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University of Windsor

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THE EFFECT OF THE IMF'S STRUCTURAL ADJUSTMENT PROGRAMMES
ON WOMEN IN LATIN AMERICA AND THE CARIBBEAN:
A CASE STUDY OF JAMAICA

by

Sheila L. Betker

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Submitted to the Faculty of Graduate Studies and Research
Through the Department of Sociology and Anthropology
in Partial Fulfilment
of the Requirements for the degree of
Master of Arts
at the University of Windsor

Windsor, Ontario, Canada

1993

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**THE HUMANITIES AND SOCIAL SCIENCES**

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ABSTRACT

The structural adjustment programmes of the International Monetary Fund are examined in relation to the effect these policies have on women in Latin America and the Caribbean. The discussion of the effect on women is organized around the three roles women perform in society—reproductive, productive, and community management. The discussion emphasizes the need to take into consideration factors such as class, ethnicity, age and household composition when understanding how the structural adjustment programmes affect women in their every day lives. A case study of Jamaica demonstrates that the IMF’s structural adjustment programmes not only have been ineffective in stabilizing the Jamaican economy but have harmed women in each of their three roles. This discussion points to the need to change the power balance within the IMF and the structural adjustment policies it supports.
ACKNOWLEDGEMENTS

I would like to thank my advisor Dr. Lynne Phillips for her guidance and contribution as a professor, mentor and friend. Also, thank you to Dr. Barry Adam and Dr. Anne Forrest for their valuable feedback and suggestions along the way. I would especially like to express my appreciation for the love and constant support I received from my parents, Mildred and Wilfred Betker, my sister, Carla Betker, and the many exceptional friends I have been blessed with. Most of all, I would like to acknowledge the courageous women I speak of throughout this thesis. Their strength and spirit in the face of the challenges they encounter are a constant source of inspiration and hope.
TABLE OF CONTENTS

ABSTRACT .................................................................................. iii

ACKNOWLEDGEMENTS............................................................... iv

CHAPTER

I. INTRODUCTION................................................................. 1

II. THE INTERNATIONAL MONETARY FUND. ...................... 8
    The Origin of the IMF....................................................... 9
    The Structure of the IMF ............................................... 11
        Credit Facilities....................................................... 13
    IMF Conditionality....................................................... 17
        Two Criticisms of Conditionality................................. 20
    Conclusion........................................................................ 22

III. THE EFFECT OF THE IMF'S STRUCTURAL ADJUSTMENT
    PROGRAMMES ON WOMEN IN LATIN AMERICA AND THE
    CARIBBEAN....................................................................... 25
    Women's Roles in Society............................................... 26
    The Effect on Women's Multiple Roles.............................. 33
        Reproductive Role.................................................... 34
        Productive Role..................................................... 39
        Community Management Role................................. 43
    Conclusion........................................................................ 45

IV. STRUCTURAL ADJUSTMENT PROGRAMMES IN THE
    JAMAICAN ECONOMY...................................................... 50
    The 1950s and 1960s....................................................... 51
    The 1970s...................................................................... 55
    Deflationary Adjustment - Manley: 1977-1980................ 60
    Deflationary Adjustment - Seaga: 1984-1986............... 74
    Expansionary Adjustment - Seaga/Manley: 1987-1989.... 79
    Accelerated Economic Liberalization - Manley: 1990-1992.. 84
    Conclusion...................................................................... 88
Chapter I

INTRODUCTION

The world is currently engulfed in an international economic crisis. The effects of this crisis are not felt uniformly throughout the world, however. It is widely recognized that poor countries in the Third World are suffering disproportionately more in the current crisis. In an attempt to deal with the economic situation, Latin American and Caribbean countries have turned to the International Monetary Fund (IMF). In exchange for financing from the IMF, countries must apply structural adjustment programmes as a condition of financing. It is these structural adjustment programmes which have drawn the loudest criticisms. The criticism stems from the fact that the structural adjustment programmes have shown themselves to be ineffective and, more importantly, to have severe social costs for the people of the countries in which they are applied. These social costs are not shared equally throughout the population of a country experiencing the IMF's structural adjustment. Rather, the largest burden falls upon women, especially poor women.

The focus of this study is on the effect that the IMF's structural adjustment programmes have on women in Latin America and the Caribbean, looking closely at Jamaica as a
case study. The primary concern is why women are overburdened by the adjustment measures. To answer this question, women's multiple roles of reproducer, producer, and community manager are examined, since it is this multiplicity of roles which differentiates women's position in society from that of men. However, it is exactly these multiple roles which macroeconomic policies, such as the IMF's structural adjustment policies, do not consciously take into account. As a result, women are forced to increase the time and energy they spend in each of their three roles in an attempt to ensure the survival of their families.

An understanding of the effects of structural adjustment programmes on women is urgently needed. Any policies aimed at improving a country's stability and prosperity but which result in a large segment of a country's population falling into dire poverty can not achieve their stated goal. This is especially true if the hardest hit segment of society contains the very people responsible for the maintenance and reproduction of the population. When this happens, the future existence of the people themselves is in question.

To facilitate such an understanding, it is necessary to look beyond gender issues. Just as gender must be a conscious factor influencing policy formation so too is there a need to understand the variable effects felt among
women in different positions. Consequently, this thesis attempts to be sensitive to the differing impact the structural adjustment policies have on women from different economic positions, ethnicities, ages and household compositions. It must be recognized that all of these factors combine to produce individual realities for each woman and her family. Poor women lack the economic buffer which middle and upper class women enjoy while women of colour face added constraints due to prejudices in the economy. Likewise, young and old women face more economic uncertainties while women from female headed households lack the added support of a male producer. To ignore such differences is to lose a significant amount of the understanding of why and how the structural adjustment policies affect women.

To understand a country's experience with the IMF it is necessary to examine the larger context in which the country exists. Jamaica's current economic structure shows certain features left over from its early colonial years. Jamaica's roots are in a plantation economy relying on slave labour, serving the raw material needs of European industry. Consequently, the island's economic development was stifled as all the surpluses available for investment were transferred abroad and all products for production and consumption were imported.

This resulted in an over-specialized production of a
narrow range of primary products which are mainly exported to a limited number of markets (Kirton 1992; Kaufman 1985). Even with the development of new industries, such as the bauxite/alumina industry, this structure did not change and, in fact, was reinforced. Jamaica’s export industries are directly linked with industrialized countries through the use of imported management, technology and raw materials, and through a dependency on foreign finance and markets. There are limited links between the export industries and the rest of the national economy (Kirton 1992). This economic structure has left Jamaica vulnerable to fluctuations in prices for these export products, which has led to chronic economic problems and wide fluctuations in domestic levels of income and employment (Kirton 1992).

Jamaica lacks economic autonomy partly as a result of its historical experience and partly because of its current dependency on foreign financing. There has been a predominance of foreign decision making in Jamaica’s economic activity dating back to its colonial days, through its industrialization by invitation after independence in 1962, right up to its current dependency on financial assistance from individual countries and multilateral organizations such as the IMF. Bilateral assistance from individual countries usually includes conditional agreements on the widespread use of donor country personnel, materials and equipment (Kirton 1992). Any financial assistance from
multilateral organizations, such as the IMF, includes strict conditions on the economic decisions and policies implemented within the receiver country.

Jamaica's development from a plantation economy to a capitalist economy has not taken place in a homogeneous manner, but rather is full of contradictions. The lack of linkages between the industries in the economy has inhibited the spread of growth and development throughout the economy, which provides the basis for the expanded accumulation of capital (Kaufman 1985). The inequitable social, economic and political conditions persisting in Jamaica prevented the expansion of a prosperous capitalist system. This lack of a more homogeneous socioeconomic structure has been crippling in the context of dependency (Kaufman 1985).

Unlike the more advanced capitalist countries, the discontinuities in Jamaica's socioeconomic structure outweigh the continuities. One example of such a discontinuity is the high levels of unfulfilled needs and the low levels of effective demand on the market since those in need do not have access to the resources which would enable them to become consumers (Kaufman 1985). There is a discontinuity between the capital-intensive production in manufacturing and mineral production and the large surplus labour force. Another discontinuity exists between the large levels of food imports and the large amounts of idle land, an idle work force, government policies which favour industrial
growth over agricultural production and a food processing sector that depends on imported raw materials (Kaufman 1985). Furthermore, even though capitalist modes of production dominate in Jamaica, there is a significant mini-economy, including subsistence agriculture, street vending and domestic labour, which create new circuits of exchange and accumulation but which are external to the capitalist market (Kaufman 1985). It is these factors which contribute to Jamaica’s economic problems and which inhibit its ability to pull out of its spiral of dependency.

It is in this context that Jamaica’s experience with the IMF must be considered. Although the practices and policies of the IMF are critically examined in this study and comprise the main focus of discussion, the developments leading up to Jamaica turning to the IMF and the structural barriers which still inhibit Jamaica are not to be forgotten. However, my argument here is that an understanding of these previous problems in the Jamaican economy should be a tool for increasing the effectiveness (rather than an excuse for the ineffectiveness) of any multilateral economic policies applied in Jamaica, such as the IMF’s structural adjustment programmes.

This study begins with an overview of the structure and function of the IMF. It contains an examination of the IMF’s practice of conditionality and two criticisms of it. Chapter two examines why women are disproportionately
burdened by the IMF's structural adjustment policies. I argue that because of their apparent gender neutrality these macro-economic policies contain a deeper gender bias. I present a description of the three roles women perform in society and how they are affected by the IMF's structural adjustment policies.

Chapter three and four take a specific look into the experience Jamaica has had with the IMF. Chapter three presents an overview of the Jamaican economy leading up to 1977 when Jamaica turned to the IMF for significant levels of financing. Then, I examine the consecutive structural adjustment programmes implemented in Jamaica and the effect they have had on the Jamaican economy. Chapter four takes a close look at women's position in Jamaica and the three roles they perform. With this understanding, I examine how women have been affected by these structural adjustment policies. In the final chapter, I present a number of changes in the IMF and the necessary considerations which must be included in future policy formation to make the structural adjustment programmes more effective and equitable.
Chapter II

THE INTERNATIONAL MONETARY FUND

The International Monetary Fund has changed in form and function since its inception in 1944. These changes were in response to several factors including the shift to floating exchange rates, the oil shocks of the 1970s, and the debt crisis of the 1980s. The function of the IMF changed from a credit union where each member would contribute to the IMF's resources and then draw on them when needed, to a financial intermediary, borrowing resources from one group of countries to meet the needs of others (Kenen 1989).

These changes in function were accompanied by changes in the IMF's policies and practices. The IMF added credit facilities from which members could draw in times of need. Furthermore, the IMF's use of conditionality was formalized and made more strict. It is the IMF's current practices of conditionality that draws the most criticism.

This chapter begins with a look at the origins of the IMF and its initial functions. I offer an examination of the structure of the IMF, including the credit facilities which are available for its members to access in times of need. Following this, I discuss the IMF's practices of conditionality and two main criticisms associated with it.
The Origin of the IMF

The International Monetary Fund was created at the United Nations Monetary and Financial Conference of forty-four nations at Bretton Woods, New Hampshire in July 1944. The IMF's policies and activities are guided by its charter, the Articles of Agreement. The Articles set out six objectives for the IMF: 1) to promote international cooperation by providing the machinery required for members to consult and collaborate on international monetary issues; 2) to facilitate the balanced growth of international trade and, through this, contribute to high levels of employment and real income and the development of productive capacity; 3) to promote exchange stability and orderly exchange arrangements and facilitate the avoidance of competitive currency depreciation; 4) to foster a multilateral system of payments and transfers for current transactions and seek the elimination of exchange restrictions that hinder the growth of world trade; 5) to make financial resources available to members, on a temporary basis and with adequate safeguards, to permit them to correct payments imbalances without resorting to measures destructive of national and international prosperity; and 6) to seek reduction of both the duration and magnitude of payment imbalances (United Nations Monetary and Financial Conference: Final Act and

1 The information presented in the following two sections comes primarily from Driscoll 1984, Chandavarkar 1984, and Kenen 1989.
Related Documents, 1944).

Three functions were assigned to the IMF at the Bretton Woods conference. First, it was to administer a code of conduct with respect to exchange rate policies and restrictions on payments for current account transactions (Driscoll 1984). Second, the IMF was to provide members with financial resources to correct or avoid payments imbalances while still observing the code of conduct. The IMF offers financial assistance to correct balance of payment problems only, and does not provide aid or development financing (Chandavarkar 1984). Third, it was to provide a forum for members to consult with each other and collaborate on international monetary matters.

This code of conduct was put in place to avoid both the disruptive fluctuations in exchange rates that occurred in the 1930s and the rigidity of rates that had prevailed under the gold standard. It was designed to ensure that payments for international trade and other current transactions could take place freely and that all balances arising from such transactions could be converted into other currencies which could be used for further transactions. Members were to avoid bilateral and regional payments arrangements and were to maintain a uniform rate of exchange for their currency (Driscoll 1984). To aid members in honouring the code of conduct, the IMF had the means to provide them with resources to finance temporary deficits and to instruct them
on adjustment policies to correct the payment problems.

In 1969, the IMF created a new asset, the Special Drawing Right (SDR), which it could allocate to its members or cancel. The Amendment to the IMF’s Articles of Agreement which created the SDRs assigned the IMF an additional objective. It is the management of international liquidity so as to avoid economic stagnation and deflation as well as excess demand and inflation in the world.

The Structure of the IMF

Membership into the IMF is open to every state that controls its own foreign relations and is capable of fulfilling the obligations of membership, as set out in the Articles of Agreement. Each member of the IMF has a quota of SDRs. The member’s quota, or SDRs, is equal to the subscription it pays to the IMF. The member’s voting power and maximum access to the financial resources of the IMF are directly related to its quota. The Articles of Agreement contain a provision for the periodic adjustments in member’s quota, to be reviewed by the Board of Governors.

The senior decision-making body within the IMF is the Board of Governors. It is comprised of one Governor and one Alternate Governor appointed by each member of the IMF. The Governor is usually the minister of finance or the governor of the central bank of the member countries. The Board of Governors has the powers over such matters as the admission
of new members, the determination of quotas, the allocation of SDRs, and all other powers not expressly granted to the Executive Board or the Managing Director. The Executive Board, chaired by the Managing Director, consists of both appointed and elected Executive Directors. The members with the five largest quotas in the IMF each appoint an Executive Director. In addition to these, 15 Executive Directors are elected by those members not entitled to appoint an Executive Director. The Executive Board is responsible for the day-to-day business of the IMF.

The IMF uses a system of weighted voting power. Each member is allotted 250 votes plus one vote for every SDR 100,000 contained in its quota. The basic allotment of votes is intended to recognize the sovereign equality of states and strengthen the voting position of the economically smaller members (Driscoll 1984). The additional allotments recognize differences in subscription and protect the interests of those members that account for the greater part of international trade and financial transactions (Driscoll 1984). As of November 1984, the United States held approximately 19% of the total votes (Driscoll 1984). Governors and Executive Directors cast the number of votes allocated to their country. Appointed Executive Directors cast all the votes of their countries as a unit. In November 1984, this accounted for almost 44% of the total votes (Driscoll 1984). Most decisions are made
with a simple majority of the votes, although more important decisions may require a 70% or 85% majority to pass the vote.

Credit Facilities

The IMF makes financial resources available to its members from a variety of policies and facilities. These differ in the type of balance of payments needs they address and the degree of conditionality attached to each. The number of these policies and facilities has increased and the access to them has been liberalized since the mid-1970s. One technique used to liberalize access to facilities was to exclude currency holdings under certain facilities from determining potential drawings from the Reserve Tranche.

A member’s Reserve Tranche is the amount of its currency, in excess of its quota, which the IMF has in the General Resources Accounts, excluding holdings arising from purchases under other IMF policies and facilities. Purchases from the Reserve Tranche are subject to balance of payments needs. However, the IMF has no power to challenge a member’s statement of need. There are no charges or requirements to repurchase for purchases from the Reserve Tranche.

The IMF’s regular or basic credit policy is called the Credit Tranche policy. Credit is available in four tranches, each tranche equivalent to 25% of the member’s
quota. A purchase, or drawing, made by members under the Credit Tranche policy, which raises the IMF's holdings of the member's currency to 25% of their quota is a first tranche purchase. Likewise, drawings that raise these holdings above 25% up to 50% are second tranche purchases, and so on up to fourth tranche drawings. Second through fourth credit tranche drawings are referred to as upper credit tranche drawings. Purchases from the credit tranches may be made outright or under a Stand-by agreement with the IMF. A Stand-by agreement guarantees a member a specific amount of drawings during a given time period as long as the member meets certain performance criteria and implements the terms contained within the agreement. A Stand-by agreement can last from one to three years.

Balance of payments difficulties may arise from structural factors, such as production and trading patterns, which take longer to overcome and require more external financing than is provided under the IMF's credit tranche policies. The Extended Fund Facility, established in 1974, is designed to provide members with financial support over a longer period of time to permit the correction of structural factors. The Extended Fund Facility serves also to assist members unable to pursue active development policies because of their weak balance of payments. Since the development of export and import-competing industries is seen as a precondition of achieving growth, financing from the
Extended Fund Facility enables the members to change their policies and to finance the resulting deficit in their balance of payments until their foreign trade sector is more developed (Driscoll 1984). Agreements under the Extended Fund Facility normally cover a three year period and include programmes which set out policies to correct the structural weaknesses for which assistance is being sought. The conditionality attached to the Extended Fund Facility is similar to the Stand-by agreements with the upper credit tranche purchases, although the range of policies may be wider reflecting the differences in the nature of the problems and the longer period over which assistance is given.

Balance of payments difficulties resulting from export shortfalls which are temporary and beyond the control of the member, qualify members to access the Compensatory Financing Facility, established in 1963. The Compensatory Financing Facility is mainly intended for exporters of primary products, who are mostly developing countries, because of the large fluctuations in their export receipts associated with cyclical changes in external demand and special supply problems resulting from natural causes, such as drought or frost (Driscoll 1984). The conditionality tied to drawings from this facility depend on the cause of the balance of payments problems. If the balance of payments problem is the result of reversible shortfalls in the member’s export
earnings and the member is following appropriate policies. No policy change would be required. However, if balance of payments problems go beyond the reversible shortfall and the member’s current policies are unsatisfactory, the member will be required to change their policies.

From the late 1970s onward, many IMF members were experiencing widening payment deficits and, consequently, had large balance of payments needs relative to their quotas. To deal with this situation, the IMF established the Supplementary Financing Facility whereby they would borrow from surplus countries to meet the needs of those with problems. The Supplementary Financing Facility operated from February 1979 to February 1982. The Enlarged Access policy became operational in May 1981 to continue providing assistance which is large relative to members’ quotas. In addition to balance of payments needs, three criteria had to met for access to both of these facilities: 1) the period required for adjustment to correct the balances of payments problems must be longer than one year; 2) the required financing must exceed the amount available under the Credit Tranches or the Extended Fund Facility; and 3) access must be accompanied with an Upper Tranche Stand-by agreement or an Extended arrangement with the IMF.

In an attempt to deal with new problems arising with the debt crisis throughout the 1970s and 1980s, the IMF created new facilities. The Structural Adjustment Facility
was established in 1986 to provide long-term credit to low-income members. This facility sought to combine adjustment measures with growth in heavily indebted countries. While working towards the same formal objective, the Enhanced Structural Adjustment Facility, established in 1986, had the more immediate purpose of refinancing low-income member's obligations to the IMF (Kenen 1989).

**IMF Conditionality**

Conditionality in the IMF refers to the policies that members are expected to follow when using resources from the IMF (Driscoll 1984). The use of resources, other than from the Reserve Tranche, is accompanied by policies meant to solve the balance of payments problems of members while avoiding increased trade restrictions and measures destructive of national and international prosperity. Balance of payments adjustment for a member does not necessarily need to result in a balance or surplus in their current account, but rather that any deficit on current account transactions can be financed by sustainable flows of capital maintained without restrictions (Driscoll 1984).

The degree of conditionality attached to the use of IMF resources is intended to ensure that the member will be able to overcome their balance of payments problems. Thus, the

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2 For detailed discussions on IMF conditionality see Driscoll 1984, Spraos 1986, and Dell 1981.
conditionality included in each agreement depends to a large extent on the character of the member's balance of payment difficulties. If the problems arise from temporary cyclical factors, few or no conditions may be attached to the use of IMF resources. However, if the problems are caused by deep-seated factors, such as deteriorating terms of trade, excessive domestic demand, cost-price distortions including the overvaluation of the domestic currency, or a permanent decline in net capital inflows, then the conditions attached to the use of IMF resources will require a change in the member's policies.

The conditions accompanying the use of IMF resources attempt to affect the balance of payments through managing the level and composition of demand (Driscoll 1984). It is the position of the IMF that excess demand is frequently an important cause of payment problems and the elimination of it is necessary for the success of the member's adjustment programme. Even when excess demand is not the primary cause of payment problems, demand management measures are often included to ensure that it does not emerge and undermine the country's adjustment efforts. When payment problems are due to structural factors and require long-term financing, the range of policies, or conditions, may be broader and include an emphasis on measures which increase the supply of resources and the efficiency with which they are used. However, in such situations, demand management policies are
often still included.

The policies that members agree to implement in order to access IMF resources are contained in structural adjustment programmes within the Stand-by or Extended agreements. These structural adjustment programmes regularly include the following components: devaluations of the currency; reductions of government expenditures; privatization of government enterprises or increases in the price charged by them; the abolition of price controls; wage freezes; restrictions on bank credit; increased taxation; and higher interest rates (George 1988; Payer 1974; Pastor 1987; Crow, Thorpe et al 1988). These measures are aimed at demand management, although several of them support supply-oriented objectives as well (Driscoll 1984). For example, the devaluation of a member's currency controls demand by resulting in a change in the relative price of imports compared to locally produced foods, thus discouraging imports (Crow, Thorpe et al 1988). At the same time, devaluations act as a supply measure by encouraging the movement of resources from the domestic sector to the exportable and importable sectors (Driscoll 1984).

The structural adjustment programmes containing the conditions for members to access the IMF's resources include quantified targets or ceilings for such variables as bank credit, the budget deficit, foreign borrowing, and international reserves (Driscoll 1984). These quantified
targets are used as performance criteria which the member has to satisfy in order to maintain access to IMF resources without renegotiating further agreements. The importance of this performance criteria comes from the phased drawings the member makes from the IMF. Once a member and the IMF reach an agreement as to the amount of resources provided and the conditions attached to them, the resources are given to the member in consecutive allotments throughout a specified period of time. In order to receive each new allotment, the member has to pass the performance criteria or the IMF can void the agreement and withhold any further financing.

Two Criticisms of Conditionality

One of the main functions of the IMF, since 1969, is to be a source of revolving international liquidity. However, the IMF's current practices of conditionality has distorted that function (Spraos 1986). When a country suffers balance of payments problems, it can either take immediate and drastic measures to correct it on their own, or it can use international borrowing to finance its deficit while more measured and less disruptive adjustment is undertaken. Since a slower period of adjustment would reduce the consequences on other countries, and thus avoid counter-adjustments by them, it is beneficial to the international economic system to have a creditor to provide countries with this type of financing. The IMF was intended to be that
Instead, the IMF's current practices of conditionality has made it a lender of last resort (Spraos 1986; George 1988). The IMF has become feared and resented by developing countries. The mood and perception of policymakers and their advisors, as well as public opinion in developing countries is clearly anti-IMF (Spraos 1986; George 1988). The primary reason for these attitudes is the terms of conditionality and their high social costs.

In formalizing guidelines, in 1979, to govern its practices of conditionality, the IMF stated that members should be encouraged to adopt corrective measures, with the use of IMF resources, at an early stage in balance of payments problems, or as a precaution against the emergence of such problems (Spraos 1986; Driscoll 1984). With these being the criteria the IMF set for itself, it has failed in its efficiency-enhancing role. Instead the IMF plays a damage limitation role in a last-ditch attempt to prevent the collapse of its members' economies. This is a distortion of the IMF's intended role. The IMF's own practices of conditionality are responsible for the delayed response of debtor countries going to the IMF for assistance, thus exacerbating the debt problem itself.

A second criticism of the IMF's practices of conditionality is that the policies contained within the adjustment programmes simply do not work (Spraos 1986;
George 1988; Branford & Kucinski 1988; Petras & Brill 1986). The measures in the structural adjustment programmes designed to increase exports and decrease imports in the member become self-defeating when these policies are enforced in a large number of countries. If numerous countries are simultaneously decreasing imports, these same countries will be hard-pressed to maintain their export levels, let alone increase them (George 1988; Branford & Kucinski 1988). Moreover, increased competition in world trade will result in a drop in commodity prices which means the same level of exports will earn lower profits for a country than previously. Consequently, in order to achieve a trade surplus, the member has to cut back imports even further, thus adding to the stagnation of world trade and worsening the local recession. Thus, even according to its own goals, the IMF has not positively improved the economic situation of member countries or liberalized world trade (Petras & Brill 1986).

Conclusion

The IMF was created to facilitate international trade, provide financial resources to correct balance of payments problems of their members, and to ensure international liquidity. The structure of the IMF favours those countries which account for the greater part of international trade and financial transactions. This advantage, invariably
received by industrialized developed countries, is assured by the additional votes countries with larger quotas receive and by the right of the members with the five largest quotas to appoint Executive Directors who vote as a unit. The IMF has created new credit facilities to respond to increasing payment problems, several of which are specifically targeted to the particular problems of developing countries.

With the exception of the Reserve Tranche, the access to the IMF's credit facilities is accompanied by conditions placed on the member. These conditions attempt to correct the balance of payments problems primarily through the management of the level and composition of demand in the member country, with consideration given to supply-side management on occasion. It is the IMF's practices of conditionality which raise the loudest objections. One objection is that the harsh conditions placed on borrowing and the social costs resulting from them, has made the IMF a lender of last resort. Consequently, members do not turn to it for assistance until the payment problems are severe, thus exacerbating the situation. A second criticism is that the adjustment policies tied to receiving resources from the IMF do not improve the economic conditions within the member country.

The remainder of this thesis examines the effectiveness of the IMF's conditional structural adjustment policies and
the real social costs they have on the people within the member countries.
Chapter III

THE EFFECT OF THE IMF'S STRUCTURAL ADJUSTMENT PROGRAMMES ON WOMEN IN LATIN AMERICA AND THE CARIBBEAN

"However, in most developing regions, Africa and Latin America and the Caribbean, economic stagnation or negative growth, continued population increase and the prolonged international debt crisis and the policies designed to deal with this have shaped and constrained the activities of women as individuals, as carers and providers for families and households, and as participants in the practical development of their countries."


In this chapter, I discuss why women are detrimentally affected by structural adjustment programmes in Latin America and the Caribbean. Given the pre-existing inequalities in most societies, women are on an unequal basis with men before the adjustment process ever begins. The deteriorating economic and social conditions resulting from the adjustment process tend to perpetuate and worsen these inequalities. Since the poorer groups in society tend to bear a disproportionate share of the burden of adjustment, and since women are over represented among the poor, poor women are particularly affected by a decline in the Gross Domestic Product (GDP) or a period of slow
economic growth (United Nations 1989). 1

Women's Roles in Society

Women are affected by the structural adjustment programmes because of the position of women occupy in the economy and in society at large. This position is defined by the sexual division of labour. 2 Despite the fact that women are active in the paid as well as the unpaid spheres of economies, there exists a perception that men perform the paid, "productive" work, while women perform the unpaid, "unproductive" work (Beneria 1985; Mies 1986; Nash & Fernandez-Kelly 1983; Waring 1988; Young, Wolkowitz & McCullagh 1981). This artificial dichotomy between women's and men's work reinforces the current capitalist structure and ideology which asserts that paid labour is the only productive labour (Waring 1988). Consequently, macro-economic policies, such as the IMF's structural adjustment programmes, are incapable of addressing women's unpaid, yet vital, roles in society. Therefore, I argue that these policies have a built-in gender bias against women.

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2 Superficially the term "sexual division of labour" refers to the division of tasks between women and men. However, feminist analysis recognizes that this concept masks a relationship of dominance and exploitation of women by men (Mies 1986).
Women occupy a unique position in the economy and in society due to the multiple roles they must perform. Caroline Moser (1989a, 1989b) points out that there are basically three roles women perform in their daily lives: reproductive, productive, and community management. In regards to the first role, it is recognized in the literature that women are universally responsible for the maintenance and reproduction of human resources (Beneria 1985; Beneria & Sen 1982; Deere & Leon 1987; Moser 1989a, 1989b; Sen & Grown 1987; Young, Wolkowitz & McCullagh 1981; United Nations 1989; ILO 1985; ECLAC 1992). Women’s reproductive role includes all the tasks and chores required on a daily basis that facilitate and ensure the survival of human beings and the society at large. Such tasks include bearing and caring for children, gathering fuel and water, processing and preparing food, nursing the sick, and managing the household. It is this work which ideologies within capitalist systems define as unproductive and "natural" for women, and thus not "work" at all (Beneria 1985; Mies 1986; Mies, Bennholdt-Thompsen, & Von Werlhof 1988; Moser 1989b; Waring 1988). However, feminist ideology argues that this reproductive work is in fact the primary productive work which makes all other work possible (Mies 1986; Mies, Bennholdt-Thompsen & Von Werlhof 1988; Waring 1988; Young, Wolkowitz & McCullagh 1981).

Research shows that in Latin America and the Caribbean,
the time devoted to reproductive tasks is equal to or even
greater than that devoted to paid activities in the market
(ECLAC 1992). Studies carried out in Latin America indicate
that, in value terms, reproductive work represents between
one third and one half of the monetary income of families
(INSTRAW 1986; ECLAC 1992). In the case of poor households,
the figure is higher as reproductive work is a key factor in
the survival strategy. Estimates from a study in Chile
indicate that reproductive work performed by women
represented 30% of gross national product, a figure only
exceeded by that of the manufacturing sector (ECLAC 1992).
The fact that women are primarily responsible for this
reproductive work and men do not have a clear reproductive
role (Moser 1989b) demonstrates one of the factors defining
women’s unique position in the economy and in society.

A crucial incongruity in capitalism is that women
throughout the world now have very active productive roles
in the paid economy. The female share of employment in
Latin America and the Caribbean averaged 33.6% in 1980,
reaching as high as 48.9% in certain countries, such as
Haiti (ILO & INSTRAW 1985). In this region, women’s
employment in trade, services and traditional industries is
widespread. Although there have been gains in terms of
overall employment in these sectors, female workers are
still concentrated in occupations that are ill-paid and
repetitive and that have poor career prospects. Women
workers are often predominant in the most technically advanced industries, such as electronics, as well as in export industries, particularly in the Free Trade Zones (Sen & Grown 1987). Female employment in the Free Trade Zone has been outstandingly high, ranging between 75% and 90% (United Nations 1989). These industries have actively sought and recruited women workers for unskilled and semi-skilled jobs which require little training and tend to be prone to a high turnover of employees. In an attempt to find income-earning activities, women are often forced to enter the informal sector. In Latin America and the Caribbean, women account for the majority of the informal sector (INSTRAW 1986; Ward 1990). Unfortunately, the presence of women in management and highly skilled occupations remains insignificant.

The productive role of women can not be overlooked as there is an increasing dependence on the income-earning and income-substituting activities of women (United Nations 1989). It can no longer be assumed that women’s incomes are secondary in importance to men’s incomes for several reasons. First, with the high unemployment in Latin American and Caribbean countries, many of the males no longer contribute the greater portion of family income to the household, if they contribute to it at all (Beneria 1985; Bolles 1985; Moser 1989b). Second, the number of female headed households is growing so that it is estimated that today 35% of the world’s households are headed by women
(United Nations 1989). It is important to recognize that for economic and functional purposes, a household is female-headed if the male partner is absent due to separation or death, or if the male partner is temporarily absent due to long-term work migration or refugee status (Moser 1989b). Consequently, women are forced to seek paid work adding to their responsibilities and chores.

Moser (1989a, 1989b) argues that women's well-known "double day" is further burdened with a third role - community manager. This work is undertaken at a local community level, in both rural and urban areas. It is aimed at immediate concerns including compensating for inadequate infrastructural services such as affordable housing, clean water, and accessible health care. Also when such resources are not available in the community, women take the primary responsibility for the formation, organization and success of local-level protest groups which put direct pressure on the state and non-governmental organizations for infrastructural provisions (Moser 1989b). Thus women, within their gender ascribed role of mothers and wives, fight to manage their communities and neighbourhoods.

Although men are involved in community level activities, it is in a different capacity than women. At the community management level, women are responsible for the provisioning of items of collective consumption, whereas men have a community leadership role which is not affected
as readily and as directly as women’s role in times of resource shortages. Furthermore, men tend to participate in different types of organizations than women. In urban areas, 90% of the women who participate in grass-roots organizations do so in self-help groups designed to take care of daily subsistence, whereas 70% of male participants work in trade-union type organizations (ECLAC 1992). Consequently, since women are responsible for the provisioning of items of collective consumption, any policies which affect infrastructural expenditures or household resources, as do the IMF’s structural adjustment programmes, will strongly affect women in this role.

Community organizations in Latin America and the Caribbean, also referred to as Popular Women’s Organizations, serve to meet community needs as well as basic subsistence needs. One type of organization serves to meet community needs in areas that lack community facilities, amenities, and social services. Since these deteriorating conditions affect women in their daily functioning and family responsibilities, it is women who have shouldered the largest share of the labour contributed to these community projects. These “Neighbourhood Block Organizations” are found in almost all poor areas throughout Latin America and the Caribbean. Residents volunteer a few

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3 Information for the following two paragraphs is drawn from Campfens (1990).
hours or more a week to build necessary infrastructural facilities, set up 'watch dog' committees, and operate human development activities.

Another type of community organization is targeted at meeting basic subsistence needs—a concern which has become the highest priority for the growing low-income sector. There has been a significant shift to participation in community organizations serving more immediate personal and family needs away from those addressing community-wide needs. Once again, it is women in their gender ascribed roles as mothers, and in the absence of social service programmes, who are left to find ways to feed and clothe their families. They have been attempting to accomplish this through organizations such as Clubes de Madres (Mothers’ Clubs) which act as a channel from state agencies, political parties, churches, and international food donor institutions to the poor; Comedores Populares (in Peru) or Ollas Comunes (in Chile and elsewhere) which are mutual aid groups in which mothers join forces to collectively purchase, prepare and distribute food; local Vaso de Leche (Glass of Milk) Committees aimed at combatting malnutrition among children; and Popular Economic organizations or Organizations for the Generation of Income which are formed as production or labour workshops, cooperatives or microenterprises.
The Effect on Women's Multiple Roles

Due to the unique position poor women occupy in society, the IMF's structural adjustment programmes have a detrimental effect on them (Joekes 1989; Moser 1989a, 1989b; Beulink 1989). The United Nations (1989) recognizes that it is not only the prolonged international debt crisis but also the structural adjustment policies designed to deal with it that harm women in all of their roles and exacerbate pre-existing conditions of inequality between women and men. However, this gender bias is not readily obvious when one reviews macro-economic policies because they are generally presented in gender-neutral language. The focus of these policies is restricted to gross national product, exports and imports, balance of payments, and the like. However, it is specifically due to this apparent gender-neutrality that these macro-economic policies contain a deeper gender bias (Antrobus 1989; Elson 1989). The structural adjustment programmes contain a hidden agenda pertaining to the reproduction and maintenance of human resources (Elson 1989). They are grounded in the gender ideology which assigns certain roles and characteristics to women - namely their reproductive and community management roles (Antrobus 1989). Not only do macro-economic policies, such as the IMF's structural adjustment programmes, lack an explicit consideration of the reproduction and maintenance of human resources, but they depend on the assumption that this
process will continue regardless of the way resources are re-allocated. Women's unpaid labour is regarded as unlimited and is expected to make up for any shortages in resources caused by the structural adjustment policies. Consequently, the structural adjustment programmes result in longer and harder working hours for women and in fact succeed at the expense of women (Antrobus 1989; Beulink 1989; Elson 1989; Moser 1989b; United Nations 1989).

I will now discuss how women are affected in each of their three roles by the structural adjustment programmes.

Reproductive Role

One of the effects of the IMF's structural adjustment programmes has been to increase the amount of time and energy women spend on reproductive duties. Women are affected in their reproductive role because of a reduction in the available household resources and the lower purchasing power of them. With the lower wages and higher unemployment caused by the structural adjustment programmes, as well as the price increases caused by devaluations and the removal of price subsidies, real incomes of households fall. This decline in income makes it difficult to afford the basic essentials required for the well-being of a household. Therefore, the lower the family income, the greater the economic contribution made by the unpaid work of its members to the satisfaction of basic needs (Feijoo &
Jelin 1989). Consequently, in times of resource shortages, household members are forced to spend more time and energy on unpaid reproductive duties such as searching for bargains, setting up informal networks with friends and kin, and making and mending items at home rather than buying them (Elson 1989). Numerous studies (United Nations 1989; Elson 1989; ECLAC 1992; Feijoo & Jelin 1989; UNICEF 1989) indicate that the added tension and amount of work created by reduced family incomes burden women more heavily than other household members. In this sense, women from poor families make a substantial contribution to their families' survival.

Structural adjustment policies result in an increased demand on the time women spend on reproductive duties in several ways. First, in times of reduced real income of families, the "household manager" role of women increases in importance. In order to manage the scarce resources better, women have to go to more shops, travel further away from home, spend more time checking prices, and so on (Feijoo & Jelin 1989). Second, due to the reduced monetary resources of households, women have to produce more goods at home which they would otherwise buy in times of adequate income. Third, the deterioration of the household conditions in times of lowered real incomes requires more effort to do the same work. For example, in crisis times resources are not available to repair broken household appliances that aided in domestic work or the plumbing lines that provided the
housing unit with running water.

An example of how lowered household incomes caused by the IMF's structural adjustment programmes affect women in their reproductive role comes from a case study done in Ecuador. Changes in household incomes in Ecuador during the 1980s were attributable, at least in part, to IMF deflationary adjustment measures designed to reduce public employment and freeze wages, as well as by the high inflation rates caused by the IMF's measures of devaluation and the removal of price subsidies. A decline in stable household income resulted in a change in shopping patterns. There was a reduction in monthly or weekly bulk purchases of non-perishable items such as cooking oil, lentils, spaghetti, and sugar, which are now more likely to be bought in smaller quantities as income permits. This change means that women are spending more time on budgeting activities and shopping on a daily basis. Another change was an increase in cooking time. There was an increase in the number of broken refrigerators which were bought during the 1978 to 1982 boom, and which households are no longer able to repair. The lack of a refrigerator in the tropical climate means that food has to be bought and prepared daily, thus increasing the amount of time spent on cooking. This increase in cooking time reverses the trend over the past

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4 This paragraph draws on information presented in a case study done in Guayaquil, Ecuador by Caroline Ncser (1989b, 1989c).
ten years when women's cooking time had been reducing.

Women's reproductive role is also affected by a switch in production in the economy. Typically, the IMF's structural adjustment programmes encourage export agriculture at the expense of subsistence agriculture. This shift has several possible results. First, the reorientation of production from subsistence to market farming often results in food price increases (United Nations 1989). Second, aside from favouring the expansion of corporate agribusiness, this encourages the small farmers who do survive to switch to cash crops instead of growing food to feed their families directly. When this happens, women are forced to increase their contribution of unpaid labour to family farm production. This results in a negative impact on human resources since women have less time for other reproductive duties (Joekes 1989). In addition to this, with cash crop farming, although there is a higher demand for women's unpaid labour, women have less control over and access to the family income (Joekes 1989; George 1988). The access to family income is relevant given that research shows that a higher percentage of women than men use their personal income for basic family needs and children's education (INSTRAW 1990; ILO 1985).

Poor women in Latin America and the Caribbean are particularly affected in their reproductive role by the structural adjustment policy of cutting government
expenditures. The IMF's practice of including public expenditure reductions is especially significant to developing countries, such as those in Latin America and the Caribbean, given these countries' need for investment in both infrastructure in general and in health, education and social services in particular. In a survey of 12 developing countries, the World Bank found that the average share of public investment as a percentage of total investment between 1980 and 1985 was 43%, compared with 30% for a sample of 13 industrial countries in 1980 (cited in United Nations 1989). Furthermore, education and health expenditures have borne the brunt of such public expenditure reductions in many countries (United Nations 1989). In a survey of 11 Latin American countries, 73% of them experienced negative changes in public expenditure per capita on health and education during the period 1979-1983 (United Nations 1989).

Reductions in government expenditures on social services, including health and education, result in increased prices and fees for health, education and childcare services and the deterioration in their quality and in their coverage. This restricts the access of a larger portion of households to such services. The time and effort it takes to compensate for the shrinking social services disproportionately burden women since they are the ones in charge of ensuring the well-being of their families. In
their study of women in Argentina, Feijoo and Jelin (1989) found that women had to solve the problems of how to care for the sick when the hospitals were in crisis. The lack of adequate services meant standing in long lines for attention or looking for other alternatives when a hospital was not an option.

Productive Role

The structural adjustment programmes implemented in Latin American and Caribbean countries have resulted in three main changes in the labour market: a) a decline in the rate of growth of employment; b) a change in the type of employment created, with an increase in informal and tertiary employment; and c) a decline in real wages. In the labour force as a whole unemployment rates rose, with the number of unemployed increasing by 48% between 1980 and 1985 (ECLAC 1992). During this same period wage indexes fell by between 12% and 18% in many of the countries in this region (ECLAC 1992). These changes affected poor women in Latin America and the Caribbean in a specific way due to their pre-existing position in the labour market.

The structural adjustment programmes have had a dual effect on poor women’s economic activities. On the one hand, the contraction of economies resulting from adjustment has caused a slow-down in the rate in which women are entering the formal economy and an increase in unemployment
among women. On the other hand, with the general decline in the living conditions of the population, many women are forced to seek paid work in order to keep their household income at or above a survival level. This paid work is being increasingly found in the informal sector. When in formal sector employment, women are disproportionately affected by the wage policies included in adjustment programmes and by those measures aimed at contracting overall employment in the public sector.

One consequence of the IMF's structural adjustment programmes is the slow-down in the pace at which women enter the formal labour force as the economy as a whole contracts (United Nations 1989). The economic activity rates of females in Latin America and the Caribbean had been rising at an increasing faster rate from 1960 until 1980.\(^5\) Female economic activity rates increased by 1.32% during the period 1960-1970, by 1.93% in 1970-1975, and by 2.13% in 1975-1980. However, in the 1980-1985 period female economic activity rates increased by only 0.42% over the previous period. The opposite trend was true for male activity rates. Male activity rates fell by 2.96% in the period 1960-1970, by

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5 The activity rate, also called the labour force participation rate, is the ratio of the economically active population, aged 10 years and over (including the unemployed or those seeking employment for the first time) to the population of all ages (United Nations 1989).

0.08% in 1970-1975, and increased by 0.3% in 1975-1980. The period 1980-1985 saw male activity rates in Latin America increase by 0.55%, a higher increase than the female activity rates. The period 1980-1985 also witnessed a widening in the gap between male and female activity rates, showing a reversal in the trend of previous years. These figures indicate that there continues to be an increase in female economic activity rates, although at a slower pace. The small increase which has occurred reflects both an increase in the rate of unemployment for women and an increase in the number of jobs available, primarily in the service sector (ECLAC 1992). The slow-down in the pace at which women are entering the formal labour force indicates that many women are turning to the informal sector for employment opportunities.

Three of the IMF’s structural adjustment policies which particularly affect women are the removal of wage indexation, wage freezes, and reductions in minimum wage legislation. The policies preventing wages from keeping up with inflation in adjusting countries are significant when one considers that in Latin America and the Caribbean the reduction in average real wages has exceeded the decline in GDP per capita and in the Gross per capita income (United Nations 1989; ECLAC 1992). This indicates that the burden of adjustment was mainly born by wage earners, particular those with lower incomes. Women’s employment is still
concentrated in low paying wage employment (United Nations 1989; ECLAC 1992) with 70.4% of the economically active female population in Latin America and the Caribbean being salaried or wage employees (ILO & INSEARH 1985). Therefore, since women are disproportionately concentrated in lower grade occupations, any adjustment measures aimed at freezing or reducing wages will affect women specifically (Joekes 1989; Nash & Fernandez-Kelly 1983).

In an attempt to reduce government expenditures, structural adjustment programmes often include measures to reduce public sector wages and overall employment. The higher paying jobs available to women have been those in the public sector, although women still occupy the lower rungs of this sector. Therefore if public sector firings are aimed at junior staff as would be expected, women would once again suffer the brunt of this policy (Elson 1989). Those public employees who do not get fired are subject to disproportionate wage reductions. In Latin America public employees' wages contracted by 17% between 1980 and 1985 while the urban minimum wage contracted by 16% during the same period (United Nations 1989). The World Bank reported that "retrenched civil servants are among the 'new poor' who have been the direct victims of stabilization" (cited in United Nations 1989, pg.57). Furthermore, with the contraction of the public sector employment, there will be a shift in employment opportunities for women away from the
public sector to the private sector, where employers are more prone to exploit loopholes in the law, and to the informal sector with no state regulations or benefits such as sick pay, pension, or job security (Elson 1989). Thus the overall conditions of employment for women is likely to deteriorate.

Community Management Role

Women's community management role is affected by several of the measures contained within the IMF's structural adjustment programmes. One measure the structural adjustment programmes invariably call for is a reduction in government spending on social services to local citizens, including health, education, sanitation and housing, and other activities that do not directly enhance export earnings. For example, the IMF's structural adjustment programme implemented in the Dominican Republic in 1983 resulted in a decline in real per capita expenditure of 27% on health and social assistance between 1981 to 1986; 31% on education between 1981 to 1985; 33% on housing, potable water and municipal services between 1980 to 1985; and 45% on urban transport and communication between 1981 to 1984 (McAfee 1991). A second adjustment measure which harms women in their community management role is the dismantling, scaling down or sale of government enterprises. This privatization results in increases in the cost of utilities
and other previously public enterprises. A third measure which harms women as community managers is a reduction of the number of government employees. Among those who lose their jobs are educational and health care workers who were providing services to the poor majority.

These structural adjustment measures, characteristic throughout Latin America and the Caribbean, result in educational and health services deteriorating; water and electricity services increase in cost or become unavailable all together; and a wide range of other public services cease to be available to large portions of the population. The following figures demonstrate the severity of the situation and the importance of women's community management work. In a sample of 21 countries in Latin America and Caribbean during the years 1988 to 1990, 30% of the population did not have access to safe water. This figure disaggregates to 14% of the urban population and 55% of the rural population without safe water. In the same countries during the same time frame, 38% of the population did not have access to adequate sanitation. This sample indicates that 23% of the urban and 64% of the rural population did not have adequate sanitation. A sample of 20 countries in Latin America and the Caribbean during the years 1985 to 1988 indicates that 27% of the total population did not have

7 The figures in this paragraph were computed from statistics for individual countries as reported in UNICEF, State of the World's Children, 1993.
access to health services.8

These conditions and any further deteriorations in services makes the work women do in their community management role more vital as they attempt to make up for the loss of these services with unpaid labour in community organizations. Consequently, women whose time is already over-extended in their reproductive and productive roles, are forced to spend more time in community management activities. In her study in Guayaquil, Ecuador, Moser (1989b) found that because the state was not providing adequate infrastructural resources, the women were forced to spend more time starting and ensuring the success of long-term community based projects. Furthermore, when the women did not have time for community activities, their school-aged daughters took over this work. In the absence of government support, the women turned to non-government organizations to negotiate for their cooperation in community projects.

Conclusion

Poor women in Latin America and the Caribbean are detrimentally affected by the IMF’s structural adjustment programmes. This impact exists, in part, because of the

8 UNICEF (1993) defines access to health services as that percentage of the population that can reach appropriate local health services by the local means of transport in no more than an hour.
pre-existing societal and economic inequalities between the sexes, resulting from the unique position women occupy in society and the economy. This unique position is defined by the multiplicity of roles poor women are required to fulfill on a daily basis. These women act as reproducers, being responsible for the work required on a daily basis which facilitates and ensures the survival of human being and society at large; as producers contributing income to the household resources; and as community managers, compensating for inadequate infrastructural and social services. Due to these three roles and the pre-existing inequalities between women and men, the IMF’s structural adjustment programmes affect poor women in a specific and harmful way.

The reproductive role of poor women is harmed by the IMF’s structural adjustment programmes. The adjustment measures of devaluations and the removal of price subsidies results in price increases of consumer items. At the same time the adjustment programmes cause the lowering or freezing of wages and increases in unemployment. The combination of these measures results in a decline in real household incomes. Consequently, it is poor women who have to make the largest increase in the time and energy they spend on reproductive duties in order to compensate for falling real household incomes. In times of resource shortages, poor women spend more time "managing" the household, producing previously purchased goods and
services, and accomplishing the daily chores with the deteriorating household conditions and equipment. In rural areas the structural adjustment programmes encourage a shift in production away from subsistence towards cash crop farming. When this shift occurs poor women are forced to increase their unpaid labour to the family farm, but have less access to this income. As part of their reproductive role, poor women in rural and urban areas alike are forced to compensate for the deteriorating social services caused by the reductions in government expenditures required in the structural adjustment programmes.

The IMF's structural adjustment programmes have had opposing effects on poor women's productive role. These programmes have made it increasingly important for women to seek paid employment because of the decline in real household incomes, while at the same time contracting the employment opportunities available to poor women in the formal economy. The consequence of this has been an increase in the female unemployment rate and a growth in the size of the informal sector of the economy in Latin America and the Caribbean. The new jobs which were created during the structural adjustment period are low-paying, dead-end jobs characterized by deplorable working conditions and a high degree of employee turnover. Women who are employed in the formal sector tend to be particularly affected by the adjustment policies of removing wage indexation,
implementing wage freezes and reductions in minimum wage legislation. These measures disproportionately affect lower grade occupations and wage earners. This is exactly where poor women's employment is concentrated. The higher paying jobs for women have been in the public sector, although in an attempt to reduce government spending, public sector wages are contracted and overall employment reduced. Since women still occupy the lower rungs of this sector, they are disproportionately burdened by these measures.

The community management role of poor women is likewise affected by several of the measures in IMF's structural adjustment programmes. A primary objective of the structural adjustment programmes is to reduce government expenditures. To do this the governments are required to cut spending on social services, scale down or sell government enterprises, and reduce public sector employment. When this happens educational and health services deteriorate; water and electricity services increase in cost or become unavailable all together, and a wide range of other public services cease to be available to large portions of the population. Consequently, it is poor women in their community management role who organize to work together to compensate for these loses of services.

All of these harmful effects experienced by poor women and caused by the IMF's structural adjustment programmes clearly demonstrates the need for the consideration of
gender differences when designing adjustment programmes. Policy makers can no longer use women's unpaid reproductive and community management work as a safety net when economic resources are channelled elsewhere. The extent to which poor women are already over-extended demonstrates that not only must this exploitation of them stop, but conscious policy measures must be designed to alleviate these women's deteriorating living and life conditions. Furthermore, conscious measures must be taken to enable women to participate in the formal economy on an equal footing with their male counterparts. To these ends, there needs to be a redistribution of power and resources between genders, between classes, and between ethnicities. For this redistribution to occur, it is necessary for macro-economic policies, such as the International Monetary Fund's structural adjustment programmes to embrace this goal and work towards it.
Chapter IV
STRUCTURAL ADJUSTMENT PROGRAMMES IN THE JAMAICAN ECONOMY

The purpose of this chapter is to examine Jamaica's experience with the International Monetary Fund and the structural adjustment policies it implemented in Jamaica from 1977 to 1992. Through the examination of the relationships that consecutive Jamaican administrations have had with the IMF and the structural adjustment programmes which were imposed in each period, two points will become clear. First, the character of the state/IMF relationship (i.e. whether conflictual or cooperative) influences the flexibility and lenience of the IMF and consequently the harshness of the structural adjustment programmes it implements. Secondly, the IMF has failed to improve the Jamaican economy after fifteen years of structural adjustment programmes, an indication that its policies are ineffective at stabilizing a receiver country's economy.

To provide an insight to the Jamaican economy, I have begun this chapter with an overview of the developments in the Jamaican economy throughout the 1950s and 1960s. Throughout this period the Jamaican economy became integrated into international capitalism and developed a prominent import-export structure. This structure proved harmful when the world economic recession of the 1970s
It was the need to replace the capital inflows which stopped during the recession that led Jamaica to the IMF in 1977. Since 1977, every economic decision in Jamaica has either been made by the IMF or made with the consequences from the IMF in mind. After fifteen years of IMF adjustment the Jamaican economy has an even stronger import-export structure and is even more dependent upon international financing.

The 1950s and 1960s

The economic development in Jamaica throughout the 1950s and 1960s served to further integrate Jamaica into international capitalism by increasing its dependency on foreign investments. Three sectors of the economy received the main share of the foreign investments - manufacturing, mining and tourism. In the manufacturing sector, the "industrialization by invitation" policy sought to provide incentives to attract foreign capitalists to come and establish manufacturing activities. This policy led to the emergence of branch plant capitalism which was restricted to the assembly of components into finished products. Furthermore, these operations tended to be capital-intensive and did not employ large numbers of workers. At the same time, the incentives granted to these operations cost the

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1 For detailed discussions on the development of the Jamaican economy during the 1950s and 1960s see Coyd 1988; Beckford & Witter 1982; Jefferson 1972; and McBain 1981.
public sector a substantial amount of potential revenue. With the demand for alumina stimulated by the Korean War and the space exploration programme, the mining sector also received large amounts of American and Canadian capital to expand bauxite and alumina mining. The bauxite/alumina output experienced rapid expansion with its output rising from 2.5% of the Gross Domestic Product (GDP) in 1953 to 11% by the end of the 1960s (Boyd 1988). Furthermore, bauxite and alumina accounted for 60.4% of total goods exported by 1969 (Boyd 1988). In return, this sector accounted for less than 1% of the labour force (Boyd 1988). The third sector to benefit from foreign capital inflows was tourism. New tourists originated almost exclusively from North America, particularly the United States.

Although this new wave of foreign capital financed and provided technology for a limited diversification of the Jamaican economy, the basic import-export orientation of the economy was maintained and reinforced. The new sectors had no links among themselves and few links with agriculture (Beckford & Witter 1982). The only domestic industry to be stimulated by these new industries was construction. Even that growth was limited and fuelled by foreign capital, technology and expertise (Beckford & Witter 1982). The manufacturing, mining and tourist industries imported almost all of the required inputs, raw materials, services and even the skilled labour. Most of the manufacturing output and
all of the bauxite and alumina was exported. The consequence of this development was that these new sectors were primarily foreign owned.

A close relationship developed between the foreign capitalists and the Jamaican bourgeoisie (Beckford & Witter 1982; McBain 1981). The new investments created profitable opportunities for the local capitalists who depended on foreign financing, technology, supplies and marketing. However, local capitalists were hardly more than agents in the foreign exploitation of Jamaican workers and consumers (Beckford & Witter 1982). The exploitative social structure, left over from centuries of English colonialism, facilitated the success of these new capitalists. Furthermore, the foreign operations set up in Jamaica reinforced and institutionalized the social relations of ethnicity and class (Beckford & Witter 1982; McBain 1981). The white expatriates and "socially white" (Jewish, Lebanese, Jamaican white) Jamaicans comprised the management levels. The Mulatto, Chinese and Indian professionals comprised middle management and clerk positions. The bottom of the social structure was composed of black workers (Beckford & Witter 1982).

The failure during the 1950s and 1960s to direct a portion of the economic development into maintaining a sound agricultural base resulted in a drastic decline in agriculture's relative share of the GDP. Agricultural
output fell from 24% of the GDP in 1950 to only 7% in 1969 (Boyd 1988). Furthermore, the economic structure developed during this period relied upon increased imports. The value of imports increased from J$44.8 million in 1950 to J$116.6 million in 1956 to J$319 million in 1968 (Boyd 1988). Among these imports, food imports accounted for 21.0% in 1958 and 16.2% in 1968 (Boyd 1988). With this type of economic development it is not surprising that Jamaica experienced persistent current account deficits throughout this period. However, the large amounts of foreign capital flowing into the Jamaican economy during this period prevented the external account from showing a deficit. At the same time, the foreign capital inflows also masked the problems of further developing the import-export structure of the economy.

The economic development of the 1950s and 1960s, and the exploitative social relations it was cradled in, yielded negative human and social costs from this period. One demonstration of this biased economic development is the fluctuation in the unemployment rates. The unemployment rate at the beginning of the 1950s was just over 17%, falling to 13.5% in 1960, but rising again to 17% in 1969 and 23.5% in 1972 (Boyd 1988; Davies 1986). The drop in the unemployment rate in the middle of this period can be attributed to international migration more so than to the export-led expansion of the economy at this time. Although
the economy grew at this time, it did not absorb a significant number of unemployed into formal employment.

Another demonstration of the biased economic development is the extremely unequal distribution of income. The degree of this inequality increased throughout the 1960s. The income of the bottom 40% of the population fell from 8.2% in 1958 to 7% of aggregate income in 1972, while the income of the top 5% of the population increased from 30.2% in 1958 to 37% in 1972 (Boyd 1988). Despite this obvious inequality in income distribution, it was not a concern of the government, whose main objective was "development" defined as the rate of growth of national income.

The 1970s

The downfall of the uneven economic development of the 1950s and 1960s was demonstrated in the 1970s. This period saw economic growth halt and real incomes decrease. Inflation, which was already severe, worsened and the unemployment rates rose to unprecedented levels. Furthermore, the balance of payments recorded consecutive deficits which reached massive proportions in 1976 and 1979. There were several factors contributing to the economic

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problems facing Jamaica in the 1970s including increases in the price of imports; decreases in the foreign capital inflows; and the new economic policies of the Jamaican government. Given the strong import-export orientation of the Jamaican economy, the economic activities of the external sector had a dominant influence of economic activities at the national level.

One of the influences leading to Jamaica's economic problems in the 1970s was the increase in price of both non-oil and oil imports. The increasing dependency on imports throughout the 1950s and 1960s left Jamaica highly vulnerable to such fluctuations. Jamaica was particularly affected by the increases in oil prices given the importance of the energy-intensive bauxite/alumina industry to its economy. Even so, the increases in the prices of non-oil imports put the largest strain on Jamaica's foreign exchange reserves, since the volume of imports was extensive and price increases were large and sustained. Although the corresponding price increases of exports compensated for import price increases to a small degree, they were not sufficient. Consequently Jamaica's trade activity resulted in negative foreign exchange earnings ranging from 9% in 1974 to 32% in 1977 (Worrell 1981).

These first two factors are directly attributable to the world recession of the 1970s. For a concise summary of the causes and effects of this world recession see Beckford & Witter 1982.
The 1970s saw a decrease in the amount of foreign capital flowing into Jamaica. One of the reasons for this reduction was the world recession and the corresponding contractions of the economies of industrialized countries. This situation resulted in a reduction in exports, as all three of Jamaica's big industries (bauxite, tourism & manufacturing) were seriously affected. The bauxite industry was hard hit by decreased foreign investment due to the combined effect of the reduced world demand and the government's newly imposed production levy in 1974. The newly imposed Bauxite Levy, as well as various other initiatives by the Manley government, was seen by the international capitalist powers as a threat towards imperialism and international capitalism (Beckford & Witter 1982). Retaliation for these actions came in the form of reductions in bauxite production, a credit blockade by the United States, an overt media campaign discouraging tourism in Jamaica, and the halting of new investments in Jamaica (Beckford & Witter 1982). The result was a significant cutback in bauxite and alumina production, which decreased by 14.6% in 1976 alone (Girvan et al 1990). Also, Jamaica's tourism industry was particularly affected since its tourist base was heavily concentrated in a single country, the United States. Furthermore, this overt retaliation resulted in the reduction of net private capital inflows by 35% for the period 1973-1976 below the previous four year period.
(Girvan et al. 1990).

The third factor which affected the Jamaican economy during the 1970s was the new policies of redistribution and nationalism undertaken by the Michael Manley administration, which took office in 1972. The Manley administration implemented government programmes aimed at increasing employment, improving real wages, reducing poverty, and reducing social and economic inequalities. However, in expanding this type of direct involvement of the state in the economy, these policies provoked a domestic and foreign reaction which eventually resulted in capital flight and falling receipts from exports and tourism (Girvan et al. 1990). The government policy of maintaining real wages, along with the effects of domestic inflation and a fixed exchange rate, squeezed profit margins and discouraged the production of exports and the inflows of foreign investment. In retrospect, the new government policies were, along with the discussed exogenous factors, a contributory factor to the decline in the Jamaican economy and the worsening balance of payments position in the 1970s. It is important to note that the programmes implemented by the Manley administration - including a literacy programme, skill training, free education, establishing a national minimum wage, and the takeover of various enterprises - worked towards important and desirable objectives. However, these policies were ineffective and insufficient to mitigate the
policy that led to the prolonged decline of the 1970s.

Throughout the 1970s, these factors contributed to a rapid widening of the fiscal and external deficits and the contraction of the means to finance them. It was in this context that Jamaica turned to the Euro dollar market for financing, increasing their indebtedness to the commercial banks. The period 1973-1976 saw the current account deficit in the balance of payments increase by 99% while the net private capital inflows decreased by 35% from the previous four year period (Girvan et al 1990). This difference was made up by government external borrowing as well as by the depletion of the foreign exchange reserves accumulated in the previous period. By the end of the 1972-1976 period, the foreign exchange reserves were virtually exhausted. In this same period the external debt had increased from J$96.0 million in 1972 to J$421.5 million in 1976, an increase of 339% (Boyd 1988).

Since 1977, Jamaica has undergone debt-financed stabilization and adjustment under the austere eye of the IMF. Since 1977, the economic development of Jamaica can be divided into five periods:

(i) deflationary adjustment - Manley, 1977-1980;
(ii) expansionary adjustment - Seaga, 1981-1983;
(iii) deflationary adjustment - Seaga, 1984-1986;

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4 The division of the period 1977-1992 into the following five categories is supported in the literature by Boyd 1988 and Girvan et al. 1990, as well as by my own observations.
(iv) expansionary adjustment - Seaga/Manley, 1987-1989; and
The remainder of this chapter is organized around these five periods. These time periods are distinguished from each other by the structural adjustment policies implemented and the nature of the state/IMF relationship in each period.

Deflationary Adjustment - Manley: 1977-1980

In 1977, Jamaica negotiated its first Stand-by agreement with the IMF. This period marks the beginning of increasing indebtedness to official creditors for Jamaica, surpassing the US$1000 million mark by 1980. In August 1977, the Manley government and the IMF entered into a two year Stand-by agreement, which was suspended after failing the first quarterly test. A three-year Extended programme was negotiated in May 1978 and renegotiated a year later in June 1979. The purpose of the renegotiation was to take advantage of additional resources from the Supplementary Finance Facility. This plan collapsed in December 1979 when once again performance tests were failed.

After being re-elected in December 1976, the Manley administration implemented its own adjustment measures as an attempt to avoid an upper tranche agreement with the IMF. In January 1977, the Government’s attempt to reduce the balance of payments and budget deficits included reversing its wages policy of indexation, including administrative
import and exchange controls, foreign exchange rationing, and the suspension of foreign debt repayments for 18 months. At the same time the Jamaican government searched for international financial support. When this was not forthcoming, it became apparent that an agreement with the IMF was necessary. Thus negotiations were opened and an agreement was reached in August 1977.

The Stand-by agreement of July/August 1977 made available US$79.6 million over a twenty-four month period (Brown 1981). This agreement contained the standard IMF measures which included tight fiscal, monetary and balance of payments requirements. These measures were monitored by tests requiring virtually no expansion in net foreign assets of the central bank and net bank credit to the public sector during the first six months of the agreement; as well as setting limits to new external medium and long term borrowing. In addition to these measures, the Government of Jamaica was able to include in this agreement several measure which reflected its own policies. These measures included the use of a dual exchange rate; controls in imports; price controls and subsidies; and the reduction in the rate of wage increases rather than a freeze on wages (Boyd 1988; Brown 1981). In regards to the dual exchange rate, there was a devaluation of the currency which applied to "non-basic" imports and to exports from sectors which were encouraged to expand. The previous exchange rate was
used for Government transactions, bauxite/alumina exports and the basic food and medicine imports. The 1977 Stand-by agreement was terminated in December 1977 after the marginal failure of the performance test regarding the net domestic assets of the Bank of Jamaica (Davies 1986). Beckford and Witter (1982) go so far as to assert that the IMF suspended the agreement on a technicality.

The resources granted in the 1977 Agreement were insufficient to enable Jamaica to meet the adjustment criteria (Boyd 1988; Brown 1981). This disproportionate allocation of funds in relation to the harsh performance criteria demonstrates both the role that the state-IMF relationship plays in the flexibility of the IMF (Boyd 1988) and the ineffectiveness of the IMF model (Brown 1981). The variability in the IMF’s flexibility is demonstrated by the increased flexibility the IMF gave the “cooperative” Seaga government in the early 1980s as compared with the 1977 experience of the Manley administration. This point will be further illustrated when the structural adjustment programmes of the 1980s are discussed in the next section. Furthermore, the standard IMF measures which were included in the 1977 Stand-by agreement were proven to be ineffective. Given the small amount of the funds allocated in the 1977 Stand-by agreement, it could not be assumed that those resources alone would stimulate the economic recovery of Jamaica (Brown 1981). Instead, it was expected that this
agreement would be the catalyst for increased capital inflows from other sources. However, this assumption was made at a time when the economy was in a slump and capital was flowing out of Jamaica. The IMF measures in the agreement aimed at reducing the aggregate demand only worsened the slump. Furthermore, interest rate policies were ineffective in reducing capital outflow or increasing net inflows. Thus, the standard IMF measures in the 1977 Stand-by agreement failed to improve economic conditions.

In May 1978, the Jamaican government and the IMF agreed to an Extended Fund Facility (EFF) programme\(^5\), which made US$240 million of its resources available over a three year period (Brown 1981). In this agreement, the IMF included more of its standard stabilization policies than were included in the 1977 Stand-by agreement. The primary objectives of the 1978 package were devaluation and addressing the problems of wage increases, which had risen by 30% in real terms between 1973 and 1976 (Boyd 1988). The aim of this strategy was to promote growth in output and in employment, and to improve the balance of payments position (Bank of Jamaica 1978). The dual exchange rate was abandoned and an immediate unification of the exchange rate was required in addition to a devaluation of 15% immediately and a further 15% over the first 12 months of the programme.

\(^5\) The following terms of the May 1978 Extended Fund Facility programme are reported in Boyd 1988; Davies 1986; Brown 1981; and Bank of Jamaica 1978.
To address the problem of wage increases the EFF programme called for price liberalization and a restraint on wage increases to a maximum of 15% per annum over the two year period. This agreement contained large tax increases. In addition to these measures, the monetary measures in the agreement included banks liquidity ratio increased to 40% and a ceiling of commercial bank loans and advances to the private sector of 10% (later reduced to 5% in early 1979) above the amount in May 1978 (Bank of Jamaica 1978; Boyd 1988). Finally, the agreement required that the net domestic assets of the Bank of Jamaica should increase by only 16% to the end of the fiscal year.

In May 1979, after the performance tests were met, the Stand-by agreement was renegotiated to enable Jamaica to access funds from the IMF's Supplementary Financing Facility, which became operational in February 1979. The 1979 agreement allotted US$338 million to Jamaica over a two year period (Bank of Jamaica 1979). The new agreement contained a change in the mix of adjustment policies as an attempt to deal with the growing social tensions and as an effort to stimulate a more rapid recovery of the economy. Emphasis was given to the broad objectives of exchange rate stabilization, a slow down of the cost of living increases, and increased employment. Two of the measures used to accomplish this were to restrict wage increases to 10% per annum for the following two years, and to restrict price
increases in the private sector to a maximum of 10% per annum over the next two years (Bank of Jamaica 1979). In the area of fiscal policy, the agreement's objective was to restructure the budget so as to reduce the overall deficit to make more resources available to the private sector, and to produce adequate current account savings to assist in the financing of capital formation in the public sector. Also, there were new limits placed on external borrowing. When the performance criteria were not met, the programme was suspended in December 1979. Negotiations for a new programme were ended in March 1980 when the Government decided that the terms and conditions for further assistance from the IMF were unsuitable. The Government stated it would pursue alternative strategies for the mobilization of foreign resources necessary for growth and development (Bank of Jamaica 1980).

Overall, social and economic conditions deteriorated significantly throughout the period 1977–1980 (Girvan et al 1990; Boyd 1988; Davies 1986). The economy stagnated with the real GDP in 1980 being 9% less than in 1978 (Boyd 1988). The cost adjusted exchange rate fell by 40% in 1978–79 below the 1977 level (Girvan et al 1990). The current account deficit of J$106.8 million in 1979, along with net capital outflows of J$30.4 million, led to an overall balance of payment deficit of J$128.1 million in 1979 up from J$50.7 million in 1978 (Girvan et al 1990; Bank of Jamaica 1978).
The deteriorating social conditions are illustrated in several ways. The inflation rate averaged 28% over the 1977-80 period, peaking at 47% in 1978-79 (Boyd 1988; Bullock 1986). The index of average real wages and salaries fell by approximately 37% over the four year period to 1980 (Boyd 1988). There was a decline in private consumption in real terms by 10% between 1976 and 1978 (Girvan et al 1990). Furthermore, unemployment increased from 24.6% in 1977 to 27.9% in 1980 (Davies 1986). The 1977-1980 period ended with all IMF agreements being suspended and the Manley administration calling for a general election as soon as possible, with the role of the IMF as the main issue.

*Expansionary Adjustment – Seaga: 1981-1983*

Jamaica’s general election in October 1980 resulted in Edward Seaga and the Jamaican Labour Party (JLP) taking office. The Seaga/IMF relationship during this period was distinctly different from the Manley/IMF relationship of the previous period. The prominent difference was the increased amount of financial resources allocated to Jamaica throughout this period. In fact, Seaga borrowed more during his first two years in office than Jamaica had borrowed in the entire preceding decade (McAfee 1991). Another difference was the increased lenience and flexibility characteristic of the Seaga/IMF relationship as opposed to the inflexibility and conflict typical of the Manley/IMF
relationship. This lenience was clearly demonstrated in the structural adjustment programme which accompanied their first agreement in 1981. This programme did not require a reduction in government expenditures, and even though the trade weighted index of Jamaica's real exchange rate was the same in 1980 as in 1978, no devaluation was included as it was in the 1978 Programme. Furthermore, even though Jamaica failed the performance tests in March 1983, the IMF maintained its Extended Fund Facility agreement until September 1983 when the tests were again failed.

Two reasons can be put forth for the different treatment the Seaga administration received from the IMF as compared to that received by the Manley administration (McAfee 1991; Bullock 1986; Davies 1986). First, the Seaga administration was content to leave the lead role in economic initiatives to the private sector while Manley asserted that the state should retain it. This difference in ideology put Seaga in the same ideological camp as the IMF, making them compadres instead of opponents. The second reason for Jamaica's favourable status with the IMF was the open support Seaga received from the Reagan administration in the United States. These close ties between Seaga and Reagan resulted in increased financial aid for Jamaica from the United States. More importantly, it meant that the decisions made within the IMF in regards to Jamaica were dictated by the United States, which controls the largest
share of voting power in the IMF (McAfee 1991; Davies 1986).

In April 1981, an Extended Fund Facility (EFF) agreement with the IMF committed US$698 million, including US$48 million from the Compensatory Finance Facility, to cover the three fiscal years 1981 to 1984 (Bullock 1986). These resources were to be paid out to Jamaica on a quarterly basis subject to the meeting of certain performance criteria. The structural adjustment programme which accompanied this agreement was relatively mild and fell into line with the Seaga government’s Economic Recovery Programme (Bullock 1986; Davies 1986). It emphasized the need to expand output and investments through relaxing the production constraints imposed by foreign exchange shortages, opening the economy to imports, freeing prices, and privatizing certain public enterprises.

Jamaica passed all of the quarterly IMF tests in the 1981 calendar year. Furthermore, some macroeconomic variables indicated that the economy had measured limited levels of growth. The GDP increased by slightly over 1% for the year, while the rate of unemployment declined by 1% to 25.8% (Bank of Jamaica 1981). The suspension of the devaluation measure had allowed the government to reduce the rate of inflation from 28.4% in 1980 to 4.6% in 1981. It must be noted that these developments would have been impossible without the large amount of foreign exchange made
available by the 1981 EFF agreement. Furthermore, while the productive sector showed some improvements due to the easing of foreign exchange constraint on production, the manufacturing sector and public administration showed absolute declines of 0.8% and 0.4% respectively (Boyd 1988).

The examination of other aspects of the economy show that the growth in this period was not without its drawbacks. There was a current account deficit of US$155 million in 1981 which was covered by large capital inflows and by an increase in the foreign liabilities of the Bank of Jamaica (US$125 m). However there was still an overall balance of payment deficit of US$155 million in 1981. Three other factors in the economic performance are worth noting. Firstly, of the massive net capital inflows in 1981-1982 (US$247.2 million), less than 3% were net private capital inflows (Boyd 1988). This inability to attract private capital and the reliance on large inflows of official loan capital has had serious long-term and short-term management implications for the economy and the management of the budget. A second drawback was the poor performance of the trade sector. It saw a 27% increase in imports and only a marginal growth in exports (Bank of Jamaica 1981). The import structure reflected a significant bias towards consumer goods with a 44% increase in them above the 1980 level. In contrast, raw material imports, excluding fuel, rose by only 26% in 1981. Larger increases in raw material
imports would have indicated an increase in production. Consequently, while this import structure may have been good for the Government's public relations, such a structure did not address the underlying causes of persistent balance of payments disequilibria. This fact suggests a misuse of scarce foreign exchange resources, which should have been used towards developing a sound productive base (Boyd 1988). A third drawback during 1981 was the poor performance of bauxite/alumina, which still accounted for 78% of total Jamaican exports in 1981. This structural imbalance of exports made it difficult for external adjustment to take place in the short run without a recovery in the bauxite/alumina sector. Consequently, it became apparent that while some growth was measured in 1981, the fundamental issues of the external disequilibrium problem were not addressed.

The economic performance in 1982 was less encouraging than in 1981. Real GDP grew by less than 1%, and the trade and current accounts showed record levels of deficit (Boyd 1988). The Consumer Price Index increased by 6.5% in this year. Due to an increase in food imports, domestic food production declined by 12%, resulting in an 8% increase in the "Food and Drink" subindex (Boyd 1988). The unemployment rate reached 27% in April 1982 (Bank of Jamaica 1982). The major industrial sectors performed poorly in 1982. The mining/quarrying industry declined by 30% and agriculture by
8% this year. This occurred at a time when production should have been expanding with the easing of foreign exchange constraints. In fact, in 1982 net capital inflows were the highest in the recent history of Jamaica. The net capital inflows more than doubled in 1982 to US$508 million from US$247 million in 1981 (Bank of Jamaica 1982).

The problems with the import structure in 1981 continued in 1982. Consumer imports grew by 23% in 1982 while raw material imports fell by 18% (Bank of Jamaica 1982). On the whole, imports decreased by 6.8% for this year. At the other end, the aggregate export value decreased by 25.4% from US$974 million in 1981 to US$726.4 million in 1982 (Bank of Jamaica 1982). By the end of 1982, there was a 48% increase in the trade deficit. The current account showed a record high deficit of US$426.4 million for 1982 (Bank of Jamaica 1982). Finally, even though there was a surplus on the overall balance and an addition to the Bank of Jamaica’s foreign reserves, this was achieved only with increased indebtedness.

During the third year of the Seaga administration (1983), the problems facing the Jamaican economy increased despite the introduction of several major policy initiatives by the Government. One of these policy initiatives was a two-tiered foreign exchange market system, aimed at addressing the persistent foreign exchange shortage. Essentially, this measure was a formal recognition of the
black market in foreign exchange (Davies 1986). This was an interesting measure given the IMF's basic opposition to such market structures and their insistence in unifying the exchange rate in the 1978 EFF agreement with the Manley administration. Jamaica's foreign exchange problems persisted and led to the failing of the IMF performance tests in the first and third quarters of 1983. The 1981 Agreement was suspended in the third quarter of 1983.

While negotiations for a new agreement were in progress, some pre-conditions were implemented, beginning in the last quarter of 1983. One such pre-condition was to unify and devalue all exchange rates. The new exchange rate was set at J$3.15 per US$1.00, down from J$1.78 per US$1.00 (Davies 1986). A new system for determining the exchange rate was implemented in which the Bank of Jamaica set a band within which the available foreign exchange was auctioned. This allowed the currency to be devalued but made no provision for the Bank to increase its value. This band system remained in place for one year, after which time the exchange rate was able to move upwards or downwards without limit. The auction element remained in place once the band system was removed.\(^6\)

None of the measures implemented were able to improve the economic performance in 1983. This year saw yet another

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\(^6\) For a description and analysis of Jamaica's foreign exchange auction system, see Bennett 1986.
increase in the trade deficit, which reached US$482.5 million (Bank of Jamaica 1983). The current account deficit remained poor at US$342 million (Bank of Jamaica 1983). There was a balance of payment deficit of US$280 million in 1983 (Bank of Jamaica 1983). A crucial change in this year was the deterioration of the overall net capital inflows. They fell to US$80.8 million from the peak levels of US$471.7 million in 1982, US$247.2 million in 1981, and US$171.0 million in 1980 (Boyd 1988). This decrease is significant because it shows an increase in the outflow of net private capital. In 1983, the flow of net private capital was US$-240.2 million, compared to US$7.0 million in 1981 and US$15.9 million in 1982 (Boyd 1988). This outflow of private capital reflects a return of pessimism in the business sector, similar to the feelings in the late 1970s.

A summary of the 1981-1983 period does not yield a positive economic picture. In these three years, Jamaica's external debt grew by 73%, being owed principally to the IMF (Girvan et al 1990). In comparison to the three years immediately preceding this period, the trade deficit increased by US$1,447 million (an increase of 553%), and the overall current account deteriorated by US$798 million (an increase of 195%). The growth of the real GDP in this period averaged only 2.02%. While increases in output were registered in tourism, distribution, and other services, the output of mining and agriculture declined, and manufacturing
output stagnated. Another prominent feature of this period was the commencement of the rescheduling of debts. Although rescheduling of commercial bank debts started in 1978, the year 1981 saw the rescheduling of both commercial bank debts and bilateral debts. This rescheduling process has continued every year since 1981.


Negotiations with the IMF produced a one-year Stand-by agreement in April 1984 which granted US$180 million to Jamaica, including support from the Compensatory Financing Facility (Bullock 1986). The 1984 Stand-by agreement called for drastic and immediate fiscal improvement, with the overall deficit being reduced to or below 8.3% of GDP in 1984. Many of the orthodox IMF structural adjustment measures were included in the 1984 Programme, albeit at an accelerated rate. The monetary measures included reducing liquidity in the banking system and increasing interest rates significantly to restrain demand. The auction system was maintained with the twice weekly auctioning of foreign exchange through the Bank of Jamaica. There was a lifting of price controls. The restructuring of custom duties and tariffs accompanied the opening up of the economy and the import licensing system was largely dismantled. New taxes were introduced (for example, an education tax of 1% of personal income) and several existing rates were increased
(e.g. the stamp duty was increased from 5% to 10%). There was a reduction in public sector employment amounting to a loss of 8,200 jobs in the 1984/85 fiscal year (Boyd 1988; George 1988; Bullock 1986). Limits on wage increases and wage freezes were announced. Also, the 1984 Programme called for a significant cutback in government services and the introduction of fees for public services that were previously free, for example public hospital services. There were increases in other existing user fees.

These drastic measures resulted in a 57.6% increase in total revenue between April and December 1984, including a 30% increase in tax revenue (Bullock 1986). Furthermore, current expenditure fell in real terms to 30.3% of the GDP (Bullock 1986). The government succeeded in reducing the overall deficit to 7.2% of the GDP, 1.1% below the targeted ceiling (Bullock 1986). However, economic conditions worsened on both the macroeconomic and microeconomic fronts. Official estimates of the GDP showed an increase of 0.5% in 1984 as compared with 1.8% in 1983 (Bank of Jamaica 1984). The Jamaican dollar continued to be devalued, falling from J$3.30 at the beginning of the year to J$4.95 at the end (Boyd 1988). The rate of inflation increased, as shown by the Consumer Price Index increasing to 31.4% in 1984 (Davies 1986; McAfee 1991; Bank of Jamaica 1984). Boyd (1988) argues that official estimates of the Consumer Price Index seem surprisingly low given that the shelf price of many
goods increased considerably more, as did general utility prices which feed into the prices of all other goods. For example, electricity charges increased by 105%, telephone charges increased by 100% for overseas calls and by 50% for local calls, and water rates increased by 55% during 1984 (Boyd 1988). The major factor behind the faster rate of price increases in 1984 was the continued depreciation of the Jamaican dollar.

The structural adjustment policies introduced in 1984 were intensified in 1985. This resulted in the poorest economic performance of the 1980s to that time. At this point public demonstrations clearly illustrated the people's dissatisfaction with government policies. A 50% increase in gasoline prices in January 1985 sparked the first episode with island-wide protests. In May 1985 the trade unions organized a general strike to voice opposition to the deflationary policies. Both of these events were effective in halting economic activity in Jamaica. The harmful impact of the adjustment policies was not limited to the poor, as all the employed and many employers experienced a general deterioration in their living conditions. Consequently, protests and demonstrations found widespread support throughout the population.

A 22-month Stand-by agreement commenced in June 1985 and provided SDR 115 million. The Jamaican government had to request waivers on various performance criteria for the
September and December 1985 performance tests in order to retain the agreement. The waivers were granted on the condition that the government agree to reduce its deficit/GDP target by a further 1%. This served to increase the pressure on the government to increase taxes and reduce expenditures more than was earlier planned.

For the larger part of 1985, the exchange rate fell, beginning the year at J$4.95, and falling to J$6.40 in October (Bank of Jamaica 1985; Boyd 1988). In reaction to criticism from firms in the private sector, the government revalued the exchange rate at J$5.50 in November. This year saw the Consumer Price Index increase by 25.7% (Boyd 1988). Also in 1985 both a large portion of the remaining price controls and the import licensing system were dismantled. These measures, along with an increase in custom and stamp duties, served to increase investment and capital costs, thus contributing to "stagflation".

Several sectors felt the effects of the poor economy. Sectors such as agriculture, construction, manufacturing, and mining recorded a decline in investment and output in 1985 below their 1984 figures. The total merchandise exports fell by 19.0%, with a 34.6% drop in the export of bauxite/alumina (Boyd 1988). Traditional agriculture continued to decline with a 15.1% decrease in export value in 1985. Since imports reached only a 3.3% decline in value, the trade deficit was at its highest ever at US$428.6
million (Bank of Jamaica 1985). Consequently, the current account deficit reached its highest recorded level of US$401.1 million (Bank of Jamaica 1985). With total net capital inflows of US$248.7 million in official and US$70.6 million in net private capital falling below the current account deficit, there was a decline in international reserves of US$81.8 million (Bank of Jamaica 1985). Furthermore, the external debt position of Jamaica continued to worsen over 1985. Total earning from exports in 1985 were only US$568.5 million whereas the total debt due for repayment was US$826.8 million. The actual repayment made of debts in 1985 amounted to US$485.5 million (Boyd 1988). This represents only 60% of the 1985 debt obligation, the remainder of which was rescheduled or carried forward into 1986.

The May 1985 Stand-by agreement was prematurely terminated in March 1986, at the end of the fiscal year. For the next ten months, the Jamaican government operated without an IMF agreement. During this time, the Seaga administration switched from applying the austere demand management policies implemented since 1983, to an emphasis on expanding economic growth. The 1986 budget saw total expenditures increase in real terms by more than 45%. There was an increase in subsidies geared to reduce basic food

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7 The following information on the 1986 Jamaican economy and the political motivations behind the policy changes comes from McBain 1990.
prices. Capital expenditure increased by 75%, mainly in the area of infrastructural work expenditure, which doubled between 1985 and 1987. An example of this is a three-fold increase in road work expenditures. These increases in expenditures were financed by savings from international oil price reductions which were not passed on to the Jamaican consumer, and by the increased revenue from the income tax reform and increase in consumption taxes implemented in the previous three years. The motivation behind these policy changes was an attempt to do well in the upcoming local government elections scheduled for July 1986 (McBain 1990). This last minute effort on the part of the Seaga administration was unsuccessful in the July 1986 elections and had an adverse effect on the operations of public enterprises. Even though the Seaga administration had been reducing the central government’s deficit, the public sector deficit had been increasing.

Expansionary Adjustment – Seaga/Manley: 1987-1989

This period began with a 15-month IMF stabilization programme extending from January 1987 to March 1988. It made US$132.5 million available to Jamaica (Bank of Jamaica 1987). The primary objective of this agreement was the improvement in the balance of payments in the context of relative exchange rate stability and low inflation. The exchange rate was stabilized at J$5.50 for the duration of
the 15-month agreement. The rate of inflation was to be held to 7%. To accomplish this, the agreement called for a ceiling on wage increases, the maintenance of price controls on basic goods, and a continuation of prudent fiscal and monetary policy. Additional measures were tariff reforms, tax rebates and the like which served to reduce the cost to firms of financing production. These measures supported the expectation that improvements in external accounts would come from an expansion in net service industry earnings, mainly tourism, a recovery in bauxite/alumina and other traditional exports, an acceleration of non-traditional export growth, and enhanced capital inflows (Bank of Jamaica 1987). The privatization of public enterprises continued throughout this period.

The year 1987 shows some improvements in the Jamaican economy. The GDP grew by 5.0%. Manufacturing, mining, and utilities registered increases in output of 10.8%, 7.6%, and 9.5% respectively over 1986 levels. The Bank of Jamaica annual report for 1987 reports that these increases in output were reflected in an increase in employment. The unemployment figure for October 1987 sat at 21.0%, the lowest in ten years. The inflation rate in 1987 was held at 6.7% as compared to 15.1% in 1986. In the external sector, the export value for 1987 rose by 14.3% (or US$84.0 million) while the imports increased by 25.5% to US$247.1 million. The current account deficit increased by US$88.6 million.
However, with the large inflows of net capital, the overall balance of payments showed a surplus of US$200.2 million (Bank of Jamaica 1987). In addition to sizable inflows of official capital, the inflows of net private capital increased, partly due to the government’s divestment programme for the public enterprises.

The calendar year 1988 included the successful completion of one IMF Stand-by agreement in March, and the negotiation of another one to commence at the end of September. This agreement was postponed before its commencement due to the massive and disruptive intervention of Hurricane Gilbert in early September 1988. The new IMF Stand-by agreement was signed in late 1988 and allotted US$106 million to Jamaica. The accompanying structural adjustment programme set a limit on wage increases to 10% (despite an anticipated inflation rate of 15% that year), increased the interest rate, constrained credit, and cut government spending (McAfee 1991). This programme aimed at securing substantial improvements in the foreign exchange reserves while fostering steady expansion in domestic output. This agreement was suspended when performance tests were failed in March 1989.

Throughout this period, the Seaga administration lost the support of the Reagan administration. Seaga was blamed by the international powers for not securing private sector-led growth in the Jamaican economy. Jamaica’s GDP was no
larger at the end of Seaga's term in early 1989, than it had been in 1980. Furthermore, despite paying out US$881 million to its foreign creditors, including US$349 million to the IMF, between 1986 and 1988, Jamaica's external debt stood at US$4.4 billion at the end of 1988 (McAfee 1991). More than half of Jamaica's debt, one of the highest per capita in the world, had been accrued by Seaga's government. Despite the fact that Jamaica's economic policy had been dictated virtually entirely by the IMF, Seaga lost the support of the United States and the IMF. These powers turned back to Manley with their support once Manley ensured them that his statist beliefs of the late 1970s were laid to rest (McAfee 1991). The deplorable social conditions in Jamaica translated into Seaga losing the Jamaican voters' support and Manley won the general election in February 1989.

A new IMF Stand-by agreement for US$65 million was negotiated and set to commence in May 1989 (McAfee 1991). The problems with the balance of payments were expected to be removed with new capital inflows and the clearance of debt arrears. When this did not happen the agreement was breached in three months. The Manley government announced several economic policy measures in September 1989. These included a freeze on credit at the level outstanding on August 31, 1989, and limited access and punitive interest rates for use of Jamaica's Liquidity Support Facility.
Despite these measures, the Jamaican dollar continued to devalue, reaching J$6.19 by October 1989 as compared to J$5.75 at the end of August 1989. At the end of October, the auction system was suspended and the exchange rate was set at J$6.50. There was an increase in inflation to 14.3% on an annual average for 1989 (Bank of Jamaica 1989). The 10% ceiling on wage increases remained in place to help contain increases in domestic production costs. According to the Bank of Jamaica annual report for 1989, there was a continuing loss in external competitiveness despite such measures. In the midst of this, the Manley government lowered the food price subsidies designed to protect the poor.

Other economic indicators continued to reflect a dismal picture. Imports increased by 27.0%, leading to a US$202.0 million deterioration in the trade balance (Bank of Jamaica 1989). The net inflows for 1989 fell below 1988 levels. Official loan inflows amounted to US$209.0 million but net outflows of private capital reached US$128.0 million. This led to a current account deficit of US$233.0 million with a deterioration of foreign exchange reserves of US$152.0 million for the calendar year (Bank of Jamaica 1989). One positive change was the fall in the rate of unemployment to 17.5%. However, it must be noted that this decrease was due in a large part to an absolute decline in the labour force due to migration and to the post-hurricane expansion in the
construction sector which created some 12,000 jobs (Bank of Jamaica 1989).

**Accelerated Economic Liberalization - Manley: 1990-1992**

A new IMF Stand-by agreement with Jamaica came into affect in January 1990, and was later revised in September 1990. At the end of January 1990, the exchange rate was devalued to J$7.00 and the monetary policies of the previous period remained in force. The revisions of the agreement in September allowed for a freer interplay of market forces throughout the economy. As dictated by the structural adjustment programme accompanying this agreement, government-owned assets were privatized at an accelerated rate; the administered floor on interest rates payable on savings was deregulated; price controls and subsidies were removed from a range of commodities in the energy and food sector; and the market for foreign exchange was decentralized and placed in the hands of the commercial banking system (Bank of Jamaica 1990). These changes, made in September 1990, were accompanied by a further depreciation in the exchange rate and adjustments to the prices of import products. By the end of 1990, the Jamaican dollar had depreciated to J$8.12.

The performance of the major productive sectors in 1990 seem to indicate some success with the goal of an export-led growth strategy. The bauxite/alumina sector maintained its
buoyancy in the international market, mainly due to a 29.8% increase in alumina exports over 1989 levels. The tourism sector showed a strong recovery during the 1989/90 season according to visitor arrivals. The manufacturing sector benefitted from some expansion in credit from the banking system. The performance in the agricultural sector was mixed with traditional exports showing improvements while the non-traditional exports showed varying levels of declines in output. The total level of exports increased by US$129.6 million or 13% over 1989 levels. With the level of imports growing only marginally by US$33.8 million or 2.2%, there was a narrowing of the trade deficit by US$95.8 million to US$476.6 million in 1990 (Bank of Jamaica 1990).

The year 1990 saw a current account deficit of US$327.6 million, up from US$268.0 million in 1989. However, the 1990 current account deficit was more than offset by net capital inflows of US$386.7 million. Consequently, the country’s overall net foreign exchange reserves improved by US$ 59.1 million. The rate of inflation increased to 21.9% in 1990, up from 14.3% in 1989 (Bank of Jamaica 1990). The major domestic factors contributing to this increase were adjustments in the exchange rate, the deregulation of prices on a number of commodities as well as adverse weather conditions which temporarily dislocated local food supplies. The “Food and Drink” subindex was significantly affected by these factors, increasing by 29.0% in 1990 following a 21%
increase in 1989. Similarly, the "Housing" category showed an increase of 38.5% in 1990 against 7.7% in 1989.

Upon the completion of the 1990/91 Stand-by agreement, which was revised in September 1990, a new 12-month IMF Stand-by agreement was put in place to cover the period up to June 30, 1992. With this agreement, a sum of US$59.0 million was made available to Jamaica (Bank of Jamaica 1991). This agreement sought the phased reduction of external commercial arrears, the moderation of inflation and exchange rate depreciations, and a strengthening of the capacity for economic growth. This programme also aimed for a reduction in the public sector borrowing requirements through increased revenues, more efficient public sector financial management and flexible management of money and credit policy.

In the year 1991, Jamaica's balance of payments showed a deficit of US$35.4 million compared to a surplus of US$59.4 million in 1990 (Bank of Jamaica 1991). This deficit occurred even though there was a reduction in the current account deficit to US$131.6 million from US$340.1 million. This 1991 result stemmed from a significant reduction in net capital inflows to US$96.2 million from US$399.5 million in 1990 due to a large reduction in official capital inflows. The trade deficit also narrowed by US$130.6 million to US$654.3 million in 1991. This occurred despite a drop in the value of exports of US$12.3
million below 1990 levels, since imports fell by US$142.9 million to US$1799.5 million. This year also saw drastic depreciations in the Jamaican dollar. It depreciated to J$8.61 in March 1991, to J$13.97 in mid-September 1991, and finally ending the year at J$20.91 by December 1991. This persistent depreciation in the Jamaican dollar, along with the decontrols of prices on basic food items and the imposition of new petrolcum taxes, led to an accelerated pace of inflation in 1991. The rate of inflation for 1991 was 51.1% on an average basis, compared with 21.9% in 1990.

The first half of 1992 witnessed deteriorating economic conditions once again. The trade deficit widened by US$5.1 million to US$111.6 million in the first quarter of 1992. This was due mainly to a decline of US$6.3 million in total exports with only a decline of US$58.1 million in the value of imports. The first six months of 1992 saw relatively high levels of interest rates, as is typically required in IMF structural adjustment programmes. Furthermore, with the intense foreign exchange liberalization process throughout this period, there were further drops in the exchange rate in the first quarter of 1992. The Jamaican dollar depreciated from J$20.91 per US$1.00 at the end of 1991 to J$28.86 per US$1.00 by mid-April 1992. However with significant injections of foreign exchange by the IMF and private sector-led supply initiatives announced on April 15, 1992, the Jamaican dollar appreciated to J$22.35 per US$1.00
by the end of June 1992. Despite any such improvements in the exchange rate, record levels of inflation were recorded during 1991 and the first half of 1992. The impact on consumer prices for the first half of 1992 was particularly marked for the "Food and Drink" and "Personal Clothing, Footwear and Accessories" categories which recorded increases of 32.1% and 45.5% respectively (Bank of Jamaica 1992).

Conclusion

The developments of the Jamaican economy throughout the 1950s and 1960s served to integrate Jamaica into international capitalism by increasing its dependency on foreign investment. Furthermore, in developing an economy which depended heavily on exports and imports, Jamaica left itself vulnerable to international economic fluctuations. The effect of this was felt in the 1970s with the onset of a world economic recession. In Jamaica during this period, economic growth halted, real incomes decreased, inflation became worse, unemployment increased, and the balance of payments recorded massive deficits. When the large inflows of private capital to Jamaica dried up during the recession, the Jamaican economy experienced a devastating blow. Jamaica was forced to scramble to find a source to replace the once plentiful private capital.

In desperation, Jamaica turned to the IMF for the
necessary financing. In 1977, Jamaica’s Manley administration signed an agreement with the IMF. From 1977 to 1980, the Manley administration and the IMF underwent extensive negotiations and signed two consecutive agreements. The state/IMF relationship during this period was stressed and conflictual since the IMF disapproved of Manley’s policies of redistribution and nationalism. Consequently, the structural adjustment policies the IMF imposed on Jamaica during this period were strict. These measures included a ceiling on wage increases, price liberalization, tax increases, the unification of exchange rates and currency devaluation.

With the Jamaican general election in October 1980, Edward Seaga and the Jamaican Labour Party took office and a new period of structural adjustment policies began. Seaga’s political ideology and open support from the Reagan administration in the United States made for a more cooperative and flexible relationship between Seaga and the IMF. The first IMF agreement of the period 1981-1983 was lenient in its structural adjustment policies for Jamaica, requiring no cuts in government spending and no devaluation of the currency while allowing price freezes. Furthermore, the period 1981-1983 saw an increase in resources granted to Jamaica from the IMF, resulting in a 73% increase in Jamaica’s debt. However, economic indicators during this time did not improve, with the trade deficit increasing, the
overall current account deteriorating and the growth in the GDP being minimal (averaging 2.02% for the period).

With the deteriorating economic indicators and the increasing indebtedness of Jamaica, the IMF imposed stricter structural adjustment measures for the period 1984-1986. This period saw increased interest rates, the lifting of price controls, tax increases, a reduction in public sector employment and services, and wage freezes. The Jamaican economy recorded its worst performance to that point. The trade deficit and the current account deficit both reached high levels, while Jamaica's external debt position continued to worsen. Furthermore, the deteriorating social conditions reached the point where Jamaicans held island-wide demonstrations to protest the deflationary policies. These protests found wide-spread support throughout the Jamaican people, with women groups playing a significant role in them.

While the IMF emphasized the need for Jamaica to improve its balance of payments during the 1987-1989 period, it recognized that this had to be achieved in an atmosphere which encouraged production. Consequently, the structural adjustment measures during this period included wage freezes, price controls on basic goods, tariff reforms, tax rebates for production, a stable exchange rate, and the privatization of public enterprises. While the GDP grew by 5.0% and unemployment fell to the lowest in ten years (still
21.0%), the current account deficit registered a large increase. By 1989, Seaga had lost both the support of the IMF and the United States due to Jamaica's poor economic performance, and of the Jamaican people due to the deplorable social conditions. In the Jamaican general elections in February 1989, Manley was returned to office, this time with a different political ideology.

The period 1990–1992 was marked by accelerated economic liberalization. Although there appeared to be some success towards export-led growth in 1990, with a reduction of the capital inflows in 1991, the balance of payments recorded a deficit once again. Furthermore, with the continuing depreciation of the Jamaican dollar, inflation reached record high levels in 1992.

The picture in Jamaica after fifteen years of IMF structural adjustment is no more comforting than before it. Two points become clear from this overview of Jamaica's experience with the IMF from 1977 to 1992. First, the state/IMF relationship plays an important part in determining the flexibility and lenience of the IMF. If the receiver government follows the IMF ideology and dictation, they are rewarded with increased resources and mild structural adjustment measures. If the receiver government strays from the IMF prescription and attempts to implement policies they see as best for their country as a whole, taking into consideration economic and social factors, than
the IMF "punishes" them with reduced levels of resources and strict adjustment measures. Such patronizing manoeuvres reduces the IMF's credibility as an agency capable of repairing national economies.

The second point which becomes clear from this overview of the Jamaican economy is that the IMF has proved itself ineffective at managing a country's economy. The Jamaican economy is no stronger and no more stable after fifteen years of IMF stabilization than before it. One wonders how the IMF supposes to improve a nation's economy through one or two year plans in the absence of any long range plan. Not only does the IMF fail to formulate a long range plan for its receiver countries, the nature of its conditionality on loans prevents the receiver governments from formulating and following their own long term economic recovery programmes. It is my suggestion that the IMF does not strive for sustained economic recovery of its receiver countries since it would not benefit either itself or the industrial nations which hide behind it. Therefore, there is a need for a change both in the way the IMF interacts with member countries and the types of policies it prescribes for them. The nature of such changes and some policy alternatives will be discussed in the conclusion of this paper.

This examination of the IMF's structural adjustment policies in Jamaica is necessary to understand the
intervening pressures brought to bear on the country and how the relationship between the state and the IMF shape the adjustment "outcome". However, it tells only part of the story. To fully understand the consequences of the IMF's structural adjustment programmes, we have to look at the effect on the people of the receiver countries. The next chapter will look specifically at how these structural adjustment measures translate into life conditions for specific Jamaicans, namely poor women.
In order to understand the effect that the International Monetary Fund's structural adjustment policies have had on poor women in Jamaica, we must take into account both the socio-cultural and the economic determinants which shape the lives of these women. Traditional and current cultural practices give rise to how the society and women themselves see women's roles; they sanction the discrimination and subordination of women; and they place restrictions on women's participation in economic affairs, in education, and in political power. Such socio-cultural determinants can then be seen in relation to the economic determinants generated by the structural adjustment policies. For poor women, these policies translate in everyday life into an acute lack of basic resources and a series of problems at work, within the family, in women's physical and mental health, in the way they use their time, in their personal security, and their own sense of personal identity (UNICEF 1989).

The experience of poor women in Jamaica is shaped by several historical factors including their African descent and the social organization of the plantation system under slavery. These two factors contribute to the current patterns of family structure in Jamaica and to women's
prominent productive role. The plantation system discouraged the maintenance of stable conjugal unions so the strongest familial bonds became those between mothers and children (Davies & Anderson 1989). With Emancipation, a range of family forms developed and still persist in Jamaica. Three types of household structures can be identified in Jamaica: i) stable union households, including legal marriages and common-law unions, ii) visiting union households, and iii) single-women households (Bolles 1983; Davies & Anderson 1989; Ellis 1986).

These historical determinants contribute also to the high cultural value placed by Jamaican women and by society in general on child-bearing and the expectation that mothering includes accepting the economic responsibility for the children. Consequently, the self-image of Jamaican women is that of both worker and mother, an outlook similar to that of African women (Davies & Anderson 1989; Ellis 1986). This contributes, in part, to the high rates of female labour force participation in Jamaica. It is important to note that in Jamaica a woman's child-bearing years are also years of continuous economic activity. Labour force participation rates for females in Jamaica do not show a significant labour force withdrawal during the child-bearing years, which is characteristic of many populations (Davies & Anderson 1989).

This long history of Jamaican women being identified as
both mother and worker has resulted in a contradictory position for women. While the long history of female economic activity is supported by official norms that specify the legal and formal equality of the sexes, strong patterns of female subordination can be identified (Davies & Anderson 1989). For example, while many women are the heads of households and single mothers bearing the majority of the economic responsibility for the household, they face persistent disadvantages in securing adequate employment. Furthermore, while many Jamaican women shoulder the brunt of the reproductive and economic responsibility for their households, social norms dictate that in female-male relationships, the male is dominant and the women must defer to him (Ellis 1986; Davies & Anderson 1989). Consequently, Jamaican women find themselves in a contradictory situation of formal equality and independence on one level but substantive inequality and subordination on another. It is within this socio-cultural context that poor women in Jamaica live their daily lives and attempt to ensure the survival of their families and themselves.

This chapter is organized around two main sections. The first section describes Jamaican women's life situations specifically in regards to their reproductive, productive, and community management activities. This section serves to illustrate the differences as well as the similarities between women in Jamaica depending on their individual life
situations. The next section examines the specific effects the IMF's structural adjustment policies have on women in Jamaica, given these specific situations. This discussion is organized around the three roles women perform in society - their reproductive, productive, and community management roles.

The Situations of Jamaican Women

As in any society, the day-to-day experiences of women in Jamaica are shaped by numerous factors including their familial responsibilities, occupational opportunities, and the demands of their communities. These factors, themselves, are shaped by such characteristics as a woman's class, ethnicity, and her stage in the life cycle. In Jamaica, the first two characteristics, class and ethnicity, are intertwined in that ethnicity still determines class to a large degree (Ford-Smith 1989). The personal, educational, and occupational opportunities available to women are largely determined by these characteristics. Consequently, it is imperative to consider the differences in women's experiences and to be sensitive to the added burdens that poor, women of colour in Jamaica must shoulder.

This section examines the experiences of Jamaican women in the reproductive, productive, and community management spheres of their lives. This examination serves to illustrate the general life conditions of Jamaican women in
order provide a basis upon which the effects of the structural adjustment policies can then be seen. Although the discussion divides women's lives into reproductive, productive, and community management activities, this is an artificial division I employ in an attempt to make the text more manageable. In truth, many of women's activities fall into more than one of these categories at once, if not all three of them. With this said, the discussion moves on to examining Jamaican women's life situation.

Reproductive

An important factor determining the day-to-day reproductive experiences of Jamaican women is the type of household structure they live in. A number of distinct household structures can be identified in Jamaica: i) stable union households, ii) visiting union households, and iii) single-women households (Bolles 1983 & 1985; Ellis 1986; Davies & Anderson 1989). The stable union households include legal marriages and common-law unions and are organized around the nuclear family, possibly including a few extended kin. Typically, this household structure has two wage earners, the woman worker and her husband/partner. A visiting union household is headed by a woman who has a steady visiting partner and includes many extended relatives such as siblings, cousins, nieces, and nephews in residence. Single-women households are headed and/or solely supported
by women who are without male mates and include a large number of extended relatives. Although exceptions do exist, typically in both the visiting union and single-women households, the female household head is the only wage earner, however the extended kin in these residences participate in various types of informal economic activities (Bolles 1983). Female-headed households comprised 39% of all households island-wide and 45% of all urban households in Jamaica in 1985 (Davies & Anderson 1989).

There is a distinction in the allocation of reproductive duties (i.e. food shopping, cleaning, cooking, child-care, etc.) between those household types. In the stable union household, the woman performs the bulk of the reproductive chores alone in addition to being employed. In the visiting union and single-woman households, the reproductive chores are shared with the other relatives in residence (usually female). In addition to full time employment, the female household heads perform one or two household duties (i.e. shopping or cooking) while the rest are carried out by other household members (Bolles 1983).

Various studies (Bolles 1983; Davies & Anderson 1989) carried out in Jamaica have correlated household structure and function to the high rates of unemployment. In communities with an unstable economic base, greater responsibility for the maintenance and support of the family falls on women, with only sporadic assistance from the
males. This is especially true in those areas where males experience high unemployment rates such as low-income urban areas and rural areas with an unstable economic base. Consequently, while males may acknowledge financial responsibility for their children, their economically marginal position in these areas prevents them from contributing significantly to the upkeep of their families (Davies & Anderson 1989). Furthermore, the high rate of unemployment affects the visiting union and single-woman households in an additional way since individuals who can not obtain long-term, formal-sector employment tend to be incorporated into these households (Bolles 1983). These extended kin contribute to the household by performing the reproductive duties and by engaging in informal sector activities.

A crucial activity undertaken by households in Jamaica is the maintenance of an extensive domestic network of exchange (Bolles 1983; Davies & Anderson 1989). This domestic network includes family and close friends who live near by and those living some distance away. Family members and friends make regular visits which facilitate a constant flow of goods and services. A family member may exchange goods they purchased at a discount at their work place for child-care or some other service from a kin who does not have access to such goods but has time available. Similarly, rural friends and family members would provide
their urban kin with fresh fruit and vegetables in exchange for goods in short supply in the countryside. These reciprocal exchanges within the domestic network serve to compensate for the shortcomings of the wider economic system. The less the required goods and services are available in the formal economy or the fewer resources a household has to obtain them, the more time and energy household members must put into this domestic network of exchange.

Productive

The high rate of female-headed households and the cultural expectation of mothers to take on the financial responsibility of their children, has led to high rates of economic activity among women in Jamaica. Economic activity rates for all females aged fourteen years and older in Jamaica was 31.0% in 1989, comparable to 44.1% for males (ILO 1991). The economic activity rates for female household heads was 81.9% and 81.0% for females whose partners were household heads in 1985 in Jamaica (Davies & Anderson 1989). These rates are close to the economic activity rates for male household heads, 91.8% in 1989. Furthermore, women comprised 46.2% of Jamaica's labour force in 1989 (ILO 1991). However, despite their long history of economic activity, Jamaican women find their employment opportunities constrained to a narrow range of occupations.
The cultural attitudes which stereotype Jamaican women in service and support roles are reflected in women's concentration in the teaching and health profession, in mid-level white-collar occupations, and in low level service jobs such as private domestic work (Davies & Anderson 1989). In 1989, 40% of all economically active females were in community and social service (ILO 1991). Women comprised 58% of the professional, administrative and managerial occupations, although this was concentrated in the lower level positions (ILO 1991; Sinclair 1988). Of all service workers in 1989, 68% were women (ILO 1991). In recent years, new employment opportunities have opened up for women in the manufacturing industry working in factories in the Free Trade Zones.

No examination of Jamaican women's productive activities would be complete without giving consideration to the informal sector. Women with little or no formal education or training are most affected by the high unemployment rates in the formal sector. The informal sector has been the most important source of income for the majority of these women (Lagro & Plotkin 1990). One common activity is petty trading or "higglering", comprising 70% of the informal sector (Kirton 1992). It is estimated that 93% of hugglers are women, and that 10% of the population of Jamaica are directly supported by such activity (Lagro & Plotkin 1990; ECLAC 1991A). A portion of the hugglers or
Informal Commercial Importers' travel overseas to countries such as Panama, United States, Cayman, and Haiti with Jamaican products to trade in exchange for consumer goods with which they return to Jamaica and sell. It is estimated that this type of petty trading contributes to 60% of Jamaica's domestic economy (Sinclair 1988). However, for the women working in the informal sector, the income is meagre and uncertain and the working conditions are harsh and, at times, dangerous.

The high concentration of women's work in the service and informal sectors leads to several disadvantages for these workers. Aside from the typically low wages and poor working conditions in these sectors, this occupational distribution has meant that a smaller portion of women workers is unionized than male workers. Furthermore, even fewer of the leadership positions within these unions are held by women, on average 5% throughout the 1980's (Seager & Olson 1986). Consequently, there is less official support protecting women workers and ensuring they receive fair wages, safe working conditions, and that the employment legislation which is in place is upheld. Although Jamaica has sex discrimination and equal pay legislation, the enforcement of such legislation cannot be assumed. Furthermore, the law itself is biased in that the national minimum wage in Jamaica in January 1985 (set at $1.50 per hour for an 8-hour day and $3.00 per hour on rest days and
holidays) excluded paid domestic household workers (Sinclair 1988). The minimum wage set for these household workers, who are almost exclusively women, was $1.30 per hour for an 8-hour day and $2.60 per hour on rest days and holidays (Sinclair 1988). The combination of occupational distribution and discriminatory wage practices have resulted in a situation where women earn, on average, J$68 per week to men's J$86 per week (Ford-Smith 1989).

Another problem facing women in the labour force is the high rates of unemployment. Female unemployment rates are consistently higher than male unemployment rates. In 1987, female unemployment rates averaged 31% while male unemployment rates sat at 13% (Sinclair 1988). In 1989, 70% of all unemployed workers in Jamaica were women (ILO 1991). The chronic nature of the female unemployment problem is demonstrated by the fact that, in 1985, 80.9% of unemployed females had either never been employed or had been employed for less than one year (Davies & Anderson 1989). A further disaggregation of the female unemployment rate by age reveals the severity of the unemployment problem for women in Jamaica. Unemployment is most severe for women aged 14-19 years, sitting at a horrific 78.6% and for women aged 20-24 years, at a staggering 58.6% (Davies & Anderson 1989). The severity of the unemployment problem of young women is amplified when one considers that 40% of women aged 14-19 years have already had one or two children (Sinclair 1988).
When examining women's employment situation in Jamaica, it is possible to distinguish between various groups of women. Poor urban women are constrained to manufacturing or service jobs that provide only low paying, unstable employment while poor rural women suffer underemployment in agriculture. The alternative for both of these groups is the uncertain informal sector. While female unemployment in the cities is slightly higher than in rural areas, male unemployment in the cities is more than double that in the countryside. Therefore, in addition to being constrained in low-paying manufacturing and service jobs and having extremely high rates of unemployment, poor urban women in Jamaica are less likely than their rural sisters to receive any assistance from an employed male in the financial support of their family (Davies & Anderson 1989).

Community Management

Women in Jamaica, like women throughout the Caribbean, have a long tradition of being involved in community management. Women's organizations and programmes have been concerned with a large variety of issues. Traditionally, women's organizations were concerned with social welfare issues, initiating programmes in family planning, consumer education, child care and the like. In the last two decades, these women's organizations have included a focus on improving the social and economic status of women. Also,
although they are under-represented in political power positions, women have long been an active political force participating in the movements to end slavery and colonialism, and more recently fighting for women’s participation in the national development of their country. A third type of community involvement which women actively participate in are income generating projects aimed at alleviating women’s disadvantages in the economy.

Jamaican women’s community management role has long been concerned with social welfare issues. In this role, women provide community services which are necessary for the operation of the communities and the country at large, but which would otherwise be lacking. Such initiatives include programmes for family planning, child care, consumer education, youth work, and work with the handicapped. The continued efforts to promote the family planning services in Jamaica resulted in 39,000 more persons visiting the family planning centres in 1989 than in 1988 (ECLAC 1991B). These efforts generally compensate for the shortages of government sponsored education, health, and welfare programmes. Often, these women’s organizations compensate for the most basic infrastructural resources. One example is a rural women’s organization which worked successfully to get water brought into its community (Ford-Smith 1989).

A prominent form of women’s organization is those focused on improving the social and economic status of
women. An important part of this effort is promoting a more positive self-image and wider life and career choices for women (ECLAC 1991B; Antrobus 1986). Examples of these programmes include continued education programmes for teenaged mothers and business management training for women (ECLAC 1991B). These women's groups are sensitive to all areas of women's lives, such as the efforts of a group called Friends of Sistren which produced and distributed a booklet called No to Sexual Violence in an attempt to raise awareness of violence against women (Ford-Smith 1989).

Jamaican women have a long tradition of political activity. Jamaica was the first Caribbean country to establish an Advisor on Women's Affairs and a Women's Bureau within their government in 1974 (Antrobus 1986; Ford-Smith 1989). In this time period, the women's arm of the ruling People's National Party (PNPWM) had mobilized and organized large numbers of women in support of reforms (Ford-Smith 1989). From the mid-1970s onward, women have been a vocal lobby in fighting for the rights of the Jamaican people. Alliances between the women's arm of various political parties strengthen their voices and broaden their support base so that they are a significant force.

An important type of community project is those devised for the purpose of generating an income for their participants. These programmes exist in both rural and urban settings. They may take the form of an agricultural
cooperative which produces food for local consumption, or they may produce goods for sale in the larger market. In any case, women, as the main providers for their families, are vital participants in such income-generating projects. One example of an income-generating project started by women in rural Jamaica is presented in Harris (1986). This programme incorporated three villages and involved making and embroidering straw products, manufacturing garments and household articles, and baking products for sale. The project served to provide these women with additional incomes, new skills, and an increased awareness of the socio-economic factors at work locally, nationally, and internationally.

An example of a women's organization which encompasses all of the previously discussed purposes is the Jamaican women's popular theatre collective, Sistren. Sistren began in 1977 as a voluntary part-time recreational drama group. Over the years, it has grown in size and function so that it currently offers an educational service to women and men on gender issues in Jamaica; initiates and participates in campaigns to improve the situation of women; and performs popular theatre, produces a magazine, conducts and publishes research on Jamaican women's issues, and prints and sells T-shirts and wall hangings (Ford-Smith 1989). In regards to its own members, Sistren provides incomes and builds the skills and consciousness of the women participating in it.
Through their theatre, Sistren provides a forum for the problems of working-class women and in doing so pressures for changes for women (Ford-Smith 1989).

Given Jamaican women's situations in the home, labour force and community, the structural adjustment policies imposed by the IMF affect women in specific ways. The next section examines the various ways in which women are affected in their reproductive, productive, and community management roles.

The Effect on Women's Multiple Roles

The effects of the IMF's structural adjustment policies have invaded every area of women's lives. The endless policies of devaluation, removals of subsidies on consumer goods, divestment of government enterprises, decreased government expenditures, wage freezes, and numerous other measures have translated into severe hardships for the Jamaican population. Women, as the reproducers of society, producers and community managers are over-burdened by the adjustment measures in each of their three roles.

In their reproductive role, women must compensate for the increased cost of living and the decreased household resources, and the inability to obtain utility services, adequate housing, and social services because of these factors. In regards to women's productive role, the
structural adjustment policies have resulted in a shift away from secure employment in the public and social service sectors to uncertain low-paying employment in the manufacturing and informal sectors where women are subject to increased exploitation. Also, the structural adjustment policies have created additional problems for working women such as inadequate public transportation, work stoppages in factories, and a lack of child care facilities. The effects of the structural adjustment policies reach women in their community management roles in that this work becomes all the more imperative for the communities' survival when resources become so scarce. At the same time, the political climate which accompanies the IMF's involvement in Jamaica discourages the survival of these community groups. Consequently, women, in all three of their roles, have become over burdened, over worked, and over stressed because of the IMF's structural adjustment policies.

Reproductive Role

The effects of the structural adjustment policies pursued in Jamaica since 1977 are readily demonstrated in an examination of the social and economic conditions under which the Jamaican population is forced to exist. The policies of devaluation, removal of subsidies on basic items, decreased government spending on social services, divestment of government enterprises, and other such
policies result in drastic increases in the cost of living and shortages in the required goods and services. Women, as the reproducers of society, bear a disproportionately heavy burden in compensating for shortages of everything from food to housing to health care. Thus women find themselves working longer hours and expending more energy to ensure the survival of their families.

One of the most harmful results of the structural adjustment policies applied in Jamaica has been the drastic increase in the cost of living (Boyd 1988; Davies & Anderson 1989; Kirton 1992; Girvan et al. 1990; George 1988; Sinclair 1988; Bolles 1983). With the index base being 1980=100, the Consumer Price Index (CPI) has risen every year reaching 283.9% in 1988, and rising again by 139.4% in 1990 with the index base at 1988=100 (ILO 1991). The CPI incorporates the price increases for a wide variety of consumer items such as food, housing, the cost of utilities, and clothing. An examination of individual indices demonstrates that drastic price increases hit all areas of the economy. With the index base being 1980=100 in all cases, the Food Index increased by 292.3%, the Fuel Index increased by 287.0%, the Clothing Index by 261.6%, and the Rent Index by 211.5% by 1988 (ILO 1991).

These price increases were caused by several of the structural adjustment policies. The policy of devaluation had a significant effect because of Jamaica’s dependency on
imports (Sinclair 1988; Davies & Anderson 1989; George 1988). Every time the Jamaican dollar fell in comparison to the US dollar, the local prices increased for a wide range of goods and services, including basic foods, because of the high import content. An additional indirect effect of the devaluations was increases in the rates charged for public utilities since the capital development of the utilities was financed by external loans. Consequently, higher consumer rates were charged to compensate for the higher debt servicing charges, as more local currency was needed to repay the same external debt following a devaluation (Sinclair 1988; Davies & Anderson 1989). Furthermore, many consumer goods were affected by the removal of subsidies and price controls, resulting in additional price increases. The regular structural adjustment policy of decreasing government expenditures meant that consumer rates for utilities, such as water and electricity, increased to compensate for less government spending in these areas (Boyd 1988).

The deterioration in the living conditions of the Jamaican people is more evident when we look at a comparison of the weekly minimum food costs and the weekly minimum wage earnings. In June 1979, the cost of a basic set of meals for a family of five was J$24.27, and the weekly minimum wage was J$26.40 (Davies & Anderson 1989; Boyd 1988; Girvan et al. 1990). This meant that the weekly minimum food costs
required 91.9% of the weekly minimum wage. In July 1985, the cost of a basic set of meals had increased to J$128.43 while the weekly minimum wage had increased to only J$52.00. This meant that the weekly minimum food costs were now 274.00% of the weekly minimum wage, or in other words, the weekly minimum wage could purchase only 40.5% of the weekly minimum food requirements (Davies & Anderson 1989; Boyd 1988). More recently, in June 1990, the weekly minimum food costs had risen to J$220.00 while the weekly minimum wage increased to J$120.00 (Kirton 1992). Although this is a slight improvement, the weekly minimum wage still purchases only 54% of the basic food requirements.

This desperate situation means that more households have inadequate resources to purchase even the most basic necessities. It is women, in their "household manager" role who ultimately are left with the task of compensating for the shortages (Sinclair 1988; Bolles 1983). In her study of 127 working-class women in Jamaica, Bolles found that the women were directly responsible for the major household expenditures in 84% of the visiting union households, 81% of the single-woman households, and 63% of the stable union households (Bolles 1983). Consequently, as part of their reproductive role, women are forced to find ways to make the household income stretch as far as possible. This is attempted through increased time and energy spent on shopping for bargains, replacing convenient food with more
time consuming meals, and maintaining domestic networks to obtain the required goods in alternate ways.

The increase in the costs of utilities meant that fewer households could afford them. Often these utility rate increases were sudden and drastic. For example, in 1983, electricity rates increased by 116% in a three month period (Sinclair 1988; Davies & Anderson 1989). Similarly, water rates for Kingston and St. Andrew increased by 218% between September 1984 and October 1985 (Davies & Anderson 1989). In 1989, approximately 33% of Jamaican households got their drinking water from a piped indoor supply, 40% had access to outside taps, and the remaining 27% used rainwater and natural sources (Kirton 1992). Furthermore, while 60% of the wealthiest 20% of households had indoor taps, over one-third of the poorest 20% of the households obtained water for domestic use from rainwater or natural sources such as rivers and springs (Kirton 1992). Similarly, only 30% of the poorest 20% of Jamaican households have electricity while 90% of the wealthiest 20% of households have it (Kirton 1992).

As we see, the poor households are less likely to have access to the utility services. Furthermore, as rates increase more households find themselves in this situation. Once again it is women, who are the main users of these services, who are affected most directly by the lack of such services (Sinclair 1988). The work load of poor women
increases when they have to compensate for these shortages. For example, instead of turning on a tap to get water to cook or clean with, they have to carry the water from an outside supply, sometimes from a considerable distance. Similarly, poor women do not enjoy the luxury of the wide variety of electrical appliances that lighten the workload of middle- and upper-class women when they can not afford even the electricity. An additional burden on poor women, when access to safe water is not available, is the increased illnesses in their families, especially since "unsafe" drinking water is one of the major causes of infant diseases in developing countries.

The structural adjustment policies have affected the housing situation in Jamaica. The required cuts in government expenditures have resulted in a decrease in the capital expenditures on housing, falling 11% from 1982 to 1985 (Boyd 1988). Also, the consecutive devaluations of the Jamaican dollar meant that the imported construction materials increased in cost. Furthermore, the increases in the interest rates dictated by the structural adjustment programmes meant that the cost to buy a house saw a drastic increase (Kirton 1992; Boyd 1988). There was a particularly high demand for low-income housing which was not met. All of these factors contributed to exuberant increases in housing rents, forcing many families out of their homes and into ghettos, shantytowns and overcrowded conditions.
Consequently, there has been an increase in the number of 'squatter' settlements consisting of makeshift homes on illegally acquired land, and which lack any infrastructural services (Kirton 1992). Since the government has no alternative to offer these low-income households, these settlements are tolerated.

It is obvious that any household existing in this fashion suffers disproportionately more than the rest of society. However, with women-headed households comprising 45% of the urban areas and being over-represented among the poor, it can be assumed that women-headed households make up a large portion of those without adequate housing. In these squatter towns, any infrastructural services, such as electricity and safe water, are usually lacking and individuals are hesitant to improve the conditions of their dwellings since they live with the constant threat of being run off the land. The overcrowding and lack of adequate sanitation and safe water in these areas require that women work harder to maintain their families' wellbeing. Also, in all likelihood, it is these same women who have to deal with higher incidences of illness among their families due to these conditions.

Another area which is affected by the structural adjustment policies is the provision of social services, such as public health. When the structural adjustment programmes require the government to reduce its
expenditures, subsidies to social services are reduced or eliminated (Kirton 1992). The real expenditures on social services were cut by 41% from 1976 to 1986 (Girvan et al. 1990). The structural adjustment policies encourage also the privatization of social services. Both of these measures result in higher prices charged for these services, thereby reducing their access to the poor. The public health sector in Jamaica has deteriorated due to the adjustment policies. The public sector doctor/population ratio has fallen from one doctor for every 3,000 persons in 1980 to one for every 5,200 in 1989 (Kirton 1992).

There exists the situation where the availability of public health care is reducing, fees for these deteriorating services are increasing, and the more costly private health care is expanding. This situation results in an increased workload for women, as they are primarily responsible for the wellbeing of their families (Sinclair 1988). Not only do poor women have to compensate for the health services their families can no longer afford, more effort must be put into obtaining health care in the form of travelling longer distances and waiting longer in lines for care. Even when they can access a hospital, patients must frequently provide their own linens and food since hospital supplies are increasingly unreliable and poor (Boyd 1988).
Productive Role

The structural adjustment policies in Jamaica have strongly affected women in their productive role. Women's employment in Jamaica is concentrated in the teaching and health professions, in mid-level white-collar jobs, and in low level service jobs. It is these areas of employment which have been particularly affected by the structural adjustment programmes. Consequently, there exists a situation where the economic crisis is forcing more women to secure work outside of the home, while at the same time reducing the formal sector job opportunities available to women.

In requiring the government to reduce spending, the structural adjustment policies dictate that the government reduces public sector wages and overall employment. In fact, the public sector in Jamaica has suffered disproportionately high amounts of lay offs (Davies & Anderson 1989). The IMF's structural adjustment programmes regularly required slashing public sector jobs, such as 11,000 lay offs in 1980 and 6,200 in 1984 (George 1988). The Local Government System has been severely affected with the closing of departments and all important tasks being transferred to Central Government Departments (Sinclair 1988; Davies & Anderson 1989). It has been these public sector jobs that offered women higher paying, more stable employment in mid-level white-collar jobs. Even so, women
are concentrated in the lower levels of the public sector and bear the brunt of the lay offs when they occur.

A continuation of this problem is the effect the structural adjustment policies have had on the employment in Jamaica's social services. The need to reduce government expenditures has led the government to reduce spending on education and health. Consequently, schools and hospitals have been hard hit with partial or total closures and drastically reduced operating budgets for those remaining open (Sinclair 1988; Davies & Anderson 1989; Kirton 1992). Consequently large numbers of teachers, nurses and other support staff found themselves unemployed. In 1989, 30% of all unemployed women in Jamaica identified their previous occupation as in the social services (ILO 1991). Those who are not laid off are subject to pay freezes and deteriorating working conditions which prevent them from subsisting on that employment alone.

While the employment opportunities decreased in the public sector and social services, there was some expansion in the manufacturing jobs available. The factories in this sector often actively recruit young women for employment. Employment in this sector is characterised by low wages, unstable employment, few benefits, harsh working conditions, and a stressful pace of work (Davies & Anderson 1989; Sinclair 1988). Consequently, studies have concluded that an expansion in employment opportunities for women in
manufacturing, such as those in garment factories, is unlikely to raise the status of women and more likely will have a negative impact on the families of these workers (Davies & Anderson 1989).

The one sector which is absorbing the majority of the increasing unemployed and underemployed women is the informal sector. Left with no other alternatives, more women are forced to earn an income in the informal sector through higglering. Although this type of economic activity has enabled many women to maintain their families when no other way was available, this type of work is uncertain and often hazardous.

This examination of the effect of the structural adjustment policies on women's employment opportunities in Jamaica has demonstrated a shift in employment opportunities between sectors. There has been a reduction in the number of opportunities in the public sector and social services, while survival is increasingly sought in the manufacturing sector and, more so in the informal sector. Consequently there has been a shift from employment that is regulated and offers some degree of worker protection to sectors that provide no worker protection and encourage high rates of worker exploitation (Davies & Anderson 1989). As a result, women's employment situation shows a frightening deterioration to the point where their livelihood and their personal safety is questionable.
Aside from changing the face of female employment in Jamaica, the structural adjustment policies have affected working women in a variety of other ways. A common measure contained in the structural adjustment programmes is wage freezes or wage reductions. As I have discussed, women in Jamaica are concentrated in low-level wage earning sectors of the labour market. Consequently, the measure to restrict the minimum wage legislation in particular, affects women disproportionately hard. An example of this was to exclude domestic workers from the main minimum wage category and set an additional lower wage for this type of work, which is predominantly performed by women. The same harmful effect applies to many sectors in the economy since women invariably occupy the lower rungs of most occupations.

Jamaican women are finding expanding employment in the manufacturing sector working in factories. Aside from the low wages and deplorable working conditions in these factories, women suffer an additional disadvantage in this employment from the structural adjustment policies. The devaluations called for in the structural adjustment programmes mean that imported inputs for the manufacturing factories increase in cost and the high interest rates on loans at the banks prevent financing. This, coupled with the perpetual shortage of foreign exchange in Jamaica, results in shortages of the required inputs which allow these factories to continue operations. Consequently, these
factories are subject to work slow-downs or stoppages while they wait for the required inputs. Thus, women working in these factories lose pay when the operations are interrupted by the inability to afford imported materials. Often, the meagre income these women earn does not give them any leeway for missed income from these shutdowns. Thus, these women are left scrambling to make up for the shortage of pay.

When the structural adjustment programmes call for the government to decrease expenditures, one of the areas affected is the public transportation sector (Davies & Anderson 1989; Kirton 1992). With the divestment of the public transportation service, the system has become chaotic. There is an estimated 30% shortage of bus seats in the capital, Kingston, and its surrounding areas (Kirton 1992). Furthermore, in allocating routes to private minibus owners, some routes are well serviced while others are neglected. Children, who are charged half the fare of adults, are "last resort" passengers and are often refused service to accommodate the higher paying adult passengers (Davies & Anderson 1989; Kirton 1992). Consequently, the buses are overcrowded and operate under unpredictable, unreliable schedules. Workers dependent on the public transportation system lose time and energy travelling this way, and are in constant danger of arriving late to work. Women workers are impeded by this situation, especially in low-level service jobs and factory jobs where employers make
a practice of sending workers home if they arrive late for their shift.

The structural adjustment measures which require the government to reduce its expenditures affect the provision of social services, as I discussed above. One of the services which becomes scarce is child care provisions (Sinclair 1988). The scarcity of child care is a great barrier to working women since they are responsible for the provisioning of the child care even if they have a partner in residence. Thus working women are forced to find alternate care for their children when day cares are not available or increase their rates beyond what the women can afford. Often, other female relatives or friends step in to care for the children as part of the reciprocal exchange of goods and services.

Community Management Role

The IMF’s structural adjustment policies have had several general and specific effects on Jamaican women in their community management role. In general, the lack of resources and services caused by the structural adjustment measures has meant that women’s community management work has become an increasingly vital component of a community’s survival. Consequently, women are forced to put more time and effort into community projects. When the government reduces spending on infrastructural and social services it
is the community projects which fill the void. An example of this was the women’s organization which worked to have a water supply brought into its community. Likewise, when living conditions in the country reach the point where the people can not survive any more adjustment, it is these groups which rise up in opposition to the economic policies. One example of this comes from 1980 when consumer products in Jamaica were in short supply because of the adjustment measures. The women’s alliances of political parties put their energies into campaigns for the provisioning of basic food items and the policing of the distribution of essential commodities (Ford-Smith 1989).

While increasing the need for these community projects, the political climate which has accompanied the IMF’s structural adjustment programmes has discouraged their survival. In order to maintain an amicable relationship with the IMF, the Jamaican government must espouse a specific political ideology. It is one which discourages workers’ cooperative and community enterprises (Ford-Smith 1989). Since the Seaga government took office in 1980 and the alliance was strengthened with the IMF, programmes aimed at building up popular power have been dismantled and support has been withdrawn. Thus, while providing fewer services and resources to the people, the politics of the IMF makes it more difficult for these community groups to provide for themselves.
The experiences of Sistren provide a valuable example of this process. Sistren began at a time when the left-leaning social democratic Manley administration was in power and state facilities were opened up to grassroots people (Ford-Smith 1989). This was just before the IMF stepped into manage Jamaica’s economy. By 1980, the Seaga government took over office with the IMF’s support and the national priorities reversed. The policies of the IMF dictated local policy. Almost immediately the women’s organizations, which had been allied to the Manley government, lost all support and with it went their networks and campaigns (Ford-Smith 1989). Sistren was declared subversive and was banned from television and radio in Jamaica. This process affected many community groups throughout Jamaica at the time and many did not survive it. Fortunately, Sistren successfully fought for its existence, but the battle it was forced to wage is one more legacy the IMF has left Jamaican women with.

Conclusion

This chapter can best be summarized by the women who struggle to survive from day to day under the burden of the IMF’s structural adjustment policies in Jamaica, and the women and men who work with these women.

Murtle Lewinson, a former worker in the Jamaican Free Trade Zone, shares her comments on two of the problems women
face in their reproductive role:

...The worst thing right now is the high prices. Take milk, for example. Condensed or powdered milk is essential if you have children, to make porridge and other things. A pack of milk used to cost 50 cents, now it’s four dollars, and a tin of milk used to be 5.59 but now it’s 10.50 at the lowest. So when you go to the supermarket at the weekend your little pay can’t buy much. By Monday or Tuesday you don’t have anything left. You’re frustrated, you don’t know who to turn to, you don’t know what to do. We’ll soon be having real malnutrition problems, because our pay just can’t buy food any more.

Housing is a major problem. The houses they’re building are called low-income housing, but nobody in our financial situation can have a house like that. Right now they have a housing scheme in an area next door to me. It’s supposed to be low-income, but you have to pay 40,000 dollars to get one. You have to do it through the bank, and pay something like 1000 dollars a month. Where would someone who’s working for 150 dollars a week get that sort of money? Not even nurses, policemen or teachers can afford that.

(rg. 57-58 in Kirton 1992)

In fulfilling their productive role, women are being increasingly forced into the manufacturing and informal sectors. Sharon Grey discusses her experiences working in the Jamaican Free Trade Zone:

...I started working in the Free Trade Zone for 120 dollars per week... We got a ten-minute break, and as soon as you got a cup of tea or soup you had to go back. Sometimes you had to throw it away. Lunch was half an hour, and you had to stand in line to buy your own lunch, since they provided nothing. You had to pay your own transport fares as well, and when the prices go up you just have to pay in order to reach your work. If you’re late, they send you home, they clock you out, they say ‘listen, don’t bother, go home’. So you have to start at twelve o’clock and you miss half a day’s pay. You just have to be here, it doesn’t matter how far you’re coming from. If there’s a day when you have a transportation problem, they say ‘it’s not our
problem. If your machine breaks down, you have to stay an extra half hour. People faint over their machines sometimes, it's so hot and full of dust.

(pg. 56-57 in Kirton 1992)

Dunstan Whittingham, the General Secretary of the Jamaican Vendors, comments on the higglers in the informal sector in Jamaica:

...So the wholesaling has helped a lot of people who were unemployed, underemployed or unemployable to find work. Neither the government nor the private sector is in a position to create that number of jobs. In this trade there are doctors, lawyers, policemen, soldiers, teachers. They do both their formal work and their informal work, because although they are employed their wage cannot carry them. The flock of higglers you see today comes from unemployment. A big number started with the IMF crisis in the late 1970s when there were a lot of redundancies.

(pg. 63-65 in Kirton 1992)

Daphne Binns, a community animator near Montego Bay, stresses the need for community management programmes:

...There needs to be more education about family planning. Many men may have two or three girlfriends and they get them pregnant. Then they move to another area, and the women have to be both mother and father towards the children without any help, and that's very hard for them. So you have a whole lot of unwanted children on the street, who sometimes turn into criminals.

Single mothers like those do day work, wash clothes for other people perhaps. They might make 50 dollars, which isn't enough to buy food, buy clothes or pay rent. It's really rough. Only God knows how they survive. The programme I'm working in shows them how they can be self-employed, how they can help themselves and their children to go to school. We do dress-making, embroidery, crochet, stuffed toys and all these things. We charge them 10 dollars a month for the training, and what we do with the money is to pay someone to look after the women's children while
they're training. Sometimes the women can't find the money, but we don't turn them away. We make them feel just at home as the ones who can pay. We just want them to achieve something. (pg.59 in Kirton 1992)

The women enduring the crisis situation in Jamaica since the late 1970s are fully aware of the role the IMF played in creating the current problems. They have their own opinions of what is required to improve the situation for the Jamaican people.

Murtle Lewinson shares her insights into the cause of the current economic problems:

...The problems really started in the late seventies and early eighties. We started borrowing and depending on borrowing. In the seventies we used to be more self-sufficient. We had a lot of farming. We used to have this company that took the food from the farmers, the AMC. When the other party came in, they closed down the AMC and the farmers got frustrated and stopped planting. So from the seventies through the eighties there's been chaos because of borrowing all that money. We don't know where all that money went. We're not benefiting from the loan. (pg.58 in Kirton 1992)

Luris Gayle, Delzie Murray, Donna Kerr and Hyacinth Allen, community and health workers in Jamaica, offer their opinions on how to improve the situation in Jamaica:

The crisis will never get better until we stop borrowing. People will have to learn how to become more self-reliant, more self sufficient. Only that will help them. And if the people decide that we don't want the IMF any more, and we want to develop on what we have, it can get better, it can change. But with the IMF, I don't see a way out. Many of the things we need, like foodstuffs, we can produce right here. We have a lot of resources. We have a lot of people who
just sit around doing nothing because we cannot pay them. We also have the land. (pg.50 in Kirton 1992)

This examination of the effects that the IMF's structural adjustment policies have on women in Jamaica is illuminating and alarming. However, a large part of the purpose of this research would be lost if there was not some attempt to examine alternate economic policies which would stabilize the Jamaican economy while allowing the Jamaican people to prosper. The final chapter presents some of these alternatives.
Chapter VI

POLICY ALTERNATIVES AND CONCLUSION

The International Monetary Fund's main goals have been to liberalize world trade and ensure international liquidity. To accomplish this, the IMF has devised a standard package of structural adjustment measures which it implements in those member countries which require the use of its resources. Despite extensive evidence that shows these structural adjustment policies do not improve or strengthen the member countries' economies and result in increased hardship for the majority of the people within these countries, the IMF continues with its efforts. To explain the "misbehaviour" of the structural adjustment policies in specific cases, the IMF merely asserts that the prescribed measures were not applied stringently enough or additional measures were needed to complement the process.

I suggest, instead, that there needs to be an entire realignment of the focus of the IMF's structural adjustment policies and a switch in the factors considered when forming such policies. First, there needs to be a case-by-case examination of each country in which adjustment is implemented instead of the generalized approach the IMF takes with its standard prescription of measures. This necessitates a thorough and complete understanding of all the factors affecting and contributing to the situation in
each country. Second, there needs to be cooperation between the member country and the IMF, where the IMF fully respects the agenda and concerns of the member country. The adjustment measures suggested by the IMF should not counteract or prevent other policy objectives implemented by the member country from being achieved. Furthermore, there should be no need for the member country to devise programmes and policies which must mitigate or counteract negative effects of the IMF’s adjustment measures.

The third change which is required is the range of considerations taken into account when a country and the IMF develop adjustment programmes. It is crucial that any formulation of economic policies takes into account gender issues giving consideration to women’s reproductive, productive and community management roles. It also needs to account for the distribution of resources throughout the population, being sensitive to those people who have reduced access to resources, and the household composition of target populations as this factor effectively predetermines the workload of household members and their access to resources.

The structural adjustment policies which are implemented in a country should have the people of that country as their beneficiaries. No country can boast of productivity and prosperity if the majority of its people are malnourished and under-educated. Therefore, the core of any attempts to improve a country’s economy must include
education and training programmes, employment initiatives, and the delivery of social services. A crucial part of keeping the people of a country in focus when devising adjustment programmes is listening to the people. The people themselves have ingenious solutions to the current problems. Women have been amazingly creative and effective in devising survival strategies and have valuable contributions to make to the formulation of any such adjustment measures. Furthermore, help in the planning and implementing of beneficial adjustment policies is offered by non-governmental organizations which have worked in the countries concerned.

The growing strength of the IMF in an increasingly strong global capitalist market makes any change difficult. That is why it is necessary to solicit pressure from all levels within a country and from countries in both the North and the South. Diverse and wide-spread support for a transformation in the approaches and policies of multilateral lending institutions is a good beginning to finding a solution to the current global economic inequities.

Within the IMF

The current practices of the IMF, in imposing its standard structural adjustment measures upon a member country, are ineffective and unacceptable. There needs to
be a radical shift in the way the IMF interacts with its members and a rethinking of the structural adjustment policies used to improve the economic situations in member countries. Presently, the IMF’s structural adjustment programmes invariably include the measures of devaluation, the reduction of government expenditures, the abolition of price controls, restriction of bank credit, higher taxes and higher interest rates. These measures are not effective and have negative effects on the wellbeing of the majority of the population within the adjusting countries. To illustrate the ineffectiveness and harm of these measures, two of the main policies will be examined—devaluation and reductions in government spending.

The policy of devaluing the member’s currency is meant to increase the value of export revenues and discourage consumer imports. Consequently, this measure is meant to have far-reaching effects on the structure and level of production. In fact, there are numerous far-reaching negative effects of the devaluations. In economies which are highly dependent on imports, such as those undergoing the IMF’s structural adjustment, a devaluation of the currency results in price increases of imports, including consumer goods and inputs for production. Thus, instead of increasing production through encouraging exports, the devaluations decrease production because they raise the cost of inputs beyond what some enterprises can afford. While
discouraging consumer imports, the devaluations inhibit local industry from providing the people with the basic consumer items and raise the price of such items as producers pass the higher cost of imported inputs on to the people. This results in severe shortages of even the most basic consumer items, resulting in hardships for the people, especially for women who must find some way to compensate for such shortages. While the solution is not as straight forward as simply not devaluing the currency at all, since an over-valued currency causes as many problems as drastic devaluations, there needs to be an attempt to deal with the economic problems without putting the brunt of the adjustment burden on the poor.

A second standard measure used in the IMF’s structural adjustment programmes is the reduction of government expenditures. This measure is meant to relieve budgetary pressure in the short term and increase the efficiency of government services in the long run. With the perceived level of waste and inefficiency in government spending, the IMF maintains that any given government expenditure can be cut without sacrifices to government programmes if improvements in efficiency are made (Joekes 1989). However, even if improvements are made, cutbacks are experienced by government workers and by the users of the government services.

In fact, extensive evidence examined in this thesis and
elsewhere demonstrates that the cuts in government spending required by the IMF’s adjustment programmes have resulted in large numbers of government employees losing their jobs and in drastic reductions in the level of services available to the people of the country. Once again it is women in their reproductive and community management roles who are left to compensate for shortages in service. Furthermore, instead of increasing efficiency, this adjustment measure leaves the government with a larger portion of its population in a crisis situation without adequate resources. Further government programmes must then be developed to deal with this situation. A reorganization of government resources must take place without sacrificing essential government programmes.

These two examples illustrate the ineffectiveness of current IMF structural adjustment measures and the actual harmful effect such measures have on the countries and their people. However, the changes required of the IMF go beyond needing new adjustment policies. There needs to be a change in the way the IMF interacts with each member country and a broader range of considerations taken into account when advice is offered to member countries.

In particular, there needs to be a fuller understanding of the social, economic and political environment at the national and international level. A country does not exist in isolation nor does it exist to serve the international
system. The interplay of factors between the international and national levels must be seen as a two way process. For example, there is a need to understand that industrialized countries are also experiencing serious adjustment problems and the measures they are adopting to cope with their own crises - e.g. increasing protectionism and interest rates - militate against the poorer countries, leaving them little room to manoeuvre (Massiah 1991). Furthermore, the adjustment process in these poorer countries is aimed at securing foreign exchange which is then repatriated to the industrialized countries in the form of debt repayments, with little remaining for internal development. Consequently, the member countries at the receiving end of IMF adjustment are left with little or no domestic investment, resulting in little or no growth, and translating into an increasing disparity in the allocation of social, economic and political resources, both nationally and internationally.

In addition to considering the interplay of international factors, the IMF must change its "standard prescription" approach. In order to be effective in every country which it advises on structural adjustment, the IMF must employ a case-by-case approach. The IMF must allow greater flexibility in policy formation so that the specific needs and characteristics of individual countries can be addressed (Davies & Anderson 1989). With this approach
comes the need for improved technical competence and specific knowledge of each country’s economy, as well as its social and political environment.

An example of the need for greater technical competence and knowledge of a member’s economy comes from the examination of Jamaica’s experience with the IMF’s structural adjustment process. A comparison of the IMF’s projected production levels and export earnings to be attained in Jamaica by 1984 against the actual levels realized shows a large difference (Davies & Anderson 1989). The Extended Fund Facility agreement between Jamaica and the IMF in 1981 was based on those very projections. Davies and Anderson (1989) have argued that much of the economic decline and/or stagnation which characterized the 1981 to 1985 period in Jamaica is attributable to errors of policy, made under the assumption of increased export earnings, contained in that agreement.

An examination of Jamaica’s historical economic development and current structural barriers suggests that a path of development different from the one being prescribed by the IMF may be more successful. There needs to be an effort to develop labour-intensive industries to accommodate the high numbers of unemployed workers. Also, Jamaica’s economy would benefit from developing links between its various industries or sectors so that they support and contribute to each other. One possible route would be to
develop a strong agricultural base which sustained a large number of people as both waged workers and landholders. This could serve to reduce unemployment, reduce the high levels of food imports, and use idle land. In support of this development, it would be beneficial to develop a food processing industry which used the locally grown produce. These developments, in turn, would spur the growth of the transportation industry.

It is apparent that the current practices of the IMF are not working or are working only at great costs to the people of a country. There is a need for the IMF to give more consideration to international factors and to give more specific and thorough consideration to each country's situation when advising it on adjustment measures. These changes are, however, only the beginning of the entire realignment required in the IMF to make it a more effective and helpful resource. In addition to these factors, there needs to be a change in the way the IMF interacts with each member it helps to adjust.

The New State/IMF Relationship

For structural adjustment policies to be most effective in member countries, there needs to be a change in the state/IMF relationship. Presently, a member country must agree with the IMF and implement the prescribed policies without complaint or suffer the consequences. These
"consequences" amount to harsher adjustment measures, reduced levels of financing, and overt campaigns to force the country into submission. The Manley administration of the late 1970s in Jamaica suffered such consequences when it attempted to implement policies which it felt would benefit the majority of the Jamaican people. Furthermore, while a country has the option of "negotiating its debt", any leeway in repayment is on the condition that the state follow specific prescribed policies (Petras & Brill 1986).

A new state/IMF relationship would imply an entire shift in the power balance, with the IMF respecting the agenda and concerns of the member country. The IMF should play the role of advisor, not dictator. All structural adjustment policies suggested by the IMF should be done with government objectives in mind so as to avoid a situation where the adjustment policies counteract or negate other initiatives made by the member government. This was one of the problems encountered by Jamaica during its adjustment process with the IMF.

In 1987, Jamaica developed and accepted a National Policy Statement on Women to ensure the full integration of women into all spheres of development. However, in several instances the structural adjustment measures required by the IMF were in direct conflict with the objectives of the National Policy Statement on Women (Sinclair 1988). For example, Policy Goal #1 of Jamaica's National Policy
Statement on Women recognizes the existing high levels of unemployment among women and that women’s employment and income levels have an immediate impact on the living standards of children. Therefore the Government sought to ensure that economic, trade and employment policies protect and increase women’s access to employment and income (Sinclair 1988). This policy goal was directly contradicted by the IMF’s measure of reduced government spending which caused public sector layoffs affecting female workers especially in health, education, and social services.

Furthermore, these required reductions in government expenditures on infrastructural and social services have resulted in the deterioration in the quality of and access to such services. This increases the workload of women since they are primarily responsible for the wellbeing of their families and households. Also, these measures result in an increase in the problems of sexual and physical abuse because of the lack of resources to stem them. A lack of public sector resources leads to a decline in child care provisions and presents a barrier to working mothers. Consequently, the requirement of the government to reduce its expenditures is in direct contradiction to three more of the policy goals of Jamaica’s National Policy Statement on Women.

Policy Goal #4 recognizes that appropriate child care arrangements not only increase the efficiency of women
workers but are an investment in the children and future of Jamaica. Therefore the Government hopes to develop measures to expand the availability of adequate and affordable child care services. Policy Goal #5 recognizes that evidence of physical and sexual abuse within families and society is increasing, and the Government therefore wants to pursue means of providing adequate protection and means of redress to women and children who are victims of family violence, incest, rape and sexual harassment. Policy Goal #8 recognizes that inadequacies in basic services such as water, sanitation, health, education, transportation and public safety can increase the workload and financial burden on women, and the Government wants to identify where there are gaps in the provision of basic services, how the costs of bridging those gaps is distributed between women and men, and the appropriate measures of adjustment.

These examples clearly demonstrate the need for structural adjustment policies to be harmonized with other policy and programme initiatives in a country. Policies such as Jamaica’s National Policy Statement on Women present crucial objectives that can not be ignored in the process to improve a country’s economic and social situation. However, it is not sufficient for a government to present a supportive image of such issues only to allow these policy objectives to be negated by other objectives. A government must be responsive to its grassroots pressures and not
backslide in their support of their people the way the Jamaican government did under both Seaga and Manley. In contradicting these policies, valuable information and ideas are being lost in the adjustment process.

A second consideration concerning the effects of the IMF's structural adjustment programmes is the additional resources which must be put into alleviating the conditions resulting from them. The harshness of the IMF's structural adjustment policies and the deteriorating social conditions caused by them has meant that governments must devise additional social programmes to help their people survive the adjustment process. In Jamaica, the severity of the adjustment policies led the government to implement a Food Aid Programme in 1984 to cushion the impact of the policies on the groups most vulnerable to deprivations in society (Sinclair 1988). In 1988, the government introduced the Social Well-Being Programme as a further attempt to cushion the effects of the IMF's structural adjustment policies.

It is clearly absurd to implement economic policies which will necessitate the implementation of additional social programmes to alleviate the conditions caused by the economic policies. New structural adjustment policies must take into account the social initiatives of the member government and not contribute further problems for the government to deal with. Any adjustment process should have input and consideration from all departments of a government
and not blindly apply a narrow range of economic policies that are dictated from outside of the country. The IMF must give a larger role to all departments of the member government and act as an advisor to their efforts. In this way, more areas of concern can be brought into the adjustment process and crucial areas of consideration can be included.

**Crucial Considerations For Future Adjustment**

It is apparent that several major changes need to be made within the IMF and in the way it interacts with its members when planning structural adjustment programmes. However, the changes must not stop there. When the member countries and the IMF are devising future adjustment programmes, they must take additional factors into consideration. There must be consideration given to the link between the production of economic goods and services and the reproduction and maintenance of human resources. Primary in this consideration is the role women play in both processes. Future adjustment policies must recognize and consider the multiple roles that women play in society, the inter-relatedness of these roles, and the fact that society requires women to play all of them.

Future adjustment programmes need to understand the disproportionate burden that adjustment puts on women because of their multiple roles. Women are affected in
their reproductive role by the reduced real incomes of households and the decreased access to infrastructural and social services caused by the adjustment policies. In their productive role, the adjustment policies decrease the employment opportunities for women in the public sector and social services while increasing them in the manufacturing and informal sectors. The adjustment policies further increase the burden on women in their community management role by requiring the time and energy women put into this role to increase as this work becomes crucial for survival. The countries and the IMF representatives who develop future adjustment programmes need to realize that by putting these added burdens on women, the wellbeing of the entire population is in jeopardy because it is women who are responsible for the reproduction and maintenance of the human resources.

Current structural adjustment policies do not take into account women’s unique situation and are therefore not gender sensitive. In order to make structural adjustment effective, policies must of necessity be gender based and the consideration of gender issues must be clearly understood at all levels, nationally and internationally. Furthermore, the formation of national adjustment policies should take into consideration not only the general effectiveness of such policies but women’s full participation in and contribution to the process.
Women have not been passive recipients of the negative effects of the structural adjustment policies, but rather they are incredibly resourceful in devising strategies to cope with the economic crisis. Jamaican women have a strong history of applying political pressure on the government to improve the condition of the Jamaican people. In the early 1980s when consumer items were in short supply due to the debt crisis, it was the alliances of the women's arms of political parties which put their energies behind campaigns for basic food items and the policing of the distribution of essential commodities (Ford-Smith 1989). The internationally renowned Sistren, the Jamaican women's theatre and cultural organization, is another wonderful example of how creative and effective women can be. In addition to educating women and men alike, and performing popular theatre, Sistren acts as a catalyst for campaigns and actions aimed at improving the situation of Jamaican women (Ford-Smith 1989). Women can offer creative development projects and programmes, grounded in the cultural strengths of the people, which would succeed in making the adjustment process more effective.

Though any attempts to improve the effectiveness of structural adjustment programmes must be gender based, they must also go beyond targeting "women" to take into consideration the differential allocation of resources within the population. That is, adjustment policies must go
beyond considering women as a unified group and be conscious of class differences. Women and households from poorer strata of a country need special consideration since it is this segment of society which is least equipped to compensate for further resource shortages and the loss of vital services. There needs to be the recognition that structural adjustment policies cause the immiseration of women who were previously poor and the pauperization of women who were somewhat better off but have lost their access to resources for coping in the adjustment process.

An additional component to be considered in the planning of structural adjustment programmes is the household composition of certain segments of society. If women in households with high numbers of dependents are required to increase the amount of time spent on productive activities, there is a danger they will have to rely more on child labour and withdraw children from school to contribute to household maintenance and survival (Joekes 1989). When this happens, the development of the younger generation is hampered, becoming a casualty of the adjustment process. Thus it is crucial to include the conscious support of mothers, especially single mothers, in future adjustment programmes.

From the evidence presented in this thesis, written from the perspective that a country’s greatest resource is its human resources, it is obvious that any structural
adjustment policy meant to improve the strength and prosperity of a country's economy must necessarily concentrate on developing those human resources. To accomplish this, future structural adjustment programmes must include education and training programmes, employment initiatives, and the delivery of social services. Such programmes must be sensitive to those segments of the population which are currently most disadvantaged, such as women, youth, and the poor. One of the most basic changes must be the realignment of the minimum wage set at a rate proportionate to the cost of living. Those segments of the population with high unemployment should be targeted for education and training initiatives. To enable full productivity from workers, there needs to be adequate provisions for child care and a reliable public transportation system. The delivery of health and educational services must be a national priority.

To be successful in considering all of the factors mentioned here, planners of future structural adjustment programmes have several valuable sources from which to draw. The people of the adjusting countries themselves are a valuable resource to consult on what changes and programmes would be most effective and how to implement them. The remarkable resilience of women who have ensured the survival of their families throughout the adjustment process is a testimonial to this. Another valuable resource for
adjustment planners is the NGOs working in the adjusting countries. These organizations have valuable networks and lines of communication already set up from the grassroots level through to the level of government. These networks, many of which focus on women, would be an effective way to ensure the people's voices are heard and that the people are involved in helping themselves (Kirton 1992; Davies & Anderson 1989). It is only with pressure from the grassroots in both the South and North that a meaningful transformation in the character and policies of the multilateral lending agencies will occur.

This examination of the effects of the IMF's structural adjustment programmes on women in Latin America and the Caribbean, using Jamaica as a case study, clearly points to a number of general conclusions. First, the current structure and practices of the IMF are not effective in improving a country's economy and in fact are detrimental to a country and its people. Second, the harmful effects of these policies are not shared equally throughout a country's population. Women, because of the multiple roles they perform in society, are over-burdened in the adjustment process and suffer negative effects in each of their three roles. Consequently, there is an urgent need for a change in the way the IMF conducts its business and in the structural adjustment policies it supports. New adjustment
policies need to be gender based and have the people of the adjusting country as the beneficiaries in order to ensure an effective and equitable adjustment process. This will only be achieved through pressure from grassroots movements in the South and the North, which would serve to offer valuable solutions to problems and to keep the multilateral agencies committed to this goal.


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