Structural Adjustment and the Working Poor in Zimbabwe

By:Peter Gibbon

Contents Table

INTRODUCTION

The three extended studies in this volume deal mainly with the relation between structural adjustment and changes in the social conditions affecting subordinate social classes in Zimbabwe, around mid-way through the implementation of the country's economic liberalisation programme. The first study, by Lloyd Sachikonye, is a snap-shot one of conditions faced by format sector workers in larger-scale industrial companies in 1993. It also deals extensively with industrial capital's experience of adjustment. The second study, by Veronica Brand, Rodreck Mupedziswa and Perpetua Gumbo, is a longitudinal one of urban women informal traders in 1992 and 1993. The third, by Leon Bijlmakers, Mary Bassett and David Sanders, is an interim report on another longitudinal study begun in 1992, of health sector processes and outcomes in one working-class and one peasant area. By the time these studies were completed, Zimbabwe was being regarded by most donors as one of African adjustment's success stories. These studies, which together comprise one of the richest accounts of contemporary social trends affecting the working poor in any African country, not only provide a basis for evaluating some of the claims and counter-claims made in relation to economic liberalisation in Africa but also focus detailed attention on many key but normally neglected aspects of the changing social experience of ordinary working people on the continent. Before briefly drawing out a few of their original contributions it **is** proposed to provide two substantial overviews to allow the reader to place them **in** context: one of the Zimbabwean adjustment process, and the other of certain of the key contemporary debates surrounding the issues which the studies concern

1. STRUCTURAL ADJUSTMENT IN ZIMBABWE

It is possible to identify four main phases in the development of social and economic policy in independent Zimbabwe. The first, from independence to 1982 was accompanied by an economic boom and characterised by the twin phenomena of the adoption of redistributivist policies and a high level of mutual suspicion between government and capital (almost wholly white in ownership). A second phase, from 1982 to around 1986, contained two major economic recessions (the first quite severe), a check on redistributivist policies and continuing cool relations between government and capital. The third, dating from 1986 to 1990 involved the resumption of a degree of economic growth, a downplaying of redistribution, the displacement of the conflict between ZANU-PF and ZAPU which had dominated the political stage since independence by one between a unified ZANU and an emergent but disorganized independent opposition, and a very substantial improvement in government-capital relations. The fourth, that of structural adjustment, began in 1990 and has been marked by a very severe drought and economic contraction, an implicit rejection of distributivism, and an attempt to reconstruct ZANU's political base on the foundation of new constituencies with interests consonant with liberal economic policies. This discussion will concentrate on the last two of these phases.

1985-90

In 1985 the Zimbabwe government published a *Five Year Development Plan* for the period 1986-90. The plan envisaged a programme of nationalisations, a broadened role for state economic involvement generally and a doubling of the numbers of peasants (then about 50,000) resettled on former white commercial farmland (Kadhani, 1986: 115). As had been the case with its predecessors of 1981 and 1982 no steps were taken to implement this plan, and economic and social policy basically continued to comprise a combination of the continuation of the regime of economic controls established by the racist Smith government of the UDI period (1965-79) and the extension to the whole population of the welfare services and employment rights previously only available to whites. On the other hand, the language of the plan did express a general governmental indifference to the interests of capital, white and foreign, and a vague aspiration toward further state-led social engineering. In particular it reflected government frustration with the increasingly evident trend of disinvestment, With fixed capital formation falling from 19.8 per cent of GDP in 1982 to 1 11.9 per cent in 1985-a level which probably did not cover depreciation-and total new foreign direct investment for the entire 1981-86 period amounting to only ZWD 110 million (Herbst, 1990: 132). A second source of the frustration which it felt was the involvement of the white-dominated employers' organisation-the Confederation of Zimbabwean Industry (CZI)in political issues with a racial dimension (such as sanctions against South Africa), at least until 1986.

At the same time as the plan was being published, the first countervailing trends began to appear however. One was the introduction, from around 1985, of a series of export financing and promotion schemes. These enabled first manufacturing and later mining and agricultural capitals enhanced access to foreign exchange. Additional measures soon followed giving manufacturing companies the right to retain a proportion of their forex earnings for imports of inputs, and easing companies' access to the use of blocked funds.

Secondly, and in the long-term more significantly, from the end of 1986 the CZI became involved in discussion with government on a range of issues. This coincided with its decision (under public pressure) to reverse its stance on sanctions. With this about-face, the latter could distinguish itself from the emnants of UDI-style politics. This was a precondition of its slow integration into a partnership role with government, evident first in contingency planning over sanctions (never actually introduced) and then in the operation of the Beira Corridor Group. Both paved the way for roundtable discussions between government, CZI, UNIDO and the World Bank on the future of the industrial sector.

Zimbabwe had become a member of the World Bank and the IMF shortly after independence. During the budgetary problems of 1983 it obtained an eighteen month Standby Credit from the IMF, worth ZWD 375 million. In return, Zimbabwe is said to have agreed to devaluation, restoration of internal and external balances and cuts in development programmes and subsidies (Kadhani, ibid.). In early 1984 the Standby was suspended by the IMF. According to Kadhani (op. cit.) this was the result of a failure to meet credit targets; for Stoneman and Cliffe (1989: 163) the most important factor was a failure to meet budget reduction targets; for Davies, Sanders and Shaw (1991: 20) it stemmed from the introduction of tighter import controls in February 1984. Whatever the reason, the break left a residue of ill-feeling and Zimbabwe subsequently avoided dealing with the Fund for the next eight years.

The World Bank's first non-project involvement dated from the mid1980s when it financed the first of the export revolving funds with a ZWD 70 million loan. The scheme was recognised as successful by both parties and the Zimbabwe government was anxious to extend **it** to mining and agriculture, but the Bank demanded that in return Zimbabwe should embark on trade liberalisation. The government refused and instead borrowed the money from British commercial batiks.

In 1986 UNIDO published a report drawing attention to a number of structural problems in Zimbabwe's industrial sector. These included the high levels of vertical and horizontal integration of private capitals and consequent high degree of effective monopoly, but also its lack of significant 1 . ob creation and the low levels of investment already referred to. Against a background of limited economic recovery but also on-going stagnation in investment and employment levels, the World Bank sought to get trade libéralisation back on the agenda through generating a public debate on these questions. Besides the need to radically improve investment incentives, the World Bank also argued for a recognition of the "exhaustion" of the Zimbabwean import substitution "experiment" which the Mugabe government had inherited from UDI. According to this argument, Zimbabwe had now developed import substitutes for the full range of products for which this could possibly be profitable. Further substitutions would have to be for products which the Zimbabwean market was too small to justify (World Bank, 1987a). On the basis of such arguments, the CZI is said to have become converted to trade libéralisation and formally endorsed it by the end of 1987 (Stoneman and Cliffe, op. cit.: 137). The Zimbabwe government required a more prolonged offensive-and some concessions. From 1988 signals were sent that government would be allowed a strong technical input into the design of any programme and that flexibility existed over timing. After a visit from the World Bank's regional director in Match 1988 the cabinet set up a committee to examine all aspects of adjustment. It was led by an Australian economist, and included figures drawn from the CZI and the University of Zimbabwe (pro- and anti-adjustment).

The first result of the change in line was the issuing of a new investment code in 1989, at a London conference sponsored jointly by CZI and the Confederation of British Industry. The code reduced the number of companies which could be described as foreign, established an Investment Center with authority to independently approve projects of up to ZWD 5 million and embodied a recognition of the two principal international investment guarantee protocols.

1990-94

Structural adjustment was unveiled in three stages, July and September 1990 and January 1991. The July package was preceded in February 1990 by the announcement of a major easing of price controls and the introduction of what was called "free collective bargaining". In fact this meant the abolition of statutory wage regulation except for agricultural and domestic workers. Collective bargaining was still to be regulated through the Ministry of Labour, while the right to strike remained highly circumscribed.

The July 1990 version of structural adjustment (Zimbabwe Government, 1990) stated the government's new economic policies in a forthright but not particularly detailed way. Government would "de-emphasise its expenditure on social services and emphasise investment in the material production sectors such as agriculture, mining and manufacturing" (op. cit.: 6). Targets were set of 5 per cent annual growth in GDP, 20 per cent annual nominal investment growth (later revised to 25 per cent) and a reduction of the budget deficit by 1994-95 from ten to five per cent. The centre-piece of the package however was the announcement that the import control/forex allocation system would be replaced by tariffs and an Open General (Import) Licence (OGL). There would be further deregulation of prices and labour laws.

The envisaged reduction in budget deficit was to be accomplished by a (then unspecified) reduction in the size of the civil service, a phasing out of subsidies to parastatals and the introduction of cost-recovery measures, particularly primary school fees. The exact timing and sequencing of the OGL's introduction was left vague and a commitment was made to retaining the various export promotion and incentive schemes alongside the new system. The proposals on prices and labour law focused on deregulation of almost all consumer goods items and a major reduction in the waiting time between the announcement and implementation of retrenchments. The next stage of the proposals was unveiled in September 1990 when additional forex retention/export bonus schemes, more generous earnings remittance regulations and an upgrading of the powers of the Investment Centre were announced.

The World Bank welcomed all these proposals but insisted that more concrete information be provided before it came up with financial support. It also indicated that it felt the time frame of five years to be too long and that the issue of parastatal reform had been soft-pedalled. There may also have been a difference of emphasis on the presentation of social sector cuts, for in the third version of the proposals references to cost recovery in education were deleted and a number of compensatory measures added to protect "vulnerable groups".

At the end of January 1991 the Zimbabwe government announced a more detailed version of the package, *Framework for Economic Reform, 1991-95 (FER)* (Zimbabwe Government, 1991a). This opened by specifying "front-loaded" timetables for reducing subsidies to parastatals from ZWD 629 million in 1990-91 to 40 million in 1994-95 and for reducing non-education civil service employment by 25 per cent (about 23,000 persons) over the same period. A commitment to opening up money and financial services markets to new entrants was followed by a timetable for implementing the OGL. In the latter's first phase, raw materials would be transferred to it with tariff levels of five to ten per cent. In the second stage, intermediate and capital goods would be transferred, with similar tariff levels. In the final stage, consumer goods would go on to the scheme with tariffs of 30 per cent. For the first time it was announced that this would be accompanied by a phasing out of export promotion/incentive schemes. A new investment code would be drawn up, with project feasibility rather than forex savings potential as the main criterion. By 1994-95 earnings remittability would rise to 100 per cent for all foreign-owned enterprises investing hard currency. FER concluded by announcing that goods would become price decontrolled as they entered the OGL and that licensing and zoning regulations would be relaxed for informal and small-scale enterprises.

Relative to most other structural adjustment programmes in Africa, FER was initially notable for the absence of an accompanying agreement with the IMF. It was this which appears to have given the Zimbabwe government latitude in some areas, notably the programme's five year duration (three is more normal) and the limitation of parastatal reform to semi-commercialisation rather than privatisation.

A second unusual feature of FER was that it embodied a long annex entitled "Assessing and Addressing Social Dimensions of Adjustment". Most of this consisted of a detailed and fairly rigorous effort to spell out the implications of FER for various socio-economic groups. These were examined with regard to the possible impact of retrenchments, higher inflation levels, removal of subsidies and cost recovery measures. A gender dimension was incorporated into each of these reflections. Although the unemployed were not one of the groups specifically examined, it was predicted that there would be at least 45-50,000 retrenchments in the formal sector (public and private), disproportionately affecting the lowest pald; that at least half of those still employed, mainly the semi- and unskilled, would face wage erosion and that a further ten per cent would see their incomes fall below the Poverty Datum Line. The phased withdrawal of subsidies to the Grain Marketing Board (GMB) would probably lead to the closure of collection depots where production was low, with "potentially devastating effects on the welfare of poor people in those areas".[1] Cost recovery measures would almost certainly reduce the uptake of

[1] Aside from incorporating Africans into health and education provision, their incorporation into the grain marketing system was probably the major achievement of the independence period. In 1990 there were a total of 78 GMB depots and 60 crop buying points. By 1992 four depots and 51 crop buying points had been closed, and 57 of the remaining depots were now open only part of the year.

social services in the absence of compensatory measures. The main burden of all this would fall on women, as a result of their lack of access to resources, their higher age profile in employment and their lower social status (op. cit.: Annex 111, 8-18). Frankness only completely disappeared in relation to consumer price inflation; the impact of the potentially massive rise in the price of maize-meal was simply not mentioned.

In the main text of FER a compensatory programme to address these issues was set out. This consisted of a compensatory re-training package for retrenched civil servants-and possibly other workers too-funded by setting aside 35 per cent of the savings from the state wage bill; the creation of a reserve fund for "programmes designed to ensure food supplies to poor and vulnerable groups" (op. cit.: 22), funded from 30 per cent of the subsidy withdrawn from GMB; and a commitment to broadly protect social expenditure, especially on health.

In November 1991 a government action plan" on social aspects of adjustment was published (Zimbabwe Government, 1991b). This announced the setting up of an "Employment and Training Fund" (ETF) and an intention to preserve one targeted food subsidy. The ETF would provide support to self-employment projects in the urban informal sector and public works projects in rural areas (where it would replace food for work programmes). It was up to retrenched or unemployed individuals to submit project proposals for support either direct themselves or through non-governmental organisations, to a loan allocation committee. The targeted food subsidy would meanwhile "be placed on a maize-meal product targeted to cover those in low income groups who can only afford to pay a proportion of the full production cost of the maize-meal" (op. cit.: 36).

With regard to education and health, the plan actually unveiled not compensatory measures, but simply further details of cost sharing. It was announced that a three-tier system of fees for primary schools would be introduced, from which however most schools in rural areas would be exempted. Those families unable to pay could apply to the Department of Social Welfare for exemptions. On health, it was stated that the basic user charge system would be preserved, with those earning ZWD 150 per month or less exempted on proof of income, and with those families unable to pay but also unable to prove their income level able to apply to the Department of Social Welfare for exemption.

A complex administrative structure of four ministerial units, an advisory board, an allocation committee and a coordination unit would run the programme. No financial information of any kind was provided, but simultaneous to the publication of the document the government announced that its contribution to the initiative would be ZWD 20 million. Further donor support would also be sought.
The adoption and elaboration of the adjustment package was accompanied by a partial realignment in Zimbabwean politics. The opposition parties which had emerged in the late 1980s, like those which had survived since 1980, were all firmly pro-economic liberalisation, and consequently suffered a partial loss of profile. Subsequently they have all been forced to campaign more or less exclusively around issues of government corruption. Whites meanwhile, particularly those in CZI, returned to the political spotlight as the main supporters of the new policy. Groups to which ZANU-PF had once been very close, for example university students and more importantly the trade unions, were meanwhile sidelined. The sole trade union centre, the Zimbabwe Congress of Trade Unions, denounced FER and all associated plans and documents as pro-transnational capital and antiworker. In an effort to reconfirm or develop support from other constituencies the government was to resurrect land reform proposals and (urged on by USAID and the World Bank) establish patron-client ties with indigenous African

business (cf. Raftopoulos, 1992a, b) through the formation of an Indigenous Business Development Centre (IDBC).

It was not long before Zimbabwean adjustment ran into difficulties. Initially these seem to have been a product of technically deficient implementation (or perhaps poor design) coupled with apparent second thoughts on the programme's content on the part of the World Bank. Later, as the introduction of the IMF into the picture combined with a very severe drought, they became very serious indeed and for a time the government's commitment to the programme's continuation seemed to be in doubt.

Import restrictions were lifted on the first items shifted to the OGL in October 1990 but white the ZWD was still appreciating in real terms. There followed a surge of imports, much of it apparently speculative, which was to continue for much of 1991. Imports rose in value from USD 1477 million in 1989 to 1850 million in 1990 and 1700 million in 1991, turning a merchandise trade balance of USD 203 million in 1989 into a deficit of 121 million in 1990, before a partial recovery to a surplus of 85 million in 1991. This increase in imports was roughly double that anticipated.

The resulting crisis in the external balance was exacerbated by a failure of the World Bank and other major donors to punctually disburse the funding which was intended to support the OGL. The government was hence forced into borrowing USD 155 million on a commercial short-term basis in mid-1991 and attempting to depress import demand by introducing a 20 per cent tariff surcharge on all OGL items and new limitations on forex allocations for those items not so fat included. Simultaneously it was obliged to open negotiations for an IMF loan. Presumably as a precondition, a massive devaluation of the ZWD was undertaken in the second half of 1991 (the average exchange rate in 1990 was USD 1: 2.45 ZWD and USD 1: 5.2 ZWD by 1992).

The deal signed with the IMF was said to be worth USD 484 million over three years. At first Zimbabwe did not gain access to the softer loan terms of the Fund's "Enhanced Structural Adjustment Facility" (ESAF). As part of the deal, Zimbabwe apparently agreed to very substantial public expenditure cuts, with commitments both to overall magnitudes and to a reduction in the number of ministers and ministries. A second condition was the introduction of positive real interest rates. Finally, in Match 1992 the government obtained the first tranche of the support from the World Bank it was supposed to have received in 1990-91. Other donors did not make their first disbursements until June 1992. Almost simultaneously, the World Bank convened a second donors' conference to finance the programme. It attempted to make agreement on this round subject to Zimbabwe providing undertakings to privatise some parastatals, beginning with the profitable Posts & Telecommunications Corporation. The government apparently resisted.

Meanwhile the economic difficulties of 1991-92 were being deepened and overtaken by the most serious drought since 1967, or according to some, 1911. Poor rains in 1990-91 were followed by even poorer ones in 1991-92, with many parts of the country receiving 40 per cent of normal precipitation or less. Maize production, which had already fallen by 25 per cent in *1990-91 fell* by at least a further third in 1991-92. The official values of commercial farm and communal lands sector production in *1991*92 fell by 28 per cent and 73 per cent respectively. However these falls, the first of which was blamed also on poor producer incentives, should not have led to a grain shortage on the scale experienced, or the further pressures they placed on imports. The GMB exported 0.6 million tonnes of maize between Match 1990 and December 1991 at considerably lower prices than it had paid for it, in order to meet adjustment-related financial targets. In the following year and a half 1.9 million tonnes were imported to cover the drought deficit, mostly on commercial terms. Had the 0.6 million tonnes been retained instead of exported, the Zimbabwe exchequer would have been spared the cost of around ZWD 1000 million, minus storage costs . By December 1992 six million of Zimbabwe's 10.4 million population were registered for drought relief (almost all of them eventually received something). Manufacturing and mining were seriously affected by water and (hydro-based) electric power shortages, and many branches of manufacturing also by shortages of agricultural raw materials. In May 1992 the agreement with the IMF was renegotiated and a ESAF-type loan obtained. This added further conditions relating to credit control. A third donor's conference was organised In December 1992 and substantial drought relief and a special concessionary World Bank loan of USD 150 million obtained, mainly for provision of seed packs to peasant farmers.

Officially, Zimbabwe's real GDP fell by 7.7 per cent in 1992. Most independent observers were surprised this figure was not higher. The index of manufacturing production, which had stood at 131 in 1989, 138 in 1990 and 143 in 1991 (1980=100) fell to 130 in 1992. Domestic consumer spending during the first six months of 1992 is said to have fallen by 25-30 per cent. Exports fell from USD 1785 million in 1991 to 1543 million in 1992 and imports rose back from USD 1700 million to 1782 million (wholly accounted for by commercial grain imports), creating a negative trade balance of USD 268 million. Imports of industrial inputs however are said to have collapsed during the same period. The hitherto bullish mood of business toward adjustment now became more nuanced. Complaints concerning interest rates, credit restrictions and the phased removal of export incentives were particularly widespread, and in October 1992 the CZI complained that tight monetary policies were driving non-exporting companies to the wall. As private and corporate incomes shrunk, major shortfalls in government revenue also appeared: revenues were 12.6 per cent below those forecast for the first half of 1992-93, for example. This contributed substantially to the government's continuing inability to meet the budget deficit target of five per cent (actual deficits were around 11 per cent in 1990-91, 10 per cent 1991-92, and 11 per cent in 1992-93 and 7.7 per cent in 1993-94).

Between the end of the drought in November 1992 and the preparation of this introduction (July 1994) the main areas where further reforms occurred were foreign exchange and agricultural marketing. In the latter case, the GMB has become the "buyer of last resort" in two of the country's five agro-ecological zones, setting floor prices and purchasing only what private traders could or would not. In the former, there bas been a steady move toward making the ZWD freely convertible. Forex retention allowances for exporters have increased from 35 to 60 per cent and trading in unused export retention funds bas been formalised through the creation of a dual exchange rate (January 1994). In effect, this system bas replaced the OGL. Regulations governing holdings of forex by residents have been substantially relaxed, as have those governing repatriation of dividends. A further area of concerted reform implementation bas been relaxation of conditions under which foreign companies can enter the country. The parastatal subsidy bill has been considerably reduced but only by saddling parastatals with unsustainable levels of cumulative losses-amounting in 1993-94 to around ZWD 2000 million, or three times the level at the start of the programme. Much less "progress" bas been made in reducing civil service staffing levels (11,000 retrenchments had apparently been effected by mid-1994.

During 1993 a partial economic recovery occurred, but one which was very disappointing in its extent. Real GDP officially rose by 1.7 per cent, still implying a net economic contraction since the programme began in earnest in 1991. The recovery was almost entirely based in agriculture, and even here in maize and tobacco. The index of manufacturing output fell to 119, only slightly above the level for 1987. While there was a major improvement in textiles, the dominant metals sub-sector continued to decline. Exports were virtually static, although a large contraction in imports generated a trade balance of USD 122 million. Meanwhile, real foreign direct investment fell for the second year running. While the weather bas clearly played a major role in Zimbabwe's economic misfortunes, the programme itself can thus hardly be regarded as a macro-economic success. Besides this it bas been associated with a massive increase in state debt, which has increased from USD 2.6 billion in 1990 (45 per cent of GDP) to USD 4 billion in 1994 (86 per cent of GDP). The debt service ratio, which declined from 33 per cent in 1987 to 24 per cent in 1990, has meanwhile risen to over 30 per cent again.

A further Consultative Group meeting was held in December 1993 at which donors are said to have "emphasised three elements: further steps to improve the investment climate, political sustainability via poverty alleviation and further restraint on the budget deficit" (Economic Intelligence Unit**,** Zimbabwe Country Report No 1, 1994). Two months later the World Bank resident senior economist was to add "the slow pace of civil service retrenchments" to this list (ibid., Country Report No 2, 1994). The test of this review will focus on the issue of poverty.

A useful exercise in this respect is to recall a few basic statistics, without at this stage attributing responsibility for what they show to FER or anything else. The Zimbabwe Central Statistics Office issued a time-series index usefully related to a 1980 base for both low-income consumer prices and real average earnings up to 1992. These showed a basket of low-income consumer prices rising from 361.9 in 1990, to 453.6 in 1991 and 741.2 in 1992. This implied rises of 25.3 and 59.5 per cent for the last two years respectively. General inflation over the same periods was 25.3 and 47 per cent, while most wage rises were in the region of seven to 15 per cent pet annum. Real average earnings fell from ZWD 8,600 per annum in 1990 to ZWD 6,700 in 1992. For reasons which are unclear, the low-income consumer price index (Licpi) was abandoned in 1992 and a new composite index introduced for 1993 in which foodstuffs were given a weighting of 29.2 per cent of the total basket, as opposed to 54.9 per cent of the Licpi. Now taking 1990 as a base (=100), the new index registered 206 in January 1993 and 247.3 in February 1994. The new real average income figures show a fall of 5 per cent during 1993. Real average incomes had been falling gradually since the early 1980s, but the decline sharply accelerated under FER and real levels are now around the same as in 1970. Levels of retrenchment are discussed at length in Sachikonye's study.

At the donor meeting In December 1993 the Zimbabwe government produced a document entitled "Social Dimensions of Adjustment: Progress Report and Action Plan" (Zimbabwe Government, 1993). This stated that government funds of ZWD 23 million (less than USD 3 million in 1994 terms) had been earmarked for mitigative social expenditure since 1991, of which ZWD 15 million had been disbursed. Total expenditure recorded in the document seems actually to have been considerably higher than the latter figure-the balance presumably having been made up by donors. Expenditure fell under three main headings. About ZWD 5 million had been spent assisting retrenched workers with re-training and/or setting up their own enterprises. Numbers of persons were recorded for the former (2900)[2] but not the latter, but according to Mhone (forthcoming), by September 1993 only 577 small enterprise projects had been submitted to the authorities-of which about 140 had been approved. If successful they will still generate less than 1000 jobs. Secondly, ZWD 13.2 million in school fees had been paid by the Department of Social Welfare for 100,790 students whose parents were deemed to be poor. "Poverty" was interpreted as having incomes of ZWD 400 per month or less. (This figure had in

[2] By the end of 1994 the figure had apparently risen to 3,668,93 per cent of whom were male.

the meantime been adopted as the new threshold, above which households had to pay for medical services). Those receiving assistance were said to represent 8 per cent of all secondary school and 5 per cent of all urban primary school pupils. (Mhone (op. cit.) gives a figure of 132,339 students at a total cost of ZWD 16.3 million). Thirdly, the Ministry of Health reported having issued around 30,000 orders exempting individuals from payment of medical fees since the exemption threshold was raised and checks on eligibility for free treatment tightened up (Mhone, op. cit.). The value, gross or average of the treatment/drugs they received is not clear. Fourthly, it was stated that payments averaging ZWD 60 had been made to about three per cent (i.e., 9,000) of the roughly 300,000 eligible urban households with monthly incomes of ZWD 200 or below for food assistance for three month periods. The last two were new programmes launched in 1992.

Even if these figures are all credible (see below), they are hardly impressive. Moreover, discrepancies between what was proposed in the original (1991) social action plan and the activities reported are evident. Not only is no information provided on the rural public works programmes which were supposed to replace food for work, but no targeted subsidy had been introduced for any variety of maize-meal. In fact, the existing subsidy on the most obvious variety to give price support to-roller meal-was removed in June 1993, causing a 50 per cent increase in its price.

Rather than poverty alleviation, amongst measures related to Zimbabwean structural adjustment, "Indigenous business development" appears to have received the primary policy attention in recent years. The IBDC received a government allocation of ZWD 100 million in 1992, although three quarters of this was to be distributed through institutions with strict lending rules. In 1993 the World Bank added a loan of USD 30 million (ZWD 250 million) to this, and at the beginning of 1994 President Mugabe raised the idea of diverting the proceeds of future privatisations to the institution. Meanwhile, it was also announced in 1993 that all government construction contracts valued at less than ZWD 10 million (later reduced to 3 million) could only be awarded to members of the (African) Zimbabwe Building Contractors' Association (ZBCA); tenders above this level could be awarded to other companies, but they would have to subcontract a minimum of 30 per cent of their work to ZBCA members.

2. INDUSTRIAL CAPITAL AND ADJUSTMENT

The manufacturing sector in Zimbabwe is amongst Africa's largest. Already by 1939 it accounted for 10 per cent of GDP and seven per cent of the paid workforce; by the end of the 1980s this had risen to about 26 per cent of GDP and 16 per cent of the paid workforce. It furthermore accounted for half of all exports, if ferro-alloys and cotton lint production are included in its output. The metals and metal products sub-sector predominated, with the highest number of production units (408 of a total of 1364), the second highest gross output value (foodstuffs was first), and the highest shares of value added, total employees (35,000), capital stock and exports (Riddell, 1990a: 339). Taken together with foodstuffs and chemicals it accounted for over 50 per cent of all these indicators.

The main phase of expansion of Zimbabwean manufacturing, in terms of both production and employment, was between 1966 and 1975 and certain structural problems with the sector had become evident by the]are eighties. Amongst these was an apparently secular decline in the exported share of its gross output, from 26 per cent in 1966 to 18 per cent in the late 1970s and further to only 10 per cent by the end of the 1980s (op. cit.: 345).

Towards the end of the 1980s, the slowdown or stagnation in manufacturing's expansion and its declining real export performance were linked by certain commentators in contributions (e.g., World Bank, 1987b) aimed at reviving the somewhat hoary academic and policy debate between "inward directed"/Import substituting industrialisation and export-oriented industrialisation. These commentators were economists employed by the World Bank, whose objective was to show that the "crisis" of Zimbabwean manufacturing was basically an instance of the crisis of state-led import substituting industrialisations crisis moreover which could only be resolved by Zimbabwe adopting an entirely different set of industrial policies.

The methodology of the World Bank economists was, in the total absence of any discussion "either of aggregate (sectoral) or sub-sectoral future growth ... or any of the crucial supply and demand factors relevant to such estimates, whether in relation to the (new) policies proposed or in relation to a no-change situation" (Riddell, 1990a: 381), to merely demonstrate that most Zimbabwean

manufacturing was not based]in areas where the country's "natural" comparative advantage lay. The uncritical and unreserved application of the technique used for this purpose (Domestic Resource Cost Analysis) has been severely criticised even on its own terms by Stoneman (1989). On the basis of its application it was nevertheless concluded that the Zimbabwean manufacturing sector could only resume its growth path if the country's existing "non-market" macroeconomic institutions and incentive structures were replaced by market ones (liberalised exchange rates, trade liberalisation, elimination of producer and consumer subsidies and price controls, labour law deregulation and greater openness to direct foreign investment), which would allow investment (domestic and foreign) to gravitate to where it would "naturally" earn the highest returns.

Riddell (1990b) bas developed a systematic critique of this argument. For not only Zimbabwe but Africa as a whole, the *primary* reason for the lack of general industrial growth during the late 1970s and the whole of the 1980s was declining demand, both domestic and international, and declining returns from the demand that remained. Declining international demand was partly related to world-wide economic recession and partly to increased import restrictions in northern countries. Declining returns were a function of declining terms of trade. These declining returns, together with declining real levels of development assistance, led to capital and machinery constraints in developing country industries. The latter furthermore comprised one of the main real reasons for the lack of export orientation of these countries, along with the high priorities allocated to satisfying domestic demand and saving forex and ignorance on the part of exporters and potential exporters of how to conduct export business. In Zimbabwe a crucial role was also played during the early 1980s by the removal of pre-independence export incentives. As noted above, these were restored in the late 1980s with apparently positive results.

Riddell (1990a, b) goes on to argue that the World Bank provides no detailed reasoning why direct foreign investment or exports should increase under the proposed alternative policy regime, or even what the precise macroeconomic and employment implications would be if they did. Furthermore, both he and Stein (1992) have shown that the World Bank have completely failed to consider some of the broader potentially deindustrialising implications of their general policy package. The most obvious of these include a likely reduction in aggregate demand through a combination of declining numbers of capital projects, the removal of producer and consumer subsidies and price controls and a real wage-reducing labour deregulation. The decline in capital projects and producer subsidies is further likely to depress export competitiveness; furthermore, the dangers of uncontrolled exposure to international economic shocks are underestimated. [3]

3. LABOUR AND ADJUSTMENT

The proponents of economic liberalisation have normally seen organised labour as a major beneficiary of pre-adjustment economic policies. The historical influence of labour in developing countries is viewed as having typically led to excessive levels of wage employment, inflated wages and a pro-urban/urban worker allocation of public services. In this context structural adjustment tends to be justified as an attempt to bring wage employment levels and wages (direct and indirect) into line with macroeconomic "realities". From a neo-liberal perspective, large-scale militant opposition from workers is a predictable likelihood. Similar conclusions might also be drawn by proponents of more reductionist versions of Marxist thought, albeit on the basis of a concentration on what labour was losing. Existing research on labour and adjustment shows a rather more nuanced picture, some of which revives the pertinence of certain earlier debates on the nature of the African working-class.

Research on labour and adjustment in Nigeria by Beckman and Bangura (1991) and on Ghana and Zambia by Akwetey (1994) shows a particular pattern of employer behaviour as some of the pressures described by Riddell and Stein began to affect larger-scale formal enterprises. Employers sought retrenchments (permanent or temporary), short-time working, cuts in pay and suspension of other benefits in order to maintain levels of profitability. Simultaneously, workers were faced by soaring consumer prices, user charges for public services, etc. However, not only did groups of workers and trade unions react in different ways to such situations, but so too did trade union centres and governments.

Workers shared in common a dual strategy of embarking on new informal individual survival strategies/income generating activities and pursuing collective solutions through unions. The balance between these responses varied radically between locations and sectors. Beckman and Bangura even describe how in Nigeria certain groups of workers (mainly in textiles and public transport) attempted to prepare for the pursuit of individual survival strategies via collective action directed at obtaining levels of termination payment which would enable them to set up in farming, or petty transport/trading operations. Other groups of workers revived the long African tradition of struggles to remove individual managers who were held responsible for corporate

[3] The World Bank's (1994: 150-52) latest general text on adjustment attempts to answer the deindustrialisation charge by stating that Stein provides no up to date evidence. it is then claimed, without further elaboration, that "countries that made large improvements in their macroeconomic policies had strong increases in the growth of industry and manufacturing-with median increases close to six percentage points between 1981-86 and 1987-91". The criteria under which countries are allocated to the category specified are not properly spelt out and in any case growth "close to six percentage points" over a five to six year period can hardly be described as "strong". The one qualitative example which the text introduces to support its case is based on a comparison between the attributes of “old" and "new" industrial companies in Ghana. This shows that "new" companies have "more human capital ... higher export intensities, higher propensities to invest, similar or higher levels of total factory productivity and foster movement through size classes". The text adds: "All this supports the view that adjustment programmes are leading to more efficient outcomes in the industrial sector". However, a glance at the small print shows that the category "new" actually refers to companies created not after 1983, when Ghanaian adjustment commenced, but twenty years earlier!

mismanagement, and hence the workers' misfortunes. Others again engaged in struggles to institutionalise workplace collective bargaining, with a view to holding employers to properly observing their employment contracts.

Nigeria, Zambia and Ghana all differ from most developing countries in that they each have a single trade union centre, all of which were set up by government and for considerable periods enjoyed governmental support in the form of creation of single industry unions, establishment of closed shops, enforcement of compulsory check-offs and announcement of favourable national minimum wage increases. Except in the case of Nigeria where state support for such a centre was aimed at displacing an existing independent one, they were created by the state to increase its control and extend its patronage over movements suffering from splintering and fragmentation.

These countries all also shared a tendency in which the trade union centres gradually expanded their autonomy from the state, primarily by establishing a cadre of local officials engaged in collective bargaining at levels other than national agreements. This in turn led to the centres distancing themselves from their midwives on various policy issues in the late 1970s and early 1980s, particularly as the state's ability to guarantee minimum wage increases disappeared.

It appears that these trends encouraged the Nigerian, Zambian and Ghanaian governments to consider that the trade union centres could not be brought into the discussions concerning the formulation of economic liberalisation programmes. In any case, many parts of these programmes were designed outside the country with little or no discussion of any kind. In Ghana this exclusion was overdetermined by the Rawlings regime's attempt to supplant independent institutions generally by state-sponsored "popular" ones. Amongst the latter were "Workers' Defence Committees" and an "Association of Local Unions" aimed at replacing the Ghanaian Trades' Union Congress (TUC) and the unions affiliated to it.

Subsequently, the trade union centres in the countries concerned became highly publicly critical of adjustment and in the Nigerian and Ghanaian cases organised collective action against some of its consequences. Apart from Ghana's, each of the governments concerned responded by trying to weaken or break the trade union centres-often by simply reversing the measures they took to create them (ending compulsory check-off, encouraging the formation of breakaway unions, etc.). In response, the Zambian unions became involved in the campaign for multiparty politics while the Nigerian one was drawn into alliance with other occupational groups (students, professionals) in an intensified struggle against adjustment.

Beckman and Bangura strongly imply that this reflects a general spontaneous tendency of at least Nigerian workers' organisations to go beyond the role of narrow defence of self-interest prescribed for them by neo-liberal theory. Akwetey however, on the bases of the Ghanaian example, where tripartite decision-making structures governing industrial relations issues were restored in 1986, argues that most trade union centres would be very much more comfortable with a restoration of their previous corporatist role. This argument is supported by Nelson's (1991) general survey of state-labour relations in adjusting countries, which concluded that unions will cooperate with adjustment if they have confidence in the government's overall game plan (including its ability to procure donor funding) and if they have confidence that they will have some kind of access to some aspects of economic decision-making. Akwetey's and Nelson's conclusions suggest that a examination of certain earlier debates in African labour history might be worthwhile, specifically those concerning the balance between popular and clientelist modes of African trade unionism (Berg and Butler (1964), Kilby (1967), Weeks (1968) and Cohen (1974».

4. THE INFORMAL SECTOR AND ADJUSTMENT

Following the "discovery" of the informal sector in the early 1970s, and the polarisation of debate on it around the dualistic ILO approach (modernity versus informality) on the one hand and the "petty commodity production" approach on the other, new trends emerged in discussion of the phenomenon from the mid-80s onward. According to Rakowski (1994), besides the persisting ILO approach, the international literature is today dominated by three others. The first of these she terms the "Underground Economy" school, represented most clearly in the work of A. Portes (for a recent exposition see Portes and Schaufler (1993». According to Portes approaches such as the ILO's neglect the integration of forms of production, production units, technologies and workers into local, regional and international economies. "Informal economic processes" are embedded in a set of production relations currently being reproduced on a world scale via the restructuring of the first world economy. Enterprises in the latter are going underground either via sub-contracting or illegal hiring practices to lower labour costs, as extensive first world labour legislation is undermined by abundant world labour supplies. Informalisation hence reverses the process of proletarianisation, weakens the rights of workers and unions and disenfranchises large sections of the working-class-who are then condemned to undeclared, non-contractual, badly paid, and hazardous work.

An entirely different approach is embodied in the work of H. de Soto (1989) and his associates. According to de Soto, informality is basically a rational economic strategy induced by the high costs of legality to new economic actors. This basically celebratory position extols the income-generating and expenditure-saving qualities of "micro-enterprises". Informality is not equivalent to marginalisation, as it is for Portes, but is simply another route to capitalise development. State regulations and levies, which certain powerful economic groups support despite their own informal exemption from them, force new labour market entrants into extra-legality and poverty. However a significant number of them nevertheless develop craft and entrepreneurial skills which enable them to provide affordable goods and services for the mass of the population, particularly through trade and the provision of housing and transport. Associated with this argument is the thesis that a link exists between informalisation and democratisation.

Borrowing such theoretical content as it possesses from de Soto is the third position, which Rakowski calls "microenterprise developmentalism". This is usually anchored in non-governmental organisations and combines a neo-liberal with a social welfarist approach. It sees informal microenterprises as popular instruments for overcoming poverty and simultaneously for organising the poor (especially women) to gain control over a greater range of public resources. Amongst other things, it reflects a movement of many non-govermental organisations away from more explicitly community development-based approaches in the direction of increasing their own and their clients' access to resources, through increased networking with the state, donors and (in Latin America) private sector institutions.

The second and third of these perspectives have broadly informed the view of the African informal sector currently held by the World Bank and other donors, on the basis of its mediation by certain academics involved in the preparation of the World Bank's Long-Term Perspective Study. Contributors to the latter argued that the informal sector represented a more "indigenous", "vital" and authentic form of African economy than state-based economic institutions and was currently wreaking its revenge on the post-independence status quo by isolating and forcing into retreat the already ineffective state institutions. The informal economy emanated "from Africa's long traditions of open, competitive marketing at flexible prices" and continued to "flourish independent of and against legal powers ... demonstrat(ing) its vigour and persistence" (Hyden, 1990a). This economy, now embracing not only trade but manufacturing, construction, services and repairs, transport and finance was characterised by an unrivalled "Internal dynamism" and the rise of a "dynamic entrepreneurial class... . Its successful features appear to be sustainable because of their greater congruence with indigenous values and institutions and their adaptability to available technology, resources and socio-economic conditions" (MacGaffey and Windsperger, 1990).

In an accompanying text Hyden (1990b) goes on to call on African states to once and for all abandon attempts to transform society on the basis of public sector institutions and instead to promote an "enabling environment" for "Indigenous" economic forms. Along with local community-based efforts, informal sector entrepreneurship constituted an "anchor point" on which development should be based. All "artificial restrictions" should be removed forthwith from it. These sentiments became incorporated wholesale into the World Bank's (1989) own major strategy document for Africa in the late 1980s, where the sector is described as the seedbed of African entrepreneurship", and a major positive example of the efficient use of resources, responsiveness to market signals and progressive exploitation of freedom from regulatory constraint.

Recent empirically-based literature on the informal sector in Africa problematises all the contributions to the discussion described. In an excellent survey of recent work on the informal sector in Nigeria, Meagher (1991) argues that one of its principal features is a highly limited, but skewed relation to the formal sector. Contrary to the impression gained from Portes, sub-contracting appeared to be confined to the informal retail trade and almost completely absent from production activities. On the other hand, the latter were dependent for a majority of their inputs on the formal sector.

While this means that it is hard to see the informal sector as simply a set of production forms evacuated "underground" from the formal economy, it also means that it is extremely difficult to see how a dynamic evolution of enterprises toward producing or trading commodities with a higher capital content is possible in most areas of the sector. Insofar as accumulation does occur within the sector it is actually largely based on savings accrued from using unpaid labour (over a third of all labour used in the sector in Kano was unpaid, according to a survey described by Meagher).

Meagher thereby draws out attention to two crucial forms of differentiation within the sector ignored by the celebratory literature. The first is between a tiny handful of enterprises which are evolving economically and a mass of enterprises which are not. This observation is supported by Lachaud's (1990) work on Abidjan, which puts over 70 per cent of all informal enterprises firmly in the latter category (which he calls "Involutive self-employment") and also points out that the less than six per cent of enterprises which are definitely accumulating are mostly owned or supported by civil servants. It is also supported for Zimbabwe by results reported from the largest survey recently conducted on the informal sector as a whole. This reported that in the five sub-sectors where there had been the largest employment growth between 1991 and 1993 enterprise profits averaged only ZWD 134 (USD 22) per month (Daniels, 1993). The second form of differentiation is between informal entrepreneurs and their employees, mostly family members and apprentices.

Each of these characteristics of African informality is said by Meagher to be intensified under adjustment. Inflation, import scarcity, rising unemployment and falling real wages in the formal sector feed through into the informal one into rising input costs contracting markets, increased entry rates and increased competition (cf. Clark and Manuh, 1991, for similar arguments on Ghana). Combined, they tend to drive down incomes. At the enterprise level most informal entrepreneurs respond to these difficulties by lowering product/service qualities, increasing working hours (although there is often very little scope for this), and increasing their use of unpaid labour. Some capital-poor petty traders go over to commission selling for formal retailers. At the household level there is a rationalisation of expenditure (usually also involving a switch to cheaper items), increased involvement in urban farming, increased housing occupancy rates, withdrawal of children from school and withdrawal by women from community activities.

5. INFORMAL SECTOR WOMEN AND ADJUSTMENT

The positions encountered in current discussion on women and adjustment largely replicate those encountered in the other branches of the literature already described. On the one hand there is a neo-liberal influenced populist celebration of the "diversification" and intensification of women's economic activities. For example, a conference held in Paris in 1984 greeted the growing diversity in women's productive strategies, market opportunities and economic organisation as helping to make women less economically vulnerable and more socially creative (for a critical account see Guyer (1984». In the same vein Tripp (1989) argues that the diversification of women's informal sector activity in Africa in the phase of crisis and adjustment has been associated with the emergence of new social networks of women friends and relations, whose deeper impact bas been to stimulate democratic cultural changes in which women have asserted greater autonomy and hence attained greater equality.

On the other hand, there is an opposed tendency on the part of authors like Elson (1989: 65) to see adjustment as inexorable leading to a degradation in women's position, through adverse changes in income, employment levels and working conditions for formal sector employees, changes in product prices and demand for the self-employed, changes in consumer goods prices, and changes in the level and composition of public expenditure. A review of recent empirical evidence suggests that Elson's critique is largely vindicated, but that it needs to be supplemented by a greater appreciation of the influence of patriarchal ideologies, class differences between women and the distinctive constraints and imperatives associated with different forms of production and exchange.

Returning to the discussion of the informal sector, it is clear from the recent literature that while most women operatives experience continuing or intensified economic insecurity-particularly the supposedly more .autonomous" but also typically resource-poor female heads of household engaged in petty trade-a few women have gained a greater degree of economic power. In most cases these seem to be middle-class women entering relatively capitalised branches of the sector such as garment production/ sales and hairdressing (Mustafa, 1992; Musyoki and Orodho, 1993) or long-distance trade in high-value goods (Schoepf et al., 1991). These sub-sectors have grown largely as a result of the African middle-class substituting informal for formal sector products, services or sourcing patterns as a result of losing physical or financial access to customary items/services. But relatively large sums are necessary to successfully enter these branches, implying a heightened dependence on male relatives/connections.

This draws attention to the question of how the autonomy of women informals is circumscribed by personal dependence on male relatives/ associates and by society-wide patriarchal ideologies. A related issue is the connection between informal sector expansion and patriarchal forms of economic regulation. The absence of legal means of enforcing contracts surrounds most informal business transactions with distrust and tends to lead to what de Soto (op. cit.) calls a "familiarisation" of operations, which in turn tends to increase the authority of male household heads. This occurs through the translation of significant business ties into marriage contracts and the settlement of disputes through inter-familial male threats and violence.

The rural informal sector bas also expanded under adjustment, with some similar implications. To increase household/personal income rural African women appear to have had to increase their participation in fields already suffering labour supply surpluses, such as casual wage labour and brewing beer for sale (cf. Geisler, 1992). However there is some evidence (Kiondo, 1994) that in certain areas where traditional relative community prosperity bas been combined with male rich peasant out-migration to trade in urban areas, women have managed to gain at least formal control over new on-farm agricultural activities from which substantial incomes can be generated. This appears to be the case, for example, in respect of some zero-grazing dairy schemes in the Kilimanjaro region of Tanzania.

These schemes are run by women's self-help groups, whose growth both in rural and urban areas during the 1980s has been noted by many authors. In widely differing contexts and ways and with widely differing levels of success these have sought to alleviate some of the effects of gender inequality with regard to access to means of production, markets and credit. Their formation has been stimulated not only by economic difficulties but also by the enhanced presence of intermediary non-governmental organisations. The resources now at the command of some self-help groups may even be sufficient to allow enterprises such as those in Kilimanjaro to accumulate. For the most part however, without male-mediated high level political connections such as those Kiondo (op. cit.) describes, NGO-assisted women's commercial activities tend to remain at a survival level.

6. ADJUSTMENT AND HEALTH

The literature recording declines both in health services and health outcomes In adjusting countries is an extensive one, much of it published through UNICEF (beginning with Cornia, jolly and Stewart, 1987 and 1988, and continuing with the Innocenti Occasional Paper series on Latin American health services). However, attention will be focused here on the debate concerning what these declines should be attributed to.

In a contribution to an earlier phase of this research programme, Frances Chinemana and David Sanders wrote:

> *Historical and contemporary experiences have shown that there is a definite but complex relationship between economic growth ... and health status ... In general, sustained economic growth over the long run does lead to improved health and nutritional status: in the now industrialised countries the large and sustained decline in mortality was accompanied by reductions in morbidity (disease) and malnutrition and largely preceded any effective medical intervention ... There is not however a direct correlation between health and nutrition indicators and GDP pet capita levels, because improved income distribution-even at low levels-can accelerate improvements in health as shown , e.g., in China and Sri Lanka (1993: 307).*

According to such a perspective adjustment would primarily bear on health through its effects on income levels and income distributions. Since the former often have a tendency to decline and the latter to become more unevenly distributed, negative effects on health outcomes may be predicted. Simultaneously however, adjustment may be assumed to have a more direct effect on health outcomes through its effects on the quality and availability of public services (education, housing in some countries, clean water, and above all health facilities).

This widely-held perspective has recently been indirectly but lengthily challenged by the World Bank's *1993 World Development Report.* This report does not explicitly deny a relationship between the "economic environment" and health. Indeed, it is actually claimed that since adjustment is coextensive with improvements in the "economic environment" (policies are not distinguished from outcomes) it helps to promote good health (World Bank, 1993: 8). However, the main factor affecting health is the nature of government health interventions. The burden of the report is devoted to arguing that in developing countries at least, these have been fundamentally misconceived. Funds have been "misallocated" to high cost treatments (Like surgery for diseases) and facilities (like sophisticated public tertiary care hospitals) benefiting only a few, and health budgets and facilities have been inefficiently managed. More efficient providers, notably in the private sector, have meanwhile had their participation restricted.

The answer to these difficulties is a rectification of health policies. Investment should be concentrated in the most cost-effective interventions, namely immunisation, school-based health services, information and selected services for family planning and nutrition, control of addictive substances and AIDS prevention. Governments should also open up to private medicine (in Zimbabwe partly through "contracts" with missions to act as referral hospitals (World Bank, 1992» and private insurance and promote a more healthy public health environment by "enabling" (via the elimination of subsidies) "efficient and active providers (often in the private sector)" (op. cit.: 9) to supply households with "the (social) services they want and are willing to pay for" (op. cit.). The reorganised state-based health services should be paid for by reducing or eliminating spending on discretionary clinical services, rationalising other expenditure and introducing user charges.

World Development Report 1993 differs from certain other recent World Bank publications by continuing to allocate some fairly major functions to the state. But what these functions should be is nonetheless determined according to neo-liberal criteria. Some of the critical observations already noted on the neo-liberal approach to Zimbabwean industry have parallels for the World Bank's treatment of health questions. Determining the relative cost efficiency of particular health interventions, like determining the efficiency of particular companies/industries is a useful exercise if its inherent limitations are recognised. In the case of industries, the crucial limitation was that such exorcises can tell us nothing about the general non-micro level conditions of industrial growth, or the relevance of different macroeconomic level strategies for attaining such growth. Likewise, in the field of health, nothing is learnt about the non-medical conditions of promotion of good health or the general macroeconomic conditions under which they are likely to be generated. Indeed in both cases the need for such discussion is implicitly rejected in the name of a spuriously "scientific" set of mathematical calculations. Again, in both cases the non--economic characteristics, advantages or disadvantages of particular organisations/treatments are systematically neglected. In the case of health attention is also diverted from issues of general service quality/professionalism. Finally the neo-liberal approach in both cases invalidly generalises benefits of general social efficiency (and equity) from the supposedly inherent micro-economic efficiency/cheapness of private sector undertakings. Even if the latter is acceptedwhich is itself a big step-there is no reason to suppose that there will be any social benefits either intended or automatically arising from an expansion of their role-for example, in employment--generation terms in the case of industry, or extending accessibility of provision (by filling empty "gaps") in the case of health.

7. SOCIAL DIMENSIONS OF ADJUSTMENT

In the late 1980s, in answer to widespread criticism that adjustment was having negative effects on the poor, the World Bank inaugurated an international initiative on "Social Dimensions of Adjustment" (SDA). The Zimbabwean programme was one of the first free-standing instances of this initiative in Africa. Elsewhere (Gibbon, 1992; 1993) 1 have argued that African SDAs suffer from an insubstantial conceptual basis, are supported by often irrelevant data-collection exorcises and that where practical activities have materialised from them, these have been directed mainly at retrenched civil servants rather than the genuinely poor. Some criticisms along similar lines had also emerged by 1990-91 amongst the bilateral donors who were financing the whole exercise through the World Bank. Subsequently, a series of more detailed national case studies have been conducted in Latin America and Africa, from which a more substantial critique has emerged.

An important item of information arising from these case studies (especially Vivian (1994) and Beneria and Mendoza (forthcoming) is that whereas SDA-type programmes were initially intended as ad hoc responses to apparently transitional problems, they have more recently been seen by their protagonists as incorporating an alternative and preferable mode of social service provision, consonant with the neo-liberal model. That is, rather than being universal and protective (of "rights") in intent they are supposedly targeted and promotive (of "capabilities"). Furthermore, they mainly involve provision through "participative" providers (NGOs and others), who are contracted to supply services on a competitive basis-hence simultaneously fostering "civil society" and enhancing efficiency. The Mexican "National Solidarity Programme", the largest SDA-type programme to emerge so fat, is not only explicitly justified in this way, but connects up with the neo-liberal agenda in another respect, being almost wholly financed from the proceeds of privatisations, and is even claimed to be the main long-run basis through which infrastructural development will occur.

The general critique of this approach which is emerging emphasises that the overall impact of such programmes on real poverty is likely to be piecemeal and/or minimal. The principle guiding the programmes is working through small NGO-initiated and based projects-in other words, self-selection. The result of self-selection is that those populations already best served by NGOs and well-connected politicians able to assist them will benefit most. Grosh (1992) for example bas shown that in Bolivia pet capita SDA-type expenditures were distributed regressively by region-the least poor region received the most whereas the poorest received the least. This gives rise to the criticism that whereas much of the argument for SDA- type activity is based on the position that universal services primarily hit the wrong target, selective SDA activity does not hit the target at all. Meanwhile, the result of the "projectisation" of welfare is that most SDA-based provision becomes highly donor dependent on the one hand, and difficult to centrally coordinate on the other.

More concretely, recent evaluations have made it clear that the numbers benefiting from SDA-type interventions, whatever their real levels of need, are in any case tiny. In respect of the main advertised task of employment creation, the Nicaraguan programme created only 24,000 person/'ob years over four years and at an expenditure of USD 50 million; the Honduran programme created only 21,500 person/job years over five years at an expenditure of USD 110 million and the Ghanaian programme created only 3,200 person/]'ob years over three years at a cost of USD 84 million (Beneria and Mendoza, ibid.; Gayi (forthcoming».

8. SOME EMERGENT THEMES FROM THE CURRENT RESEARCH

The reader him- or herself will be left the task of evaluating the contribution of the studies in this volume to the development or resolution of the debates sketched above. Rather than itself pursue this task, this introduction will conclude by identifying certain themes and findings central to the studies, many of them neglected in earlier discussions.

a. Capital. an uneven restructuring

Evidence from outside Zimbabwe suggests that even at best, adjustment has not been associated with any major increase in industrial investment. However the Zimbabwe case shows that larger-scale companies there, particularly in textiles and clothing and paper and packaging, engaged in quite fundamental re-equipment processes as a direct response to economic liberalisation. Apparently as a result of increased confidence generally, and easier access to foreign exchange and inputs in

particular, companies in these sub-sectors invested ZWD 1.1 billion and 229 million respectively over the first three years of the programme. Re-equipment was also quite widespread in most of the other sectors examined in Sachikonye's survey and overall a third of all employees interviewed were working with machinery bought in the last year. Hence at the moment it would be misleading to speak of de-industrialisation in the Zimbabwean case (although a closure of ZISCO might oblige this conclusion's revision).[4]

On the other hand this restructuring was uneven in itself and in its results. It did not really extend to small- and medium-sized companies, suggesting a widening future differentiation in the sector, and nor did it seem to be present at all in agro-industry. Moreover, its dynamic effects had been obstructed by the drought of 1991-92 and by several developments more or less also attributable to adjustment. The most important of these was a collapse of domestic demand, caused by the conjunction of declining real incomes and the opening up of local markets to cheap imports (particularly second-hand clothing). A second major adjustment-related problem facing companies was a major increase in real interest rates, which was felt especially acutely as there had been really substantial borrowing. A third problem, which promises to be longer-term in its implications than either of the latter, was the escalation in parastatal utility charges. This reflected pressure on parastatals to charge "real" prices in conditions of rapid withdrawal of state subsidies, and in the absence of the parastatals losing their monopoly status will represent a long-term change in the structural cost conditions under which Zimbabwean companies operate.

Corresponding to a pattern of new investment there was also an apparent pattern of labour restructuring. The workers in Sachikonye's sample reported significant levels of job enlargement (31 per cent were doing Jobs performed earlier as part of other jobs), work intensification and

[4] The historical importance of ZISCO is described by Sachikonye (this volume). It has been a consistent loss maker during adjustment period and in 1993-94 still received a subsidy of ZWD 240 million. Its closure has been the subject of continuous speculation over the last two years.

retrenchments. They also reported reductions in real wages and in fringe benefits. Ironically, labour restructuring seemed to have proceeded further in the public sector, where sub-contracting had also been introduced in some areas. Furthermore, capital had generally succeeded in pushing through most of these changes without great résistance. This was partly because earlier company policies of gradually increasing numbers of non-permanent workers meant that the relatively few workers with substantial employment rights who had to be removed could now be offered favourable severance terms, and partly-in the context of the drought-because employers created new collaborative mechanisms which succeeded in defusing protests. The latter included paternalistic welfare and/or savings funds from which especially "needy" workers could borrow.

b. The economic degradation of the working poor

The decline in formal sector real incomes has already been referred to extensively. Brand et al's sample of women informal sector workers suggests a decline even in *nominal* median incomes between 1992 and 1993. The picture emerging from the studies is of a working-class, formal and informal, generally on the verge of destitution. Bijlmakers et al report that in Chitungwiza-an area in which most households have a male formal sector worker present-39 per cent of households had no savings, could not save, did not participate in savings societies and had made no major expenditures (other than school fees) in the previous year. Important changes in consumption patterns were reported in all three studies. Amongst informal sector worker households in Mbare, a majority in 1992 had eaten three meals a day; by 1993 a majority ate only two; 80 per cent of households reported changes in diet, 68 per cent ate less meat and 59 per cent less bread. Around half of Sachikonye's sample lived in households which could no longer buy bread or meat at the end of each month. Households in which there were retrenches were twice as likely to not be able to. Bijlmakers et al.'s survey shows a considerable decline even in those saying they could afford maize-meal, the basic food item of the poor.

Dietary changes such as these will clearly have long-term effects. The baseline health survey conducted by Bijlmakers et al already allows limited comparisons to be made with a similar population in Chitungwiza examined in 1985. This shows an increase in the proportion of stunted children aged one to four years from 12 per cent to 20 per cent.

On the other hand, the great majority of households appeared to be resisting cuts in strategic areas of consumption-presumably by increasing other sacrifices. The number of school drop-outs reported was surprisingly low in each of the surveys: it affected 5 per cent of households in Chitungwlza and Murehwa, 6.1 per cent of Mbare informals and 10.7 per cent of Sachikonye's formal sector workers. The latter figure was however pushed up by the inclusion of a group of plantation workers, 24 per cent of whose households had school drop-outs.

All the studies concur on the marginality of the Social Dimensions Fund (SDF) to the mitigation of these problems. The overwhelming majority of households in Chitungwiza were paying for health care, and a clear majority was doing so even in Murehwa. Only one per cent of Chitungwiza households were receiving either food money (three per cent applied) or school fees assistance. Amongst the Mbare informals, less than one per cent received food money and 6.8 per cent assistance with school fees. Only 4.8 per cent were receiving assistance for drugs. The food assistance figures appear to throw doubts on current Zimbabwe Government claims (see above). None of the 57 retrenchees in Sachikonye's sample had received assistance of any kind from the SDF.

c. *Contradictory processes of social and economic homogenisation and differentiation*

There was already a clear pattern of internal differentiation within the Zimbabwean working-class in the decade prior to adjustment. Amongst wage workers, parastatal employees were in a relatively privileged situation, with even unskilled workers earning double the incomes of similar workers in other sectors, as well as enjoying various fringe benefits. At the bottom of the wage worker hierarchy came plantation workers.

The mass of women informal workers probably earned incomes somewhere between these poles. Women numerically dominated the informal sector, and although there were many male participants, few straddled between formal and informal occupations. Different strata in. both the forma] and informal sector were distinguished further by the geographical areas in which they lived, their type of accommodation, diet and so on. Further differentiation existed within households along gender lines (in terms of allocation of household tasks, shares of property and disposable income, decision-making rights over it, access to various consumption items, access to leisure, etc.) and between households which were male(usually wage-earner) and female-(usually informal operator) headed.

At the very top of the social pyramid were state employed professional workers-teachers, nurses, and so on. These had the highest earning power, were universally accorded high status and rarely if ever would be engaged in sideline activities.

The surveys in this volume show a series of interesting modifications to this picture, although in many respects these were already underway prior to adjustment. Some differences seem to have been eroded. Considerable swathes of the formerly respectable working-classes now consume previously looked down upon standard diet items of the poor. The professional classes have become much more similar in their overall pattern of household activities to the test of the formal sector working-class. Professional women now have informal income-generating projects and participate (albeit regretfully) in trade union-type activity. Less predictably, there seems to have been a narrowing of differences between male- and female-headed households. Women in all types of household seem to have taken on greater financial responsibilities, greater domestic duties and have become correspondingly responsible for a greater range of household decisions. In other words, the specific economic advantages (and partial social disadvantages) "enjoyed" by women in male-headed households have steadily disappeared.

The latter however implies a widening general differentiation between men and women. Women seem to be almost always responsible for extending household income sources. It is interesting in this context to note Sachikonye's finding that only 32 per cent of his (overwhelmingly male) sample of retrenchees engaged in informal sector activity. This figure is barely higher than the proportion of employed formal sector workers with an informal sector Job. A similar impression is given by Brand et al's work. Moreover, while there is strong evidence of a general diversification of income-sources by working-class households in the last two years (22 per cent of all Chitungwlza households had additional income source in 1993 compared to 1991), the great majority of Sachikonye's mostly male formal-informal sector "straddlers" had not begun straddling recently.

This discussion of increased (and increasingly gender-specific) economic "activism" needs to also register a further apparently new form of differentiation. It appears that "activism" in seeking solutions to economic problems is primarily a phenomenon of households with members who are format sector workers or part of the professional strata. According to Brand et al., most informal sector workers were by contrast pursuing risk-aversion strategies-cutting clown on numbers of economic activities, remaining in the same accommodation, etc., while the Chitungwlza sample was diversifying economically, moving house and so on.

Of course, within the formerly better-off sections of the urban working population, new divisions mirroring certain previous ones were also emerging. Whereas women from working-class households were entering the informal sector as self-employed operators or possibly in partnership with other women from the same household, and on a survival basis, those from better-off ones were entering it as employers or relatively capitalised accumulators.

Finally it should be recorded that the main group of downwardly-mobile professionals examined in the studies, nurses, showed strong signs of rejecting key aspects of their newly proletarianised status. While adopting trade union forms of activity and more instrumental attitudes to work, they were apparently more deeply absorbed in efforts to socially differentiate themselves from their clients (the poor). This they accomplished through the increasingly arbitrary (ab) use of what remained of their professional autonomy.

d. Collective organisation, ideology, etc.

A similarly diverse picture emerges when issues of collective organisation and ideology are considered. Little if any growth had occurred in collective organisation amongst the informals examined here (although other informal sub-sectors may of course have become more organised). Such organisation as there was related to immediate financial support (ROSCAS) or to day-to-day trading practicalities. In the latter case it was almost always informal.

Trade Unions still had a substantial presence amongst the formal sector working-class (and professions] strata) but had generally proved ineffective in defending workers' real pay and conditions. There were exceptions to this picture, however. In some parastatals the unions continued to play an important defensive role. Moreover, in this sector they seemed to be organised in a somewhat different manner, with ordinary members having a greater involvement in them and clearer knowledge of what they were doing. In other sectors, the relatively favourable position earlier occupied by unions seems to have been mediated by the state. With the latter's withdrawal of support from the unions a major erosion in union bargaining power occurred.

Even in parastatals unions confronted major difficulties however. These stemmed partly from the fact that the employer's offensive was sharper there but also partly reflected a state-created "enabling environment" for the release of pent-up sectionalist (artisanal) grievances stemming from the single industrial union tradition.

While unions were more popular amongst workers than the state was, and while structural adjustment was both deeply unpopular and identified with the state, there still seemed to be surprisingly little overt hostility to the state or support for a major union-led confrontation with it. The state had appeared either to have partly succeeded in detaching itself from blame for adjustment or to have mitigated this blame through its relatively efficient reaction to the drought. This complex situation in some respects mirrored that which provided the background to workers' relations to private employers.

e. Matrilocalisation of production and reproduction

Brand et al's study identifies the matrilocalisation of production and reproduction as a significant trend amongst many informal sector households. By this is meant on the one hand a simultaneous enlargement of households by the relatives of its senior female member, and the extension of the financial and domestic responsibilities of this member; and on the other the increasing withdrawal of senior male household members from productive activities, contributions to household expenses and contributions to household decision-making. These trends did not necessarily occur in the same households; indeed, the most outstanding cases of matrilocalisation were among households headed by older women, often widows, where it was frequently also accompanied by a withdrawal from production and contributions to household expenses by younger women. Nonetheless both trends appeared to be part of a single phenomenon whereby alone of adult household members, the senior woman accumulated burdens and duties.

This was a phenomenon of the informal sector working poor and did not seem to be as widespread amongst those households in which were found slightly better-off informals with partners in the formal sector, for example, low-density shopping centre traders married to male domestic servants. They also seemed to be absent amongst the "informal aristocracy" of cross-border traders, often also married to formal sector employees and exhibiting the classical Victorian European middle-class household structure of man, wife, servant (paid or unpaid (relative)) and children.

The phenomenon appeared to be associated with male insistence on autonomy in a situation of declining bargaining power. The decline in male contributions to household budgets and male transparency about earnings (if there were any) was accompanied by an increase in the relative share of discretionary personal expenditure by males; however, there was no way such increases could be legitimated within the existing pattern of household relations and men were obliged to give up some of their authority as a consequence.

The phenomenon was on the whole regressive for women. Those women who experienced the highest degree of matrilocalisation were usually those who had managed to accumulate a certain level of personal resources. Their relatives, deprived of their own resources or unwilling to invest time in procuring them, simply came to graze where they could find grass. In the process, women of the working poor saw their capital disappear. Economically, they had therefore entered an involutionary trajectory.

In Zimbabwe urban society generally, and the working poor in particular, is generally experiencing a subtle process of transformation-one unfortunately which exhibits few encouraging portents.