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

Mayra Buvinic

ICRW

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СЛАВЯН. БУВИНІО

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 channel 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

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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