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**L'IMPACT DES PROGRAMMES
D'AJUSTEMENT STRUCTUREL DES
ANNÉES 80-90 SUR LA SITUATION DES
FEMMES EN AFRIQUE**

**THE IMPACT OF 1980/1990 ECONOMIC
REFORMS ON THE CONDITION OF
WOMEN IN AFRICA**

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Sous la direction de / Edited by
Françoise Gallouédec-Genuys

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- A case study of Nigeria

Iyabo Olojede *

I. Introduction

The contemporary mood in Africa is that of widespread despair. This stands in marked contrast to the exuberance of the 1960's, the so called Decade of Africa. The immediate post-colonial Africa was marked by a pervasive optimism. The political gains of 1960's provided an array of hope and rising expectations. The continent, during the euphoric period recorded notable growth rates in output, as well as advances in health, education and other social sectors. For the period 1965-1980, the weighted average growth rate of GDP was 5.6% for the continent.¹ This impressive performance allowed positive growth rates in per capital incomes.² Unfortunately, this development was shortlived on account of internally and externally generated factors. By early 1980's, the African economic scene began to show dangerous signs of crisis. The manifestation of crisis gradually unfolded in the region. The include debt-burden, decline in industrial output, inflation, urban/rural pauperisation, famine, starvation, violence and crime.

In order to contain this crisis, public policies (home-grown and externally sponsored) were adopted to return many African countries (Nigeria inclusive) to the path of stability and growth. The most celebrated of these policies is the one represented by the Structural Adjustment Programme (SAP) of the International Monetary Fund (IMF) and the World Bank. SAP has become the dominant policy framework within which the quest for African Economic stabilisation and growth is being conducted.

In 1986, Nigeria like many other African countries adopted Structural Adjustment Programme (SAP) to redress its economic crisis. Economic institutions and structures were reformed to improve incentives for exports, investment and national output. This policy measure produced both winners and losers.

* Iyabo Olojede is Professor, Department of Political Science, Lagos State University (Nigeria).

¹ See T. Mkandawire, Crisis and Adjustment in Sub-Saharan Africa in D. Ghai (ed), *The IMF and the South: The Social Impact of Crisis and Adjustment*, London, 2d Books, 1991, p.80.

² Ibid.

It is the intention of this paper to examine the impact of major economic reforms of women in Nigeria. What are the effects of these reforms on the conditions of women in Nigeria? Are they positive? Are they negative? If negative, what can be done to redress this situation in Nigeria? Answers to these questions will form the central thrust of this paper.

II. Nigerian Economic crisis

Prior to 1980's, Nigeria enjoyed a buoyant economy. This economic boom was assisted by the windfall from foreign exchange earnings on petroleum in mid 1970's. A sum of N65 billion was received from oil exports between 1973 and 1981.³ These revenues were principally used to support a massive public expenditure programme. The state assumed an expanded economic and social role. The state adopted a subsidy system in the execution of its public programmes. Through this method, the state ensured that numerous social services such as housing, transportation, education and health were delivered cheaply. The strong exchange rate of the Naira (Nigerian currency) also facilitated the importation of all kinds of items. Food and other consumer products were massively imported into the country. For example, feed importation rose astronomically during the 1976 - 1981 period to nearly N2.12 billion from N57.7 million in 1970 and N780.7 million in 1976.⁴ On the economic platform, the government was also involved in commerce, manufacturing, finance etc. Government huge involvement in industry and commerce is underscored by its huge financial involvement which is put at N23.2 billion by mid 1980's.⁵ Import-oriented industries were proliferated across the country. Most of these industries had no organic linkages with agriculture and mining. Nigerian industrial system was only linked with agriculture and mining through the global market. Federal and state governments resorted to heavy borrowing from the international capital market as a result of the improved credit worthiness of the country. Short-term credits accumulated rapidly. By 1983, the cumulative external loans have risen to N18.5 billion as against N2.35 billion

³ Y. Bangura and B. Beckman, African Workers and Structural Adjustment: The Nigerian Case in D. Ghai (ed), op. cit, p.146.

⁴ See T. Fashoyin et. al. Reform Measures, Employment and Labour Market Processes in the Nigerian Economy: Empirical Findings in T. Fashoyin (ed), *Economic Reform Policies and the Labour Market in Nigeria* Friedrich Ebert Foundation Publication Lagos, Friedrich Ebert Foundation Publication, 1994, p.1.

⁵ H.I. Alile, *An Examination of the Nigerian Mixed Economy*, Paper Presented at the Workshop on Administrative Responses to the Nigerian Economic Crisis, ASCON - Badagry, October 1990, p.71.

in 1978.⁶ Similarly, the public debt service ratio jumped from 8.9% to 17.4% in 1983.⁷

The monolithic nature of Nigerian economy and the overt-dependence on oil sector led to the neglect of other sectors such as agriculture which later became a liability for the country. The Nigerian economic crisis was triggered off by the collapse, in the early 1980's, of the oil world market in a context in which the country had become dependent on oil exports for over 90% of its earnings. This was also at a time when oil had become a principal export product, agricultural and non-oil sectors having paled into insignificance. The collapse of the world oil market revealed the structural dysfunction underlying the post-colonial economic system which the oil boom of the 1970's had helped to conceal. The sudden drop in oil revenues from US\$22.4 billion in 1980 to US\$16.7 billion in 1981 and US\$12.8 billion in 1982, following the global decline in oil prices deepened the structural imbalance of the Nigerian economy. Once the crisis started, it rapidly engulfed all the sectors of the Nigerian economy. Federal and state governments were hit by serious fiscal crisis. Nigerian economy experienced a resource gap of about N3 billion in 1981 compared to a resource surplus of N2.6 billion in 1980.⁸ The country's payments position deteriorated sharply. Industrial output also declined drastically from early 1980's. The index of manufacturing production at 1972 factor cost fell from 394 in 1981 to 323.5 in 1988 or by 71.4%. A similar downward trend was also in the contribution on manufacturing to national output. Consequently, as a proportion of real GDP, manufacturing declined from 11.4% in 1981 to 9.2% in 1984 in 1986. The poor performance of the sector is a reflection of the effect of declining foreign exchange earning and the overt-dependence of this sector on imported raw material inputs. Capacity utilisation in this sector declined from 73.3% in 1981 to 38.2% in 1986. This phenomenon led to massive retrenchment and upsurge in commodity prices.

III. Policy and economic reforms in Nigeria

As a result of the economic tribulations faced by the country, the government adopted Structural Adjustment Programme (SAP) in 1986 to stem the tide of decline. SAP has the following objectives:

- i) to restructure and diversify the productive base of the economy in order to reduce dependence on the oil-sector and imports;

⁶ During this period, dollar was at par with Naira.

⁷ Federal Republic of Nigeria, 1983, Central Bank Annual Report and Statement of Account.

⁸ World Bank, Nigeria Macro-Economic Policies for Structural Change, Report 4506, UNI, 15th August 1983, Washington.

- ii) to achieve fiscal and balance of payments viability;
- iii) to lay the basis for a sustainable non-inflationary or minimal inflationary growth;
- iv) to lessen the dominance of unproductive investments in the public sector and improve the sector's efficiency and intensify the growth potential of the private sector. The major strategies for the attainment of this policy are:
 - a) trade liberalisation;
 - b) removal of administrative controls and greater reliance on competition and market forces to determine what is produced and consumed in all the sectors of the economy;
 - c) adoption of market determined exchange rate for the national currency, the Naira;
 - d) removal of all government subsidies (on essential consumer goods such as petroleum products, food and public services);
 - e) privatisation of government enterprises and public firms;
 - f) restructuring of the tariff system;
 - g) active export promotion of all items.

These include food staples and raw materials, and general import restrictive measures for all items including food, medicine and raw materials.

IV. Impact of economic reform policies on the conditions of women in Nigeria

Extensive work has been done in Nigeria on the impact of economic reform policies on the various social groups from a gender blind perspective.⁹

⁹ For example see the followings:

- a) Said Adejumo and Abubakar Momoh (eds), *The Political Economy of Nigeria Under Military Rule, 1984-1993* Harare, SAPES, Trust Book;
- b) Y. Bangura, *Structural Adjustment and the Political Question in S.O. Olugbemi (ed), Alternative Political Futures for Nigeria Lagos, Nigeria, Political Science Publication, 1987, p.28;*
- c) A.O. Olukoshi, *Dimensions of the Politics of Structural Adjustment with Nigerian Examples*, Discussion Paper No.5, 1991, Upsula;
- d) F. Ezeala - Harrison, *From Structural Maladjustment to Structural Re-Adjustment in Nigeria Scandinavian Journal of Development Alternatives*, Vol. XII N°1, 1993;
- e) T. Fashoyin (ed), *Economic Reform Policies and the Labour Market in Nigeria*, op. cit;
- f) Patrick Smith, *Nigeria: Adjustment's New Phase in Africa Recovery*, Vol. 4 N°1, 1990, p.7;
- g) Eskor Toyo, *Roots of the Structural Adjustment Programme and Alternatives to it: Survey of Theory and Practice in Structural Adjustment Programme and the Nigerian Economy*, Nigerian Economic Society, Annual Conference Proceeding, May 1988, p.121;

The Researchers in their analyses do so in a gender neutral fashion. Women are grouped with poor people, farmers or workers. Most of these studies fail to recognise that the experience of being poor, or a farmer or a worker is different for both men and women. This paper attempts to fill this gap by exploring the impact of SAP from a gender perspective. As we shall see later, women and men are affected differently by economic reforms.

We noted in Section 1.3 the major strategies adopted by government for rejuvenating the Nigerian economy. One of such instruments as the removal of government subsidies on consumer goods/public services to reduce public spending. These include food, petroleum, education and health. As a result of this measure, many social benefits were cut. The new policy orientation is reflected in the poor funding of the health sector, where the financial allocation is much lower when compared to the magnitude of health problems in Nigeria.¹⁰ Between 1987 - 1992 (for example), the percentage allocated to the health sector from the total budget since 1987 ranged between 1.35% to 1.99%. It is pertinent to add that there has been steady increase in budgetary allocation to this sector as well as actual government expenditure. Nonetheless these figure as a percentage of total government expenditures fall far below the World Health Organisation (WHO) recommended 5%. Given the poor financial state of this sector, many of the existing public hospitals are faced with problems of inadequate personnel, inadequate medical equipments and non-availability of essential drugs. The reduction in health expenditure means that a limited number of Nigerians would have access to health services.

The sick therefore must be cared for in their homes. The burden of caring for the sick is naturally transferred to women (mothers, aunts and sisters) rather than paid workers in hospitals. The responsibility for caring for the sick through cooking/serving meals as well as cleaning up ships to

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- h) Ibrahim Ayagi, *Education under Crisis and Adjustment*, A. Keynote Address Delivered at the National Delegates Conference of the Academic Staff Union of Universities (ASUU) held at Ahmadu Bello University, Zaria, January 13th, 1994, p.10;
 - i) S. Amale, The Impact of SAP on the Nigerian Workers in Adebayo Olukoshi (ed), *Crisis and Adjustment in the Nigerian Economy*, Lagos, JAD Publishers, 1991, pp.123-136;
 - j) A. Rauf Mustapha, *Structural Adjustment and Multiple Modes of Social Livelihood in Nigeria*, A Discussion Paper of the United Nations Research Institute for Social Development, June 1991;
 - k) Tade Akin Aina, *The Nigerian Crisis and the Middle Class in Nigeria: in the Structural Adjustment Programme and its Consequences, Problems of International Cooperation*, Vierteljahres berichte, Nr.116, June 1989, p.175.

¹⁰ For details see *National Programme of Actions for the Survival, Protection and Development of the Nigerian Child*, National Planning Commission, Federal Government of Nigeria October 1992, p.21.

women. This also shifts the workload from the paid public sector further into household, increasing the pressure on women/girls time. Unfortunately, there is near-absence of relevant technology such as washing machines, dishwashers which can save women many hours of drudgery as well as allow them time and energy for other struggles. In urban centres where such technology aids exist, they are beyond the reach of many women. Only very few women can afford such « luxuries ».

Similarly, women are affected by reduction of government subsidies in other critical sectors such as education. The negative impact of reduction in subsidies in education tend to affect Nigerian men than women. As a result of dwindling subventions from government, many public schools (primary, secondary and tertiary) have introduced all forms of levies to augment their financial resources.¹¹ In addition, the building of new schools has been stifled by dwindling national resources. In urban areas, schools built for 500 has to cater for over 1,000.¹²

In rural areas, school children have to walk for miles to the nearest neighbourhood school. This development serve as disincentive towards education particularly for women/girls. Where finances are limited and parents have to make a choice in education of their children, males are likely to be favoured for socio-cultural reason. Traditionally, male children are considered more beneficial to their families than female children who eventually separate from their homes to be joined with their husbands. It is often reasoned that the son will need to earn an income, establish his household and care for his parents in their old-age.

Conversely, a daughter will marry, her adulthood will serve another family. Thus, for many families constrained by finance, the choice comes down to economics. Investment must be spent on the most likely prospect, the son. This trend is likely to be reversed in the next century with the gender-blind reform policies which undermine women's education. Girls participation though lower than boys in all the selected states in Nigeria, it is nonetheless increasing steadily. In Northern States (Kano and Borno) where Islamic/ cultural practices tend to stifle more girls/women's education, marginal increases are recorded. In Kano State, girls participation in education in 1984/ 1985 was 30.1%. It increased to 30.6% in 1985/1986 while it rose to 34.1% in 1988. In the same state, the momentum was maintained with slow but steady increase. By 1989, girls participation rose to 34.9% and 35.5% in 1990. Total participation of girls in secondary education

¹¹ See *Daily Times*, January 3rd, 1988, p.1.

¹² See National Programme of Action for the Survival, Protection and Development of the Nigerian Child, op. cit.

in selected states in 1989 was 48.9% although this marginally decreased in 1992 to 47.6%.

The challenge of SAP in the industrial sector is to create an inward looking and internally balanced sector which provide the basis for steady and sustained industrial growth in Nigeria. SAP also recognises foreign investment as crucial in the process of industrial recovery. The deregulation of the exchange rate has produced some benefits to the industrial sector. It has provided them easy accessibility to foreign exchange allocation. On the negative side, the general problems of excessive inflation and depreciation of the Nigerian currency has considerably added to the production costs. It has also led to a sharp decline in the purchasing powers of people.

Consequently, there is a lower demand for industrial goods. This is also coupled with high interest rate on loans which inhibits borrowing and further investment. All these factors have contributed adversely to productivity in industries. The rationalisation of costs in industrial sector has led to generalised retrenchment.¹³ Several industries were reported to have slashed their workhorse by more than 60% by 1988.¹⁴

Similar scenario obtains in the public sector. Expenditure reducing policies of government led to retrenchment in many public organisations. Retrenchments further reduce financial resources available to household. This forces many women to adopt survival strategies to provide for the subsistence needs of their families.¹⁵ In Nigeria, it is not uncommon under SAP for a professional women to hold two jobs at the same time, one in the formal and the other in the informal sector. For the unprofessional woman, the informal sector provides a refuge.

All these too many and constant demands on most Nigerian women result in psychological and physical overload which in some cases lead to mental breakdown. Economic depression, among other factors account for the high rate of mental illness of women. Mental ill-health among women shows a persistent increase.

¹³ Iyabo Olojede, *Manpower Adjustment at Recession: Experience in the Nigerian Industrial Sector*, LASU, Journal of Humanities, Vol.2, Nos 1 & 2, 1991, pp. 153-164.

¹⁴ Y. Bangura and B. Beckman, *African Workers and Structural Adjustment: The Case in D. Ghai* (ed), op. cit., p. 147.

¹⁵ K. Awosika, *Economic Structures and Policies/Sharing of Power in the Beijing Declaration and Platform for Action*, Paper Presented at the International Women's Day Celebration Symposium, Organised by the British Council, Lagos on 8th March, 1996.

Under SAP, small scale industries was recognised as a major policy tool for employment generation by the government.

Small Scale Enterprises (SSEs) are increasingly representing an important source of income for women in Nigeria. Several factors account for women's predominance in SSEs. These include lack of formal education which inhibits their access to formal employment. Other factors include limited access to credit and technology. The low capital requirement of small scale enterprises favours women in their bid to generate income to meet their family's basic needs as well as their own. The current economic crisis under SAP has increased the burdens on female heads of households as well as those whose husbands have been retrenched or forced to take early retirement from formal sector employment. Employment of women in SSE's in the informal sector has helped to meet their family's needs.

The main problems confronting women in the expansion of their economic activities include shortage of capital and credit. Shortage of working capital is exacerbated by lack of access to credit sources since commercial banks view SSEs as credit risk. Women can hardly afford the collateral needed to back up bank loans. Credit from informal sources are rather small and inadequate for business expansion.¹⁶ Government during the adjustment period adopted measures to cushion the effects of SAP in the informal sector. Credit programmes were instituted to alleviate credit related problems in the informal sector where women predominate. People's Bank was specifically created to assist people in the informal sector. Unfortunately, the Bank made no specific provisions for women borrowers. As usual, women are a poor second to men when it comes to loan disbursement. Where women are assisted with credit as done by the United Bank of Africa (UBA), relatively wealthy women in SSEs are more likely to benefit than for example a street trader. Furthermore, such credit assistance are more available in the large cities such as Lagos, Ibadan, Port-Harcourt, etc.

Government through its agency Better Life For Rural Women which was inaugurated in 1987 sought to assist women in the rural areas cope with adjustment period. Technology for food processing and credit were provided through women's cooperatives and women associations. However, the

¹⁶ R.O. Soetan, *The Role of Informal Savings and Credit Societies in the Growth of Female - Owned Business in South - Western Nigeria*, A Research Report Submitted to the Social Science Council of Nigeria Sponsored by the Ford Foundation, June 1991.

number of beneficiaries are small compared to the large number of women requiring assistance.¹⁷

National Directorate of Employment was also established in 1989 to generate employment. It operates a small-scale enterprise programme. A women's employment centre was created in 1991 to ensure that women would be reached. The main goal is to make sure that at least 40% of all beneficiaries of NDE programmes are women. However, available evidence shows a low participation rate of women in the SSE programme.¹⁸ In addition, loan disbursements are made through conventional banks (commercial) which are noted for conservative attitudes towards loan provision for women. Sometimes banks require written permission from husbands before loans can be granted to women. Under this arrangements it is assumed that all married women have strong affectivities or consensus with their husbands. In many cases, this is far from reality. Women who do not enjoy such stereotyped relationships with their husbands are prevented from enjoying benefits which can fulfil their personal needs and aspirations. Prospective beneficiaries are also required to have post-secondary education. This excludes a large percentage of women. Fewer women than men attend tertiary institutions.¹⁹

V. Conclusion

From our discussion in Section 1.4, it is clear the strains of economic reforms are not shared equally between women and men. This is principally because of gender blind economic reforms, Women are therefore more vulnerable to changes in economic structures because they lack power to influence relevant economic policies in their favour, have fewer resources of their own and are disadvantaged by education and gender division of labour.

In order to enhance the conditions of women in Nigeria as well as harness their resources for economic recovery, the following suggestions are proffered. Firstly, government has to incorporate gender analysis in the assessment of economic problems and reforms.

¹⁷ R.O. Soetan, *Women Small Scale Enterprises and Social Change* in Simi Afonja and Bisi Aina (eds), op. cit, pp. 124-125.

¹⁸ Eve, Hall et. al., *Entrepreneurship Development for Women in the National Directorate of Employment*, Technical Report UNDP, 1992.

¹⁹ For details on women's participation in tertiary education in Nigeria. See Iyabo Olojede, *Public Policies in Favour of Women: A Case Study of Nigeria*, Country Report Prepared for IIAS Working Group Meeting, Brussels March 3rd - 4th, 1995, p. 20.

This implies that policies/instruments designed to generate changes must be reviewed through gender analysis in order to achieve the overall goals of reforms. With the help of gender analysis, government can begin to «unpack» economic reform policies and examine some of their effects which would otherwise remain hidden.²⁰

We also noted in the previous section that reduction of subsidies in critical sectors such as health and education have grave economic and political implications for the country. In order to avoid retrogression which the economic reforms desperately seek to combat, public spending in critical sectors such as health and education must be increased substantially to enable women like men participate meaningfully in the economic structures. Policy makers must realise that education is the most important instrument for women's equal access to knowledge, improvement of their environment, skills, jobs and participation in the wider society. These social and economic losses are greatest when women are denied access to basic education and health care.²¹ Available evidence shows that investment in women will generate benefits for the society in form of lower child mortality, higher educational attainment, better nutrition and lower population growth.²²

Government must ensure women's equal access to resources, markets and trade in the spirit of social justice. In Nigeria, women have benefited less than men in government measures adopted to enhance the informal sector during adjustment period. Women are discriminated against in the provision of loans. Cultural barriers that prevent women from obtainment of loans from conventional and government credit programmes should be removed. It is shown in other countries, that improved access to credit for women results in multiple social benefits such as better educated children, poverty alleviation, improved nutritional improvement within household and improved productivity.²³ Equal accessibility of women to credit also guarantee opportunities for self-employment and expansion of informal sector enterprises which may eventually develop to become part of the formal sector.

Finally (and fundamentally) women in Nigeria must be empowered to participate in economic structures. This can be radically achieved if women are visible in the policy process. Presently, women in places of power in

²⁰ Key Points: Gender, British Council, 1995.

²¹ Toward Gender Equality: *The Role of Public Policy - An Overview*, World Bank, Washington D.C. 1995, pp.3-7.

²² Ibid.

²³ *Gender in Africa: The Issues and Facts*, United Nations Economic Commission for Africa, Addis-Ababa, No Date.

Nigeria are insignificant.²⁴ In order to ensure that women's interests are reflected in the macro-economic policies, women should be given 30% quota in legislative assemblies and executive councils in the forthcoming Fourth Republic to enable them influence the direction of economic changes.

²⁴ See Iyabo Olojede, *Women - Power - Culture: A Case Study of Nigeria*, Country Report (Phase 2). Prepared for IIAS Working Group Meeting, Brussels March 8th - 9th, 1996, pp. 1-12.