of rags is limited because the private mills have the major share of the rags under their control.

Today, 200 women are in the coop earning an average of 500 rupees per month. This coop has directly influenced the union members in raising their bargaining power before the traders.

The Block Printer's Coop is our second example. These women were being rendered unemployed because of the development of screen printing and attendant obsolescence of their product. Their home-based environment reduced them to low-paid labourers. Cloth, blocks and colours were provided by the traders. The women were unaware of what happened to the product or what the trader did with it or who bought it.

Our typical trade-union style demands did not work here. We had to go deeper into the problem. When we did a survey, we found that there was a small market of block printed material which was growing, but that the market needed products of high quality. With the assistance of AIHB, we developed a training programme to upgrade the worker's skills. The purdah women had to face resistance from the traders, the men, and elders of their families. They learned to print, to prepare dyes and designs, and later, when they formed their coop, learned the skills of management, marketing and accountancy.

Their average income per month comes to 400 to 500 rupees. They sell their products to the State Handicraft Corporation through regular exhibitions and through the retail market.

A third coop is the Cane & Bamboo workers (rural and urban). Bamboo is long and houses are small, so women must sit on the footpath of the roads outside their houses. The police would fine them for encroaching on traffic.

These are tribes who have been pushed out of the forests and migrated from the forests of Madhya Pradesh to the Ahmedabad cities and villages of the district. Their only skill is bamboo-work. They produce baskets and brooms. They have to buy bamboo at a high price and sell the products at a lower price. Another major problem is that of workplace.

For protection against the police, they had approached SEWA on their own. Later, after a survey of their socio-economic condition, we sought the training programme from All India Handicraft Board to upgrade their skill. They were fast learners. They have been producing small pieces of furniture and some fancy items of cane and bamboo. However, it is the brooms and baskets that fetch regular income. Their income has been 200 to 250 rupees per month. It will not rise until the problems of availability and price are solved.

Their cooperative has been openly fighting with the state government which has made a ten year sales agreement with the paper mills of the neighbouring state. Eighty percent of the bamboo in the forest of our state is covered under the agreement; only 20 percent is left for the traditional bamboo workers. A bamboo costs the women six to ten rupees (half to one dollar) while it costs the paper mills only 26 pence. Now that they are organized into a coop, they are demanding a fixed quota of bamboo at fixed reasonable price. The struggle is continuing.

The fourth example is the paper-packing cooperatives. For millions of women and children, waste picking is a regular occupation. After long hours of back-breaking toil, their collection is bought by the local trader at a throw-away price. He makes a handsome profit by selling the waste paper to large factories for recycling. The pickers organized into a cooperative, set up their own godown, and sell directly to the paper factories.

This coop also removes all the wastepaper stuff from the government offices. Their future plan is to set up a paper mill and a stationery unit. They are waiting for the government to provide suitable space for the purpose. Their main problem is in-fighting. Their income has gone up, but it is difficult to say how much.

One-third of our membership is rural. These are landless agriculture workers who do not have agricultural work all year round, so they depend on or resort to additional sources of income. SEWA has tried to create two more sources: one through dairying, and the other through home-based craft.

With the collaboration of the National Dairy Development Board, 15 villages now have women's dairy coops. The women collect the milk twice a day at the village centre, and the van of the district dairy comes to bring the milk cans from the centre. The secretary, a village girl, tests the fat content and s.n.f. of each sample of milk. The payment is regulated

accordingly every ten days. SEWA Bank provided a revolving fund, which is linked with the government's Integrated Rural Development Programme, to enable members to buy milk cattle. Their income on average comes to 150 rupees per month.

Each coop took two to three years in learning to work together to manage the coop. They have yet to learn to represent their interests at the District Union. But they have been fighting bravely both local and outside vested interests in the milk business. Those coops who have failed to fight have not survived.

Another coop is the the handloom coop. These are landless agricultural workers, whose families had been weavers until a decade ago. Their skills were revived. An intensive training programme in weaving for women was conducted. Traditionally, women did not sit on the loom. They are now producing woollen shawls. Their average income is 500 to 600 rupees per month for six months a year. They are not able to manage their affairs yet. They have much to depend on SEWA.

The kerosene vendors have organized a service coop. The state government took a decision to stop giving licences to street vendors, and instead gave licences to kerosene shops only. Thus, women were wiped out of business. Also, the state government introduced regulations, requiring writing, filling out forms, giving receipts to the consumer, and so forth. Being illiterate, the women had to engage men/boys for the purpose, who could take over from the women. They took a loan from the SEWA Bank to buy a shop, but found it difficult to repay.

The vegetable vendors is another coop. Retail vendors were pushed out constantly from the market by the authorities. This is a coop of vegetable vendors who supply in bulk to hospitals, jails, hostels -- a profitable venture. They buy from vegetable growers who are also women. Now the coop wants to include growers as members of the Vegetable Vendors Coop. But again, it has yet to convince the Registrar who objects on technical grounds. The urban jurisdiction (i.e. vendors) is different from rural (i.e. growers), and they cannot be combined.

Additionally, SEWA has organized a cleaners coops, consisting of wastepaper pickers who have contracts to clean offices and institutions, a child care coop which has organized 40 creches, and a carpenter's coop. Six hundred firewood pickers who cut trees on Mt. Girnar are now rehabilitated in planting trees. Two hundred work in the nursery under the Forest Conservation Department, 40 in carpentry. They are growing trees in forests and growing saplings to supply to the forest department. Several other coops are also being organized: a bidi coop in Madhar Pradesh, and a video coop.

The government is a large buyer of goods and services. After many years of lobbying, the state government passed a governmental order to give first preference to buy goods and services from women's organizations. This assurance has helped small coops to grow and strengthen.

The economic wing of SEWA provides to each coop working capital, a trained manager, a table and two chairs, a cupboard and account services. In five years time, the coops have to be self-reliant. Each coop has to contribute to the SEWA union. Out of a total of 16 coops, only one coop is

able to contribute to SEWA; eight are on no profit, no-loss status; five are in-loss; and two are defunct.

Impact

The economic wing of SEWA sees itself as a stepping stone for women to use in becoming self sufficient. Through participation in the coops, the women gradually gain confidence in entering business activities. Women who have never shown their face to the public work in SEWA shops. They go directly to the mills, to forests to buy bamboo, to buy raw materials. To supply the goods, they go to hospitals and banks. For administrative assistance, they learn to go to government offices and talk to government officials.

Most importantly, they learn to work together. They realize the significance of their common interests. They learn to conduct meetings. These are small but important steps in the development of women's confidence in their ability to take control of their working environment, and to strive for improved working conditions and higher earnings.

The change in attitudes, particularly of home-based producers, is evident. Their self-managed production -- involving all steps of the process, from acquiring raw materials to the final sale -- is a totally new incarnation. For those who have always worked for others, it has been difficult for them to conceive of themselves as anything but a "labourer." But they are the shareholders, directors, and managers of the coop. Their efforts are geared to making these coops viable business, to making them an integral part of the economy. It is a long way. We need to ensure that more and more women are able to retain their new status of owner worker. It is a long process. For that, organizing is absolutely essential.

In SEWA's experience, two things happen to the women. When they associate on the basis of work -- outside their role of mother/home maker/wife -- self perception emerges. Also, formerly separated castes and communities can organize on the basis of work.

V. A word on enterprises:

Enterprise is business -- asset-based ownership and earning income. Experts tell us that small should grow into big over a period of time. That is called development/progress.

I am afraid that this logic of growing from small to big accepts the reality of concentration of ownership in the hands of a few. We have observed that when a unit grows very large, it is inevitably at the cost of many other small ones which die out. And that certainly is the driving force of centralisation of the economy, creating pressures for controlling the work and lives of people, small people. That is the only way the large enterprises have been able to function and show results.

Added to this is industrialization, which also has a cost for the small. Poverty is increasing. Women have been bypassed by all this "progress." Women have not had the opportunity to develop their skills in the

industrialization process, so they are left to earn income from trades which are becoming more and more obsolete in the present economy. How can a reed-worker or a petty vendor survive? Their skills have become redundant, their assets lost, and they are left to depend on their own manual labour for survival. Women enter the world of small scale enterprises, but for what? To fight with or exploit each other? To be destroyed by the bigger unit?

We visualize a time when many, many coops form. Collectively, all these small coops add up to a big industry, instead of one giant which constitutes a big industry at the expense of many small ones. How to remain small, develop at one's own pace of growth, and yet be big and effective in the mainstream? Are we not searching for alternatives?

There is another contradiction: small scale enterprises are encouraged for women, and medium-large scale enterprises are being promoted side-by-side for men. Will the small survive side-by-side with the big? I doubt it very much.

Lastly, I want to go beyond that. Based on the historical experience of India, I wonder why in the world of work, someone has to be the employer and someone the employee? Why does one side have the capital assets and control, and the other has only labour to be controlled? Why can't both have both?

We are searching for alternatives. We have to question some very basic concepts and definitions of "work," "worker," "workplace," and "viable." We have to reform our trade unions and our coops if they are to play a significant role in the national economy. We have to demand a fair representation in trade and commerce, in international bodies, and in the Supreme Court. We want rural and tribal women sitting in ILO/ICFTU. When this happens, laws will be different, policies will be different, and that will be new era!

Thank you.

WARIARA MBUGUA

FOR DISCUSSION ONLY

WOMEN'S FORMAL SECTOR EMPLOYMENT IN SUB-SAHARA AFRICA : CURRENT TRENDS AND FUTURE STRATEGIES

By:

WARIARA MBUGUA, Ph.D
PROGRAMME OFFICER, RESEARCH
CENTRE FOR AFRICAN
FAMILY STUDIES (CAFS)
(IPPF AFRICA REGION)

Paper Presented at the Symposium on "Expanding Income Earning Opportunities for Women in Poverty : A Cross-Regional Dialogue"

Sponsored by Ford Foundation
Hotel Inter-Continental
Nairobi, Kenya

May 1 - 5, 1988

The views expressed in this paper are those of the author and should not be attributed to any institution.

TABLE OF CONTENTS

		Page No.
1.0	INTRODUCTION	1
	1.1 Historical Context	1
2.0	OVERVIEW OF WOMEN'S EMPLOYMENT IN THE FORMAL SECTOR	3
	2.1 Trends in Labour Force Participation	4
	2.2 Industrial Trends in Employment	4
	2.3 Employment Status	6
	2.4 Occupational Differentials	7
	2.5 Renumeration	9
	2.6 Migration	9
3.0	INTERVENTION STRATEGIES	10
	3.1 Training	11
	3.1.1 Training in new skills	11
	3.1.2 Career counselling	11
	3.1.3 Continuing education	11
	3.1.4 Time management	12
	3.1.5 Administrative systems	12
	3.2 Organising	12
	3.2.1 Trade unions	13
	3.2.2 Co-operatives	13
	3.2.3 Professional women's organizations	14
	3.3 Legal Advocacy	14
	3.3.1 Sex labelling of jobs	15
	3.3.2 Emoluments	15
	3.3.3 Maternity benefits	15
	3.4 Legislation	16
	3.4.1 Equal pay for work of equal worth	16
	3.4.2 Protective legislation	16
	3.4.3 Sexual harassment	17
	3.5 Sypport Systems	17
	3.5.1 Day-care centres and creches	18
	3.5.2 Time/work sharing	18
4.0	CONCLUSION	18

LIST OF TABLES

		Page No.
1.	Kenya : Female employees as a percentage of persons engage by sect 1970 - 1983.	20
2.	Kenya : Female employees as a percentage of total persons in wage employment for selected years 1972 - 1983.	21
3.	Zambia : Females in formal sector employment by industry 1975 and 1980.	22
4.	Sierra Leone : Sectoral distribution of the employed total and female labour force in 1963 and 1974	23
5.	Kenya : Female casual workers as a percent of casual workers in each industry for selected years, 1972 - 1983	24
6.	Kenya : Female regular workers as a percent of regular workers in each industry for selected years, 1972 - 1983	25
7.	Kenya : Distribution of women in formal sector employment and as a proportion of all, citizens within major occupational groups, 1976	26
8.	Tanzania : Wage income earners by sex and occupation in urban areas, 1971	27
9.	Zambia : Distribution of workers in non-farm employment by occupation and sex, 1980	28
10.	Sierra Leone : Percent distribution of employees by sex and occupation or level of employment for selected institutions	29
11.	Kenya : Proportionate distribution of male and female workers in selected occupations by industrial sector, 1974 and 1981	30
12.	Zambia : Average monthly gross earnings by occupation and sex, 1983	31
REFERENCES		32

1.0 INTRODUCTION:

The role of women in the economies of most African countries has a firm foundation in the agricultural sector. However the extent of their labour force participation is fast expanding into the modern non-agricultural sector. In this respect the nature of most of the women's economic activities in the labour force has undergone a major transition, shifting initially from a situation where women could simply transfer their traditional skills to a new economic setting, to where the acquisition of new skills comensurate with the changing structure of the economy and the concomittant demand for a specialized labour force, has increasingly become a pre-requisite for their entry into wage employment. Because of a variety of factors, historical, cultural, structural, institutional and so forth, women in the formal employment sectors in sub-Sahara Africa find themselves at a disadvantage vis-a-vis their male counterparts. Nonetheless as more and more women enter these areas of employment, it becomes critical that hindrances to their economic self-realization be seriously and innovately addressed.

1.1 Historical Context

Among the Sub-Sahara African countries which underwent a period of colonisation up to the 1960s or 1970s, the scenarios leading to the emergence of a formal wage employment sector are very similar. In Kenya, Tanzania and Zimbabwe for example, the colonial period was a time when the indigenous economies were dominated by the expanding capitalist system of world-wide market exchange, which entailed in the core industries, a form of production based mainly on wage labour. This system of production was mainly oriented towards the export of commodities which were principally agricultural although minerals also featured. The agricultural commodities involved were grown on European plantations and included tea, coffee, sisal, sugarcane, cotton and pyrethrum.

A major problem thus faced by the colonial states was to ensure a regular and cheap supply of labour to the plantations as well as to the mines. To accomplish

[1]

---

1. The data shown in this paper were collected under the auspicies of the ILO/JASPA for their reports on "Women's Employment Patterns, Discrimination and the Promotion of Equality in Africa". I am grateful to them for permitting their reproduction.

this several measures were taken. These included forced labour; forced monetary taxation; repression of certain economic activities, such as cash crop production, among the Africans; and the migrant labour system. These measures resulted in a large number of males becoming fully dependent on wage employment.

The large-scale entry of women into the labour force was precluded under the emergent labour system because the low wages paid to men depended on the continuation of women's subsistence production. In fact there existed a deliberate policy to restrict women from joining the migrant labour system or migrating to towns to join their spouses. There were regular clamp-downs on women's activities in the urban informal sector such as food processing, petty trade and home beer brewing, especially in Kenya and Tanzania.

By the 1930s however, the increase in the African population in urban areas in Kenya had led to some experimentation with employment of women in factories. Women were hired as casual workers at coffee-curing factories and at cigarette factories in packing and boxing of cigarettes. Domestic services in European and Asian homes in the urban areas were still dominated by males, with the exception of the position of "ayah" (baby-sitter). Next to drivers who earned Shs. 50/- per month, "ayahs" earned the highest wages (Shs. 34/- per month) among the domestic workers. Their wages were even higher than those paid to skilled male agricultural wage labourers. Consequently, "ayahs" were the only female workers to participate in the African labour organizations which sprung up during and after World War II.

The most significant increase in women's wage employment occurred after World War II and is associated with the growth of secondary industries. In Kenya for example, between 1944 and 1953, non-agricultural female wage labour force grew by 68 percent registering an average annual growth rate of 5.8 percent. In Tanzania the employment of women as casual workers in the agricultural sector was already notable by 1947. A sex specialisation in certain tasks which women were hired for was also becoming evident; for example in picking coffee, tea and pyrethrum, sorting and grading beans and in weeding. In 1948, 3.3 percent of women in the labour force were engaged in wage employment in the formal sector.

This compares to 19 percent of male labour force in the same year. Eighty-six percent of women in wage employment were in the agricultural sector compared to 52.5 percent of total wage employees by 1952. Most women were excluded from non-agricultural industrial jobs, the majority of which were in mining and quarrying, manufacturing, construction, commerce and non-government services.

Thus by and large, women continued their food production activities during the colonial era, which helped to sustain the male dominated migrant labour system. The emergence of secondary industries after World War II saw the beginnings of women's entry into wage employment, although their numbers still remained quite modest.

2.0 OVERVIEW OF WOMEN'S EMPLOYMENT IN THE FORMAL SECTOR

One of the major difficulties in trying to establish levels and trends of women's participation in formal sector employment is the lack of sufficient baseline information. By implication therefore the keeping and the collection of labour statistics, as well as analysis, broken down by gender is a priority area that needs attention if proper monitoring of interventions is to be expected.

The hindrances posed by the lack of labour data which is broken down by sex are evident in this paper. Often the data that is available by sex is aggregated data which in many cases cannot be further dissagregated. This places restrictions on the depth of analysis that can be undertaken fruitfully. For that reason, this paper confines itself to levels and trends in the participation of women in wage employment in terms of sectoral distribution, employment status, occupational distribution and remuneration, for a few selected countries where data is available.

Issues such as in-service training, promotion, benefits and so forth, of workers in formal sector employment are not possible to deal with very directly, because statistics on them are virtually non-existent or considered not for public consumption. In such cases therefore one has had to depend on indications from employment practices and labour laws, as well as on the observable general trends of women's employment patterns, to discern what maybe happening.

The paper is divided into two main parts. The first part presents the situation of women in wage employment in sub-sahara Africa. Some of the major aspects of the

marginalization of women in formal sector employment are highlighted. The second part of the paper discusses, in an exploratory fashion, some of the strategies that can be adopted by governments, non-governmental organizations (NGOs) and donors to help employed women achieve wage parity with men, as well realize their economic aspirations in the labour market.

2.1 Trends in Labour Force Participation

Within the past 20 years or so the level of participation in the labour force among both men and women has risen considerably in most of sub-Sahara Africa. More and more people are now depending on wage employment as the sole or the main source of income.

In Kenya for example, between 1970 and 1983 wage employment in the modern sector increased by 70 percent, from 644,841 to 1,093,278 persons, and by 400 percent in the informal sector, from 48,083 to 245,091 persons. Thus the share of persons in the informal sector as a percent of all persons engaged rose from 6.90% in 1970 to 18.4% by 1983.

In Tanzania by 1974, total non-agricultural wage employment had risen to 156% of 1967 figures, and in non-agricultural informal sector it had risen to 172%.

Table 1 shows that although the proportion of women engaged in the labour force rose from 14.5% in 1970 to 20% in 1983 in Kenya, they were disproportionably absorbed more into the informal sector with its attendant income-generation uncertainities, than into the mainstream of the modern sector.

2.2 Industrial Trends in Employment

In order to explore how women workers have fared in the expansion of wage employment combined with shifts in the location of job opportunities in the economy, Table 2 illustrates their representation in industrial employment in Kenya between 1972 and 1983. In comparison to their total share of wage employment Kenya women are over-represented in one industry and that is in the community, social and personal services industry. This is a fast expanding industry and the proportion of women here have risen from less than one-fifth (19%) in 1972 to slightly over one-quarter (25%) in 1983. Likewise the finance, insurance, real estate and business services industry

has increasingly absorbed more women. Their share of the labour force therein has risen from 15.8% to 20.1% in the 11 year period.

The situation is more or less identical in Zambia. Table 3 shows industrial distribution of workers by sex in Zambia in 1975 and 1980. Women are disporportionately represented in three industries namely community, social and personal services; finance, insurance, and real estate; and distribution, restaurants and hotels. These industries comprise the tertiary sector and women in Zambia account for 31.3 percent of the total work force in the three industries.

In Ethiopia in 1981 female representation was highest in wholesale and retail trade with 37.0% female, followed by finance and insurance with 25.0%, manufacturing with 24.4%, transport, storage and communication with 15.8% and social services with 12.6%. Other industries had a proportion of female workers below 10%.

Data from Sierra Leone are shown in Table 4 for 1963 and 1974. Although the total proportion of women in wage employment declined from 36.4 percent in 1963 to 28.0 percent in 1974, the concentration of women in certain industries is quite evident. In 1963, 41.5 percent of the total labour force in the commercial sector consisted of women. Ten years later this proportion had climbed to 46.9 percent.

There are serious implications for the differential growth of the labour force by sex that appears to be taking shape in the formal wage sector in sub-sahara Africa. One important consequence is the increasing tendency of women to be concentrated in certain industries and to be virtually excluded in others. A good example of this is shown by the fact that of the 88,603 women who entered wage employment in Kenya between 1972 and 1983, fully 78.9% were absorbed into the community, social and personal services industry only. The comparable figure for men is 52.6% of the 284,898 new entrants.

Although women's representation in the agricultural wage sector has traditionally been largest, this is fast changing as the economies of Sub-Sahara Africa re-structure themselves. Typically the relative share of the labour force deployed in the agricultural sector shrinks while that in other sectors expands. In Kenya for example, the

proportion of women working for a wage in the agricultural sector has declined from 19.2 percent in 1972 to 15.3 percent in 1983. In Sierra Leone this proportion has fallen from 42.2 percent in 1963 to 30.1 percent in 1974.

The majority of wage-earning women in the agricultural sector are found in cash crop plantations such as tea, sugar and coffee. This category of workers usually represents the poorest of the workers in the formal sector. Unfortunately there is no data available that would permit a closer look at the different categories of workers in the agricultural sector.

2.3 Employment Status

Some industries have a higher propensity to use casual workers in their work force than others. The main ones are agriculture; finance, insurance, real estate and business services; and community, social and personal services. Coincidentally these are also the industries that employ large numbers of women in their labour force. More often than not, women in these industries are more likely to be employed as casual workers than their total share of employment in those industries warrants.

In Kenya for example, although the proportion of casual employees among those in wage employment is small, 13.8% to 17.8%, the proportion of women among casual employees ranges between one-fifth and one-quarter (Table 5). In comparison the proportion of women among regular employees is less than one fifth. (Table 6). The implication here is that women have a slightly better chance of finding wage employment of a temporary nature, than of a permanent kind.

Further analysis of the Kenyan data has shown that overall between 1970 and 1983, 74% of all economically active men were employed as regular workers in comparison to an average of 61% of the female employees. As casual workers, the percentage for the men was an average of 13% against 17% for women. Thus on the whole women take a smaller share of the total work force to begin with, yet they are in addition, much more likely than men to be absorbed as casual workers (or as self-employed and unpaid family worker).

2.4 Occupational Differentials

From the ongoing discussion it is evident that women still form a significantly small proportion of the work force in the formal sector which is increasingly becoming a major source of livelihood in sub-Sahara Africa. Some occupational distributions within the formal sector for three countries are shown in Tables 7, 8, and 9. Even though the categories are dissimilar, a distinctive pattern, whereby women occupy the low cadre occupations is supported in all three examples.

Table 7 shows that as of 1976, slightly over half of the Kenyan women engaged in wage employment, work at the bottom of the occupational hierarchy. Casual employees and unskilled workers form 58% of all women in formal sector wage employment, while the teaching profession forms an additional 24 percent. Within the occupational categories, there is an overwhelming concentration of women in the secretarial services where they form 89% of the total. Next in line are the teaching professions and casual employment where they form 33 and 25 percent of the total respectively.

Interestingly, Kenyan women are under-represented in occupations which are traditionally female elsewhere, such as shop attendants and sales personnel.

In Tanzania as shown in Table 8, the largest proportion of women wage earners are employed as clerical staff and hotel/restaurant/bar workers. The seemingly high proportion of women wage earners in the top occupational category is due to the inclusion of nurses and teachers in the technical and administrative categories.

Table 9 shows the classification of occupational categories for Zambia. Women are mainly concentrated in the professional, technical and related fields (38.0%) and in clerical and related categories (25.2%). These occupations include teaching, nursing, social work, secretarial, clerical, typing, book keeping and the like. A significant proportion of women workers are also employed as service workers, such as domestic servants, waitresses, cleaners, retailers and so forth.

Evidence from Sierra Leone suggests that the pattern is virtually identical, as depicted in Table 10.

Looking at the trends in the deployment of the labour force by sex over the years, one is forced to the conclusion that the feminization of low-paying jobs in the formal wage sector is getting worse rather than the reverse. This is illustrated with data from Kenya shown in Table 11.

In this table occupations whose definitions have remained constant over the years and in which a significant proportion of workers are absorbed have been selected. In each of the selected occupations male workers as a percent of all male workers in the sector have been calculated, and likewise for females. Additionally the male to female ratios of workers in each sector have been presented to give an indication of the overall distribution and changes of female participation over the period between 1974 and 1981.

The overall distribution of unskilled workers shows a downward trend. However men have moved from occupations requiring no skills in much greater proportions than females. In the manufacturing sector for example, although women have increased by a factor of seven, reducing the male-female ratio from 16 to 1 in 1974 to 9 to 1 in 1981, 6.7% more men than women have left unskilled occupations. In comparison, only 3.5% more women than men have entered into the skilled occupations. On balance therefore considerably more men have moved out into other higher job categories since the unskilled category is the lowest one. The occupations of general clerks, account assistants, book-keeper and so forth have been absorbing a much higher proportion of female than male employees. In the transport and communication industry for example, the proportionate distribution of females in these low level occupations rose from 20.8% to 40.0% while for men it rose from 17.5% to 19%. In this industry women are grossly under-presented in occupations such as transport drivers, skilled workers and production supervisors all of which absorb a signigicant proportion of workers. The community, social and personal services industry shows a net gain of women as unskilled workers and a net loss of men in the same occupations. Since this is one of the growth industries and also one where most new female entrants to the labour market have been absorbed, the observed trend suggests quite strongly that women have been replacing men in the low-paying jobs as men move upwards. Alternatively new employment opportunities that have opened up to women are only

those at the bottom of the occupational scale. Both of these factors lead to the conclusion that the entry of large number of women into the labour market has not been met with a concommitant occupational equity with men.

2.5 Renumeration

The distribution of women in low status occupations suggests that the majority of them are also likely to be over-represented in the low-paying job categories in comparison to men. Their average earnings as a group should therefore clearly show a discrepancy from that of the men. This is in fact borne out in Table 12 which depicts female earnings as a percent of male earnings in Zambia in 1983.

On the whole, the average earnings of women workers in various occupations are less than those of men. They range from 64.6 percent of male earnings among clerical workers to 94.7 percent among agricultural workers. The only exception to this rule is among women employed as clerical and related occupations whose average monthly gross earnings are 107.7 percent of their male counterparts. The explanation for this anomaly in the Zambian context is the apparent higher educational level of females in clerical positions in comparison to male clerical workers. Bank tellers, clerks in insurance and in real estate are increasingly women with a higher level of education than men in similar positions. In contrast however, males with comparable education levels are entering executive, administrative and managerial positions. This creates a situation where women are made to compete for the same jobs with men who have lower qualifications. What this suggests, is that women workers are now faced with the spectre of credentialism which their males counterparts are not subjected to.

2.6 Migration

It has been shown above that men and women are deployed quite differently in the labour force. This implies that there is a distinct pattern of economic activity by gender, in both urban and rural areas. Urban and peri-urban areas have increasingly become centres of wage employment in comparison to the agricultural estate and plantation sector in the rural areas which has been shown to be shrinking in relative size.

The concentration of wage employment in urban areas is one of the major causes of migration from the rural areas. Since women are still pre-dominantly responsible for food production in sub-Sahara Africa, the selectivity of migration to urban areas, on the aggregate favours men. National statistics in Kenya for example indicate that most migrants to town are male heads of household and other males of working age. One of the immediate consequences of this pattern of migration is the creation of a large proportion of de facto female-headed households in the rural areas.

Currently there are no readily available data to indicate the extent to which women might be migrating in search of wage employment. However given the feminization of certain occupations which has already been noted, as well as the prevalence of traditionally female occupations in domestic services, one is likely to conclude that female labour migration in sub-Sahara Africa is on the increase. Needless to say this is a phenomenon that needs to be properly investigated and documented.

3.0 INTERVENTION STRATEGIES:

The foregoing discussion has tried to present the current situation and the major trends in the formal sector employment of women in selected sub-Sahara African countries. By and large, the indications are for a worsening of the situation as depicted in future, rather than the reverse. This clearly implies that strategies that cater specifically to the improvement of women employed in the private and public sectors in sub-sahara Africa need to be developed and implemented.

The development of these strategies should deliberately take into consideration women's reproductive role, because this role is inseparable from the productive one. Often within the Africa context women's reproductive roles are used overtly or covertly against them with respect to job advancement, social entitlements and so forth. Instead however, this role should be understood by employers to be a legitimate attribute of productive workers, who simply happen to be women, and it should therefore not elicit punitive actions of any kind whatsoever.

The strategies that are suggested in improving the lot of women working in the formal sector fall into five broad categories. These are by no means exhaustive. They

include training, organising, legal advocacy, legislation and support systems. Each of these strategies is discussed briefly below.

3.1 Training

The type of training that a significant proportion of women who enter the job market have received is often inadequate, unsuitable or inadaptable to structural changes in employment opportunities. The major problem here is the tendency to push or encourage women to pursue what are considered traditionally feminine occupations, whether or not new job opportunities are emerging. Therefore both before and after entering the job market certain special training needs should be considered.

3.1.1 Training in new skills - today technological development in the work place is such that new skills are needed to compete for job opportunities on an equal basis. Women should therefore be availed the opportunity to learn completely new skills e.g. computer programming; as well as helping them to update their skills e.g. from typewriting to word-processing. Governments and NGOs can spearhead these activities by organising special training courses for these purposes.

3.1.2 Career counselling - because of the pressure to successfully combine their reproductive and productive roles, women by design or by default, often gravitate towards those jobs that will permit them to do so, whether or not they have the aptitude for it. Career counselling would help women in revealing the options open to them. It would also assist them to select the type of jobs which suit both their temperament and their capability. It is important that career counselling begin early enough in the educational system, certainly by high school. This is one area where donors might, for example, sponsor "career day" in high schools in conjuction with NGOs, or as an activity to mark various calendar events within a given country.

3.1.3 Continuing education - currently in sub-Sahara Africa there is little opportunity for employed women to further their professional careers by updating their education. In most instances the institutions that offer suitable

programmes operate at unsuitable times, either at lunch-time or after work in the evenings. These are the very times that women accomplish some of their domestic responsibilities e.g. food shopping, picking or dropping children to school and so forth. There is need for employers to create flexibility in the work schedule so that women can take advantage of such opportunities. Donor assistance in this area might be to support experimental or pilot continuing education courses through already well-established institutions. Once the success of such education is demonstrated, they could then be easily integrated into the curricula of the institutions.

3.1.4 Time management - since women workers have dual roles which are equally demanding, training on how to manage their time successfully should enhance their productivity. This maybe particularly important for those women with school age children. Such training can be confined largely to short seminars or workshops. The most suitable framework within which to undertake such seminars would be through donor funding to NGOs which specialise in such courses. NGOs could also be required to design seminars dealing specifically with those issues.

3.1.5 Administrative systems - this is not training per se, but a thorough explanation of the working environment within which women operate. Some studies have shown that many employed women are ignorant of certain aspects of their terms of service, conditions of work, social entitlements and other benefits. This prevents them from taking advantage of various opportunities in their work place and prevents them from querrying certain practices which they may feel to be unfair. Trade unionists could be mobilised to systematically address some of these issues.

3.2 Organising

In helping to arrest the marginalization of women employed in the formal sector three forms of organising can be used.

3.2.1 Trade unions - women workers are grossly under-represented at all levels of trade unions. Yet trade unions represent the most effective platform for barganing between employers and employees. The presence of women here then is critical. Women fail to join trade unions partly because many of them are employed as casual workers and therefore do not qualify; women also appear to be less conversant with the notion of collective barganing and other aspects of trade unionism from which they stand to gain tremendously. On their part, trade unions themselves are largely insensitive to the needs of women workers. Therefore being as they are, dominated by male workers trade unions have no conceptual framework within which to start legitimising gender issues in seeking better working conditions for their members. It is therefore important that trade unions be encouraged to undertake recruitment drives for women workers and to start dealing in their various fora with issues affecting women employed in the formal sector. Donor funding can be targeted to sensitizing officials of trade unions, especially those that have a potentially large female membership, about gender issues. This can be done by giving a series of short workshops.

3.2.2 Co-operatives - a variety of co-operatives exist that cater to those employed in the formal sector. There are two problems however with respect to such co-operatives vis-a-vis women workers. First, many by-laws among co-operatives lead to the exclusion of women's participation. Second because of the inflexibility of the laws governing the co-operative movement, many women's organizations (in both formal and informal sectors) are disqualified from registration as co-operatives. The outcome is that most co-operatives are dominated and therefore benefit mostly male workers. In addition to advocating for the relaxation of some co-operative by-laws in order to include women, new forms of co-operative-like organizations should be developed to cater to the needs of women workers. The large numbers of women working in the agricultural wage sector would particularly stand to gain here. Women's

presence in co-operative training colleges should also be supported and increased substantially.

Governments, NGOs as well as donors have a role to play here. Revision of by-laws is in the domain of governments as well as the establishment of new forms of co-operative-like organizations. NGOs, especially those that work closely with women, can assist in this process by sensitizing the policy makers in various fora, about the necessity to undertake these measures. Donors on the other hand can provide scholarships to women attending co-operative colleges as well as providing seed money for the establishment of new forms of organizations for women workers which would function like co-operatives.

3.2.3 Professional women's organizations - in sub-sahara Africa, these type of organizations have been slow on the uptake. Perhaps the best established ones are the Nurses and Midwives Associations, primarily because they deal with traditionally female occupations. Surprisingly however, teachers' organizations though firmly established rarely deal with gender specific issues, in spite of the fact that the majority of teachers are women. The promotion and the support of various professional women's associations such as for bankers, lawyers, managers and administrators, social workers, researchers, doctors, accountants and so forth will help to destroy stereotypes that exist about occupational opportunities for women. The membership in such organizations can also be used for career counselling in high schools for example, as well as in other capacities. Both donors and NGOs should support such organizations by offering the membership leadership training and sponsoring them in activities, such as "career day" in high schools.

3.3 Legal Advocacy

There are three areas relating to the employment of women that would appear to merit from legal advocacy. These are areas where the letter of the law appears to differ substantially from popular employement practices. In other words although there are laws prohibiting discrimination on the basis of gender in

most sub-Sahara Africa countries, such laws are conveniently ignored with respect to employment. Three examples are presented.

3.3.1 Sex labelling of jobs - the practice of inviting applications for jobs from men only or from women only is pervasive in sub-Sahara Africa. The gender of the applicant in probably ninety-five percent of the cases is clearly immaterial. Invariably this practice excludes women from the top management and administrative jobs, while pushing them to the lower echelons. There is need to vigorously advocate for the termination of this practice from employers who should be subjected to punitive legal action if they persist. Organizations such as the Marketing Society of Kenya (MSK) can establish watchdog committees, in conjuction with NGOs, to screen sexist advertising.

3.3.2 Emoluments - because of the continuing belief that women's income is supplementary to men's, married women workers (who are in the majority) continue to be denied some of their entitlements. The best example is house allowance, although there are other worker's schemes that married women are not permitted to take advantage of. The reasoning here is that married women are housed by their husbands and therefore one household should not claim house allowance twice. This practice in the case of Kenya for example is confined almost exclusively to the public sector. The assumptions supporting the denial of house allowance to married women have, at best, been overtaken by events, and at worst are discriminatory on the basis of gender. Husbands are <u>never</u> denied house allowance because their wives are working. It is therefore imperative that the public sector adopt an emolument structure purely on the basis of the job description similar to the private sector. An NGO such as the Public Law Institute in Kenya, can be assisted by donors to extend some of the work on Law and Women that they have already began, to cover an issue such as this as well as the one below.

3.3.3 Maternity benefits - this topic deserves greater attention than it has so far garnered because of the ramifications attached to it.

Although most employers are bound by law to grant maternity leave, such leave is often cited as the reason why women fail to be promoted or to be given positions of responsibility. Experience from the developed countries has shown that this need not be the case. In light of this the situation in sub-Sahara Africa needs to be addressed accordingly.

3.4 Legislation

On the whole, constitutional laws in sub-Sahara Africa give equal rights to both men and women. However the caveats that are embodied in certain Acts lead to what maybe considered legislative bias against women. At the same time, laws that tackle in a very explicit fashion, potential or actual legal lacuna that can be used against women in formal employment are lacking. Three of the legislative issues that affect working women are discussed below.

3.4.1 Equal pay for work of comparable worth - this type of legislation is virtually non-existent in sub-Sahara Africa. The general laws that exist which deal with equality are assumed to also cover this area. The interpretation with respect to employment which is given to such laws is that of "equal pay for equal work". However the practice of sex labelling of jobs - "clerk" for women, "clerical officer" for men - easily circumvents the intention of the law. Likewise the emergence of credentialism, whereby women are expected to be more highly qualified than men to get the same type of jobs defeats the spirit of the law as it currently stands. Explicit laws that seek to ensure "equal pay for work of comparable worth" are therefore essential.

3.4.2 Protective legislation - laws usually contained in the Employment Act that purport to protect women in sub-Sahara Africa from arduous work are generally carryovers from British Law. Within the African context these laws do not protect women as such but often serve to exclude them from otherwise productive occupations. A thorough review and evaluation of such laws is clearly called for.

3.4.3 Sexual harassment - the mere suggestion of sexual harassment of working women, usually by their male superiors is anathema to most employers. It is considered expedient to pretend that sexual harassment of women in the formal sector does not exist. Not surprisingly therefore there are no statistics of any kind to show how pervasive its incidence might be. The point however is that as the situation stands, women have no legal redress in the event of sexual harassment. The law appears to be completely silent on this issue. It is however important to realise that as more and more women enter the labour market, sexual harassment at work, in whatever from it takes, is bound to escalate and legislation against it should be enacted.

Before any of the interventions mentioned above can be undertaken however, it would perhaps be necessary to document quite systematically that women workers are discriminated against through sex-labelling of jobs as well as a result of protective legislation. The presence of sexual harassment at work would also have to be demonstrated. Research is therefore a priority that donors can support. A process of alerting policy-makers would then commence, through seminars or workshops again with the support of donors, working through NGOs.

3.5 Support Systems

Perhaps the greatest innovations within the context of sub-Sahara Africa are required in creating support systems for women employed in the formal sector. On the one hand, the demands and adjustments of working in the formal sector are still not properly understood outside of the formal sector employment context. On the other hand the expectations that are still placed upon women within the African cultural context, are still oblivious to the emergence of non-traditional roles, or even to a shifting in the emphasis of the multiple-roles that African women want or have to play. The result is that while women take on additional roles, such as working mother or working wife, there has not been a concomittant development of support systems in response to these changes. Two such systems are proposed.

3.5.1 Day-care centres and creches - the demands of the reproductive role among working women is of major concern to both employers and employees. Employers usually feel that working women are rendered under-productive or unproductive because of the sometimes unexpected demands on their time. This maybe due to the sickness of children, lack of people to look after children during working hours and so forth. The establishment of day-care centres and creches near the working premises, will alleviate, though by no means eliminate some of the anxiety that is created on both sides over this issues. A collaborative effort between employers and employees in establishing day-care centres or creches is likely to bear fruit and should therefore be supported. Establishments which have many women workers can be targeted by donors for the establishment of day-care centres and creches on an experimental basis.

3.5.2 Time/work sharing - the introduction of flexible working hours for those working women who may desire such an arrangement has also got some real possibilities. The rigidity of current working hours in the formal sector is partly to blame for the apparent conflict between women's productive and reproductive role expectations. The management of specific establishments could be approached to institute time/work sharing arrangements. Donors could then support operations research projects that seek to investigate the consequences of such arrangements, with a view to replicating the experience elsewhere.

4.0 CONCLUSION:

This paper has attempted to highlight the major trends in the employement of women in the formal sector in sub-Sahara Africa. As the economies of African countries decrease their dependence on the agricultural sector, new industries, especially those based on services have emerged and now employ an increasing proportion of all economically active persons. Women, it was noted, are entering wage employment in greater numbers than before but their pattern of employment shows distinctively different characteristics than that of the men. They tend to be heavily concentrated in the tertiary sector in service-oriented occupations. Even when they are in the other sectors they still tend to

be deployed in similar occupations. Women in formal sector employment also tend to be disproportionately concentrated in the low echelon occupations. As an aggragate therefore, they earn considerably less than their male counterparts. In some countries credentialism appears to be used against women such that they are denied fair competition for job opportunities.

Several strategies were suggested which can be used to help employed women attain wage parity with men. These strategies include various aspects of training, organising, legal advocacy, legislation, establishing support systems and availing credit to employed women. In view of the observed marginalization of women in formal sector employment which, if unchecked is most likely to deteriorate, there is a sense of urgency in developing and implementing strategies which will effectively address hindrances to their advancement and economic self-realization.

Table 1

Kenya : Female Employees as a percentage of persons engaged by sector 1970 - 1983

Year	In wage Employment Private Sector	Public Sector	Self-Employed and Unpaid Family Workers (Informal Sector)	% of All Persons Engaged
	(1)	(2)	(3)	(4)
1970	14.2	14.5	17.7	14.5
1971	15.0	14.0	17.7	14.9
1972	15.5	13.8	18.1	15.1
1973	15.0	14.9	17.2	15.2
1974	16.3	19.8	26.8	19.0
1975	14.7	17.5	23.2	16.8
1976	15.1	17.8	26.4	17.8
1977	15.9	18.9	28.5	18.9
1978	16.6	18.5	26.7	18.9
1979	16.5	17.6	27.2	18.6
1980	17.0	18.2	29.2	19.4
1981	17.5	19.3	30.0	20.4
1982	18.0	19.2	32.1	21.0
1983	17.3	18.5	29.4	20.0

Source : ROK Annual census of Employment and Earnings in the Modern Sector 1970 - 1983, Central Bureau of Statistics.

Table 2

Kenya : Female Employees as a percentage of total persons in wage employment for selected years 1972 - 1983

Industry	Year 1972	1975	1979	1983
Agriculture and forestry	19.2	17.4	17.9	15.3
Mining and quarrying	0.9	1.4	2.2	3.6
Manufacturing	5.9	7.7	8.3	9.3
Electricity and water	5.2	3.6	5.7	7.0
Construction	2.8	2.2	3.6	4.4
Wholesale and retail trade restaurants and hotels	8.5	10.1	13.5	14.2
Transport and communication	4.5	6.0	6.8	13.2
Finance, insurance, real estate & business services	15.8	16.8	15.3	20.1
Community, social and personal services	19.0	22.1	25.1	25.2
All industries	14.8	15.8	17.0	17.8

Source : ROK, Annual censuses of Employment and Earnings in the Modern Sector, CBS, 1972 - 1983

Table 3

Zambia : Females in formal sector employment by industry, 1975 and 1980

Industry	1975 Total Workers	1975 Percent Female	1980 Total Workers	1980 Percent Female
Agriculture, forestry and fisheries	34,960	3.1	31,580	7.1
Mining and quarrying	56,510	4.2	56,710	5.4
Manufacturing	41,680	5.4	45,680	5.7
Electricity and water	4,520	4.0	8,040	1.5
Construction and allied repairs	69,220	0.7	42,840	1.9
Distribution, restaurants & hotels	32,980	5.4	30,030	8.4
Transport and communication	20,730	4.1	23,500	5,8
Finance, insurance real estate and business services	16,070	10.3	21,570	11.9
Community, social & personnel services (excluding domestic services)	88,660	11.2	101,030	11.0
Total	365,330	5.6	360,980	7.3

Source : ILO/JASPA Women's Employment Patterns Discrimination and Promotion of Equality in Zambia". Draft Report, 1985 p. 37.

Table 4

Sierra Leone : Sectoral distribution of the employed total and female labour force in 1963 and 1974

	(000's) 1963 Total	Females	% of the sector Total	(000's) 1974 Total	Females	% of the sector Total
Agriculture, Forestry, Fisheries	703	297.0	42.2	735	221.0	30.1
Mining and Quarrying	48	0.4	0.8	21	0.2	0.9
Manufacturing	41	6.0	14.6	48	4.0	8.3
Electricity, Gas and Water	2	0.1	1.7	2	0.2	10.0
Construction	16	0.1	1.3	18	0.1	0.6
Commerce	53	22.0	41.5	98	46.0	46.9
Transport, storage and communications	16	0.3	1.9	27	0.3	1.9
Services	29	5.0	17.2	61	11.0	18.0
Total	908	331.0	36.4	1,010	283.0	28.0

Source : ILO/JASPA "Patterns and Trends in the Employment of Women in Sierra Leone" Draft Report, 1985.

Table 5

Kenya : Female casual workers as a percent of casual workers in each industry for selected years, 1972 - 1983

Industry	Year 1972	1975	1979	1983
Agriculture & forestry	34.3	28.5	35.6	16.9
Mining and quarrying	-	-	2.5	0.9
Manufacturing	13.5	18.5	12.2	17.8
Electricity and water	10.0	1.5	3.9	4.9
Construction	3.8	1.2	2.1	2.6
Wholesale and retail trade restaurants and hotels	8.1	12.8	11.3	3.8
Transport and communication	2.1	4.5	3.3	29.6
Finance, insurance, real estate & business services	30.9	3.9	8.4	10.1
Community, social and personal services	24.7	15.8	25.1	17.0
All industries	26.2	20.5	21.7	14.0

Source : ROK, Annual censuses of Employment and Earnings in the Modern Sector, CBS, 1972 - 1983.

Table 6

Kenya : Female regular workers as a percent of regular workers in each industry, for selected years, 1972 - 1983

Industry	Year 1972	1975	1979	1983
Agriculture & forestry	13.8	14.0	11.2	14.5
Mining and quarrying	1.2	1.9	1.2	8.4
Manufacturing	4.9	6.1	7.2	7.8
Electricity and water	2.9	4.4	6.2	9.6
Construction	2.3	2.7	4.5	5.5
Wholesale and retail trade restaurants and hotels	8.5	9.9	13.7	16.2
Transport and communication	4.8	6.0	7.1	11.1
Finance, insurance, real estate & business services	15.3	17.8	16.24	21.1
Community, social and personal services	23.2	22.2	25.1	26.0
All industries	13.0	15.2	16.1	18.7

Source : ROK, Annual censuses of Employment and Earnings in the Modern Sector, 1972 - 1983.

Table 7

Kenya : Distribution of women in formal sector employment and as proportion of all citizens within major occupational groups, 1976

Occupation	Percentage of all Kenyan Women in Formal Sector Employment	Percentage of all Kenyan Citizens in Occupational Group
Casual employees	22	25
Unskilled workers	36	12
Skilled manual workers	5	8
Shop assistants and sales personnel	*	1
Clerical workers, Book-keepers, Cashiers	3	9
Secretarial workers and typists	7	89
Technicians and workshop advisory personnel	1	5
Teachers	24	33
Middle level executives	1	7
Professionals	1	13
General managers, Directors and top administrators	*	3
Total	100	17

Source : UNICEF, Kenya Country Profile 1984, Social Statistics Programme, Eastern and Southern Africa Regional Office, Nairobi, Table 2.28 pg. 30.
* Less than 0.05%.

Table 8

Tanzania : Wage income earners by sex and occupation in urban areas, 1971

Occupation	Male	Female	Total	% Female in Total category
Professional/managerial Technical/administrative	4.8	9.4	5.5	24.2
Clerical	15.1	28.7	17.0	23.8
Sales	4.4	5.2	4.5	16.2
Domestic/cook/ayah	6.6	6.5	6.5	13.9
Drivers	5.2	0.0	4.5	0.0
Messangers/watchmen	8.4	5.5	8.0	9.7
Public sevice/Nursing Social work/national service	2.6	8.1	3.4	33.3
Hotel-waiter/bar/porter	4.5	16.5	6.2	37.5
Agriculture/fishing	0.4	0.0	0.4	0.0
Semi-technical	4.6	3.5	4.4	11.3
Skilled	10.4	1.6	9.2	2.5
Crafts/tailors/carpenters	10.3	2.3	9.1	3.5
Machine operators	6.3	4.5	6.0	10.5
Unskilled	16.4	8.4	15.0	7.5
Total	100.0	100.01	100.0	
No. of cases	(1889)	(310)	(2199)	

Source : ILO/JASPA "Women's Employment Patterns, Discrimination and Promotion of Equality in Africa : Country Case Study-Tanzania", 1984 p. 95 Draft Report.

Table 9

Zambia : Distribution of workers in non-farm employment by occupation and sex, 1980

Occupation	Male	Female	Total	% Female in Total Category
Professional/technical and related	14.6	38.0	18.0	30.6
Administrative/ managerial	2.9	2.0	2.8	10.6
Clerical and related	8.1	25.2	10.6	34.5
Sales	4.7	9.0	5.3	24.5
Service workers	23.0	18.1	22.3	11.7
Transport/equipment operators & labourers	46.7	7.7	41.0	14.5
Total	100.0	100.0	100.0	-
% of total	85.5	14.5		

Source : ILO/JASPA "Women's Employment Patterns Discrimination and Promotion of Equality in Zambia: Draft Report. 1985, p. 56.

Table 10

Sierra Leone : Percent distribution of employers by sex and occupation or level of employment for selected institutions

BANK

Level	% Male	% Female
Executive/managerial	100.0	0.0
Senior staff	66.7	33.4
Middle level staff	81.8	18.2
Junior staff	77.7	22.3
Number of cases 303	72.0	28.0
INSURANCE COMPANY		
Occupation		
Administrative	60.0	40.0
Clerical	34.3	65.7
Cleaners	100.0	-
Drivers	100.0	-
Messangers	100.0	-
SHOPS		
Level		
Executive/managerial	75.0	25.0
Senior staff	75.0	25.0
Middle level	33.3	66.7
Junior staff	29.6	70.4
Occupation		
Administrative	33.3	66.7
Clerical/sales	7.7	92.3
Maintenance	100.0	0.0
Cleaners	100.0	0.0
Messangers	100.0	0.0

Source : ILO/JASPA "Patterns and Trends in the Employment of Women in Sierra Leone" Draft Report. 1985 p.21,22,28.

Table 11

Kenya : Proportionate *Distribution of Male and Female Workers in Selected Occupations by Industrial Sector, 1974 and 1981

Industry and Occupation	1974		1981		Difference	
	M	F	M	F	M	F
Agriculture and Forestry						
Unskilled workers	79.2	92.6	72.7	86.7	-6.5	-5.9
M/F ratio**	7:1		6:1			
Manufacturing						
Unskilled workers	39.0	41.2	28.3	37.2	-10.7	-4.0
Skilled workers	20.3	7.1	32.3	24.0	+13.2	+16.9
M/F ratio	16:1		9:1			
Transport and Communication						
General clerks etc.	17.5	20.8	19.0	40.4	+1.5	+19.2
M/F ratio	18:1		12:1			
Finance, Insurance etc.						
Unskilled workers	37.1	6.4	5.3	5.2	-31.8	-0.1
General clerks etc.	25.1	33.1	10.7	30.1	-14.4	-3.0
M/F ratio	5:1		4:1			
Community Services etc.						
Unskilled workers	30.6	25.0	21.3	25.2	-9.3	+0.2
General clerks etc.	7.8	4.4	6.5	5.9	-1.3	+1.5
M/F ratio	4:1		3:1			

Source : Annual censuses of Employment and Earnings in the Modern Sector.

* e.g. Males in a particular occupation as a percent of all males in sector.

** Covers all workers in all occupations of the sector.

Table 12

Zambia : Average Monthly Gross Earnings by Occupation and Sex, 1983

Occupation	Male Zk	No. of Males	Female Zk	No. of Females	Female earnings of % of male earnings
Professional/technical	381	23,916	274	13,758	72.0
Administrative and related	742	2,349	642	213	86.5
Clerical & related	260	27,414	280	12,508	107.7
Sales workers	302	3,852	195	731	64.6
Service workers	140	31,460	132	4,117	94.3
Agricultural workers	95	15,114	90	911	94.7
Production workers and labourers	188	112,808	126	2,068	67.0

Source : ILO/JASPA "Women's Employment Patterns Disrimination and Promotion of Equality in Zambia". Draft Report 1985 p.63.

REFERENCES:

ILO/JASPA : "Women's Employment Patterns Discrimination and Promotion of Equality in Zambia" Draft Report, 1985.

---------- "Women's Employment Patterns Discrimination and Promotion of Equality in Africa : Country Case Study-Tanzania". Draft Report 1984.

---------- "Patterns and Problems of Women's Employment in Africa : The Case of Ethiopia". Draft Report, 1984.

---------- "Patterns and Trends in the Employment of Women in Sierra Leone" Draft Report 1985.

Republic of Kenya: "Economic Survey 1980". CBS, Nairobi, 1980.

---------- "Economic Survey 1981". CBS, Nairobi, 1981

---------- "Economic Survey 1982". CBS, Nairobi, 1982

---------- "Economic Survey 1983". CBS, Nairobi, 1983

---------- "Economic Survey 1984". CBS, Nairobi, 1984

---------- "Economic Survey 1985". CBS, Nairobi, 1985

---------- "Employment and Earnings in the Modern Sector, 1971", CBS, Nairobi, 1973.

---------- "Employment and Earnings in the Modern Sector, 1972 - 1973", CBS, Nairobi, 1976.

---------- "Employment and Earnings in the Modern Sector, 1974", CBS, Nairobi, 1976.

---------- "Employment and Earnings in the Modern Sector, 1975", CBS, Nairobi.

---------- "Employment and Earnings in the Modern Sector, 1976", CBS, Nairobi, 1978.

---------- "Employment and Earnings in the Modern Sector, 1978", CBS, Nairobi, 1980.

---------- "Employment and Earnings in the Modern Sector, 1979", CBS, Nairobi, 1981.

---------- "Employment and Earnings in the Modern Sector, 1980", CBS, Nairobi, 1983.

---------- "Employment and Earnings in the Modern Sector, 1981", CBS, Nairobi, 1984.

---------- "Employment and Earnings in the Modern Sector, 1982 - 1983", CBS, Nairobi 1985.

UNICEF "Kenya Country Profile 1984", Social Statistics Programme, Eastern and Southern Africa Regional Office, Nairobi.

NOELEEN HEYZER

ASIAN WOMEN WAGE-EARNERS IN THE AGRICULTURAL AND INDUSTRIAL SECTORS: THEIR SITUATION AND POSSIBILITIES OF DONOR RESPONSE

by

NOELEEN HEYZER
Asian and Pacific Development Centre (APDC)

Paper presented at the Symposium on
"Expanding Income-Earning Opportunities
for Women in Poverty: A Cross Regional Dialogue"
organized by the Ford Foundation

CONTENTS

I	INTRODUCTION	1
II	THE SITUATION OF WOMEN WAGE-EARNERS IN ASIA	4
	a) Women Agricultural Labourers and the Commercialization of Agriculture	4
	b) Women Plantation Workers and Women in Resettlement Schemes	11
	c) Women Migrating Internationally as Service Workers	17
	d) Women Wage-Earners in the Industrial Sector	25
III	HOW DONORS CAN RESPOND	40

I. INTRODUCTION

Over the last three decades, several Asian countries have undergone very rapid changes brought about by commercialization in the agricultural sector, urbanization, industrialization and bureaucratization. These national and international forces of development have brought about shifts in the life and work structure of women.

It is by now almost an axiom that women's work and income are vital to the survival of households in poverty. In all societies that have undergone some degree of monetization and commercialization women do two types of work -- work that produces income and work that does not. The latter involves domestic work in their own homes, unpaid work on family farms, unpaid work as part of the family unit in plantations, unpaid work contributing to the putting out system. The former consists of two categories -- income that is produced by working in the domestic sphere, i.e., the home, family farm, family shop, and income that is produced by work done outside of one's own domestic sphere. The second category is usually done for wages.

This paper argues that traditionally, in several Asian societies, household survival is based on co-operation between productive persons. Most families in poverty exist in a precarious balance where a multitude of petty resources are pooled to make the household viable and the borderline between being productive and being dependent is not seen only as the ability to earn income. Co-operation between related women is almost as important as that between husband and wife and women are economically as important as men, although ritually subordinated and set apart. Women perform their productive roles through a multiplicity of networks and various forms of work; the boundaries between the domestic and the non-domestic are blurred as the two spheres -- also classified as the "informal" and the "formal" -- exist as a single inter-related system. Also, women at different stages of their life cycle or with different social responsibilities may concentrate more energy in one sphere than another at a particular period. There is constant movement in and out of the two spheres, and "regularity" is not an issue.

With commercialization and increasing monetization, processes difficult to reverse, a number of problems have been introduced for women in poverty groups:

1. The changes have brought about a "double bind" for these women. Traditionally for the poor in Asia, women are expected to be productive, capable of self-supporting as well as supporting other family members. With commercialization and increasing monetization, this productive capacity is linked to

the ability to earn wages. Yet the realities of rapid economic development have allocated the "nooks and crevices" to women, making it difficult for them to hold their share of productive life defined now as the ability to earn cash.

2. The large-scale State-sponsored development programmes have strengthened the boundaries between the domestic and the non-domestic spheres for women and have favoured women's domestic identity at the expense of their traditional productive roles. In the planning and implementation of large-scale agricultural programmes, land settlement schemes, hydro-electric dams, irrigation systems and industrialization programmes, the contribution and the role played by women are seldom fully understood and recognized by the State and its Planning and Finance Ministries. Decisions at the planning stage regarding resource flow, access to land, water, new organizations, new opportunities, adequate wages and working conditions have by-passed women even when they try to be responsive to "the people" or "the poor". When programmes are designed by the State for women, these give emphasis to women's reproductive roles and their household maintenance responsibilities. These are seen as welfare concern and only a small amount of national resource is allocated to them.

3. Development efforts have brought about changes in structures of employment and these are accompanied by changes in skill requirements. Development bureaucracies and extension services are set up to deliver new knowledge regarding techniques of production, new resources, new technology, education and training. Although women traditionally play an important role in agricultural production, they are often ignored. Officials of these bureaucracies and extension services nearly always approach the husband, brother or other male relative. Consequently, the benefits of new development are seldom gained directly by women.

4. The development of the industrial sector has placed greater emphasis on formal education and certificates. Culturally in Asia, sons are considered a potentially better source of social status for families than daughters. When resources are limited, these attitudes, supported by strong social structures in the public sphere, are played out in family choices in areas of allocation and investment. Daughters are usually given relatively limited educational opportunities compared to sons in poor households. Consequently when formal

education and certificates are used as screening mechanisms for job allocation, the young women from these households find themselves at the bottom of the industrial hierarchy.

5. The borderline between being productive and being dependent, once fuzzy, has become clear-cut and the pooling of economic and social resources as a survival strategy for poor households is reduced as State programmes give emphasis to the nuclear family with man as the "head of household" and woman and children as his "dependants". Resources are allocated via the "head of household". This overlooks the fact that in reality it is men together with women who provide for the household and frequently it is the woman (sometimes through the support of her kin-group) who does it alone. Female-headed households and female-supported households, although on the increase, do not have the same access to resources and earning opportunities.

It is because of the rapidly changing context and the above sets of problems that it is imperative to examine the situation of women wage-earners especially since the burdens of survival now rest heavily on being wage-earners with access to adequate wages.

II. THE SITUATION OF WOMEN WAGE-EARNERS IN ASIA

The availability of and opportunities for women to earn adequate wages are interlinked and interact with the wider structures, culture and processes of society. These constitute the context essential for understanding the lives of women and the forces that are shaping and changing them.

Table I provides some data on the number of women classified as "economically active" wage-earners in agriculture, the services and in industry. In viewing the table, a number of points must be kept in mind. For statistics, "regularity" of employment is a requisite for being called "economically active". Also work within the domestic sphere is not recognized as "gainful work" or "employment" whether it earns income or not. In other words, women's work is only recognized as employment when it is done on a regular basis and paid for outside the boundaries of their own home and family group. This means that many irregular women wage-earners are missed out by official statistics together with those working in the informal sector.

With these points in mind, according to these statistics in the majority of Asian countries over 20% of women are regular wage-earners in the formal sector, reaching 45.7% in Thailand. Looking at their distribution by the major economic sectors, the majority of women are found in the agricultural sector, followed by the industrial and service sectors. These statistics provide only very general and limited data on women wage-earners in Asia. In-depth situational profiles are necessary, to provide a more realistic account of women's work in a continent that is rapidly changing, to enable donors to respond in ways that would improve the situaiton of working women in Asia. This paper examines the situational profiles of four categories of women wage-earners in poverty groups -- the agricultural labourers, the plantation workers, women who have migrated as service workers, women industrial workers.

a) Women Agricultural Labourers and the Commercialization of Agriculture

Women agricultural laboures are among the poorest members of the rural population in Asia and the relationship between their situation and the commercialization of agriculture is complex. In examining the situation of women agricultural labourers, it is necessary to isolate the effects of short-term, peak-season migration of agricultural labourers; to differentiate between agricultural labourers who are landless and those who are marginal land-owners in the sense that the household owns small plots of land where the women work both on their own plot and also go out for wage work; to examine whether the woman is employed on a daily basis (how many hours a day and for how many days?),

Table I

Data on Women Wage-Earners in Asian Countries

Country	Population 1,000	Sex Ratio M:F	Economic Activity Rate (%) Male	Female	Percentage of Women in Agri-culture	Ser-vices	Indus-try
South Asia							
India	746,400	107:100	52.7	19.8	80.7	8.5	10.8
Pakistan	83,782	110:100	51.5	7.2	67.4	9.5	9.1
Sri Lanka	14,848	104:100	68.1	23.2	64.4	5.6	16.7
Bangladesh	87,052	106:100	56.9	12.6	69.8	10.3	12.2
South-East Asia							
Indonesia	147,490	99:100	47.9	23.3	80.0	9.2	11.2
Singapore	2,413	104:100	61.3	34.9	1.4	14.0	35.1
Malaysia	15,000	101:100	49.6	25.3	42.8	11.6	20.7
Philippines	48,098	101:100	60.1	28.0	38.5	12.6	14.7
Thailand	44,278	99:100	51.5	45.7	76.6	2.6	7.1
East Asia							
Republic of Korea	37,436	101:100	46.1	29.5	38.9	12.0	21.0
Japan	117,060	97:100	61.9	36.3	13.2	11.8	23.4
China	1,024,950	107:100	n.a.	n.a.	78.5	n.a.	n.a.

Source: Adapted from Marina Thorborg, Identification of Priority Research Issues on Women in Asia and the Pacific, SAREC Document, 1985.

weekly basis (how many days in a week and for how many hours?), or as a regular worker for the "major" part of the year.

Generally, it has been found that there is a higher proportion of women agricultural labourers in areas where land-ownership is unequal. Also, the household incomes of landless agricultural labourers are found to be lower in areas where there are higher concentrations of women agricultural workers as women normally get much lesser pay than men.[1]

Among women agricultural labourers, although the demand for hired labour in certain agricultural operations linked with the HYV-irrigation package has increased, especially at seasonal/peak periods, their wages have not.[2] Besides the seasonal demand for labour, the seasonality of employment for women agricultural workers is linked to a number of factors,[3] such as --

i) category of worker: if a woman is regarded as a "regular", she is likely to get more days of work than a "casual";

ii) distance from home: if the woman is able to move further away from her home (i.e., migrate) for employment, she has a wider range of options;

iii) husband's occupation: the amount contributed to the household by the husband or other working member also appears to influence the amount of employment a woman takes, e.g., if no other person is working, she would often force herself to work even when ill;

iv) skills in certain kinds of work: in some cases women agricultural workers are required to do any kind of agricultural work, e.g., carrying, threshing, weeding, harvesting. At other times labour is required for specific jobs, e.g., transplanting, and this is a skill that not all women agricultural labourers have.

In most Asian countries, the recent big productivity increases in food production due to the different agricultural changes have had a variety of effects on the employment patterns and workload of women agricultural workers. Most studies found that women are disproportionately losing out on the higher productivity tasks and so are being left with the more labour-intensive work or are being marginalized or even displaced altogether. There is evidence that it is the poorest women who are losing out on the better-paid income-generating work.

In the Philippines there are approximately 1,043 men to every 1,000 women in rural areas which is an unusual situation. Landlessness is growing though it is not on the scale of Indonesia or India. Prior to the changes in rice cultivation of the last decade, rice growing was not very labour-intensive. In some areas of the Philippines, seeds were still broadcast and yields were very low. The transformation to transplanting in straight rows, the application of chemicals and the greater need for weeding have raised the demand for rural labour. Transplanting and weeding, at least, tend to be done by the women and the demand for female labour has risen as a consequence. In much of the Philippines, food production is on family farms with a great deal of traditional exchange labour at seasonal peak demand periods.

A great deal of survey work[4] has been undertaken in the Philippines on employment changes, largely due to the presence of IRRI at Los Banos. As a result there is detailed data on changes in the labour demand and practices resulting from production modernization under different environmental conditions.

In general, the new rice production methods have brought about an increase in the use of family labour, for both pre- and post-harvest tasks, although available data does not show that this is particularly true of the best irrigated areas. It is widely assumed that the use of family labour is an attempt to cut down on cash costs, particularly as the cash and credit that is available is being stretched to cover the new commercial inputs. Exchange labour tends to increase particularly in the best-irrigated areas. Hired labour has also risen but not so consistently as has family or exchange labour. Thus, it can be assumed that women's work in rice production, at least, has increased in this country where labour-intensive methods were less known before 1960s than in most other rice-growing countries of Asia, but it has risen more consistently amongst female members of the farming household than amongst landless rural women.

The alternatives open to women displaced because of new technology vary depending on the resources available to them. For the landless, alternatives are limited. Mechanization of the threshing activities have marginalized rather than displaced these women outright. Women from the poorest rural stratum affected by the change find income from marginal activities such as collecting left-over grains (pamamagpag).[5]

The Indonesian island of Java, with a population of 70 million, provides a good example of women's experiences of agricultural modernization. This densely populated island is characterized by its small farm size and high

rates of landlessness or near-landlessness. It had already adopted many of the labour-intensive practices associated with the green revolution prior to the second world war. Irrigation systems were extensive, higher yielding seeds had been developed by the colonial administration and chemical fertilizers were known to farmers. It was to be expected that any increases in employment here would not be nearly as great as in the Philippines.

In fact, changes in post-harvest practices have reduced women's income-generating work. Collier's much-quoted research[56] shows that the number of female harvesters has been reduced very drastically with the introduction of new harvesting methods. Also, winnowing, threshing and hand-pounding of rice, traditionally women's work, are now shifted to new village rice mills which employ only a small fraction of labour, mainly men. Women employed at the mills do marginal jobs.

The Indonesian case underlines clearly the importance of a class-specific approach to the employment consequences of technological change in agriculture. The majority of women who work in rice farming do so as wage labourers. They are landless farmers who work for other households and depend on manual wage labour like winnowing, threshing and hand-pounding of rice as their source of livelihood. The hand-pounding of rice is regarded as inefficient in terms of time and economic considerations. Motorized rice-hullers and modern rice mills are seen as more commercially viable. However, with the subsidized introduction of motorized rice-hullers, it is not the people who were doing the hand-pounding of rice that were given subsidized credit for the purchase of the hullers. If this were the case, they would not only retain their employment opportunities but would have been freed from drudgery, long hours of work and would have had improved incomes. Instead, it is the wealthier villages and urban traders with money to invest that benefited most from the subsidized rice-hullers and commercialized rice mills. Women who were formerly involved with the hand-pounding of rice are made redundant under the new system and are forced to subsist by sub-dividing available jobs by making them more labour-intensive and by lowering further their wage-level. Pressures are consequently set up for these women to seek other ways of supporting their lives.

India provides another example of how rural women of different classes are affected differently by changes in agriculture. Three groups of rural women have been identified:[7]

(a) landless agricultural households or households with insufficient land to provide for basic subsistence and women have to hire themsleves out to work on the fields of others;

(b) small farm households where women would not usually hire themselves out but would work on family farms;

(c) women in large farms who do not have to undertake manual work on the farm but who might be doing supervisory work over hired labour.

Generally, the "Green Revolution" with its package of improved seeds, farm technology, better irrigation and chemical fertilizers, has increased the number of agricultural labourers and casual workers not only because of an increase in yield and the need for more weeding but also because agricultural modernization in India has been accompanied by the resumption of land for self-cultivation by land-owners and the eviction of tenants as seen in the more prosperous North-Western states. There is proportionately more female agricultural labourers than male agricultural labourers. According to the 1981 census, "half of all rural female workers (as against one-fourth of all rural male workers) were agricultural labourers". While the demand for both male and female labourers and casual workers have increased, their real wages have not. Hence, increase in employment opportunities at this level does not imply an increase in standard of living. In fact, because of the discriminatory wages, women labourers work longer hours in the field and hence have a higher workload than men. According to an APDC study on rural women in India, "despite the equal remuneration acts women generally get 40 to 60 percent of the male wages and are given the more labour-intensive tasks like weeding, transplanting and harvesting".[8]

In sectors where new agricultural technology is being introduced and the nature of work upgraded, men, rather than women, are employed. This is seen in the Punjab, "the heartland of the Green Revolution" where improvements in technology like tractors, threshers, combines are handled by men and there is a sharp fall in the demand for female workers in those sectors.

While landless or near landless women face the problem of too much work for too little income, the wives of better-off farmers often withdraw from manual work as a status symbol. However, this withdrawal does not necessarily mean a lighter workload on non-field activities. In fact, in the Punjab, it has been noted that women of economically well-off rural families put in long hours of work cooking for hired labour, as it is customary to provide at least one meal, especially in the peak season.9

What is clear as a trend from the three examples cited is that the style of rural change in the region has had the tendency to increase the labour intensity of work and the drudgery of some of the poorest agricultural women workers without necessarily increasing their income. Most of these women come from households below the poverty line and without the female income the household would probably not survive.

Many rural households in poverty have to make do with whatever employment and work they can find. A rural household generally will engage in several farm and non-farm activities ranging from some cultivation on their own farm if they have land, to wage labour outside the farming season, regular and irregular wage labour for the landless, petty trading, petty employment, buying and selling food, working in a workshop or as semi-wage labour in a putting-out system.

A good illustration of this is perhaps the situation of women in the low-income country of Burma.[10] In Burma, 61.8% of the female labour force is engaged in agriculture. Women's labour in agriculture is involved in processes such as sowing of seeds, gathering seeds, transplanting, harvesting and winnowing. The transplanting of seedlings takes between 5-8 hours. But in the off-season less time is spent on agricultural activities. Women are involved in spinning, weaving, selling their own produce. In the off-season, women also devote their time to communal cooking and social visiting. Women form 52% of agricultural labourers, most of whom are daily-wage earners.

The income of an agricultural labourer is directly related to the padi price since the worker in Burma is paid in kind. The labourer usually gets 50 baskets of padi (just over 1,000 kilos) for ploughing and preparation for cultivation (i.e., May to August). During these months, the worker is fed by the employer. Most of the workers during this period are males. From September to December, the labourers look after the cattle (cattle grazing) and for this activity they are paid 25 baskets without meals. From December to February, the labourers take part in harvesting, threshing, carrying stalks and grain back home from the field, etc. Large numbers of women are engaged during this period. The workers are paid 30 baskets of padi without meals for these months. From February to April, the women agricultural labourers are also weavers. In fact, in many villages women are both agriculturalists and weavers. Weaving provides cash income to rural households. The women produce bags, table-cloths and napkins. The average monthly income from one loom is about 300 kyats. However, a shortage of yarn has been a major problem for weavers. Many women work for 15 days and stop for 2 months to search for raw material. Besides weaving, women are also involved in raising poultry.

More and more women agricultural workers are turning to trading and as much as 51.8% of women in the labour force are now engaged in this, especially in the black market trading of smuggled goods from Thailand, particularly textiles, gaments and cosmetics. Women also generate income by standing in long queues for others to buy goods from government stores or by re-selling the goods they bought from government stores at a higher price to people who have no desire to wait in queues for them.

b) **Women Plantation Workers and Women in Resettlement Schemes**

The plantation sector has been one of the chief means by which several Asian countries, especially Malaysia, Indonesia, Philippines and Sri Lanka have been integrated from the colonial period as peripheries to the world market system. This sector has produced rubber, palm oil, coconut, pineapple, cocoa, coffee, tea and sugar for world consumption. This section of the paper is concerned with the conditions of women plantation workers in Malaysia. The conditions found here are quite representative of the conditions found elsewhere in Asia.[11]

In Malaysia, the practice regarding the employment of women (largely Tamils) on the plantations has varied over time and has been influenced by factors such as the price of market prospects for natural rubber as a commodity on the international market, the pressures of competition generated by the development of synthetic rubber, the nature of technological advances in the cultivation of rubber, (e.g., the developemnt of high-yielding rubber trees) and the diversification of capital into palm oil, cocoa, real estate and manufacturing industries.

Initially, women were employed at very low wages, often on a casual basis. Women workers, being wives or daughters of the estate workers, were already residents on the estate and constituted a reserve tapping force used to fill in during absenteeism among the male workers.

When employed, women for a long time were used as field workers. The daily work of field workers involves the care of trees and land. There is the weeding of undergrowth, the application of stimulants to the trees and the addition of fertilizers. The work on the rubber estates is labour-intensive and whole families can be put to work. The usual pattern until recently was one where the male head of the household was employed by the estate as the chief and was integrated into the plantation economy as full-time wage worker. The woman of the household may have been integrated as the second wage earner. Her participation as a full-time wage worker was dependent on the size and the age composition of the family. In large families when there were older

daughters to look after the younger ones, the woman was often a full-time wage earner. Most of the women who were employed as full-timers worked as field workers with pay much lower than tappers. In smaller families where the children were still young, the woman was employed as a temporary or casual worker, paid on a piece-rate basis. This picture has changed over the last ten years as the plantations underwent restructuring.

Since 1976, as male labour slowly shifted out of rubber estate work into other available commercial activities and into palm oil, women estate workers were given equal pay and creche facilities (of a very low standard) to encourage their shift into full-time estate work as tappers. A number of problems still remain.

With the still unstable and low wages (the worker's take-home pay depends on the length of the cut, the position of the cut, the yield of the tree, the nature of the terrain, the weather) many households on the estate have great difficulty surviving. These households usually take food on credit fro the estate grocery shops and borrow from money-lenders. The better-off households (households with at least two wage-earners) borrow not to buy food but consumer items like television sets, video recorders, radios. In situations where indebtedness has reached an advanced stage, it is the women who suffer most as they are the ones harassed by the money-lenders, being the one usually at home. Whatever possessions the women have are sold or pawned to repay debts. They have to struggle for control over cash income. In these households, the degree of indebtedness is often compounded by the problem of alcoholism as it is common to find the husband spending a substantial proportion of his wages on toddy, an alcoholic drink commonly consumed in estates.

In many estates, a full-time working woman is up by 4.00 a.m. collecting water for the day and preparing food fr the worksite. Children below the age of four are sent to the creche before 5.45 a.m. The creche facilities leave much to be desired as many have no running water or facilities for boiling, and mothers bring along flasks of hot water and milk. There are hardly any toys or educational materials and the children are more or less left to look after themselves under the supervision of two "ayahs" or older estate women. After leaving the younger children, the woman attends roll-call at 5.45 a.m. and begins her work as a tapper. Tapping is usually completed by 10.00 a.m. and the latex collection is from about noon till 3.00 p.m.

Women employed as weeders face additional problems related to the use of the poisonous weed killer, paraquat. Many women suffer, due to constant exposure to this

chemical, from impaired eye-sight, including blindness, bleeding nose, vomitting and loss of finger nails.

The options that are open to women estate workers to better their position are not very numerous. Some young women who have benefited from the spread of free education have left the estate for better jobs. For those who remain, the trade union of plantation workers, one of the most powerful in the country, provides a little hope. The trade union movement has succeeded in achieving better wages and housing for estate workers and women have benefited from these. However, up to the present time, the trade union has been very highly male-dominated and the leadership usually taken by the men from the higher sub-castes. There is still a very strong feeling that women should not intrude into the affairs of men and trade unionism. Yet if women, as workers, are not vocally present in the organization, the special problem faced by women as full-time wage earners will not be taken up as important issues. There are cases of women who had broken away from the traditional norms of the estate community (e.g., remaining single) being actively involved with workers' issues and voicing these in union meetings. Their numbers, however, remain small.

The plantation sector has grown due to the development of land resettlement schemes whereby peasants are converted into cash-croppers through State land reform programmes. One of the major reasons for any land reform programme is to increase the economic assets of the poor and hence provide them a more secure productive base to operate. However, in almost all cases, ownership of the rights to land is bestowed on the male head of household regardless of traditional inheritance rights of men and women. Another common feature is the allocation of some garden plots for subsistence food cultivation on the assumption that women will work this land while the men take charge of the commercial crop land.

Perhaps of all the Asian countries, Malaysia has been involved most extensively in land resettlement schemes. The Federal Land Development Authority (FELDA) was established in 1956 to assess the need in various States for the development of these schemes. Most of the fourteen schemes initiated in Johoire, Kedah, Melaka and Trengganu during 1957 to 1960 concentrated on rubber, with the exception of Kulai FELDA land scheme which concentrated on oil palm. By 1980, 350,000 acres of land had been developed. In the process, FELDA also diversified its crops by growing sugar-cane in Perlis and cocoa in Pahang.

Generally, only married rural Malay men and their families are accepted as settlers as the schemes are meant to be run on a family farm basis for the Malay poor.[12] The land title is given to the male head of household. For a

long while the husband was obliged to name one nominee to inherit the land. This was often the eldest son. However, with the migration of many youth out of the schemes, this has changed with the wife inheriting the title when the husband dies. It then goes to any male child willing to stay on in the scheme.

Married women do not have a place in their own right in the project as independent producers. On the rubber schemes, the wife works as part of the family unit, tapping rubber for about 3-4 hours a day. The family group as a whole is paid a wage and this payment is made to the husband. With the decline in rubber commodity prices more palm oil estates were created and this brought about a change from the family-type management to a more centralized management as palm oil processing requires more mechanization and technology. Women's participation in the palm oil schemes is less than that in the rubber estates which i more labour-intensive. In the palm oil estates women are involved only in maintenance jobs such as cross-pollination, the application of weed-killers, insecticides or fertilizers. The harvesting and pruning are done by men.

The shift fromt the village to the settlement scheme has been accompanied by a change from the extended family network to the self-contained nuclear family. This means that women spend more of their time with household maintenance and child-care compared to the village set-up, besides being involved with agricultural work. In the mid-seventies, the women on the scheme were also encouraged to plant their own vegetables around the house in order to reduce family expenditure. However, because of lack of time, the infertility of the soil and the insignificant contribution of the home gardens to family well-being, the project failed.

The same principle regarding land tenure used by FELDA in Peninsula Malaysia is transferred to SALCRA (Sarawak Land Consolidation and Rehabilitation Authority) in Sarawak, East Malaysia. Tribal women in Sarawak have recently experienced the impact of resettlement and a change in system of land tenure and land use on food production The consumption and expenditure patterns of the Iban, the largest tribal group, has been severely affected by the building of the Batang Ai dam.[13]

In the Iban "adat" (custom) of inheritance, everyone "whether male or female, natural child or adopted, has full and equal rights of access to land and to inheritance". However, if the person leaves the natal "bilik" or household, she/he will "automatically relinquish her/his inheritance but will similarly acquire rights in the next "bilik" where she/he settles". The labour of men and women is accorded equal value in purposes of exchange with women

being very much at the centre of padi cultivation. The responsibility of "selecting, processing and storing seed, deciding upon the planting order of the farm, and looking after the charms and marginal plants associated with padi rituals" rest on the women. One reason for this is the custom of "bejelai" or outmigration of men for several months or years for prestige and economic reasons.

With resettlement, share certificates (instead of land titles) for the produce were given to heads of households when crops were ready for harvest. This policy of one certificate of ownership per household has meant an erosion of the Iban women's traditional rights over land and its produce. Besides this, the new system of plantation agriculture has also weakened women's role and position in agriculture. Prior to resettlement, almost 90 percent of the people interviewed owned more than 10 acres of padi land. In 1985, apart from the 1 acre of "dusun" or garden plot to grow vegetables, none of those interviewed owned more than 10 acres of land. In principle, each household was supposed to have access to 5 acres of rubber, 3 acres of cocoa and 2 acres of padi land in addition to the 1 acre of garden plot. However, a shortage of cultivable land in the resettlement site meant that the padi land was unavailable and settlers now rely almost entirely on money from cash crops for their well-being. As a consequence of their being uprooted as shifting rice-cultivators, and their resettlement as plantation cash-croppers, women lost control over all decision-making powers they previously had over their crop, i.e., rice.

Now all decisions are made within a network of interlocking bureaucracies over which they have little control, especially since their status within the settlement and their employment in the cash-crop sector is that of "secondary workers" or "helpers". In other words, while traditional occupations of authority for women (e.g., custodian of the "padi pun" or spirit of the padi) have disappeared, there has been no emergence of new ones. It is hence not surprising when women regard the loss of padi land as one of the most traumatic experiences for them.

The benefits obtained from the resettlement scheme include better health facilities, setting up of schools and compensation money, ranging from M$10,000 to M$400,000. However, the sudden introduction to money without any idea of investment, banking, management of money, or the operation of the cash-economy, has meant that many became victims of confidence tricksters, gambling and excessive spending. For example, one respondent bought a van, "crashed it within a week, and bought another van"; some bought sewing machines that they did not know how to use, others bought cars "which fell into disuse".

Due to the lack of knowledge in money management, many households are now in financial difficulties and as much as 20 percent of the respondents had borrowed money for essentials like rice/food, children's education and medicine. This situation is serious as many urban products and non-essential consumption items have now entered the settlement schemes and their acquisition is seen as new status symbols. More important is the fact that food has become the highest expenditure item as traditional food cultivation and collection have been taken over by purchased food. Already the use of income and compensation money have created some conflicts between men and women. The women complain that the men "drink until they're drunk and they cock-fight until they fight". Because food intake is now more dependent on cash, women have less control over the household's store of food and intra-household conflicts will increase over the handling of money and decisions over its allocation.

Besides Malaysia, Sri Lanka has also embarked on a massive resettlement scheme. Here, the stated development objectives of the Accelerated Mahaweli Scheme are to reduce unemployment, increase food supply, provide services in the form of health care, nutrition-education, skills training and increase levels of literacy. The dams built would also generate 466 MW of hydropower to feed the new export industrial zones. Farmers are given one hectare of irrigable land and 0.2 hectares of unirrigated land for a homestead and a garden plot. The law under which land alienation is carried out recognizes "the male or the husband as the head of the household and owner of the land". The few exceptions are widows who have transferred the title to themselves after the death of the husband and "re-settlers where young women have been granted an allotment in lieu of the large extent of land owned by the family prior to settlement within the scheme". This law is contrary to the traditional law regarding land ownership where women could own land on equal terms with men and name males and females to inherit land equally if desired. In other words, joint ownership and individual ownership of land by women were never problems in the old village set-up.

Although most women have lost out in terms of land-ownership in the new scheme, they are expected to work on both types of land -- the rice land and the land around their homestead. They work in transplanting, weeding, harvesting on rice land and are almost solely responsible for the cultivation of the homestead garden. The men sell the padi to the government store or private trade and control decisions on expenditure. In other words, women are expected to continue working in agriculture but in a weaker position as unpaid labour dependent upon their husbands turning over to them their share of the household's income. From the analysis of expenditure patterns by sex, this situation often means that women have less control over the

household store of food. This is a serious consideration especially as acute malnutrition of pre-school children in area H of the scheme is recorded as being 19.6 percent compared to the national average of 6.6 percent.[14]

The scheme has brought some gains for women, such as having easy access to water and health services. There are also day-care centres where women could leave their children to be cared for and fed while they are away in the field. Similarly, there are many programmes to improve the nutritional status of mothers and pregnant women in the settlement. These gains are, however, off-set by the strains imposed on the women from factors discussed earlier and by the fact that farmers at the tail-end of the irrigation scheme often have inadequate water, poor yields and low incomes while top-end farmers, due to high pressure of water, receive a greater supply of water, better yields and incomes.

What has clearly emerged as a problem from these examples is the long-established "myths" that many planners still have over the role and traditional rights of women, as reflected in the allocation of land rights, access to cash income and in the allocation of responsibility for commercial crops mainly to men. This has strengthened the power of the male head of household over land and its produce as well as over cash income. In many cases women have to depend on personal relations between the sexes and their own strength of character, to offset any structural disadvantages created by new agricultural arrangements and institutions. This is a capricious development path to follow as women's access to cash, land and their status have been linked to nutritional levels of the household, budgeting for family food consumption and general welfare of rural families. Women will now have a weaker position in making important decisions regarding the economic basis of the household.

c) Women Migrating Internationally as Service Workers

From the middle of the 1970s to the present, besides rural-urban migration, there has been a dramatic increase in the international migration of Asian women to the previously oil-rich countries of the Middle-East, to Europe and America, and the more prosperous countries of Asia -- Japan, Singapore, Hong Kong. Women from countries like Philippines, Indonesia, Sri Lanka, Bangladesh and Thailand are leaving in large numbers to become wage-earners abroad. Because of inavailability of data, this section will focus on the Sri Lanka and Philippines as the majority of women involved in this migration are from these two countries.

Female migration from Sri Lanka to the Middle-East commenced around 1975 and to Singapore in the eighties. The

majority of the women (76.4%) leave for domestic employment and the number of women leaving annually for the Middle-East alone (mainly Kuwait, United Arab Republic, Saudi Arabia) averaged about 14,000 by 1980. A study done by the Employment an Manpwower Planning Division, Ministry of Plan Implementation[15] found that 4 out of every 5 women migrants leaving for domestic work were from Colombo and Gampaha Districts in 1979 and over 75% of all migrants in 1980 were also from these two districts. It also found that 40% of all female migrants for domestic employment have proceeded to Kuwait. In spite of language, cultural and behaviourial differences, female migration for domesic employment have continued in increasing numbers largely due to the levels of wages offered in the Middle-Eastern countries. Wages vary between Rs.2,000 to Rs.3,500 per month, i.e., about 15 to 20 times the rate for domestic workers in Sri Lanka.

The profile of a migrant domestic is that of a young woman in her twenties, unmarried or married and, if married, with about two very young children, literate in her own language. She would belong to a low income group, often plagued by unemployment and poor living conditions. Her habitat could be either an over-crowded city slum or a poor rural area of the country. In most cases, the trip to the Middle-East is her first encounter with the world outside her immediate setting.

The problems and social pressures resulting from employment in the Middle-East can be classified as follows: the problems and pressures women encounter prior to departure, those they encounter on reaching their designation and those they encounter on their return as well as problems faced by the family left behind. The problems discussed here are not unique to Sri Lanka. Many of the problems are found in other female exporting countries like India, Thailand and, as will be seen later, the Philippines.

Researchers[16] found that problems begin almost from the moment of decision to migrate. The first problem in a vicious circle of intrigue, bribery, corruption and false promises is the registration with the employment agency. A "cushy" job in a luxurious home in a few weeks' time is readily promised, but at a price! Although the agent is paid by the employer overseas who also meets all expenses for the employee's travel, it is still virtually impossible to get a job without paying a commission to the agent. In most cases this money is realized by getting into debt, mortgage of property or sale of one's meagre belongings.

Obtaining the passport and other travel documents consists of another set of problems. A bribe of up to Rs.1,000.00 is required to get a guarantor to sign the passport application and then a bribe again to get the passport without trouble and delay. Then begins the endless

treks to the employment agent. Agents are also adept at producing false documents when it suits them to do so. Only women over thirty years of age can enter Saudi Arabia for employment. But agents in Sri Lanka have sent teenagers to Saudi Arabia by artfully altering their ages in the passports.

Before departure, the recruit will enter into a contract with the sponsor. This is done by the local agent on behalf of the sponsor. The employment contract is either in English or in Arabic. The recruit knows neither. She signs a document which she can neither read not understand. Small wonder then that many of the clauses of this contract are observed more in the breach by both parties.

When all arrangements have been completed comes the trauma of leaving the seclusion of their homes. Many of these women have not been beyond their own village or city. Others, like the Muslim women, have not left their homes unescorted since puberty. Still others leave very young children without adequate child-care facilities.

The problems and pressures faced by the domestic worker on reaching her destination are many. Some women never reach their destination because of visa problems. This has happened all too often. Several instances have been reported in the press where women were stranded in Karachi and Bahrain without visas for the country of destination and with no means of getting back home. In certain cases this is a deliberate trick on the part of the employment agent who makes false promises of employment and collects commissions from unsuspecting recruits. In other cases, the recruit reaches the country of destination but is stranded at the airport because the foreign agent or the sponsor has not come with the visa. Left for days in a strange land with no money or food, in desperation they go with anyone who promises employment. There are people who exploit the situation and agree to sponsor stranded domestic workers for very low wages.

In some instances, the recruits do not go directly to the place of employment. Foreign agents, through their local counterparts, recruit domestic workers in large groups. They are then taken to one central place and kept in large groups in small cell-like enclosures. They are then sorted out and disposed of to prospective employers. The whole business is conducted in a completely mercenary manner without any respect for human feelings. In fact, in such situations, all the promises made by the local agent to the recruits about the type of work, the description of the place of work and sometimes even the country of employment turn out to be false. The local agent in the first place had no idea as to where the recruit would ultimately end up; he simply supplied a stipulated number of employees to his

principal in a far-away Arab State. There are cases where recruits were told that they are going to Oman, but actually ended up in war-torn Lebanon.

High up on the list of pressures faced by domestic workers in the course of their work in West Asia is the tremendous social and psychological isolation that they experience. Once in the Middle-East, they feel completely cut off from everything that was familiar. In addition, there is the culture shock that domestic workers face due to the strangeness of the new environment. The Arab countries are so different from their own in climate and vegetation, food, dress, customs, culture and religious norms. On top of it all is the language barrier. Ignorant as they are of both English and Arabic, domestic workers go through a period of isolation and loneliness.

The research fonud that 54% of the domestic workers questioned complained of over-work with no day off or vacation. The description that they gave of their duties shows that there is no job specification. Their tasks range from baby-sitting, helping in the kitchen, washing cars, home-cleaning, cleaning toilets, laundering clothes and fetching-and carrying-type of duties for members of the household. In the case of child-minders and kitchen helps, there seems to be more job specification. However, the working hours of all categories are long, sometimes from 6.00 a.m. to 12.00 midnight, perhaps with an afternoon break. The afternoon break and its duration depend on the disposition of the mistress and the size of the household. A common complaint was the large number of people in a single household, because some men had more than one wife and a large number of children. The joint family system being the norm, there were also aged parents to attend to.

During the early stages of Middle-East migrations, most domestic workers were employed by wealthy families who provided good working conditions for their employees. But very soon a foreign housemaid became a status symbol, and more and more people began to hire them. Once the word got around that women from Sri Lanka, Bangladesh and India were willing to work for any wage, it soon became possible for anybody to pay what was a pittance in terms of their own money, and hire a domestic aide. In Kuwait, the researchers met domestic aides who were working for truck drivers and hospital kitchen helps. They lived in cramped apartments that provided no privacy for the domestic workers who were ill-fed, ill-treated and very under-paid. Fifty-two percent of those interviewed complained about salary. They said that they were paid less than what was originally promised by the agent. Moreover, the salary was paid only after it had been asked for several times and after deductions had been made on the pretext of various purchases made on behalf of the employee. As domestic workers were completely

ignorant of the monetary system and rates of exchange in the host country, it was very easy to deceive them.

Another problem that domestic workers faced was their lack of preparation or training for the type of work they had to do and the type of equipment they had to handle. It is also a well-known fact that Sri Lankan domestic workers are the worst-paid of all expatriate domestic workes in Arab countries. This is because they have not received any language instruction or job-orientation, unlike women from the Philippines who are given systematic training.

A more serious set of problems relates to verbal abuse, physical harassment, rape, pregnancy, running away, imprisonment, prostitution, public lashing, deportation, illness and even suicide and death under suspicious circumstances that have become part and parcel of the Sri Lankan woman's Middle-East experience.

Many Sri Lankan women in Kuwait complained of verbal abuse and physical harassment. Kicking, being spat upon, beating with foot-wear were common forms of physical harassment that some of them endured. Others complained of sexual harassment. A woman who had worked in Saudi Arabia said that the seventy-five-year-old grandfather of the household tried to molest her. A woman working in Kuwait said that the young son of the household used to bring his male friends home when his parents were out and molest her. She found this and other aspects of the household unbearable, so she ran away. Researchers met her while she sought refuge at the Sri Lanka Embassy in Kuwait and also met two young women who said that they had been raped by their masters. One was an eighteen-year-old unmarried woman, the other an older married woman. The Sri Lankan Ambassador in Kuwait at the time of the research was considering taking legal action on behalf of the unmarried woman. It is extremely difficult to prove a rape case in an Arab country, especially if the accused is a national of that country. The Sri Lankan Embassy in Kuwait had one great success to its credit where two police officers were sentenced for raping a Sri Lankan housemaid. In this particular case, the woman was taken into custody for "loitering" without her passport and visa. She was subsequently raped.

If a woman were found to be pregnant while in employment, it could result in grave consequences. If she were married and said that she was pregnant before she took up employment, she would be deported, but she would have to bear the cost if she left before her contract expired. If she could not pay her fare (which was what usually happened) she would have to go to jail. If the women confessed to adultery, she would be sentenced to 100 lashes. There were at least two such cases reported in the press recently.

It is also common for domestic aides to run away from their work places. During the research there were 38 women seeking refuge in the Sri Lankan Embassy in Kuwait after having run away from their employers. Sometimes the Embassy staff negotiated with their employers and sent them back. Others were found new employers who paid a stipulated sum of money to the old employer and got the employee released. Running away is very dangerous because if the woman were caught by the authorities, she would be jailed for breach of contract. The Sri Lanka Embassy in Kuwait said that there were over 100 cases of women who were reported missing by their employers. The whereabouts and fate of these women are still unknown.

It should also be mentoned that domestic employees have no legal rights in most Arab States. In Kuwait which employs the largest number of Sri Lankan domestic aides, for example, the Kuwait Labour Law No. 38 of 1964 excludes domestic servants from "protection against exploitation by employers".

The migrant domestic worker encounters new problems when she returns home after having completed or without completing her contract. If she falls into the latter category, she is worse off financially than she was before. According to a rough estimate made by the Assistant Commissioner of Labour, Foreign Employment Division, about 40% of domestic workers leave before the expiry of their contract. The other 60% would almost certainly have benefitted financially. But above and beyond the financial benefits that may accrue, there are other problems and pressures that the returning female workers have to face.

Some Middle-East returnees invest their money in productive ventures which will bring them substantial and lasting financial returns. Many spend their hard-earned money on consumption and the purchase of trinkets which give an aura of socio-economic well-being. In other cases, the money which is sent home is misused by the husband and others, often on drink and gambling. Sometimes men give up unpleasant or casual jobs that they have been doing in the belief that they can all live comfortably on the earnings of one woman.

The Middle-East job boom has also resulted in considerable social dislocation. The returnee and her family go through a brief period of affluence, and when the money is gone there is maladjustment and misery. This gives rise to a common syndrome among returnees -- the urge to go again. Sometimes they are even forced to go by their husbands or other males in the household. During their stay in West Asia, domestic aides do not pick up any skills, therefore, on their return they are still unemployable. Besides, they are now unwilling to work below a certain wage level, so

they have very little chances of getting alternative employment in Sri Lanka.

The problem of readaptation by returnees is a grave one. During their Middle-East sojourn, hitherto cloistered young women felt the impact of modernization and some measure of independence. There was also a change in the woman's role and image as the chief bread-winner for her family. On her return there are tensions in her relationships with the males of her household. She is now less willing to be the meek and obedient woman of the past.

There is reason to believe that the phenomenon of dislocation caused by the temporary removal of the wife can also threaten the marriage among migrant domestic labour. Quite apart from the strain of living and running a home for two years without a wife, the husband has to cope with the tensions of being ignorant about his wife's exact whereabouts, what she is doing, what harassment she is undergoing, etc. The usual press exposure about rape, adultery and prostitution only make him more anxious and suspicious. The suspicion can sometimes linger even after the wife's return, resulting in family tensions. The returning wife can also, on her part, be suspicious of the husband, especially if the children have not been cared for and the money has been misused.

In happier situations, the returning domestic aide will find that the nutritional level of her children has improved, their living conditions have been modernized and home renovations and investments in land or tractors have been made. Unfortunately, this happy situation is not always the case.

In the Philippines there were 973 private employment agencies engaged in overseas export of labour in 1984. According to the 1984 Annual Report of the Philippine Overseas Employment Administration, the total land-based contract workers processed for migration in 1984 was 371,065 as compared to 12,501 in 1975. Of the total land-based workers, entertainers and service workers (to which group most women belong) formed a very significant number. In 1984, there were 91,562 in this category compared with 4,672 in 1975. Of the total of 12,501 workers who migrated in 1975, 3,160 or 25 % migrated to Europe and 12 % to the Middle-East. In 1984, out of the 371,065 workers who migrated, 84% went to the Middle East, 12% migrated to the other Asian countries, 1.5% to America and 1% to Europe. By mid-1986, there were about 26,000 Filipinos in Hong Kong, 7,000 in Singapore, 15,000 in Japan, 2,000 in Malaysia, 10,000 in England, 500 in Sweden, 5,000 in France, 15,000 in Spain, 50,000 in Italy, 500 in Canada, 252,000 in Saudi Arabia alaone. Unfortunately, these government figures do not differentiate between male and female migrants.

The working conditions and the nature of work of the migrant women vary from country to country and, within the country, from household to household. However, there are certain common trends within each country that affect all Filipino migrants. In Singapore and Hong Kong, there are restrictions preventing change of employers, change in type of employment and even the right to terminate employment for two years. Most of the women employed are domestic maids. In Hong Kong, a release letter is required fro the employers before a domestic helkper is allowed to change to another employer. Also, the employers can decide whether the maid should be repatriated immediately or allowed to stay on in the country. In Singapore, a foreign maid is forced to undergo a six-monthly check-up to prevent her from becoming pregnant. A security bond of US$2,500 is deposited by the employers before recruiting a foreign maid to ensure that they guard the maids from getting pregnant or married. There is also a government tax levied on the employers, almost equivalent to the salary of the maid. All these regulations have kept the wages of foreign maids low, restricted their freedom and prevented them from being assimilated into the mainstream of life in the country. Many of the Filipino maids are high school graduates ranging in age from their early 20s to mid-30s.

In Japan, many Filipina women are recruited illegally, and work as hostesses and entertainers. These Filipinas have replaced the traditional "Karayukisan" (Japanese women from poor families sold by their parents during and after the Second World War). They are now regarded as the "Japayukisan" or South-East Asian women who sell themselves to the Japanese on a nightly basis. Most of them came into the country, often illegally recruited by gangsters in Japan, the most prominent of which is the Yakuza.[17] As illegal workers, they enter the country under false names, without work permits, and with unknown addresses. As such they have fallen prey to and have come under the complete control of their recruiters.

Very little information exits about the Filipina workers in Saudi Arabia where they work as maids and nurses. However, generally, the women working in Saudi Arabia are economically well off and are able to send large remittances home. In terms of their social movements, the women are put under strict control, often unable to meet other people, and in some cases ordered to wear veils to cover their bodies when out shopping.[18]

Because of several decrees issued by the Government of Ferdinand Marcos, the Filipino migrant workers are forced to remit a very substantial proportion of their monthly salary through authorized government channels. The 1982 decree required the workers to remit at least 50% of their salary. IN 1984, an estimated US$421.96 million was remitted by the

migrant workers, half of which came from the women migrants. In 1983, the Ministry of Labour and Employment claimed that almost US$1 billion estimated earnings from the workers in "Middle-East and Africa helped ease the country's balance-of-payments difficulties".[19] Actually, $955 million salary remittances were recorded in 1983 "equalled only by the dollar earnings of the export manufacturing sector".[20] The government has also used the export of labour as a stop-gap measure to deal with retrenchment and unemployment within the country. For example, when the coconut plantation was in a slump in 1983, the government provided training skills to laid-off workers of several dessicated coconut factories and coconut oil mills in South Tagalog to prepare them for overseas migration.[21] Similarly, steps were taken to deal with the collapse of the sugar production in Negros.

To get a job abroad, workers had to pay a large sum in recruitment fees to the agent. This was about 4,000 pesos in the 1970s, but has increased to about 20,000 pesos in the mid-eighties. This fee would include the airplane ticket (sometimes), passport processing, travel taxes, agency fees. Many of the Filipino agencies have connections with other agencies abroad. However, there have also been cases of illegal syndicates sprouting up to take advantage of the export of labour and these often cheat the workers out of the recruitment fee without provding them with any jobs on their arrival in the foreign country.

(d) Women Wage-Earners in the Industrial Sector

The early seventies witnessed a changing situation of employment, globally through relocation of jobs from the high-wage industrialized countries to the relatively low-wage countries and territories of Asia, initially South Korea, Hong Kong, Taiwan and Singapore. By the mid-seventies other Asian countries such as Malaysia, Thailand, Philippines, Indonesia and Sri Lanka joined the ranks and by the late seventies and early eighties, countries like Bangladesh and China were involved. The introduction of new technology both in production and marketing has fundamentally changed the nature of manufacturing organizations. The introduction of computer and satellite technology opened up new possibilities of supervising production which could be dispersed globally. New technology, more importantly, made it possible to separate different stages of production effectively. The fragmentation and simplification of jobs has progressed to such an extent that the execution of the respective partial operation of even very sophisticated overall processes now often requires a few weeks of training even for the inexperienced and young workers. For example, a worker need not have any formal education in electronics to work in the global electronic assembly line bonding chips with a golden wire in the production of integrated circuits or semi-conductors.

It is not a coincidence that the majority of workers in the world-wide factories of the transnational corporations (TNCS) specializing in electronics, textiles and garments are women. The new phase of industrialization has allowed an international management strategy geared towards recruiting workers that operate outside the sphere of strong organized labour that has emerged in Europe. The promises of a cheap, productive and pliable young female workforce at the periphery stood in sharp contrast to the assertive and high-cost workforce in the industrialized countries. Relocation was also made to gain access to new markets that would otherwise have been barred by import restrictions.

In Asia, the proliferation of Export Processing Zones (EPZs) has led to an upsurge of competition among the States of the host countries, each vying with the other to offer the most liberal status and inducement with regard to tax concessions, exchange control, terms of credit, laxity in the implementation of labour legislation and a highly controlled labour force. From the position of the South Asian countries, part of the logic of playing host to the TNCs is the belief that by doing so they can solve their employment crises and that export-led industrialization is the engine of economic growth.

In several Asian countries, women now make up almost half of the total industrial workforce, representing as much as 80% of the workforce in some factories.[22]

Although economic development and employment generation have benefitted women, especially young women, with some secondary level education, there is increasing debate over the last decade regarding the issue of emancipation/subordination of women through industrial work. A number of studies[23] focusing on the profile of women workers, their wages, conditions of work, occupational hazards and health, showed how the nature and form of integration of these women into the world of industry remain prone to problems. Although there is visible improvement in young women's position in terms of getting an independent income and in terms of access to urban facilities and contacts, the young women are integrated into the lower ranks of industrial work. They are frequently assigned the dullest, most monotonous and mechanized processes on the production line. They are forced to work under strong male supervision, are paid relatively low wages, and are seldom given any say in decisions regarding their working conditions and their organization of work. The women are given little training and there is little prospect of upward mobility.

Many young women in industry suffer from problems related to the use of chemicals in the production process; eye and muscular defects due to constant bending over the microscope; hearing and dust problems resulting from the

noise level in textile factories. Dizziness and headaches are also common. Some of these health problems will remain with these young women even after they have left their jobs, and their employers are in no way held responsible or accountable for them.

While factory work has introduced new hardships, other studies argue that --

> "the situation must be seen in the light of lack of more attractive employment opportunities for this group of women. Jobs in multinational export factories in fact offer better wages, hours of work and working conditions than other low-skilled female occupations such as agricultural labour, construction labour, domestic service, petty trade, and manufacturing in small local sweatshops. They are not less secure or more vulnerable to lay off than these other jobs, and sometimes command a higher status."[24]

The above example of different perspectives illustrates that writers' views are influenced by their experience, interest and values. It is hence important for researchers to make explicit the factors that influence their perspectives. In writing this section, I am of the view that while there has been an unprecedented increase in women's access to education and paid work over the last two decades, a large number of factors discriminate against equal employment opportunities for women production workers and make them the most vulnerable to technological, economic and industrial change.

Issues Affecting Women Wage-Workers in the Industrial Sector

There is no doubt that industrial development through the setting up of labour-intensive export-oriented industries has created mass employment for both urban women and rural migrants. Table II shows the percentage of women in the manufacturing workforce of twelve Asian countries in the seventies and eighties. However, even with the creation of "new economic sectors" and the rapid pace of industrialization, sex roles and perceptions may be one of the slowest to change. Just as industrialization has affected women's employment and status, so have women contributed much to the industrialization process. Unfortunately, women workers, as a new labour force entrant, are seen as valuable mainly in their being initially transient (a situation reinforced by discouragement of married women workers), inexperienced, malleable to control and accepting low wages. Even where they have similar qualifications, experience and skill potential, the studies show most employers, including modern high-technology operations, consciously discriminate and

in 1974. Unemployment rose to 7 million. The war and famine forced self-reliance on a large number of women as many husbands and fathers were killed and families made homeless. So even if social status is gained by keeping women in isolation, the harsh realities of life demanded that women are put out to work. Hence by 1985 when 450 garment export-oriented factories were set up in Dhaka alone as an attempt to reconstruct the economy, 80,000 to 100,000 young women were recruited mainly from landless or poor families in the rural areas.

In Malaysia, the New Economic Policy and the setting up of ethnic employment quotas in particular encouraged the participation of Malays -- people located largely in the rural areas and who are all Muslims -- in the new economic sector. This has supported the migration of young Malay women from the rural areas to factories in the Free Trade Zones. Despite the use of education as a screening mechanism, the young rural Muslim women were recruited because by the seventies theirs was the first generation of rural women to have acquired at least some secondary education due to the country's compulsory primary education policy and the spread of some secondary schools to the rural areas. The participation of these women in industries, however, has resulted in concern with their "morality and cultural values" within the Muslim community regardless of their actual behaviour. Most traditional Malay peasant societies are not too strict regarding morality issues since in the rural areas Islamic beliefs are influenced by local adat (customs) and illustrate the adaptability of Islam to coexist with different social norms in different situations. However, with the recent upsurge of religious fundamentalism in the country, "proper" Muslim girls are supposed to be kept under strict surveillance from puberty onwards. Images of "proper young women" are those of shyness and bashfulness. In many quarters, industrial jobs are suspect as they are said to bring young Muslim women into contact with men, have put them outside the control of their parental households and influenced them in the direction of "immoral" behaviour, such as participation in dance parties and discos where they intermingle with men, dating and pre-marital sex. The young women are socially stigmatized and subject to teasing and name-calling -- the most popular term being "Minah Karan" (current) reflecting their concentration in the electronic industries. There is also a certain amount of contradiction as the same women are seen as "good daughters" when they send remittances to the kampongs (villages). The stress and conflict produced by inappropriate images and ambivalence have produced the phenomenon of mass hysteria that occurs from time to time among Muslim girls working in factories, and more recently even among Muslim girls in schools. While this hysteria may not affect the majority, the stress that produces the hysteria certain-

ly takes its toll in less visible forms on the emotional and mental health of many women.

b) "Modern Wage-Workers, Modern Consumers"

The entry of women into industrial wage employment often initiates a complex process of change. One dramatic area of change is in the sphere of consumption. While many women work to remit money to help their parental households, to educate younger brothers or support them while they seek better-paid jobs to improve their life chances, the drudgery and hardship of factory work is also borne because it gives them access to a certain amount of disposable income to spend on personal consumption. The creation of consumption needs is hence an important factor affecting the entry and staying power of young women in the industrial workforce.

In the major urban centres there is free movement of commodities, information and advertisement through the mass media, especially television and videos, as well as exposure to life-styles and consumption patterns of the elite and middle classes. Concentrated in these centres, the young women workers in the factories are quickly exposed to certain powerful images and "new" culture which defines success and failure in terms of the possession of "modern" commodities and "modern" life-styles. In Malaysia, Singapore, Thailand and the Philippines, in particular, there has been a tremendous rise over the last eight years in the popularity of American-type fast-food chain, a consciousness in brand names (even if the products are only imitations), the growth of huge shopping complexes and mass markets. The images, spending patterns, fashions and life-styles that circulate around these complexes and food chains, especially their marketing strategies, are held up as models to be emulated and have created new-felt needs for the "modern" factory workers. In other words, the dreams and expressions of upward mobility, identity and status of young women workers have also become urbanized, internationalized and commercialized as they become part of the "new international division of labour". This process will change the motivation, commitment and consciousness of women workers as much as the work process itself.

c) Women's "Secondary Work" and "Pocket-Money"

In many countries, women's work is still regarded as secondary despite the mass mobilization of women into industrial employment. This ideology of women's "secondary work" is rooted in the assumption that women work only to generate extra "pocket-money" for personal luxuries. It expresses itself in the way male and female labour are sold and rewarded. The industrial sector itself is commonly divided between "feminized" industries like textile, garments, electronics, where work is defined as semi-skilled/unskilled,

Table II

Asian Women in the Manufacturing Workforce

Country	Year	Percentage of Women in the Manufacturing Workforce
Bangladesh	1974	3.8
	1984	28.1
China*	n.a.	-
	1982	44.1
Hong Kong	1971	41.7
	1982	47.4
Indonesia	1976	47.1
	1982	47.9
Japan	1970	35.8
	1982	38.8
Republic of Korea	1975	37.7
	1985	38.7
Malaysia**	1970	28.1
	1980	41.4
Pakistan	n.a.	-
	1981	5.9
Philippines	1975	40.3
	1985	48.7
Singapore	1970	33.6
	1985	44.3
Sri Lanka	n.a.	-
	1981	32.7
Thailand	1970	42.6
	1982	43.7

Source: ILO Yearbook of Labour Statistics, 1980, 1981, 1983, 1984, 1985, 1986, pp.50-60; pp.56-68; p.144; pp.154-176; pp.46-82; p.178; pp.76-90, pp.196-218; pp.74-86 respectively.

* 1982 Population Census Data, China

** Khoo Teik Huat, 1980 Population and Housing Census of Malaysia, Vol.II, Kuala Lumpur, Department of Statistics, 1983, p.144; 1970 Population Census of Malaysia, Vol.I, p.431.

relegate women to the lower rungs because of the principal imperative of minimizing production costs. Ideological justifications are easily found and the explanations vary widely from the Islamic countries of Pakistan and Bangladesh through to Confucian cultures in Singapore and South Korea. Hence the consideration of cultural factors and their interaction with economic and political factors are important in any attempt to improve the status of women. This section looks at the issues of religion and women's work; the creation of new consumer needs as women become "modern" wage workers; the ideology of women's "secondary" work and earnings and the dilemma of production and reproduction.

a) Religion and Women's Work

There are some interesting features arising from inter-country differences with regard to religion and women's work. In Pakistan, women's participation in the manufacturing workforce is low (5.9% in 1981) mainly because of the practice of female seclusion under Islam. Interestingly, however, Bangladesh which has the same practice of female seclusion, has increased its rate of female participation from a low of 3.8% in 1974 to 28.1% in 1984, a figure not too far behind that of Sri Lanka's 32.7% (Sri Lanka is the first South Asian country to embark on export-oriented industrialization through the TNCs). Another Islamic country, Malaysia, has also seen a dramatic rise in the percentage of women in manufacturing from 28.1% in 1970 to 41.4% in 1980.

The different experiences of three Islamic countries -- Pakistan, Bangladesh and Malaysia -- illustrate that the issue of religion and women's work participation is complex. Frequently, it is not religion per se which affects the form of female work participation but the interaction of religious beliefs with the different levels and structures of male supremacy. Also ideological and religious factors interact with other issues such as government policies, educational policies and the kind of work available.

The low percentage of women in the industries of Pakistan arise as the result of the combination of several factors: the slow industrialization process, the extensive use of the "putting-out" system due to female seclusion which confines women to boundaries of home and village, the emphasis on small-scale manufacturing firms (this sector had an annual growth rate of 14.1% from 1969-77) rather than the large-scale labour-intensive manufacturing firms (this sector grew at 4.4% per annum over the period 1970-76).

In contrast, in the case of Bangladesh, a series of crises disrupted the traditional economies in the seventies. These included nine months of war in 1970-71, and a famine

and career development is almost non-existent, and the higher-waged industries where women are seldom represented. One consequence of this is that, independent of actual skill, productivity and efficiency levels, women earn between 45 per cent to 75 per cent of men's wages in the manufacturing sector in several Asian countries as shown in Table III. Another consequence is the concentration of women in home-based sub-contract work where women are not even defined as workers but as "housewives".

Table III

Earnings of Women and Men in the Manufacturing Sector

Countries	Year	Women's Earnings as a Percentage of Men's Earnings
Hong Kong	1981	74.4
Japan	1980	53.1
Republic of Korea	1980	45.6
Malaysia*	1980	73.1
Philippines	1980	61.3
Singapore	1983	62.4
Sri Lanka	1983	72.9
Thailand**	1983	70.1

Sources: ILO, Yearbook of Labour Statistics.

* Ministry of Labour and Manpower, Occupational Wage Surveys, Peninsular Malaysia, 1980.

** National Statistical Office, Report of the Labour Force Survey, Bangkok, Thailand, 1983.

Women's status as secondary workers is a result of at least two factors. First is the concept of a "family wage" reserve for the men as "head of the family". In reality, however, it is seldom only the men who "support families". Increasingly, it is the women who do so alone and frequently it is the wages of both men and women together that keep the household going.

Second is the issue of "continuity of work". It is generally assumed that women withdraw from the workforce

from time to time to have and look after children. This shortens their total working life and hence training them for a career would not have the same pay-off as training men. The case studies tell a different story. It is not the women who seek to leave the workforce after marriage. Rather, it is a deliberate policy of many factories to have a youthful workforce and to dismiss women at marriage or at a certain age. In fact, as the Korean case study shows, a substantial number of married women have to continue working after dismissal whether they like it or not in order to maintain their households, and not for pocket-money. The work that is offered to women workers is one where young women are expected to work productively and intensively for a few years in factory jobs which require very good eyesight (for miniature components in the electronics industries, for microscope work), dexterity, patience and speed. The productivity of women workers in this type of work is said to fall after a certain number of years due to accumulated stress and strain. Reproduction and child care, although real issues in themselves, are often also given as convenient and socially accepted reasons for removing women workers when their productivity level is declining.

d) The State, Reproduction and Work

Despite being perceived as "secondary workers", there is increasing recognition that the participation of women in the economy contributes greatly towards economic growth and balance of payments. Without women's work, certain sectors and industries could not have developed to the extent they have in many countries. Consequently there is a tendency to perceive women as available resources to serve the needs of the country rather than improve the conditions of women themselves.

Even when women have jobs, they are expected by society to be fully responsible for the reproduction and care of the next generation. In this, some opposing forces are plain: while the participation of women in the economy is encouraged and even a necessity to the economy and to keep the household at a relatively comfortable standard of living, rigid sex-related responsibilities are demanded of them by society with little public institutional support and change in sex-roles within the family.

Reproduction and marriage have traditionally been seen as "private" by the State except for purposes of family planning. Recently, however, the State in Malaysia and Singapore have increased their intervention in the realm of marriage and reproduction. The nature of their intervention has resulted in some controversy and reveals the way women workers are perceived.

In Malaysia, the mid-term Review of the Fourth Malaysia Plan in March 1984 called for the setting up of a 70 million population target for Malaysia (the current population is 15 million) to be achieved by the beginning of the twenty-second century. A family size of five children is recommended to achieve this goal. The rationale for the new population policy is based on the argument that heavy industrialization is the next phase of development in order for Malaysia to become a newly-industrializing country (NIC) along the model of South Korea. Heavy industries, in turn, require a large domestic market and this can be done by increasing the size of the population. It is strongly felt that import-substitution and export-oriented industrialization have neglected the development of suitable heavy industries and the development of a more balanced and self-reliant economy is urgent in the face of increasing protectionism in the world economy. Pressures exist to shift emphasis from current export-orientation to emphasis on local needs and requirements on a mass basis.

To achieve the targetted population size, the State has placed emphasis on women's reproductive and child-care roles. This, coupled with rising male unemployment due to the collapse of the tin market, the fall in commodity prices, and the industrial restructuring in Singapore which has resulted in the return of Malaysian migrant workers, has led to some male leaders suggesting that women should "go back to the homes". This position has been openly criticized by women's groups and women Ministers in the country.

In Singapore, the relationship of marriage and the development of the economy has now become a major concern of the State. The Prime Minister expressed serious concern, in August 1983, that an increasing proportion of graduate mothers are remaining single, compared with their non-graduate counterparts, and that married graduate women are producing less off-spring than working-class women. He argues that this demographic trend, if left unchecked, would result in a depletion of the pool of human talent on which Singapore's economic future depends. A Social Development Unit (SDU) was quickly set up in January 1984 with an impressive budget of S$295,000 to get graduates to marry and to reproduce for the good of the nation. Heads of Departments in the Public Service and other Government-sponsored organizations were asked to draw up a list of eligible men and women who were then invited for cruises, beach holidays and training sessions on group dynamics and interaction. There has been some public reaction to the genetic view of intelligence that underlines the "graduate women" programme which also allows children of graduate mothers access to the better schools. Given the history of Singapore where most citizens have at least a migrant working-class grandparent or great-grandparent, the public reaction is not surprising.

The work of the SDU has recently been extended to the non-graduates (on a less glamorous scale) because it is believed by the State that "increasingly labour supply rather than effective external demand will become the most significant constraint to overall growth" (Trade and Industry Ministry's Economic Survey, October-December 1987).

While in many Asian countries population growth continues to be regarded by the State as the greatest single factor exacerbating problems of unemployment, unequal distribution of food and income, the situation has reversed in Malaysia and Singapore. The emphasis given to women's reproductive role must bring with it policy measures to improve the living conditions of women workers for it is unlikely that women can afford to leave their jobs. To lessen the tension of roles for working women, a range of social policies can be created by the State to enable women to accommodate work, child-care and household duties. Good child-care facilities and flexible time arrangements could go some way towards removing certain obstacles that prevent women and working parents from organizing their family and working lives in a better way, without the women having to drop out of employment. For this to happen there must be changes in cultural attitudes towards women so that rigid sex-related roles in the home and the workplace may be eliminated.

The Impact of Recession on Women's Consciousness

After experiencing a decade of economic growth, there is concern among countries in East and Southeast Asia over the increasing use of trade barriers in the international economy. Trade may no longer be able to provide the motor of employment and growth for the future. In many countries the structure and form of women's industrial employment are already affected by international economic restructuring and recession (the recent recessionary period in the West is unique in that its ramifications are highly internationalized). These two processes have involved the weeding out of weaker, non-profitable and non-productive firms and increased concentration of capital through mergers and take-overs. The impact of these processes is uneven and some economic sectors decline while new ones are opened up.

Women workers are the first to lose their jobs in times of recession. The extent of job losses depends on whether the industries affected by recession are female-intensive. The evidence is that the clothing and electronics industries -- two very female-intensive industries -- are badly affected by recession resulting from increased protectionism, exchange rate movements and reduced trade. Both these industries have exhibited similar responses to the recession. For instance, both have combined the use of new technology in the factories with sub-contracting and

out-work in order to lower production costs, both have been shifting their production bases from one Third World country to another and the factors of cheap labour, developing new markets and overcoming protectionist barriers have been stressed in this decision. The restructuring exercise of both these industries has led to the expansion of some sectors and the decline of others. Under the Multi-Fiber Arrangement (MFA), the clothing industry is sliced into narrow categories. Each importing and exporting country set the maximum number of items within each category that the exporter is allowed to supply. These quotas have had the most direct effect on countries in East and Southeast Asia specializing in clothing exports. In reacting to these quotas, the big clothing exporters in these countries have upgraded their clothing lines by shifting out of inexpensive clothing categories such as mass-produced shirts which face heavy restrictions, into less-protected, higher-value categories such as designer-sweaters. Industries are also shifting to the less industrialized countries like Bangladesh to escape some protectionist barriers.

The electronics industry, especially the semiconductors and electronic consumer goods sector, is highly internationalized. In spite of world recession there has been a growth in demand for micro-chips. The electronics industry, the largest foreign exchange earner for Malaysia, has been forecast for "greater growth and expansion" by the Chairman of the Malaysian American Electronics Industry (MAEI).25 World demand for semiconductors is expected to reach M$113 billion by 1990 from M$80.25 billion in 1987. The growth in the industry is expected to have far-reaching impact on Malaysia as the company's sixteen local factories face strong demand and major high-technology expansion. There would be more strategic mergers like that of General Electric Corporation-RCA, Advanced Micro Services-Monolithic Memories and National Semiconductor-Fairchild Semiconductor, since such partnerships would complement one another in product lines.[26] The merging is also a response to the strong international competition among European, American and Japanese firms in the areas of computer, automotive and consumer electronic markets -- all major consumers of semiconductors.

Although employment has been estimated to increase from 33,300 in 1986 to 35,700 in 1987, the semiconductor industry is extremely well-known for periodic retrenchment of workers. The employment pattern is unstable and the industry is highly subject to crises of over-production. The Malaysian case study in this volume documents the retrenchment of women electronics workers in a firm that once controlled 10 per cent of the world market in 64K chips used in personal computers. So profitable was the business and so secure were the market predictions in 1984 that the company was not prepared for a drastic unpredicted fall in the computer

market in October 1985. The company responded by retrenching 90 per cent of its workforce.

The recession and threats to their jobs have no doubt radically changed the consciousness of working women. But what the studies show are the different vicissitudes the process has imposed on women in various countries and their responses.

The variation in response and action is clearly linked to the different stages of industrialization in the countries, the conditions of work, the treatment of workers and the various forms of worker participation and organization legitimately allowed. Then there is the work experience of the worker, her social and cultural background and expectations. Women who are young and new and who see themselves as transient labour are often less militant. Others who are mothers and who need the job to feed the family have more at stake.

The Mostek factory workers' strike in Malaysia, for example, demolished the image of the docile and traditional Muslim woman worker when they organized against their retrenchment in the export-processing zone in Penang. They fought for job security and adequate compensation after they were laid off in one of the worse slumps to hit the electronics industry. Even inexperienced, fearful and young women workers became activist workers and organizers despite constraints imposed by Labour Laws. Action by the Polytex Garment workers of Sri Lanka illustrates the same point. However, most of these actions are sporadic and the issues they raise are not followed up by trade unions where these exist.

Where there are trade unions and organizations which offer women a greater role and participation (instead of being dominated by a male hierarchy) like in the Philippines, women workers while involved with crisis situations like strikes are also involved in the day-to-day running of the unions. They display a strong consciousness not only about their situation but on national issues as well. The issue at stake, however, is whether the unions will act to make a difference in the way women workers are treated, classified and trained, so that they become less vulnerable to future changes.

Women, Industrial Work and Skill Formation

The picture that emerges from the Asian experiences is that the forms through which women have been incorporated into the industrial process vary depending on the nature of State policies or interventions, cultural systems and overall development trends in the country. In countries where the State has actively encouraged the creation of

export processing zones and foreign business, women have been absorbed into the industrial structure mainly through certain labour-intensive industries. In countries like Pakistan, where cultural systems are closely linked with economic life in ways that restrict the physical mobility of women, women's involvement in industrialization has been through the putting-out system, as home workers.

Increasingly, the effects of fluctuation in the international market on the spread of out-work has also been visible. As factories retrench women workers, women workers are integrated into the industrialization process as contract workers. There is also the emergence of a modern form of "high-tech" piece-rate putting-out system in the relatively advanced industrializing countries like South Korea, Malaysia and Singapore where certain computerized operations such as keying-in work and simple assembly are contracted out to married women (who have left their jobs because of the double burden of house and factory work) working from their households or through informal sector sub-contractors -- a situation already happening in South Korea.

What is not recognized sufficiently is that for most women workers, whether it be home-based workers in a weaving co-operative, women in the out-work system, or highly-skilled technicians in high-technology factories, industrialized work is no longer a transient job but work that provides a sense of independence and self-improvement in status.

As women become integrated into the economy, women's work outside the home has shifted from being mere supplementary income (in fact, the concept of "supplementary income" in itself has always been a fallacy for single mothers and widows who are forced to support their family full-time) to being a necessary earning for the family's welfare and living. In the more industrialized countries like Singapore, this aspect is being haltingly recognized, hence the provision of on-skill training and other support facilities for working women to allow them to combine both productive and reproductive roles.

While countries shifting to high-technology acknowledge that skill-formation and upgrading of their women workforce is a desired policy, countries adopting a labour-intensive industrialization strategy seem to concentrate on policies to generate quick but short-term employment and to support horizontal mobility and participation of women from one unskilled/semi-skilled sector into another. This may prove to be short-sighted in the face of turbulent and discontinuous, multi-dimensional and multi-directional changes in the world's economies.

In the next decade, looking at the trends of technological changes in agriculture and industry that are taking place currently in Japan, the U.S.A. and Europe, there would be a demand for better-educated, skilled and flexible workers in Asia, given the inter-relatedness of an inter-dependent world. It is really in the interest of both employers and governments to realize that even if they treat women workers only as organizational capital, there is a need to develop new concepts and ideas of work-organization and skill-formation to sustain economic prospects to match developments in industrial technology.

To take advantage of developments in the future it is necessary for women workers to develop in the direction of multi-skills, not only as a way to combat boredom and monotony but equally important, to increase their range of skills and their conceptual understanding of the work process and organizational structure. This is a way of ensuring that women workers are not confined to a narrow group of skills and understanding that they become completely vulnerable to technological, social and industrial changes. Work and skill development can no longer be perceived as discrete functions but must be seen as part of an integrated human and organizational development. The social costs of an under-skilled and inexperienced workforce is high not only for the workers concerned but also for the country.

III. HOW DONORS CAN RESPOND

Every small step and action taken on behalf of women wage earners from the poorest strata of society can eventually add up to become the foundation on which more basic changes can be built. Donor action can range from supporting efforts for legislative change, sensitizing the bureaucracy and the media, building communication and information networks and linkages, consciousness-raising, and the development of service centres, to creating more responsive organizational structures and processes. More specifically, the following action can be usefully undertaken for each of the categories of women wage-earners. In fact, many donors are already involved with some of these areas.

a) Support for Women Agricultural Workers

As many major donors provide substantial support to governments, pressure should be put on governments to recognize the actual role of rural women, especially women agricultural workers, as producers, and in so doing strengthen and support that role. This means that pressure could be exerted for the explicit mention of women in all agricultural programmes being funded, including credit, training, irrigation, reforestation, small farmer programmes, livestock improvement. Donors must also ensure that the above concern is reflected in the design, implementation, monitoring and evaluation of the programmes by asking for information on the number and category of women using agricultural services, education services, health and other social services, if possible the wage level of these women.

In choosing areas for funding, continued support must be given to improving educational, training and employment opportunities for rural women as well as their social and legal status. To the extent possible, the following directions could be pursued:

(i) Ensure educational opportunities of similar quality and content for both sexes and provide special incentives, through funding, such as reduced fees for increased enrolment of girls and women in schools and training programmes.

(ii) In funding large-scale projects, create pressure for equal wage rates for men and women for work of equal value.

(iii) Establish and strengthen non-formal educational opportunities for rural women, including leadership training, instruction in agricultural as well as non-farm activities, health care, childcare and nutrition.

(iv) Evaluate vigilantly the possible negative effects on women's employment and income arising from changes in traditional economic patterns and the introduction of new technology.

(v) Request for the establishment of special recruitment and training schemes to increase the number of women in the training and extension programmes of their own development funding agencies at the country level.

(vi) Broaden the range of agricultural training and extension programmes to support women's roles in activities of agricultural production, processing, preservation and marketing as well as in non-farm activities.

(vii) Assist action aimed at repealing those laws which discriminate against women in respect of rights of inheritance, ownership and control of property, and to promote understanding of the need for such measures.

(viii) Promote ownership rights for women, including joint ownership and co-ownership of land in entirety, to give women producers with absentee husbands effective legal rights to take decisions on the land they manage.

Another point of donor intervention is building support for the organizational structures that ensure the genuine participation of women agricultural labourers as this is a necessary process for the success and sustainability of development programmes reaching the poor. If organizations built by development agencies rely on the existing leadership structures, the wealthier and more educated groups will continue to have influence and power over the poor, and men will continue to be the main people represented in village forums and the main people to benefit from development efforts and opportunities. Evidence shows that groups that rely on existing local leaders are used to serve the best interests of these leaders and their support groups. The greater economic independence, and a better standard of living for the poorest may not necessarily feature prominently in their list of interests and almost certainly efforts to create access to resources and opportunities for poor women farmers will not be given priority. As a consequence, the programme outcome may turn out to be the opposite of what the original planners envisaged, and of programme objectives.

There is also evidence that motivation and commitment, two essential factors for project sustainability, come with genuine involvement and consultation. If the purpose of

development projects is to provide the means for the rural poor to improve their economic and social living standards for themselves and their families, consideration of economic feasibility and social sustainability must form an integral part of the projects. Otherwise, projects may collapse as soon as funding is withdrawn and there is serious risk that participants will become disillusioned, distrust and suspicion will be created and future development efforts hindered.

Given the present leadership set-up and barriers placed on women's access and mobility in many countries, there is a need to build alternative ways in which women can express their interest. The aims of organizing are to assist women who are vulnerable in overcoming barriers to the realization of their potential, to assist them to have more (in terms of economic and productive assets) and be more (in terms of creative ability to overcome problems and pressures, and take advantage of new development opportunities).

The creation of organizations and working style which has the effect of enabling and empowering women must be encouraged, however difficult to achieve because of various hierarchies, tendency towards authoritarianism, corruption, administrative inertia, etc. There have already been some success stories of donor intervention and support from international agencies. Donors, through the right type of interventions, can create new processes for change and reverse some of the adverse tendencies affecting women agricultural wage earners.

(b) Support for Women Plantational Workers and Women in Resettlement Schemes

In funding groups working with plantation workers, special attention should be directed to improving the services that respond directly to the urgent needs of the women plantation workers. These include better creche facilities for their children, better housing conditions, educational support for daughters, assisting women to handle violence in the home and the workplace, better medical care and understanding of the chemicals they live with daily. Donors that fund organizations which have access to governments, employers and trade unions should create pressure through these organizations for the better monitoring of women's wages, working conditions and the establishment of support services that would permit their greater participation in trade unions and ease the burden of housework. Funding should be given to trade unions to establish systems to identify obstacles to women's participation in trade unions and to monitor progress and co-ordinate action.

Regarding women in resettlement schemes, donors must support, through whatever channels possible, measures to

ensure women equitable access to land, livestock and other productive assets; assist in efforts to repeal laws and regulations which inhibit effective participation by women in economic transactions and in the planning, implementation and evaluation of land settlement scheme programmes; and create pressures to ensure full membership and equal voting rights for women in people's organizations such as tenants' associations, co-operatives, credit unions and organizations of the beneficiaries of land reform and other rural development programmes.

In funding of resettlement programes, donors must insist on the human process of resettlement through the respect for people's cultural practices and lifestyles. Where necessary, training in the management of money should be funded and conducted prior to the payment of compensation. Follow-up support and services should also be made available, especially in conditions where new bureaucratic procedures, e.g., the requirement of an identity card, become the deciding factor whether a person is employed or not.

(c) Support for Women Migrating Internationally as Service Workers

There is no reason why women's experience of international migration cannot be made less harrowing, more successful and beneficial to all those concerned. Donors could fund efforts that would encourage forward planning on the part of the State and greater concern and commitment on the part of non-governmental organizations (NGOs), to work towards a more humane and professional approach to recruitment on the part of Employment Agents and greater care and vigilance on the part of the press and public.

Funding could also be allocated for support services for the migrant worker socially and psychologically. There is need for pressurizing governmental intervention to regulate the migration to ensure protection of the interests of emigrants, and to channel the remittances for productive investment. There should be regulations pertaining to minimum pay and working hours, safeguards against physical and sexual harassment, health insurance and an accident insurance scheme.

More research needs to be funded to examine how individual contract migration is financed, what is the social cost of raising money to finance migration, what happens to holdings of real assets before and after migration. Government embassies could be encouraged to provide and maintain a computer-based register of women migrants, keeping track of their whereabouts, records of complaints, record of returnees. The planning ministry or the labour ministry, in co-operation with other government

agencies, could be funded to have follow-up programmes for returning workers.

A lot of work still remains to be done to develop "model contracts", to control recruitment policies and procedures. Donors, working through international and regional development agencies, could encourage governments to meet to review and to improve recruitment practices and systems of protection for migrant workers. The ILO, through the assistance of several donors, has started working in this direction and some governments of the region will be meeting in Jakarta in September to begin initial dialogue on these issues.

The Dutch Government is also funding the Women's Programme of APDC to work on the issue of "Women and International Migration" across seven Asian countries. The Planning Meeting in Manila in November 1987 brought together NGOs, researchers and government agencies to review the existing situation and plan meaningful research and action. One direct result of the meeting was a review of the recruitment process and conditions of work of Filipino women migrants by the Cory Aquino Government as four major government agencies took part in the Meeting and reported the findings to their President. To keep a constant check, it is important that the State maintain at least a Consul in each of the host countries that recruit migrant labour. This person must keep close working relationship with NGOs and the workers themselves. Until such time as the factors discussed in this section are fulfilled, international migration to earn wages will continue to remain a hazard for poor women.

(d) Women Wage-Earners in the Industrial Sector

Donors from the home countries of the TNCs should take greater responsibility for the following, especially if they are providing aid to these business organizations:

(i) Supervision of Women's Working Conditions

The common factors affecting women workers in industries are relatively low wages and poor working conditions. Women's effective contribution to the industrialization is hampered by inadequate implementation of health and safety regulations and facilities for women; women's possibilities for advancement are further impeded by lack of skills-training programmes. Given the widespread occurrence of malpractices donors, in providing development aid to business organizations, should ask for a review of policy measures (and, where necessary, rectify existing discriminatory practices) to improve the working and living conditions of women workers, including those dealing with out-work of equal value, equal access to industrial occupations and

improved working facilities such as children's day-care centres and rest areas.

(ii) Protective Associations and Support Services

Women's lives are changing and being changed continuously whether they want it or not as Asian countries develop and the impact of development accelerates. However, women can be made to be in more control of these changes to ensure that these would benefit them as people. To facilitate this, networks of women's groups that concentrate on the developmet of women workers should be strengthened so that they may mobilize for the provision of reasonable child-care facilities, adequate wages, working conditions, health and skill-training.

(iii) Special Assistance for Retrenched Women Workers

Given the increasing vulnerability of many branches of women's work, special assistance and support should be given to women workers who are retrenched to enable them to participate as entrepreneurs in small-scale industries, businesses or trading. This could be done through providing training and access to credit to facilitate the initial financing of viable projects.

To conclude, given future global trends it is no longer possible to expect women workers to continue contributing in the manner they have so far. To do so would lead, over time, to the widening and hardening of gaps separating those treated as "skilled" from those treated as "unskilled/semi-skilled". The search and development of new movers of growth must include the ability to develop both women and men with dignity as workers, given the resources and technologies at our disposal and given the risks and dangers we confront.

Donors can do much by networking among themselves for better information exchange, co-ordinating and acting as a group to lobby for changes along the lines discussed in this paper. Pressures could be created by acting through international and regional organizations, through funding of national and local action-groups, but much more can be achieved if these types of action are strengthened by influencing and monitoring the direction and conditions of foreign development aid given to national governments and business organizations, especially in cases where direct economic support to industry comes as a form of "development aid".

FOOTNOTES AND REFERENCES

[1] Gita Sen, "Women Agricultural Labourers: Regional Variation in Incidence and Employment", Centre for Development Studies, Ulloor, Trivandrum, India, 1983.

[2] Bina Agarwal, "Agricultural Modernization and Third World Women", Rural Employment Policy Research Programme, ILO, Geneva, 1981.

[3] Joan P. Mencher and K. Saradamani, "Muddy Feet, Dirty Hands: Rice Production and Female Agricultural Labour", Economic and Political Weekly, December 1982.

[4] Most of this work has now been put together in the volume Women in Rice-Farming, Proceedings of a Conference on Women in Rice-Farming Systems, International Rice Research Institute (IRRI), 1985. op. cit.

[5] Cynthia Bautista and Nanette G. Dungo, "The Differential Impact of Farm Technology on Men and Women: A Case Study of Two Philippine Villages", APDC, Kuala Lumpur, 1987.

[6] Collier, W., Wiradi, G. and Soentoro, "Recent Changes in Rice Harvesting Methods", Bulletin of Indonesian Economic Studies, 9, No. 2, 1973.

[7] Agarwal, Bina, "Rural Women and the High Yielding Variety Rice Technology in India", Women in Rice-Farming, op. cit., 1985.

[8] Govind Kelkar, "Women, Rural Development Programmes and Organizations in Contemporary China and India", APDC, Kuala Lumpur, 1987.

[9] Joan Mencher, and K. Saradamani, 1982, op. cit.

[10] Noeleen Heyzer, "Women Workers in South-East Asia: Problems and Strategies", Working Paper, ILO-ARTEP, New Delhi, India, 1986.

[11] Rachel Kurian, Women Workers in the Sri Lanka Plantation Sector, ILO, Geneva, 1982.

Ann Stoler, Proletariats and Planters: Javanese Estate Labourers on a Plantation in North Sumatra, Indonesia, Columbia University, 1982.

[12] Rokiah Talib, "Women's Participation in FELDA Schemes", Paper presented to the APDC Seminar on "Women and Employment", 1984, Kuala Lumpur, 1984.

[13] Hew Cheng Sim, Flora Kedit, "The Batang Ai Dam, Resettlement and Rural Iban Women", APDC, Kuala Lumpur, 1987.

14 Shanti Kumar, "The Mahaweli Scheme and Rural Women in Sri Lanka", APDC, Kuala Lumpur, 1987.

15 R.B.M. Korale, "Migration of Females for Employment to the Middle East", Progress, Volume 2, Issue 3, Ministry of Plan Implementation, Government of Sri Lanka, 1982.

16 Lakshmie Cumaranatunge, "Coping With the Unknown: Sri Lankan Domestic Aides in West Asia", Unpublished paper, International Centre for Ethnic Studies, 1985.

Ministry of Plan Implementation, "Foreign Employment -- Sri Lanka Experience", Product of three surveys carried out in 1984.

17 Wilhelmina Orozco, "Economic Refugees: Voyage of the Commoditized", Philippines Women's Research Collective, 1985.

18 Ibid.

19 Chita Parazo, "One Billion Dollars RP Workers' Income Sent Here", Bulletin Today, Manila, January 2, 1984.

20 The Philippines Overseas Employment Administration Annual Report, Government of the Philippines, 1983.

21 Bulletin Today, February 1983.

22 International Labour Office (ILO), Yearbook of Labour Statistics, 1980.

23 Myrna Blake, 1980, A Case Study on Women in Industry, Asian and Pacific Centre for Women and Development, (APCWD), Bangkok.

United Nations Industrial Development Organization (UNIDO), 1981, Women and Industrialization in Developing Countries, New York.

Judy S. Castro, 1982, The Bataan Export Processing Zone, ILO-Asian Employment Programme (ARTEP), Bangkok.

Gus Edgren, 1982, Spearheads of Industrialization or Sweatshops in the Sun? A Critical Appraisal of Labour Conditions in Asian Export Processing Zones, ILO-ARTEP, Bangkok.

24 Linda Y.C. Lim, 1984, "Women Industrial Workers: The Specificities of the Malaysian Case", pp.7-8.

25 The New Straits Times, 13 November, 1987.

26 The New Straits Times, 14 November, 1987.