# IMPLICATIONS OF STRUCTURAL ADJUSTMENT FOR WORKING WOMEN IN LATIN AMERICA: A CASE STUDY OF MEXICO

Dissertation submitted to Jawaharlal Nehru University for award of the degree of

# **MASTER OF PHILOSOPHY**

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# DECLARATION

I declared that the dissertation entitled "Implications of Structural Adjustment for Working Women in Latin America: A Case Study of Mexico" submitted by me for the award of the degree of Master of Philosophy of Jawaharlal Nehru University is my own work. The dissertation has not been submitted for any other degree of this University or any other university.

Devashri Sinha

## <u>CERTIFICATE</u>

We recommend that this dissertation be placed before the examiners for evaluation.

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### Acronyms and Abbreviation

- AU African Union
- BIP Border Industrialization Program
- CABs Conciliation and Arbitration Boards
- CNMT Coordinadora Nacional de Mujeres Trabajadoras
- CTM Confederacion de Trabajadores de Mexico
- CTM Confederation of Mexican Workers
- ECLAC Economic Commission for Latin America and Caribbean
- el SNTE Mexican Teachers' Union
- EPZs Export Processing Zones
- EU European Union
- EZLN Zapatista National Liberation Army
- FAT Authentic Labor Front
- GATTs General Agreement on Tariffs and Trade
- GDP Gross Domestic Product
- GNP Gross National Product
- IFIs International Financial Institutions
- ILO International Labour Organization
- IMF International Monetary Fund
- IMSS Mexican Institute of Social Security
- la CNTE Coordinating Committee of the Mexican Teachers Union
- LFT Federal Labour Law
- MEG Gender Equity Model

NAALC North American Agreement on Labor Cooperation

NAFTA North American Free Trade Agreement

NGOs Non Governmental Organizations

OPEC Organization of Petroleum Exporting Countries

PAN Partido Acción Nacional

PECE Pact for Stability and Economic Growth

PRI Partido Revolucionario Institucional

PROGRESA Programa de Educación, Salud y Alimentación

SAFTA South Asian Free Trade Agreement Agreement

SALs Structural Adjustment Loans

SAPs Structural Adjustment Programme

SNTSS Mexican Institute of Social Security

STUNAM Union of Workers of the National Autonomous University of Mexico

UAIMs Agro-Industrial Units for Women

UN United Nation

UNAM Universidad Nacional Autonoma de Mexico

UNT National Union of Workers

WB World Bank

WTO World Trade Organization

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#### Preface

By the 1970s Latin American countries found themselves in deep economic crisis with imbalances on their external and fiscal accounts. This opened the way for the involvement of International Monetary Fund (IMF), World Bank and other International Financial Institutions (IFIs) in the economic management of these countries in a very significant way which is known as economic adjustment or economic restructuring. Since the late 1970s, the paradigm of economic adjustment as advanced by the IFIs to rescue the debt ridden countries of developing countries has come to dominate policy discourse and policy action. This heralded a fundamental shift in policy focus, in the priority accorded to economic issues as against social/human development issues and in the approaches to addressing these.

Underlying the IFIs approach, is a view of how best economic activities should be organised, how development is attained, and what is the appropriate role for the state. The private sector is expected to play a lead role in development with the state providing the supporting macroeconomic and institutional framework. This view champions the supremacy of the market and the removal of all barriers to the free functioning of the market. Economic growth, and more recently, broad based economic growth is held to be the key for development.

The latter part of the twentieth century forced the countries of Latin American countries to make a significant shift in the economic policies. The 1982 debt crisis compelled many governments to implement the structural adjustment programme (SAP) and move toward market-oriented policies. Structural adjustment has come to be associated with the policy recommendations emanating from the IFIs (IMF/World Bank) and more recently the World Trade Organisation. Structural adjustment programme can be defined as the varied policy action (whether home growth or externally driven) that attempts to alter the nature, structure and functioning of economies.

Economic reforms swept the region, enforcing policies that opened the national economy to foreign competition and reduced the role of the state in directing the allocation of resources and production in the economy. Although the nations of this region suffered similar economic hardships and maintained relative dependency on international lenders, the degree of implementation of neoliberal reforms varied from state to state. The effects of the 1982 debt

crisis on Latin America lingered through the decade which is known as the "lost decade". Indeed, in the years following the international debt crisis, most Latin American countries have experienced very unstable growth with economic crises of varying intensity and duration. In Latin America, transitional costs of liberalization policies have been high and it has affected the labour and the labour market dynamics drastically.

Structural adjustment has affected women more drastically, and they had to pay the price more than the men. With the adoption of SAP comes a withdrawal from social spending. With less money going towards education, health, welfare, and local infrastructures, local peoples are burdened with increasing responsibility. Local health, welfare, and infrastructures (especially water and sanitation) are usually considered "women's work" and fall directly to them. Withdrawing government support directly affects the amount of work women are required to do, resulting in lessened health and well-being for women and indeed the entire family. In addition, opening markets causes an upsurge of jobs in cities. As rural men leave to go for these jobs, women and children are left behind, with increased responsibility for wives and mothers to single-handedly run the household. Besides women are forced to look for jobs to compensate the incomeloss due to liberalization in the Latin American countries. They are participating in the income generating activity and simultaniously doing household jobs on highly unfavourable terms. This dissertation is a modest effort to look into the effects of the implementation of the structural adjustment programme on the working women of Latin America, in particular on working women in Mexico.

Chapter 1 traces the link between Structural Adjustment Programme and the debt crisis of 1980s with a brief history of the origin of debt crisis in Latin America. While dealing with various aspects of Structural Adjustment Programme it also discusses the role of International Financial Institutions (IFIs) for forcing the developing countries including Latin America to implement the adjustment programme. The chapter's main focus is how the implementation of structural adjustment has affected the labour? It shows that the adjustment and liberalization effect of 1980s had affected various aspects of labour market such as employment, wages, human capital formation and worker's organization. While tracing these changes, the chapter focuses the provisions for protection of labour rights in the International Labour Organization

(ILO) constitution and shows that there is variance regarding implementation. Finally, for enrichment of the argument data regarding employment pattern and wages for consecutive years in Latin American countries has been used for better understanding of the declining position of labour.

The second chapter analyses the gender aspect of adjustment programme in Latin America. The chapter deals with issues concerning women and analyses what role the International Financial Institutions (IFIs) have played in constructing women's image. It raises question on the motive of these financial institutions while dealing with women issues. It identifies how the socially constructed phenomenon of gender has kept women outside the realm of economic development. As women's productive capacity has not been identified, she has not been able to get the reward of economic development. The chapter further argues that structural adjustment programme and the subsequent changes in the government policies have made things worst and have intensified women's work. To enrich the argument many case studies has been used to depict that states rollback of the welfare measures have forced women to compensate with the shrinking budget as well as to intensify her domestic and reproductive work. Finally, the chapter deals with the responses of women against these changes. It explores how women of Latin American countries have formed groups at very grass root level registering their concern for the issues which affect their every day life.

The third chapter deals with the working women of Mexico. It explores women's status in the Mexican society and traces the changes in their position over a period of time. For this the chapter deals with women's education profile, the social structure of Mexico and women's changing political role over a period of time. The chapter deals with the difficulties of structural adjustment for working women in Mexico with the changing economic scenario of 1980s when the Mexican economy has been radically transformed. Economic liberalization and structural adjustment programme (SAP), designed to overcome the country's debt crisis and move Mexico into a more competitive position in the world economy, have had enormous implications for rural and urban society. The crisis of the 1980s accelerated trends present in Mexico's urban employment and agricultural sector since the mid-1960s, including changing

pattern of employment, growing poverty and landlessness, food dependency, and migration to urban centres and to the United States and expansion of export processing zones (EPZs). Research on social effects of these economic restructuring shows, that a gendered perspective is critical for our understanding of this ongoing dynamic process of economic transformation.

The fourth and the final chapter attempts to put this exploration together to argue that SAP was a product of larger global economic policies. It attempts to show that SAP was a set of policies imposed on the Mexican people due to the weak democratic structure of the state. Enriching the argument of chapter three it deals with the laws and agreements implemented after the North American Free Trade Agreement (NAFTA) which was a step forward in the direction of SAP.

In the present scenario, when every country is making shift towards more open economy, this dissertation is an attempt to critically understand its long term impact on social and human development with a gendered approach.

## **CHAPTER 1**

# STRUCTURAL ADJUSTMENT PROGRAMME IN LATIN AMERICA

### **1. Introduction**

The Structural Adjustment Programme (SAP) was initially created by the World Bank (WB) and the International Monetary Fund (IMF) in the late 1980s. The main purpose of the programmes was to assist those countries which were encountering economic difficulties. It was a package of reforms prescribed by the World Bank and the International Monetary Fund (IMF) while granting loans to countries in deep debt or in economic crisis. Essentially, the SAP was a loan package provided to member countries of the WB and IMF who were experiencing economic problems. The main objective of the SAP was to help in pushing the countries' economy onto the track of economic growth, but with efficiency and stability.

To receive these loans a country is required to satisfy certain conditions which are set by the WB and the IMF. The conditions have generally been underpinned by neo-classical economic assumptions and reasoning<sup>1</sup>. The neo-classical SAP is thus based on the assumption that the market is a better mechanism for organising and allocating resources than the state. Therefore, the state should have a reduced role and rather than acting as a resource manager should be a market *s* facilitator, assuring that market regulations are adhered to. It was claimed that once the market is free from state intervention and fully functioning, individuals will act for their own benefit and will respond rationally to market signals. On the macro level, this will result in the country's economic prosperity.

To achieve the ultimate goal of the programmes, the constituent policies are aimed at (a) reducing domestic demand (b) reducing public expenditure (reducing the state role) and (c) promoting export. Typically, these policies will comprise one or more of the following measures:

Changes to exchange rate regimes, a high interest rate policy, credit squeeze, reduction in government budget, increase in government revenue, market liberalization and social safety net programmes. From Africa to Asia, Latin America and Eastern Europe, over one hundred countries applied for similar packages, despite significant differences in their economies (Beneria, 1999).

This chapter explores the general criticisms of the SAP that have arisen despite the many claims of its success. The chapter will pay particular attention to the implications for labour market with the implementation of SAP. Following the introduction the chapter traces the origin of SAP, its definition and different aspects related to it. As the chapter is an effort to understand the labour

market implications, it explores the effect of SAP on labour with a critical approach. The more specific criticisms of SAP' labour market dynamics has been done with the focus on international conventions regarding protection of labour rights. Finally the chapter briefly discusses the gender impact of structural adjustment programme. It concludes by summarising the arguments and findings.

## 2. Structural Adjustment Programme in Latin America

Structural Adjustment Programme (SAP) is related to the foreign debt problem that developed in the late 1970s and early 1980s. Debt problem is linked to the development taking place in the petroleum industry in 70s and the effect of those events on the international economic system in the 80s. With the increase of oil prices the Organization of Petroleum Exporting Countries (OPEC) were flooded with foreign currencies. In some of these countries, there were more funds available than could be utilized within the country so the excess was channelled into American and Western European banks where they were known as *petrodollars<sup>ii</sup>*. The banks in turn were flooded with petrodollars, and were scrambling to find places to put the money to work to earn interest. This money in turn was lent to Latin American countries as loans. The Latin American countries build up the debt more rapidly during late 1970s and early 1980s as a protective response to an external crisis of world economies, brought on by the OPEC oil price shocks of 1973-1974 and 1979-1980. As larger expenditures for oil imports from all over the world including Latin America flowed to OPEC, a growing volume of these petrodollars were deposited in multinational banks to be recycled in a triangular circuit back to the oil importers, only to make the circuit again and again (Dietz, 1989). In the process, Latin America's debts build up, and this loan was used by Latin American countries for imports from developed nations. These imports from Latin American countries helped in accelerating the income and growth level in the developed countries and this encouraged the private banking system and the leaders in the financial centres, including the US Federal Reserve System, to seek out sovereign borrowers. Countries of Latin America, which were in great need of capital investment, both public and private found these developments as easy opportunity to gain loan. The oil exporting countries such as Mexico, Venezuela found that it not only had vastly more revenue from its petroleum exports but it also could borrow vast amounts from international banks (Dietz, 1986, 1989; Felix, 1989).

By the beginning of 80s, the ability of the Latin American governments to pay back their loan obligation progressively deteriorated. Borrower countries found themselves in deep economic crisis with imbalances in their external and fiscal accounts. Various arguments had sought to associate the reasons for this crisis with different sources of problems emanating internationally and domestically.

Some argues that, Latin America itself is to blame for the debt crisis due its incompetent rigid economic structures and its unresponsiveness to the market economic structure. They had pointed out that the reason for economic crisis is endogenous to the Latin American economies and has marked Latin America responsible for the origin of debt crisis (Wiesner, 1985). On the other hand, others focused on the external factors as the reasons for the debt crisis. They discuss the exogenous changes causing the fruition of the debt crisis like- decline in industrial country growth and changing terms of trade and the shift in the developed countries economic policies towards a monetarist-type squeeze on inflation. This was especially led by United States and Great Britain, that drove interest rate sharply upward by 1981 and unleashed the worst recession since 1929 (Gullien, 1989).

The crisis opened the way for the involvement of the International Financial Institutions (IFIs) like IMF and World Bank in the economic management of the debt ridden countries, in a very significant way. The IFIs approach was to control the economic policies of the developing countries and deciding the appropriate role for these states. The private sector was expected to play a lead role in development with the state doing the role of stewardship, providing the supporting macroeconomic and institutional framework. This view champions the supremacy of the market and the removal of all barriers to the free functioning of the market. Greater integration into the international economy of developing countries, through opening their borders to trade, capital flows, technology etc., was also encouraged for "catching up" with the advanced industrialised countries. Economic growth, and more recently, broad based economic growth was held to be the key to social development. At the same time, IMF's control over Latin America was enhanced by the IMF virtual monopoly over the granted loans.

The IMF stressed set of domestic adjustment that fit poorly into the global conditions, as it was clear that external factors were responsible for the debt build up and debt crisis, the IMF has stressed individual and purely domestic adjustment (Welch and Oringer, 1998). These principles work as a guiding source for the structural adjustment programme (SAP) which took shape as debt repayment strategy to safeguard the endangered private banking network of European and Western countries which had lent money to the developing countries. It was a set of economic measures imposed by the World Bank and IMF in the name of helping the developing countries to address their economic woes, and relieving the debt ridden countries of Latin America which were engulfed in a deep and prolonged recession. Structural adjustment policies (SAPs) refer to high-powered austerity programme<sup>iii</sup> implemented in many countries across the globe since the early 1980s and tied with the conditionality of IMF/World Bank for international financial loans.

The SAPs was inspired by the neo-liberal model associated with the "Washington Consensus", that is, an emphasis on the market as the main allocator of economic resources and a corresponding decrease in the role of the government<sup>iv</sup>. Its orthodox framework ignored the global aspect of the crisis and instead stressed domestic mismanagement as primary cause of Latin America's payment problem (Welch and Oringer, 1998). Under SAPs structural adjustment loans (SALs) were given by the World Bank and IMF to the developing countries for repaying debt of the private banks. Despite this notion that the Latin American crisis had emerged as a result of separate and unrelated inadequate policies in individual countries, the IMF recommended virtually the same policy package to whole of the Latin America having common guiding principles. The World Bank (1992) identified the seven objectives of structural adjustment:

- 1. Stabilizing the macro-economic environment
- 2. Promoting economic growth and alleviating poverty
- 3. Promoting the openness of the economy
- 4. Improving transparency in the incentive system
- 5. Improving efficiency in resource allocation
- 6. Improving scope for private sector development
- 7. Strengthening institutions and capacity for policy analysis

The structural adjustment loans came with many crippling conditionality attached. These conditionalities might have varied from country to country; the basic characteristics can be summarized as falling in four major policy areas:

First. a common starting point was adjustment in the area of foreign exchange, beginning with currency devaluation in order to deal with normally overvalued currencies. This leads to an automatic increase in the price of imports, followed by that of domestic prices and inflationary trends. Second, drastic cuts in government spending are used not only to reduce deficits in the public sector but also to shift resources and economic activity from the public to the private sector. They are also used to decrease aggregate demand in order to stem inflation. The cuts reduce or eliminate government services and subsidies, such as in education, health and other sectors that contribute to the social wage, particularly of low income groups. Another aspect of the reduction of the government's role in the economy is the process of privatization of public firms. Although privatization might serve the important function of reducing the domestic deficit and eliminating inefficient and even corrupt activities in the public sector, it has also played a significant role in the imposition of the market over welfare and human development criteria in the functioning of the economy. Third, SAPs has been used to stimulate deep economic restructuring through market deregulation, including labour and capital markets. This in turn creates strong pressures to restructure production, which leads to the introduction of new technologies, reorganization of labour processes and an emphasis on efficiency and "modernization." Fourth, this process is reinforced by trade liberalization and the easing of rules regulating foreign investment, increasing the degree of globalization of the economy and emphasizing the production of tradable over nontradable. This reinforces the need to strive for more efficient production so as to be able to compete in international markets and reverse the external debt problem (Beneria and Mendoza, 1995).

To sum up, orthodox SAP represents deep economic and social changes amounting to: a) increasing productivity levels even though, at least during the initial stages, at lower real wages; b) eliminating waste and inefficiency while "rationalizing" the economy according to the signals dictated by an expanding market; c) achieving a higher degree of openness to foreign competition and integration in the global economy through trade and financial liberalization; d) altering economic and social relations and shifting the distribution of resources, rights and privileges

towards social groups benefiting from the market; e) responding to the needs and interests of international capital and powerful global and domestic interests, including the large financial institutions, transnational corporations and international organizations such as the World Bank and the IMF; and f) reaching the final objective of returning to acceptable levels of economic growth and stability.

Since structural adjustment programs covered so many dimensions of economic policies, agreeing to SALs was virtually to hand over the control of a country's economy to the World Bank and the IMF. The power of state was subverted significantly, and its role was limited as a facilitator for market led development.

In the case of Mexico, which was a petroleum exporter country found it very easy to gain loan. The government of Mexico found that it not only had vastly more revenue from its petroleum exports but it could also borrow vast amounts from international banks. At the same time, macroeconomic policies of the 1970s left Mexico's economy highly vulnerable to external conditions. With the abundance of funds, that were available there seemed to be no need to turn down any investment project. Many projects funded were of doubtful validity i.e., some projects were not well conceived or properly executed. Some, even if they were honestly administered, would not generate more benefits than their costs. Some projects were executed to allow bad economic policies to continue. These turned sharply against Mexico in the early 1980s, and caused the worst recession since the 1930s (Watkins, 1982; Mabry, 1982).

By mid-1981, Mexico was beset by falling oil prices, higher world interest rates, rising inflation, a chronically overvalued peso, and a deteriorating balance of payments that spurred massive capital flight. This disequilibrium, along with the virtual disappearance of Mexico's international reserves-by the end of 1982 they were insufficient to cover three weeks` imports--forced the government to devalue the peso three times during 1982. The devaluation further fuelled inflation and prevented short-term recovery. The devaluations depressed real wages and increased the private sector's burden in servicing its dollar-denominated debt. Interest payments on long-term debt alone were equal to 28 percent of export revenue.

By late 1982, incoming President Miguel de la Madrid had to reduce public spending drastically, stimulate exports, and foster economic growth to balance the national accounts. However, recovery was extremely slow to materialize. The economy stagnated throughout the 1980s, as a result of

continuing negative terms of trade, high domestic interest rates, and scarce credit. Widespread fears, that the government might fail to achieve fiscal balance and have to expand the money supply and raise taxes deterred private investment and encouraged massive capital flight that further increased inflationary pressures. The resulting reduction in domestic savings impeded growth, as did the government's rapid and drastic reductions in public investment and its raising of real domestic interest rates to deter capital flight. Cut off from additional credit, the government declared an involuntary moratorium on debt payments in August 1982, and the following month it announced the nationalization of Mexico's private banking system (McCaughan, 1993; Pastor and Wise, 1997).

In the case of Mexico the public announcement, by the Mexican government that it could no longer meet its debt payments and the importance of Mexico as one of the largest Latin American countries made this case particularly significant. Two of the first SAPs packages were adopted by the Philippines in September 1980 and Mexico in August 1982, both under the close guidance of the IMF and the World Bank. The Mexican package was viewed as the response of the international financial community to the prevailing fear of the financial crisis that could have developed if many governments defaulted. The package consisted of a set of tough policies adopted as condition for the new loans--amounting to \$5.3 billion and put together with help from the IMF, the World Bank, the US government and international commercial banks; the goal was to return to economic health and generate resources that would help pay the debt. Thus, the standard set of policies which would have tremendous consequences for the lives of millions of people during the 1980s and 1990s was adopted without public discussion, setting the model followed subsequently by other countries across the globe (Bonilla, 2004; Nadal, 1998).

As the decade proceed, most of the countries in Latin America fell under IMF control and the few countries that escaped direct IMF intervention were often under indirect IMF supervision.

### 3. Structural Adjustment Programme and Labour Issues in Latin America

In pure economic sense it seems that initially these programs have, in some cases, helped to have good economic growth. But the social cost of structural adjustment has been drastic in all cases with increasing poverty, concentration of income, depression of wages, and the undermining of rural and urban livelihoods at the cost of intensifying class and gender division. The initial period of IMF/WB structural adjustment programmes (SAPs) was overwhelmingly concerned with restoring macroeconomic stability (i.e. restoring external and internal balance) in crisis countries with a view to promote economic growth. These early SAPs can be described as purely "economistic" in their orientation with little explicit attention paid to the social and human dimensions of adjustment (Melville, 2002)<sup>v</sup>.

In the short run, the impact of SAPs is felt strongly throughout the economy and among all social groups. But the emphasis on adjustment policies in the 1980s had relegated the discussion on socio-economic woes and inequality to the sidelines, not withstanding a greater concern for the consequences of the adjustment policies till the end of the 1980s and in the 1990s. This relative neglect of issues related to structural adjustment was partly the consequence of a stream of thought which insisted on the importance of reviving only economic growth quickly (Hoeven, 2000; Apps, 2002; Denizer, Desai and Gueorguiev, 1988).

The renewed attention to inequality can be on the one hand explained by new research findings, that large income inequalities may be harmful to growth, and on the other hand can be contributed to the increased concern for socio-political questions, namely that large income inequalities would incite a growing coalition of different groups in various countries against current measures of capital and trade liberalization and globalization (Walden Bello, 1996)

The adjustment experiences in the 1980s and the adjustment and liberalization experiences in the 1990s have recently led to renewed attention to the social implications and also to discuss the ways to lessen the effects. It has been realized that stabilization and adjustment policies has various effects on the labour market aspects such as employment, wages, human capital formation and worker's organization, which is in urgent need to be addressed (Hoeven, 2000). Structural adjustment program reduces government spending, cut wages and literally destroys the domestic economy in order to build up a new export oriented economy. These changes necessarily lead to an overall economic contraction, causing increased unemployment. Even in such conditions, the state is prevented from taking a lead role and managing the economy, and further accentuating these trends, creating a vicious cycle of stagnation and decline, rather than a growth, rising employment, and rising investment, as originally predicted on the basis of World Bank and IMF. Government budget cuts and foreign competition generate unemployment in some sectors and often force many

domestic producers out of the market, with subsequent multiplier effects. All of these can result in negative rates of growth. In Latin America during the 1980s, the average per capita GNP for the region as a whole was 8% less in 1989 than in 1980-equivalent, in real terms, to its 1977 level (ECLAC, 1990). This is accompanied with shrinking household budgets for a large proportion of the population, downward social mobility, increasing poverty rates and other social ills (ECLAC, 1989; ECLAC, 1995). At the same time, higher unemployment rates place downward pressure on wages which, together with inflationary pressures, contribute to the deteriorating position labour conditions.

These negative effects were justified with the expectation that, in the long term, they will reverse the initial problems and will result in a more efficient economy with positive growth. The record shows that in many ways this has been the case, although at high social costs. In such cases, macroeconomic indicators have led to optimistic evaluations, with renewed economic activity and positive growth rates, inflationary tendencies under control, high levels of net foreign investment, significant increases in trade and buoyant stock markets (The World Bank, 1992-94; ECLAC, 1995). At the same time, case studies at the micro level and reports on people's daily lives portray a more negative view, documenting hardships of survival, gender and class biases, social tensions and increasing economic and social inequalities--implying that even optimistic macro results do not trickle down easily to the population at large (Elson, 1991).

However, ILO "supports in principle, structural adjustment linked to the promotion of dynamic and sustainable growth with a view to establishing the conditions for achieving the Organization's fundamental objective of social justice (ILO, 1993)." The ILO has identified several Conventions which are of particular relevance to structural adjustment (1993).

They include the following basic human rights Conventions as well as Conventions concerning promotion of economic and social rights:

Convention No.	Subject	Year of Adoption								
Basic Human Rights Conventions										
22	Forced Labour	1930								
87	Freedom of Association and	1948								
	Protection of Right to Organize									
94	Labour Clauses in Public Contracts									
98	Right to Organize and Collective Bargaining	1949								
100	Equal Remuneration	1951								
105	Abolition of Forced Labour	1951								
111	Discrimination (Employment and Occupatio	n) 1958								
138	Minimum Age	1970								

# **Conventions to Promote Economic and Social Rights**

102	Social Security (Minimum standards)	1952
122	Employment Policy	1964
131	Minimum Wage Fixing	1970
142	Human Resource Development	1975
158	Termination of Employment at the Initiative	1982
	Of the Employer	
168	Employment Promotion and Protection against	1988
	Unemployment	

Structural adjustment efforts involve the following five basic elements from an ILO standpoint:

**1.** Encouraging the creation of the highest possible level of productive and freely-chosen employment, in conformity with the objectives of Convention No.122, through enterprise development, improved labour market functioning and skill development.

2. Incorporating social dimensions, including social protection and strengthened institutional capacity, in the design stages of structural adjustment programs with a view to ensuring the structural adjustment is socially, as well as economically, sound.

**3.** Mitigating the social costs of adjustment through poverty reduction measures, most notably by designing and broadening the coverage of social safety nets, while ensuring that such measures are consistent with long-term development objectives.

**4.** Ensuring that structural adjustment programs are consistent with the provisions of basic ILO standards, particularly the human rights Conventions as well as other ILO standards that have special relevance to particular adjustment interventions.

5. Actively promoting dialogue and involvement of the social partners in the design and implementation of structural adjustment programs and policies with a view to achieving social consensus, while working to strengthen the capacity of worker's and employer's organizations to play an effective role in the structural adjustment activity.

It is true that provisions are there in the ILO constitution for the protection of worker's rights but the irony is regarding its implementation which is not consistent with the adjustment policy. In order to get a better appreciation of the effects of adjustment policies, effort of this work endeavours to look at some of the effects on the labour markets which the various developing regions underwent namely: the effect on the quality and quantity of employment, on wages, working condition, bargaining power of trade unions etc. By discussing a number of labour market trends one may wonder whether the direction of these trends are the consequences of adjustment policies. But it is true that with so many adjustment policies adopted in almost all the Latin American countries and considering that most were carried out for a decade or more, there exists a causal link between these policies and labour market trends.

## (i) Effects on Employment and Employment Pattern

Latin American countries, are still trying to overcome the crisis that has burdened them for decades. The structural adjustment process, a rise in macroeconomic instability and the structural changes underlying the Latin American economies during the 1980s led to major changes in the basic ways in which the labour market operates. It contributed to higher rates of unemployment

and more precarious working conditions. The overall economy grows, but does not expand the opportunities for employment. In the developing countries jobless growth has meant long hours and very low incomes for the hundreds of millions of people in low-productivity work, in agriculture and the informal sector. In developing countries, the poor can not afford to remain unemployed. As such the problem is more of disguised unemployment or underemployment, and open unemployment rates can be misleadingly smaller (Teichman, 2001).

The deterioration in the labour market during the decade of the crisis was reflected in the quality of jobs available, a rise in unemployment at the beginning of the decade and an across-the-board decrease in wages and salaries. In 1983 in most of the countries there were simultaneous decrease in the level of production and employment; employment in industry showed a rising trend in Argentina and Chile, that experience a recovery in the manufacturing sector in 1983. However, in these two countries, the recrudescence of employment was very slight, and did not suffice to offset the notable reductions recorded in the preceding years. Thus the number of persons employed in the manufacturing sector in Argentina which had fallen by about 22% in 1981 and over 5% in 1982, rose by barely 3% in 1983 (ECLAC, 1985). This meant that employment in sector was still 30% below its 1977 level. Similarly in Chile also the employment in industry declined and then rose in the second half of 1983 but still it was 20% lower than it had been at the beginning of the decade. In other countries, the decrease in employment in industry was much more marked. The biggest occurred in Mexico, where employment in manufacturing contracted by over 8%, after having declined by almost 2.5% in 1982. In Chile the rate remained especially high in manufacturing industry and in construction. There were some decrease in the preceding years due to employment opportunity in the government sector but still the rate of unemployed at the end of the year remained above 20% (ECLAC, 1985). In principal cities of Mexico, open unemployment went up from 4% in 1982 to almost 7% in 1983. The city hardest hit was Monterrey, where the rate of unemployment more than doubled, attending a record average level of about 11%. The deterioration in urban employment situation was also reflected in the drop in industrial employment, in decline of rate of participation, and the transfer of considerable number of workers from the modern sector to the so called informal activities (ECLAC, 1985).

These meagre results, can be ascribe to the significant decline in the rate of job creation in medium sized and large enterprises during the year and thus making the whole labour picture very unstable.

As a result of these unfavourable trends in employment in manufacturing sector, and also in consequence of the sharp drop in employment in construction, a further rise took place in the level of open urban unemployment, which had been soaring since 1981.

In 1987, these trends accounted for the continued decline in the standard of living which has been occurring in most of the relatively poor countries of Latin America and the Caribbean since the beginning of 1980s. However, there was slight improvement in the employment situation in the region, open unemployment fell substantially in Chile, declined moderately in Mexico and increased slightly in Argentina. But this declined trend in unemployment can be contributed to the expansion of informal employment which remained a problem and continued to affect the majority of the countries in the region (ECLAC, 1989).

	1.000		1001	1000	1000	1004	1005	1000	1007			
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
Argentina	97.2	100. 0	78.4	74.2	76.7	88.0	84.7	81.3	81.0	72.1	66.6	62.9
Brazil	96.9	100. 0	92.6	86.5	80.1	78.1	79.1	86.9	89.7	88.2	90.6	<b>87.7</b> 2
Colombia	100. 8	100. 0	95.5	90.7	85.1	83.4	81.6	81.3	83.8	86.1	85.7	
Costa	99.5	100.	100.	102.	101.	99.3	99.8	100.	97.7	104.	105.	106.
Rica		0	4	1	8			4		4	0	7
Chile	93.1	100. 0	102. 2	80.9	78.8	81.8	86.6	93.1	100. 3	111. 2	114. 9	116. 9
Mexico	93.2	100. 0	105. 6	103. 0	94.4	92.2	94.3	93.4	93.4	93.5	95.2	95.4
Peru	97.9	100. 0	101. 1	94.7	94.3	84.4	83.4	88.4	95.9	92.4	83.5	81.3
Venezuela	99.1	100.	101.	100.	94.5	98.9	99.9	102.	110.	119.	116.	111.
	1	0	8	8				6	7	3	1	7

Table1.1: Latin America: Employment in Manufacturing (Indexes 1980=100)

ECLAC 1985, ECLAC 1992

By the end of the decade, the situation was still grim. The percentage of population engaged in informal activities or unemployed rose considerably in almost every country towards the end of the decade causing an increase in underemployment. The drop in real wages affected the modern sector, but it was greater in small business sectors and in informal activities. During the 1980s, the growth rate of economically active population slowed as a consequence of the demographic effects

of the slower growth rate of working age population- a process that began during 1970s- which more than offset the increase in labour force participation ratio.

As for the composition of the labour force, it changed appreciably with the sharp rise of women in the labour force. There was also decline in the share of young people in the population, decreasing pressure exerted by them on the labour market. These trends were primarily due to the continued decline in the labour force participation ratios of 15-19 year group while those of the 20-24 year group continued to rise because the increase in labour force participation of women compensated for the decrease in the participation of men (ECLAC, 1989).

During the 1980s, urban employment was extensively restructured owning to the low absorption capacity of the modern sector. Modern sectors (public sector and medium sized and large enterprises in the private sector) grew notably lower which caused the share of those employed in the modern sector in the total non-agricultural economically active population to fall considerably 1980 to the end of the decade. The low absorption rate, also caused the cumulative rate of unemployment to rise and was reflected in the concentration of new urban jobs in low productivity sectors (small enterprises and informal activities), with the result that the down ward trend in the rate of underemployment recorded over the preceding three decades was reversed (ECLAC, 1992).

At the end of the decade, however, owning to the need to reduce the public deficit and because the restructuring of the state apparatus in the countries, the public sector capacity to absorb employment contracted noticeably. In a situation in which growth of modern sector was sluggish if the increase in labour force in modern sectors had not been absorbed by a rise in employment in sectors where productivity is lower, i.e., in small enterprises and informal activities, the rate of open unemployment would have been even higher. Employment in small enterprises grew vigorously in early 1980s only to slacken off later on, the end result being that its share in economically active population rose much from 1980 to 1989, with this sector generating nearly half of the jobs created in the urban areas during this period (ECLAC, 1992; ECLAC, 1987; ECLAC, 1985).

Table 1. 2: Latin America: Urban Unemployment Rate

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
Argentina	2.6	4.7	5.3	4.6	4.6	6.1	5.2	5.9	6.3	7.8	7.4
Bolivia	7.5	9.7	9.4	13.3	6.9	5.8	7.0	7.2	11.6	10.2	9.5
Brazil	6.2	7.9	6.3	6.8	7.1	5.3	3.6	3.7	3.8	3.3	4.5
Colombia	9.7	8.2	9.3	11.8	13.5	14.1	13.8	11.8	11.2	9.9	10.3
Costa	6.0	9.1	9.9	8.5	6.6	6.7	6.7	5.9	6.3	3.7	5.4
Rica											
Chile	11.8	11.1	22.1	22.2	19.3	16.3	13.5	12.3	11.0	9.1	9.6
Mexico	4.5	4.2	4.2	6.7	5.7	4.4	4.3	3.9	3.5	2.9	2.8
Panama	9.8	11.8	10.3	11.2	12.4	15.6	12.6	14.1	21.1	20.4	20.0
Paraguay	3.9	2.2	5.6	8.4	7.4	5.2	6.1	5.5	4.7	6.1	6.6
Peru	7.1	6.8	7.0	8.8	8.9	10.1	5.4	4.8	•••••	7.9	8.3
Uruguay	7.3	6.7	11.9	15.5	14.0	3.1	10.7	9.3	9.1	8.6	9.3
Venezuela	6.6	6.8	7.8	9.8	14.3	14.3	12.1	9.9	7.9	9.7	10.5

(Average annual rates)

ECLAC 1985; ECLAC 1992

Informal activities played an even greater role in adjustment of urban labour market, absorbing a considerable population (nearly half) employed for the first time during decade. Most of the workers in informal activities were engaged in tertiary sectors, the remainder being employed in low productivity income jobs and construction. In the 1990s, strong recovery took place in Latin America, with almost all countries having a positive GDP growth rate. But as the Regional Office of the ILO (ILO, 1995) indicates, unless the GDP growth rate is robust at levels well above the labour force growth and sustainable, growth in formal sector jobs remains limited. In effect, also in most countries in Latin America one can detect an increase in the number of workers in the informal sector (Table 3) which makes many workers understandably fearful of further liberalization measures. Investigations by the Regional Office of the ILO confirm that growth in formal sector jobs is correlated with high economic growth, irrespective of the type of labour market regulations followed (ILO, 1995).

Lutin America								
	1990	1991	1992	1993	1994	1995	1996	1997
Latin America	51.6	52.4	53.0	53.9	54.9	56.1	57.4	57.7
Argentina	47.5	48.6	49.6	50.8	52.5	53.3	53.6	53.8
Brazil	52.0	53.2	54.3	55.5	56.5	57.6	59.3	60.4
Chile	49.9	49.9	49.7	49.9	51.6	51.2	50.9	51.3
Colombia	55.2	55.7	55.8	55.4	54.8	54.8	54.6	54.7
Mexico	55.5	55.8	56.0	57.0	57.0	59.4	60.2	59.4
Paraguay	61.4	62.0	62.2	62.5	68.9	65.5	67.9	59.4
Uruguay (Montevideo only)	36.3	36.7	36.6	37.0	37.9	37.7	37.9	37.1
Venezuela	38.8	38.3	37.4	38.4	44.8	46.9	47.7	48.1

Table 1.3: Informal employment as % of labour force (non-agricultural), selected countries in Latin America

Source: ILO (1998).

The employment profile also changed greatly. Early in the 1980s the share in the heads of household, men and workers in the most active age group (24 to 44 years old), in total number of unemployed rose. In addition, the increase in the share of manual workers, with low levels of education in the total work force of unemployed shows that unemployment basically affected unskilled labourers (ECLAC, 1992).

The trend in rural sectors shows a crisis situation with the same intensity as that of the urban sectors. The situation of landless workers and permanent and temporary wage earners worsened. These workers suffered more by reason of income than from any contraction of demand for labour, because the real minimum wages declined by an average of 20% in the region as a whole during the decade (ECLAC, 1992).

### (ii) Effects on Wages

Where on the one side adjustment policy affected the employment, increased unemployment and underemployment, on the other side its direct consequence was declining wages and salaries. The open economy weakened the power of the workers; the increased unemployment further weakened the bargaining power of the organized worker. With the implementation of the adjustment programme the Latin American countries adopted the minimum wage policy which further contributed for wage deterioration during the period (ECLAC, 1985).

Immediately after the implementation of the SAPs package, it was recorded in 1983 that there was substantial decrease in average wage and salaries and in minimum wages, mainly as a result of the contraction of the internal economic activity and acceleration of inflation. It was also influenced by the wage policy which formed part of the over all adjustment programme, and by virtue of which the salaries of public employee were frozen compulsory adjustment in the private sector were suppressed and increases in national minimum wages were made more moderate (ECLAC, 1985).

In the middle of the decade a strong resurgence of inflation took place in Latin America which forced many countries to introduce new stability plans to check the inflation. These plans had both positive and negative effect, but the over all trend in 1987 was rise in inflation at the beginning of the year and a nominal wage increase by the end of the year.

Minimum wages fell considerably more than industrial wages, which indicate that the gap between the income of the higher strata of wage earners and those of less-skilled workers widened. By the end of the decade wages which was affected by the acceleration of inflation, continued to decline in most countries of the region. Thus the crisis which affected Latin America in the 1980s was responsible for a "lost decade" in terms of improvement of income levels (ECLAC, 1992).

 Table 1.4: Latin America and the Caribbean: Real Average Wages

r	<b></b>		an and a state of the	دور در در در در		• • • • • •		
	1982	1983	1984	1985	1986	1987	1988	1989
Argentina	80.1	100.5	127.1	107.8	109.5	103.0	97.3	83.3
Colombia	104.7	110.1	118.1	114.6	120.1	119.2	117.7	119.4
Costa Rica	70.8	78.5	84.7	92.2	97.8	89.2	85.2	85.7
Chile	108.6	97.1	97.2	93.5	95.1	94.7	101.0	102.9
Mexico	102.2	80.7	75.4	76.6	72.3	72.8	72.1	75.4

89.8

77.6

68.1

84.2

91.8

87.2

71.1

93.5

85.9

97.5

71.9

85.4

96.5

101.3

75.4

74.5

103.9

76.1

76.3

66.0

109.8

41.5

76.3

48.4

Average manual indexes (1980=100)

95.2

98.4

102.4

100.0

110.2 93.4

106.5 84.5

Paraguay

Uruguay

Venezuela

**ECLAC 1992** 

Peru

A trend in the mid 90s was also less favourable, sharp rise in unemployment and in real wages in absolute terms was recorded, which underline the difficult condition existing in the labour market. Real minimum wages also fell in most of the countries of Latin America, and it was pronounced for those countries whose labour market has performed poorly in general. It can be said that the wages of large segment of working population in the region was not high enough to guarantee household an income above the poverty line. In addition to unemployment, low wages continued to be an important cause of poverty. It can be said that combination of higher unemployment rates and declining real wages had a deteriorating effect on levels of well being in large number of households in the region (ECLAC, 1996; ECLAC, 1992).

1990

78.7

115.9

87.2

104.8

72.5

103.5

39.4

70.0

46.2

### (iii) Effects on Labour Unions

Throughout Latin America organized labour has been seriously affected by a decade of economic crisis and neo-liberal economic restructuring that has resulted in increased unemployment, declining real wages, and reduced union prerogatives. Structural adjustment measures pose deep dilemmas both for unions and employers. Competition, privatization, technological change, mergers, acquisitions and various forms of adjustment and/or restructuring bring about changes in

the dynamics of unions and industrial relations at the enterprise level in Latin America. They also impacted and impinged on diverse groups of workforce in diverse ways. Traditionally in Latin America, state has a great involvement in the economy and governments sought to centralize industrial relations through extensive legal codes which, in theory, obliged employers to offer decent wages and conditions. Although often ignored or only implemented with the discretion of the government, the codes were in effect a form of centrally negotiated contract of employment for most formal-sector workers (Ratnam, 1996).

The progressive withdrawal of government intervention in the economy through privatization and deregulation weakened the content and coverage of labour codes. On social and labour matters, the crucial issues in almost all countries concern the law and procedure relating to protection to workers retrenched/dismissed. Legal rules and agreements governing wages, working conditions forms of employment, etc., are usually sought to be revised in countries which seek to or made to adjust. For the workers, this was a key aspect of "job security" for the employers; this is a major element of "freedom" or "right to manage" (Ratnam, 1996).

However, when Latin American governments began to introduce macro-economic stabilisation plans and economic reform programmes - including state reform, privatization, deregulation and trade liberalisation – during the 1990s, it faced large -scale mobilization and strikes as well as formal participation of non-state actors in decision-making and consultation. These challenges were seen by governments as a potential threat for the implementation of the policies and thus jeopardizing the success of the plans. Therefore, governments tended to become more hostile to the unions political participation and opposition. Secondly, even though unions managed to play a crucial role in the democratisation process and in widening the transition agenda to include social concerns and workers' rights, changes in the labour market, economic restructuring and long-term processes of socio-economic change started to undermine the traditional constituency of the labour movement (Cook, 1995).

In Mexico these economic changes have been accompanied by a dramatic reduction in organized labour's political influence, destruction of union militancy and autonomy. Plant closure, layoff, and dismantling of strongly pro-union collective bargaining agreements have been eliminated or debilitated once militant workers organizations in such industries auto, mining, and steel. The capacity of either official or independent unions to articulate an alternative vision for Mexican

economy and social development- a capacity that existed in late 1970s is scarcely evident today. In response to the global economy and domestic political challenges of 1980s and 1990s, the Mexican regime, took shape in new form which is fundamental for understanding the changing relationship between organized labour and the state. Traditionally, the labour sector had a politically privileged position and has acted as an autonomous political actor. The official trade union in Mexico, The Confederacion de Trabajadores de Mexico (Confederation of Mexican Workers-CTM) traditionally relied on their ability to lend political support, loyalty, and discipline to the president in order to secure concession for their organizations (Cook, 1995).

Today it seems less effective, the efforts to restructure the party as well as the economy has diminished the labour gains on all fronts. The structural adjustment policies, adopted by the de la Madrid administration (1982-1988) has depressed real wages and led the government to cut or eliminate subsidies on basic consumer goods. Both official and independent labour organizations, having been dealt a decisive by the government during a coordinated strike attempt in 1983, were too weak and divided to resist the government's economic policies and via mobilization and strikes. Nor were they able to exert the influence and bargaining pressure they had once wielded. Their inability to halt the precipitous decline in workers living standard further eroded worker's support for their union leaders (Lustig, 1992). Besides, labour resistance to public enterprise restructuring and the consequent layoffs, to privatization, and to various forms of deregulation, was met with state manipulations of the labour code which allowed the government to end strikes and force workers back to work. In addition, more direct tactics such as the use of the police and the military and the arrest of labour leaders was also employed (Middlebrook, 1989).

In 1987, when the government introduced a major change in the adjustment policies it was pursuing since 1982, a tripartite Social Pact, called Pacto, was signed. It is revised and renewed periodically. This Social Pact seem to have contributed to the recovery of first stability and later growth, taking the country out of its economic crisis and enabling implementation of a more effective adjustment program that involved greater sacrifices from workers. But, the unanticipated and unprepared 1994 crisis puts a question mark on the intrinsic value of such consultations (Roxborough, 1992).



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### 4. SAP and Issues of Gender

In the 1980s, research on the impact of the SAPs on women placed concern on the deteriorating welfare of women. Many studies have found a negative correlation between the SAP and people's welfare. Feminist critiques have argued that vulnerable groups, including women and children, are more vulnerable to deterioration in welfare and living conditions. The health and education conditions of women and girls in particular are put at risk following the economic crisis and during subsequent constrictions in government expenditure under the SAP. In other words, SAP has been criticized due to the failure of the trickle-down effect, which resulted in an unequal distribution of impacts.

Moser (1989) says that within the society there are "triple roles" of "production, reproduction and community management". While productive work comprises market and other production in which the activities generates income or have exchange value in terms of money and kind, reproductive work refers to domestic tasks such as childbearing/rearing, cooking, caring and other activities related to the welfare of the household members. The community management role involves all the work that is carried out at the community level. Moser pointed out that women are assigned to and mostly engaged in the unpaid reproductive work whilst men are mainly concentrated in the productive work or responsible for bread winning. Within the "community management" sphere, there is also a gender division of labour in which men are mostly engaged in the management and political realm whereas women are in charge of work extending from their reproductive roles, such as cooking for special ceremonies.

Moser (1989), suggested two main factors as contributing to the gender-unequal burden of the programmes, which were unequal access to and control over resources and the existing gender division of labour (Moser, 1989). Men and women, within society do not have equal access to and control over resources. This, to a great degree, appears to be related to existing gender roles and gender ideology. Women, in general, tend to have lower access to and probably no absolute control over resources, as they are mostly concentrated in the reproductive sphere. For women, access to state and market resources can be gained through the handout of public service provisions or income transfer from their male counterparts.

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This gender division of labour and the unequal access to resources has been linked to the SAP. It is further argued that very often women sacrifice their needs when there is a shortage of resources so that the level of welfare of other household members can be maintained. A heavier burden for women during crises may mean increased working hours outside and within the household. Also, with specified gender roles, girls are often withdrawn from school to take over their mother's household chores.

Furthermore, the economic downturns of the early 80s increased the supply of women workers, and the outward-oriented economic policies that followed the recession opened up the demand for female labour in unregulated manufacturing and agribusiness jobs. These jobs pay individual rather than family wages, often include subcontracting arrangements, and offer few or no benefits and no employment security. After the adjustment programme the female share of employees in manufacturing jobs has grown especially in countries with export processing zones such as the Dominican Republic, Honduras, El Salvador and Mexico (Standing, 1989). The proportion of women in self-employment - which includes subcontracting and piece work for export promotion industries as well as traditional, small-scale commercial and production activities linked to local markets - has grown too, especially in Andean cities such as La Paz, Lima and Quito where women comprise up to one half of the self-employed (Standing, 1989).

Other trends which show women's deteriorating economic condition suggest that the number of women experiencing social and economic disadvantage may be growing. These trends are the feminization of poverty, linked closely to the rise of households headed by women, and the feminization of low-paid and unpaid work, linked to a number of factors including women's growing economic responsibilities, the consequences of economic recession and structural adjustment programme (SAP) and the shift in economic strategies from inward- to outward-oriented economic models.

Data shows that wage differentials by sex in 15 countries women are paid on average 70.5 percent of what men are paid, and that differences in human capital explain only 20 percent of the observed wage gap. The unexplained variability is presumably the result of discrimination (ECLAC, 1996). This gender-related economic gap contributes to the economic disadvantage of woman headed families. Recent studies have included the time women spend in unpaid community management work as a separate category. These studies document growing time spent in

community work in order to compensate for the decreasing provision of governmental services associated with structural adjustment programs (SAP). Illustrations include the volunteer work of women running the community kitchens in Peru and providing community services in Guayaquil, Ecuador. The Guayaquil study followed women over a decade and revealed that the allocation, rather than the amount, of women's work time changed as the result of the cut-backs in government services associated with SAP: women increased time allocated to productive and community activities at the expense of reproductive activities, with costs for themselves and their children. This study reveals that women that are "coping" or "hanging on" in response to the additional work burdens imposed by SAP are in stable partner relations or have female sources of support in the family. Women who instead are "burnt out" and unable to cope are most likely to be heads of household and have handed over reproductive responsibilities to older daughters who, therefore, have to drop out of school, insuring the perpetuation of poverty from one generation of women to another (Moser, 1989). In short, feminist scholars have criticised the policy planners and the SAP for being gender blind and not seeing men and women as different agents.

### 5. Summary and Conclusion

It is found that to blame individual countries for economic crisis of 80s, is absolutely wrong. Integrated factors of international changes, and domestic policies led to the crisis of 80s. This crisis gave opportunity to the developed economies of the west particularly US to control the economy of the developing countries including Latin America through the channel of International Financial Institutions. This lead to the imposition of Structural Adjustment Programme and it was a way for forcing the countries facing economic difficulties to open their domestic market to the international business. Another important feature of SAP was the reduction of state subsidy and cut in welfare measures. The implementation of SAP has implications for social development, human development and severe implication for Labour force. There was economic growth but at the cost of declining wages and increasing unemployment.

In all these developments the marginalized group suffered the most and women being one of them face the burnt of adjustment programme. Women's open unemployment was higher than men's and with considerable increases in both male and female unemployment. It demonstrates the failure of adjustment to bring about significant employment growth and increased entry of women

into the labour market due to falling real incomes. There was growth of underemployment which is a predominantly female phenomenon, partly associated with the normalization of female labour. The neo-classical assumptions, which are gender neutral and imply no gender roles and equal access to resources, are therefore argued to be unfounded. Existing gender division of labour and unequal access to resources, and prevailing gender relations are some of the main causes of a disproportionate distribution of the costs of adjustment programmes.

# CHAPTER II STRUCTURAL ADJUSTMENT PROGRAMME AND WORKING WOMEN IN LATIN AMERICA

### **1. Introduction**

Gender is a relational concept that refers to neither men nor women in isolation, but rather to the relations between them and how these are socially constructed. In addition, gender is institutionally structured, as it refers not only to the relations between the sexes at the individual personal level, but also to a complex array of values and norms that permeate organizational systems, such as the legal and religious systems. Gender is not a variable that can be isolated and manipulated. It is a fundamental organizing principle of society that is modified by time, culture and socioeconomic groupings. Within this scenario, this chapter is an effort to analyse the effects of structural adjustment programme on working women of Latin America in the broader context of existing gender relations in the continent that influences the social relations and determines women's position in the society. SAPs had multi-dimensional effect on the lives of women. With the adoption of SAPs comes a restructured economy and withdrawal from social spending. With less money rendering towards education, health, welfare, and local infrastructures, local peoples are burdened with increasing responsibility. Local health, welfare and infrastrucutres (especially water and sanitation) are usually considered "women's work" and fall directly to them. Withdrawing government support directly affects the amount of work women are required to do, resulting in lessened health and well-being for women and indeed the entire family.

The first section reflects upon how women and men are situated in a particular context in a particular manner. It discusses the role played by financial institutions in contextualizing the image of women labour force. It further explores how these two factors are historically integrated and has been successful in rationalizing sexual division of labour. Because of these gender notions, increasing economic opportunities and increased participation of women in economic activities has not changed her fate much; rather she is under dual burden of balancing her role as mother and house wife and as a cash earner. The chapter further argues that structural adjustment has made things worst and has intensified the sufferings of women. The changes arising with economic crisis and the subsequent adjustment programme has implications for gender roles and relations in the wider social context. Finally, the chapter explores the response of women against these changes. The mechanism women have used to express their goals and viewpoints is in form of social movements. Women have formed groups at very grass root level and they are registering their protest against the changes in which they have become the victim.

#### 2. Gender and Development

Appearance of women's issues in development theories is a late development. Issues related to women were of international concern, but in a very different perspective. The post World War II period development theories identified women as a distinct group in a very specific context. In the debate on development in the first decade, women became visible as a group only in a specific context. Notions of women's rights were confined to welfare conceptions alone, which were the only focus of UN Conventions. Thus the UN conventions with particular concern to women, during this period, were the 1949 Convention for the Suppression of Tariff in Person and exploitation of Prostitution of Others; the Equal Remuneration for Men and Women Workers for Work of Equal Value; and the 1952 Convention on the Political Rights of Women. As far as development theories were concerned, women appeared most prominently in debates on population control (Rai, 2002).

They were targets of most population control programmes sponsored by national and international agencies. Their education became an issue also in this context, as did their health needs. In most other respects, women, like other marginalized groups, were aggregated with the people of the third world. Their visibility in some context was not accidental—constructed gender relations framed them; they were primary workers in reproduction of labour, and as such important in the ways in which they fitted in with national and international agendas for population control.

Women makes important contributions for economic development and are equal participants like men in the economic activities and this was accepted virtually by the international community only after the International Women's Conference of 1975 in Mexico, where the main focus was of importance of women's economic role (Buvinic, Lycette and McGreevey 1983).

Feminist scholars argue that conceptual relationship between women's issues and economic development theories was considered only in 1970s. They had also criticized the way women have been placed in the economic development theories. They had argued and pointed out the fact, that the incorporation of women in the economic development theories has been done in such a manner that it neglected the hidden contributions (reproductive and many productive contributions are officially not considered) women made for economic development. Further identifying women's work only in income generating productive activity has contributed for maintaining the

subordinated position of women in society and labour market because, most of their work being unpaid, went unnoticed (Chant, 1989; Rai, 2002). It is an interesting fact that in this scenario international financial institutions had played a strategic role for drawing boundaries between women's productive and reproductive role.

Criticizing the International Financial Institutions, feminist economist like Rai (2002), Bessis (2001), Moser (1993) says that financial institutions such as the World Bank has perpetuated women's role in reproductive capacity. These institutions draw the image of women in their own context and define the boundaries of women's productive and reproductive work in a manipulative manner.

According to Moser (1993), the first initiatives of international development agencies aimed at women, particularly in the World Bank, were welfarist in nature because of the political and ideological biases of the Bank and the aid community. This approach was premised on the assumption of women as 'others', performing child rearing tasks and identified women solely in their reproductive roles. Programmes of birth control and nutrition projects for women and children and for pregnant and lactating mothers were the focus of these aid programmes. Huge population that eroded the benefits of growth, rather than the pattern of ownership and control of means of production, were thus considered to be a problem (Bessis, 2001). Despite significant changes in this approach by the Bank, tens of the eleven projects approved in the fiscal 1989, address such basic matters as family planning and maternal and child health care (World Bank, 1990). Patriarchal and liberal discourses both at the national and international level, left unchallenged, the question of gender relation in society, and often made this attendant upon a sexual division of labour and individual negotiation within the family. The welfarist approach remained dominant in the first phase of development practice.

By the 1980s, feminist scholars focused on gender relations as a major issue of concern. In this approach, feminist scholars have argued that a focus on the relationships that position women in society must be at the heart of this political activity. There was also an important focus on gender debate, on what are distinguished as practical—more immediate—and strategic—or long term and transformative—needs of women in their specific social and political context. Assessments of these needs are important to the spaces women have for negotiating, for an enhancement of their social status, and in their capabilities. But these concerns are not addressed in the development

planning and in the work of many development agencies. They do not focus on gender relations; rather work for women empowerment which they claim that through empowerment, women will achieve equality and equity with men in society (Rai, 2002; Coole, 1988).

In the same decade of 80s when the developing countries including Latin America were subject to structural adjustment reform, a new group of feminist scholar emerged criticizing the capitalist development of the economy. In the aftermath of adjustment programme state could no longer recruit new employees, unemployment grew up and structural adjustment shook the working class every where and women became a visible group. Everywhere women were inventing survival strategies in order to get through the hard times, creating a social link between families weakened by crisis and the diminished stature of their men, who had been the first to suffer from the tidal wave that hit the formal economic sector. Women paid an exorbitant price and played a major role in adjusting to the vast changes that were imposed upon developing countries (Alarcon & McKinley, 1999).

World Bank tried to encash the opportunity. Rather than focusing on the effect of economic development programmes on economic status of women, as women loose ground relative to men as development proceed, the approach was to quantify the benefits women will get with the implementation of adjustment programme (World Bank, 2004). World Bank depicted that the new trade trend tends to increase the wage job opportunities for women, particularly in export sectors. Women employed in export-oriented manufacturing typically earn more than they would have in traditional sectors as well as many of these women will have opportunity to earn cash income which they never had before. Women gained bargaining power as a result of their access to regular wage employment and were thus able to influence the degree of their husbands' contributions to household work. According to World Bank, in agriculture sector also women gain much from the new trade trend. The additional income generated by switching to export crop increases the extent of control of women over land and labour. Similarly the gender wage gap also reduces because trade, like domestic deregulation, can increase competition among firms. The resulting pressure to cut costs can result in less discrimination against women, with comparable skills to men, and therefore greater equality in wages. The Bank argues that women also experience other benefits when they earn cash income, like an improvement in their "quality of life," due mainly to their income from working outside their homes, including (export-oriented) factory jobs. Further, cash

income earned by women may improve their status and bargaining power in the family (World Bank, 2004).

Feminist scholars have focused on the gendered nature of the structural adjustment programme of 80s and 90s. In disaggregating the impact of structural adjustment policies on the families and focusing on disproportionate burden of the privatization of social welfare that women are being forced to carry, this powerful discourse has resulted in some important shifts within the economic discourse of international institutions. These feminist scholars have constantly participated in the debate of modernization and development and have argued not only against the male bias in development process (Elson, 1989) but also for initiating engagement with the policy institutions at both national and global level. Institutionalization of gender, as integration of women before it, poses critical practical questions for feminist activist and theorist. They further need to developed alliance with the Third World feminists and development groups for a strategic engagement with the policy community, and with state and international economic institutions in order to challenge the assumption of neutral goals of development (Elson, 1999).

## 3. Structural Adjustment Programme and Working Women in Latin America

Latin American gender relation has been explained with the word *machismo* that is often cited as the hallmark of gender relations in Latin America. Manifestation of *machismo* include male domination of household and other familial decision making, along with deciding the norms of women's social, political and economic freedom<sup>vi</sup>. This status of women in Latin America is a colonial legacy which produced a situation in which women came to be seen both as sexual and social inferiors. These early sexist notion have profoundly influenced the subsequent development of gender relations in the continent (Elmendorf, 1977). Even when women participate in income generating economic activities, their position is one of-in pressure to conform to ideals of motherhood and domesticity. When both men and women are subject to externally imposed, culturally specific gender norms that constrain what they should or should not do, these norms place almost all women in a subordinate position in relation to men (MacEwenscott, 1986).

These unequal gender relations had influenced the labour and market relationship, and are reflected in the labour market dynamics. Women's entering into the labour market is burdened by

its dual role as wife and mother in the household and as workforce in the market. Her entering into the labour force is to some extent an independent choice but it is also determined by her relationship with the society, individual profile (age, married/unmarried, children) and the existing gender relations (Chant, 1989). Hence, women's integration into the economy is often influenced by the gender relation in the society more than the economic ones.

Over the years in Latin America, women's presence in the labour market has grown significantly, especially among married women, although single childless women still hold the first rank. The factors that have contributed for incorporating women into the labour market are multiple and have varied over the years of expansion, crisis, and restructuring. de Oliveira's (1997) work give assessment of different reasons which have been the determining factors for Latin women's participation in the labour market. First, modernization and several related aspects of modernization like industrialization process, expansion and diversification of service sector, reduced demand for agricultural labour and creation of employment in modern sectors seemed to have stimulated the presence of women in paid extra-domestic work. Second, the survival strategies used by domestic unit effects the lives of women and their labour market participation. Women's participation in economic activities, migration to find work, production of goods and services are part of a series of activities undertaken by members of the domestic units to obtain monetary and non monetary resources indispensable for family survival. Third, globalization and economic restructuring has increased the demand for women's labour. In service sectors and export oriented industrialization and growth of transnational plants have preferred women for unskilled low wage labour (Oliveira, 1997).

However, the dynamics of women's participation in labour market is not same as that of men. Sexual division of labour, which is one aspect of unequal gender relation, plays an important role here in determining women's involvement in wider aspects of social and economic life<sup>vii</sup>. The sexual division of labour is at the heart of gender inequality, which is underpinned by a patriarchal family structure where the man is the highest authority and sole provider and there is a rigid division of tasks and responsibilities, regulated by social norms that have become ingrained over time. Sexual division of labour had been and also remains a functional part of economic systems (Benería, 1995). The traditional sexual division of labour did not concern itself with the divide between the productive and reproductive spheres, since it assigned clearly differentiated realms and spheres of action and roles to men and women. The issue of shared responsibility for domestic tasks emerged in particular historical circumstances, and is associated with structural changes. It also ensures a labour supply subsidized by the work of women, who produce cost-free goods and services that would otherwise have been provided by the market or the state (ECLAC, 2007).

Besides the ignorance of women's reproductive activities, income generating productive activities of women also went unnoticed because they do not fall neatly into the prevailing official perception of employment. Domestic task such as house work and child care, unwaged in virtually all the societies, are considered as unproductive and do not constitute in the category of work. Several domestic based activities contribute income to the household unit in the form of savings, budgeting or the provisions of unpaid services have not been focused in the conventional economic theories.

Bunster's (1983) study in the Peruvian market depicts the above argument very clearly. She shed light on the nature of the lives of market women in urban Lima (a cooperative market of Ciudad de Dios) and the strategies they use to balance the need both to care for their families and to earn an income. She says that these women have structured a very rational and present oriented economic role in order to keep from crossing the borderline between poverty and starvation. They have integrated activities within household and marketing activities outside their homes in such a way as to be able to mobilize overlapping resources when critical economic and family crisis arise, which has burdened her with dual responsibility. Her in depth interviews of the women market seller also found that it's not only the women engaged in market activities and market activities. The lives of women are not easy; they operate in an unhealthy environment with market facilities, which tend to foster inefficiency. They are exploited by middlemen and harassed by public officials, and they lack both credit and technical expertise in capital management. The fact that market women are burdened by both household jobs and income generating activities contributes to their powerlessness as a group.

Thus while working for the cash income, women have to also provide services in the home-child care, food preparation, gathering of food and water. Indeed, they are also second sex in the

developing countries as they are less educated than men, have fewer occupational options and earn less than they work. Married women with young children work more hours than married man; unmarried women are more likely to be poor than men, and their burden are usually greater for they must care for children and the household and also contribute to the family income (Birdshall and McGreevey, 1983).

Another important factor for analysing Latin American women in labour market is to understand the dynamics of international division of labour<sup>viii</sup>. In the new international division of labour, the world market oriented production of manufactures being established and developed on new industrial sites especially those in developing countries. This change was due to the following factors: the inexhaustible reservoir of disposable (and cheap) labour, division and subdivision of the production process enabled fragmented operations to be carried out with minimal skill, and the development of techniques of transport and communications which had removed technical, organizational and cost barriers to relocation of production to utilize cheap labour in third world factories (Rai, 2002).

Women were drawn into the workforce with the new international division of labour not because they form the unskilled and cheap labour which was needed for those kinds of jobs, rather it is the interplay of capital-labour relations and gender relations which rendered female labour a better option than men for the Third World export processing plants. Women's subordinate position in different societies enabled capital to utilise the relative powerlessness of women. This powerlessness is reflected within the labour market in terms of the classification of jobs women did, their remuneration and their job security and fringe benefits, and within the labour process in terms of organisation of work and authority, mechanisms of control of production and productivity and the nature of management-worker relationships.

Pearson (1986), says that characteristics of any given labour force in any given location or production process varies, which results from the specificity of the production situation and the political, economic and gender relations which underlie it. Hence, in terms of recruitment, organization and control of the workforce in production, different mechanisms are utilised to release female labour power in a form appropriate to the production process being carried out. Like opposite to the popular notion, manager of a cigar making firm in Kingston 'preferred to employ women who were 'married'... because women with children tended to make more proficient and

stable workers. Young unmarried women tend to work with a specific goal in mind. In general young girls of 17-25 are irresponsible, between 25-35 they do reasonably good work, between 35-50 they are dependable and after 50 experience some loss of energy although they are still dependable' (Standing, 1976). Moreover, if the demand for the particular type of female labour-remains the determining factor in the labour market and there is no such availability to the extent it needed the labour force, then the firms relocate production to new sites where this particular type of worker can be hired.

However, in the aftermath of 'structural adjustment policies' there has been considerable change in the equation between the labour market trend and female labour recruitment. The necessity of obtaining cash income in the face of structural policies means that women have to be more mobile in terms of the sectors in which they work and through which they balance their productive, reproductive, and household managing roles in order to ensure the survival of their households.

The World Bank and IMF propounded SAPs was not sensitive towards these dynamics of labour market and has not addressed the vast arena of issues related to women's work. And where it has tried to forward a solution, it has done it with altogether different purpose which will serve its own interest (Bessis, 2001; Sandler, 2001)

Assessing the position of women in the labour market is not an easy task because her position is not determined only through the market dynamics. When 'women' enter the labour market, she does not free herself from the socially constructed gender relations and her second sex position locates her in a disadvantaged position in comparison to male workforce and makes her more miserable vis-à-vis the market. Therefore, women as labour force need to be understood in a multi dimensional nature of labour market. It is an important factor to understand for locating women in the whole neo-liberal argument, which claims that market treats individuals as economic agents and is free from gender notions. Feminist scholars have identified the challenges of neo-liberal economics and had tried to analyse how the new economic relations had intensified the gendered nature of the labour market.

Labour market and gender relations are inseparable to each other and the new economic relation has further intensified it. Chant (1989) identifies some common reasons which have been very influential in determining women's secondary status in society and subsequently in the labour market, and which has further acerbated the neo liberal impact. Accordingly, she points out five major causes which are as follows: (1) The existing ideologies regarding women and the cultural factors, which had always been a determining factor for women's traditional role as mother and homemaker, (2) women's role in the domestic sphere and other aspects of women's life like age, marital status, and position within the family unit, education level and male control. Like in Latin American cities where the incidence of marriage and separation is higher than the other developing countries, women's participation in economic activity tends to be higher throughout the life cycle, except between the ages of 25 to 34 when they are likely to be living with a man (Jokes, 1982). But this dynamics has changed considerably in the post neo liberal reform period, (3) skill and education is another factor contributing to the subordinate position in the urban labour force, particularly in terms of access to formal sector work, because women have in general less accessibility to education (4) male control over women's activities is another constrain on supply of women in the labour market. Although participation has increased in the 80s, due to the need of extra income in the household, in certain countries such as Mexico, male fear that if their wife goes out to work, their greater mobility will lead to sexual infidelity and this had restrained women (Chant, 1989; Safa, 1980), (5) the legal institutional framework also determines women's labour force participation (Safa, 1980; Jokes, 1982).

Studies had suggested that over the years percentage of women's participation in economic activity has increased; particularly in the post adjustment period. Twenty years before the adjustment period, women's share in the work force has increased from 27 percent to 34 percent, and the growth rate was much higher in the post-adjustment period with dramatically increase in Latin America (Chant, 1989). In Dominican Republic, women labour force participation grew five times faster than that of men between 1970 to 1980 (Buvnic, 1984). In Mexico too, women's share in urban employment has been markedly higher than the national average, at a figure of around 25 percent in the early 1980s (Cockcroft, 1983).

But feminist critiques highlight the facts that increased participation and income earning has not been much favourable for women in the post liberalization period. As in the whole neo-liberal discourse, markets are very often presented as discrete and technical economic spaces where exchange of goods and services takes place. Usually they are presented as areas where trade and finance predominates. Labour market is entirely ignored, or spoken off only in connection with the disciplining of labour unions for the proper functioning of the labour market (Chant and Brydon, 1989; Beneria, 1995).

The gendered nature of market is not the issue of neoliberal economy which tends to underestimate the wider social and cultural framework. It treat individuals as economic agents and market as rational and impartial mechanism of resource allocation. Considering only this technical nature of market has been traditionally problematic for women because their work, being unwaged was excluded. Conventional measures of economic activity underestimate the magnitude of women's productive roles by failing to acknowledge the value of unpaid work and by undercounting women's paid work outside the modern sector. This underestimation of women's productive and reproductive work in industrialized societies have helped to define a development policy for the developing countries that erect barriers to paid work for women. Roots of women's unequal status in labour market cannot be sought only within the sphere of production, but in the context of interrelationship of reproduction as well as social and cultural structures. Women's frequent loss of status in the course of economic development must also be conceived in the context of class and gender relation (Beneria and Sen, 1981).

In this perspective it is argued by the feminist scholars that implementation of adjustment programme has intensified the trade-off between women's producer and non producer roles. It is affecting the overall human development in Latin America, however, for women it is affecting in a more complex way. Feminist critiques emerged, pointing out ways in which the hardships of adjustment were unequally distributed, displaying not only a bias against specific groups of people—mostly a class bias—but also a gender bias, whether in income generating activity or in reproductive activity. Due to declining household incomes, as a result of fall in real wages and/or rise of unemployment under adjustment, women are pushed into labour force often on highly disadvantaged terms. The removal of subsidies on basic goods and services and the introduction of charges on health and education under adjustment lead to increased participation of women in paid employment, particularly in informal sector, as they are forced to meet these increasing expenditures. Women work as shock absorbers and put more hours in unpaid and low paid activities that are in large part unrecognized by standard economic accounting.

Beneria's (1995) work identified some reasons behind the gender biases which have intensified the effect of SAP on women. First, given the division of labour and women's role in the household, adjustment programme and shrinking budgets intensify women's domestic and reproductive work. In this sense, greater efficiency and lower costs of production might in fact represent a transfer of costs from the market to the sphere of the household. Second, budget cuts in essential services

such as health, education and housing tend to affect specially the poor and to increase women's responsibilities in family care. Third, lower real incomes force new household members to participate in the paid labour force—particularly women and the young, given their lower participation rates—often under the precarious conditions of the informal sector. Fourth, low wages in the export sector, particularly women's wages in labour intensive industries, is a significant factor in keeping exports competitive.

Many studies regarding working women in Latin America has supported Beneria's argument and has depicted clearly how the unequal gender relations in society, in house hold and labour market is reflected in women's work, burdening them with dual responsibility of reproduction and production (Marcella, 2000; Sylvia, 1994; Poncela and Steiger, 1996).

The main concern of governments have been to change the way the market (including the labour market) functions and to find ways of promoting productive development and growth. It is said that after the structural changes the idea of 'social security' has been replaced with that of 'social protection' in development parlance which meant a quite significant conceptual shift. Where 'social security' is referred to a wide range of social provision, in which the State played a leading role, not just as service provider but as regulator and financing agent too. The idea of social protection, on the other hand, implies a far more restricted model in which the State has a smaller presence and the market, individuals and families play a greater role, taking over many of the functions and responsibilities involved (ECLAC, 2007). The activities women have generally performed in household survival strategies include income generation, domestic labour and social reproduction; and these cause high labour burdens for women. State's roll back from its traditional role of provider of welfare services, the cut-off of welfare measures and the lack of civic amenities and labour-saving household products means that the burden of social production has fallen on the shoulders of women. To compensate women are very often undertaking income-generating work, which implies an added burden for women-household work as well as outside work. Privatization of industries work as an additional burden for women who have to stretch household budgets, care for the ill, and pull through under conditions of economic and psychological stress. However, women's unpaid work has received no consideration other than a bare acknowledgement of her existence in association with an instinct for altruism or care. According to the data available, women in the labour market have mainly gone into care-related activities such as paid domestic

work, which employed an average of 13.5% of women in urban areas and 10.7% in rural areas of the region around 2005, followed by health services, education and, to a lesser extent, productive activities (ECLAC, 2007). The burden of domestic work has also been aggravated, as women had to spend more time and effort in sourcing out cheaper items and in scrounging to make ends meet. Taking care of and maintaining young and sick family members was an additional burden but extended households provided some support in terms of other women members sharing domestic work and childcare (Rai, 2002). Very often, domestic responsibilities shifted to older daughters, thus reinforcing women's 'natural' responsibility to do domestic activities. Regardless of whether women worked outside or not, they had to do housework; they reorganized, stretched their time and reduced leisure options so as to maintain equilibrium between being mothers and workers In this overall context

Even in countries which claim to be socialist like Cuba where the state is committed to promoting gender equality, and has initiated several measures to enable women to work, gender ideology has kept women marginalized. Besides the educational and support services and affirmative action plans, there is also the Family Code, which encourages couples to share household and child-rearing responsibilities, which is hardly followed in practical terms. While Cuban women workers are guaranteed equal pay for equal work, paid vacations, maternity benefits and a wider array of support services than is found in capitalist societies, the prevailing occupational segregation makes factory management give top priority to highly skilled workers, generally male, thus keeping women in inferior positions (Safa, 1995).

Another related and often neglected aspect of stabilisation and adjustment, mediated partly through labour market shifts, is the long term impact on human capital investment, which may be affected by both unemployment and by sectoral shifts in employment. There is evidence that in Latin America, teenagers who would otherwise be in school have entered the labour market in significant numbers as secondary workers under recession. The relative effects of this shift in labour supply on teenage girls and boys are not clear. Often the increased reproductive burden as more women enter the labour force is being transferred to older daughters, prejudicing to their school attendance or performance (Baden, 1993; Beneria, 1992).

Case studies at the micro level and reports on people's daily lives portray this view clearly documenting hardships of survival-gender and class biases, social tensions and increasing

economic and social inequalities—implying that even optimistic macro results do not trickle down easily to the population at large.

Marcella's (2000), study of the women of Buenos Aires focuses on the effects of economic restructuring on the behaviour of female workers and the conditions under which they are incorporated into the labour market. She finds that the recent remarkable increase in female labour force participation in Buenos Aires is a result neither of improvements in the conditions of labour supply nor due to the diversification of the structure of occupational opportunities available for women. It is instead a response to increasing unemployment and job instability associated with the implementation of structural adjustment policies.

Women's labour force participation rates in the metropolitan area of Buenos Aires grew sharply from 38% in 1991 to 46% in 1995, the same time that extreme economic policies under the structural adjustment programme were being implemented. This increase coincided with a major expansion in male and female open unemployment rates.

Aggressive economic and structural reforms ensured greater flexibility in recruitment and dismissal, and decentralized union bargaining causing unemployment. Women's movement into the labour force is significantly associated with the employment instability of male heads of the household. Women living in households where the head recently changed labour force status was almost twice more likely to enter the labour force than those living in households where the head was continuously employed (Marcella, 2000).

Another remarkable development after structural adjustment in some countries of Latin America and the Caribbean has been a rapid expansion of female employment in export processing manufacturing industries (*Maquiladora*)<sup>ix</sup>. Maquiladoras first developed as a result of the bilateral United States-Mexican Border Industrialization Program of 1964 ("the BIP"), the goal of which was to develop industry and promote employment along the border. The BIP agreement established favourable trade conditions for U.S. companies that built and operated assembly and finishing factories in Northern Mexico, and led to a proliferation of U.S.-controlled industrial enterprises along the border and throughout Mexico. Since 1970s there is an accelerated growth in the industry due to the significant change in the rules for foreign investment. As in Mexican case in 1989, there were major modifications concerning foreign investment, eliminating many of the regulations that had been in place since 1973. Thus in stark contrast to the -6.2 growth rate for the over all Mexican economy, the export manufacturing industries expanded by 30 percent in 1995 (Coony, 2001). These manufacturing industries have been a major contributing factor for worsening women's condition. These industries are unregulated, with no labour laws and trade unions, as the state is eliminating the labour codes for attracting foreign capital. These industries demand for cheap labour and thus had a greater demand for female labour. In Mexico, for example, employment in export assembly and in-bond toll manufacturing industries grew by 14.5 per cent annually between 1980 and 1989, taking up a large - but falling - proportion of female labour (Judisman and Moreno, 1990). Although it is not clear how strongly this phenomenon is linked to adjustment policies per se, since it predates adjustment. However, devaluation and trade liberalisation as well as the lowering of local wage costs must have contributed to some extent to the increased employment in these areas. At a national level in Mexico, between the period of 1980-86 there was a rise in female manufacturing employment from 21.1 to 25.7 per cent, mostly in the border region. In the north, women constitute a high proportion of motor industry workers, especially in auto parts production. In this region, which is mainly geared to export production, wages are lower than elsewhere in the country, due partly to lack of union organisation. Most of the increase in female manufacturing employment is in the maquiladora (export) sector, with a concentration of single women in their early twenties (Baden, 1993). Even corporate policies have used strategies to target women as their preferred labour force. The advertisements for jobs in export processing zones (EPZs) preferred women, and rarely any of the jobs preferred women in skilled production and control rather they were wanted in unskilled production jobs<sup>x</sup>. This is the reason why employment rate has increased and wages has decreased for women. ECLAC research has also shown that workplace discrimination against women is reflected in pay irrespective of educational level. In 2005, women's earnings from work of all kinds averaged 70% of men's in Latin America, while their wage incomes were 87% of men's. From the trend of progress in closing this gap since 1990, it can be projected that equal pay for men and women ought ideally to be achieved by 2015, while women's overall incomes should stand at 75% of men's that year (ECLAC, 2007). Besides this, women are exploited in working places also. Although for the workers in EPZs, there is a range of basic labour rights which is stronger in Mexico than in United States in certain respect but the level of enforcement is notably lower (Kopinac, 1995).

Interestingly, in Mexico, there has been a marked fall in the share of women employed in EPZs over the 1980s, from 77 per cent in the early 1980s to 56 per cent later in the decade (Joekes,

1993). Roberts (1991) also finds a rise in the male share of the *maquiladora* labour force from 28 per cent in 1983 to 38 per cent in 1988 and Judisman and Moreno (1990) similarly find evidence of a falling share of female labour. One possible explanation for this is a shift in the skills requirements of export industries over time as technological upgrading occurs. This demonstrates that the gains to women's employment of the expansion of export-oriented industries may not be permanent.

In Jamaica, the total labour force in EPZs in the early 1980s was around 14,000 – of whom 95 per cent were women - constituting 16 per cent of manufacturing employment. Between 1981 and 1985, an additional 6,800 women found manufacturing jobs (no comparison with men is given but the proportion of women in manufacturing rose from 7 to 8.7 per cent). These new jobs were not specifically located in Export Processing Zones; many were with local manufacturers who were sub-contracting to foreign investors especially in the garments industry. Wages in garment manufacturing were said to be very low, although no comparative data is given (Safa and Antrobus, 1992; Joekes and Baden, 1993).

In the Dominican Republic the share of women in EPZ employment, which constituted 78 per cent of manufacturing employment was 68 per cent in the early 1980s. Between 1981 and 1988, the number of employees in Free Trade Zones increased from 19,456 to 85,000 (no gender breakdown is given) with the largest increase (over 100 per cent) in 1985-6. The previous year had in fact seen a slight decline in employment in this area. The drop followed by the large rise could possibly be related to the introduction of austerity measures in 1983/4 followed by substantial devaluation and improved access to foreign exchange markets for outside investors in the subsequent year (Safa 1992; Joekes, 1987; Joekes and Baden, 1993).

Whereby early in the development of export processing industries, wages are relatively high and draw on a comparatively educated female labour force, but that over time, they fall relative to other employment (Joekes and Baden, 1993).

### 4. Women and New Social Movements in Latin America

The last two decades have seen an upsurge of Latin American social movements, challenging the neoliberal paradigm and the governments that impose it. Social movements have been defined in terms of organizations, mobilization and participation of the "have nots" of the society: those who

stand in opposition to or outside of the existing power structure. In emphasizing the popular social constitution of these movements and the fact that they are not orchestrated by power structure of the state, they are also described as "grassroots" movements (Roy and Gambetti, 2008). In the present neo liberal conjecture however, a somewhat different alignment of social, political and cultural forces have come to occupy the movement space across the countries of Latin American regions.

The intensification of social movements appears to be not only an outgrowth of the traditional resistance and mobilization of the masses, but a response to the advancement of neoliberal globalization. The global spread of free trade/market forces involves a rollback of the state and the neoliberal state has new functions of structuring and policing the new conditions for global capital accumulation. In this era of increasing globalization, pressure to integrate into global markets threatens a heterogeneous group of social subjects who are coalescing into new resistance movements (Eschle, 2004).

Unlike traditional guerrilla movements or electoral expressions of the left, these social movements are not fundamentally organized to seize state power<sup>xi</sup>. These new movements are different from previous popular mobilizations organizing regional and transnational forms of social movement to confront the neoliberal project of global capital (Sholk, 2007).

In these new social movements, women have become a significant group, participating with same cause for struggle but with their own agendas. The principal reasons for this are the effects of the political and economic crisis in Latin America and the Caribbean these past two decades, which had touched their very existence, leading them to a struggle for the defence of life and for survival. This struggle is a result not only of the economic crisis, but also because of the political repression by the State. This can be better depicted by the example of Argentinean women. The Mothers and Grandmothers of the Plaza de Mayo, is an example of a social movement where the mothers and the grandmothers of the victims of the repression of military regime, organize themselves to protest against the injustice. They march around the plaza every Thursday to protest the lack of legal action against those responsible. Since 1983, prosecutions have seen some successes but mostly setbacks, with Presidential pardons usually following convictions. Memories of the dictatorship and of the economic collapse of 2001 are intertwined because both the military regime

and the Menem government imposed the same corporate globalization that proved fatal to the economy. The familiar package includes: spending cuts, lifting protections of local industries, privatizing public goods, and opening the state's coffers to the corporations. The mothers don't let the people forget that the disappeared died fighting precisely this anti-human package. And it is the disappeared themselves who would today have been the leaders of the social movements to salvage and heal Argentina's economy and society (Barry, 2005; Hensman, 1996).

Besides this, issues related to every day life like health, housing and unemployment are typical of the kind of social questions that have attracted the interest of low-income women, and movements formed around these issues developed characteristics that reflect the presence of women in them. Struggles for health, housing and unemployment and like those other popular urban social movements, involved the mobilisation of the popular classes to improve their living conditions, with methods of organization and political practice reflecting the socio-economic parameters within which they are constituted, developed and sustained. The popular struggles in which women participate are organized around social and economic problems which have a direct effect on this sphere, and subsequently on women themselves (Lind and Farmilo, 1996).

One of the most significant features of these movements has been the capacity of women to unite and organize them. Many of them have had to unite their efforts and confront the new role that they have had to play in society in a collective and organised fashion. This has prevented the march of the women from turning into an isolated and individual effort. What began as an individual effort became, in many cases, the beginning of women's organization. And these organizations, in some cases, have become an even broader women's movement. It is the beginning of a new stage in which this women's movement is becoming a social movement with sufficient political power to act, organise and mobilise itself in order to transform the patriarchal society in a more just society which excludes no one (Ghista, 2003).

The participation of women arises from the social bonds that are created via their socioeconomic activities in the community, through which they organise themselves and from which the political contexts of urban social movements are developed. The politics of popular movements are a part of, rather than set apart from, the lives of those who participate in them. Moreover, the social, economic and even moral issues which have formed the basis of this type of political protest and organisation are precisely those which have remained on the periphery of 'malestream' politics or

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have been given little or no priority in the programmes of parties and successive governments (Siltanen and Stanworth, 1984). It is hardly surprising, therefore, that in a society in which gender divisions set the parameters of women's socio-economic activities, women play a major role in the formation and development of popular forms of social organisation, the aims and objectives of which relate to their particular experience of society.

Nates (1990), study of social movement in Sao Paulo during the period 1983-1985 concentrated on three popular movements of health, housing and unemployment. These popular movements are representative of the wide range of movements that existed, and continue to exist, in the urban periphery of Sao Paulo. One common feature is that participants in these movements are either exclusively or predominantly women. She argues that women's participation arises from a sexual division of labour within society and their productive and reproductive roles in the society. Low-income women in particular are often involved in a wide range of activities arbitrarily divided between production and reproduction, with many having various modes of generating income (Chant, 1989). Women thus tend to be more responsive than men are to issues that relate to socio-economic activities in *both* the public *and* private spheres. On these grounds, it can be postulated that there exist a specific relationship between women and popular urban social movements.

After the neoliberal economy, women had to confront the economic crisis which has led them to a struggle for the defence of life, and for personal survival and survival of their family. This struggle becomes very difficult when it confront the injustices of the political-economic system, without the necessary means that the system itself defines as indispensable. This pushes women towards organizing themselves, as they realize that, collectively they have more probability to survive the crisis.

One movement at the US-Mexican border had organized and allied to resist the globalization forces. It is a place called Ciudad Juarez where hundreds of maquiladoras functions, and had employed a quarterly of million workers where the majority is women. The activists in the movement are the maquila workers and their families in coalition with other activists from formal NGOs and from academia, labour unions, faith based groups and others. Staudt, Cronado (2005) discusses the movement in the border region where they both are activists. They pointed out the shortcomings in the formal movements with political orientation, where local women do not find platform for expression and this works as limitation excluding many women from these

movements. They pointed out that most of the movements, specifically the anti globalization movements are high level, activists are western middle class youths who can afford to protest at distant conferences which detach them from local context and everyday worlds. Not surprisingly, these reasons compelled women to organize them selves with a common cause in a way where no one is excluded. These movements work at the grass root level and sometimes they try to lobby with the politicians and influential groups to materialize their efforts.

Similarly in Lima (Peru) women organized to face the crisis of economic adjustment. Women organized in groups and formed community kitchens that provide food for half a million people daily. Over 100,000 women work in the local efforts each day to feed their children, and they do it collectively, seeking mutual support to overcome poverty. Lima is one of the urban societies where collective social action by poor women is strongly present. The common kitchen, as a popular women's organization, is an experience "without parallel in Latin America and probably in the world." It is a simple form of collective organization by the poorest people, spaces where survival becomes likely, and also a school where many women have gained skills in organizational activities, democratic practice, conflict resolution, and ways to deal with institutions and government officials.

The first common kitchens were established in the 1970s, during a period of massive social mobilizations at the end of the 1968-1980 military regimes. The teachers' union (SUTEP) was pressuring for higher salaries in 1978 and 1979, and teachers took over schools in the popular neighbourhoods. Women began to fix communal meals in solidarity with the strikers: "For several weeks, the schools became locations for political discussion, meeting spaces for the neighbourhood, the school, and the current social and political conflicts." From that point on, many of the mothers began organising in their neighbourhoods, and that experience led them to create women's organizations to feed their families. These collective experiences helped women shift from isolation in the domestic sphere to participation in actions in the public sphere.

With the economic crisis and the first structural adjustment, between 1988 and 1989, kitchens grew exponentially, from 1,800 to 3,000. After Alberto Fujimori's brutal economic adjustment in 1991, they numbered more than 5,000. Neighbourhoods filled up with improvised "popular kettles," and the demand for food in the kitchens was double that of the previous year. Over the

years, and despite a noticeable improvement in the country's economic situation, the number of kitchens stayed at the level reached at the spike of poverty (Lind and Farmelo, 1996).

On the local levels, progressive social movements are struggling for social justice against corporate rule, inequality, sexism, racism, environmental destruction, poverty and war. Mobilizing the women, the social movements of Latin America is raising the consciousness of every person in both the First and Third Worlds. They are finding that the existing social order neither meets their interests nor is consonant with their image of the kind of society in which they wish to live. Their protest is not only a radical rejection of what exists but also an expression of faith that fighting together, change is possible.

#### 5. Summary and Conclusion

Gender is a socially constructed phenomenon of sexual difference that has historically subordinated women in social, political and economic terms. The neo-classical assumptions, which are gender neutral and imply no gender roles and equal access to resources are followed by the agencies like World Bank and IMF. Existing gender relations in the society, sexual division of labour and unequal access to resources are some of the main causes of a disproportionate distribution of the costs of adjustment programmes which has been further perpetuated by the IFIs. In more than 30 years of the SAPs' implementation, the programmes have been criticised for their lack of clear positive impacts on domestic economies. The programmes have not been able to deliver positive impacts equally and have in fact inflicted negative impacts on many groups. Feminist critics of the SAPs have criticised the programmes for their gender biases. The underlying gender biases in the SAPs arise from the unequal power relation between men and women. They argue that women have borne disproportionate costs from the SAPs, in terms of deterioration in welfare. The malfunction of the trickle down effect that underlies this problem relates to existing gender divisions of labour and unequal access and control of resources.

By the end of the twentieth century, women have organized themselves to fight against these negatives. It is found that shifts resulting from economic restructuring, combined with the demands generated by increased urban poverty, have incited women to organize collectively, ultimately contributing to new gender-based understandings and community practices in cities around the

world. Women's organizations have responded to the local effects of globalization by creating their own organizations that reflect their gender locations in family structures and in the broader political economy. Throughout Latin America, women have been playing protagonistic roles in housing, anti-violence and neighbourhood movements (among others) and have engendered the landscape of urban social movements and change. However, in order to achieve ultimate objectives of economic growth and stability, a redistribution of power between men and women is required to negate existing gender biases at micro, meso and macro levels.

# **CHAPTER III**

# STRUCTURAL ADJUSTMENT PROGRAMME AND WORKING

# WOMEN IN MEXICO

#### **1. Introduction**

From the beginning of 1980s to the end of last century Mexico has suffered an economic crisis which has also been a crisis for women. While working people in Mexico saw their employment become precarious, their real purchasing power declining, and their public health system began to unravel, women-who have always occupied a weaker position in Mexican society-have, suffered most. Women is central of any society, but women's general standard of living, their career expectations, their wages, benefits and working conditions, and their treatment in society in general fall far below than those of men.

This chapter is an effort to understand the changes of economic crisis particularly the effect of structural adjustment on the working women of Mexico. The Mexican women have been situated in the broader context of Mexican societal structure and institutional provisions which has transformed over a period of time. The first section is the overview of the Mexican women's profile which is followed by the analysis of the changes in the Mexican constitutional provisions. This has been done for better understanding of the changes in the legal provisions and to question whether it has protected women or has made women more vulnerable. Next section is the gender analysis of the effect of structural adjustment on employment pattern, wages and on rural sector to represent a vivid picture of how the neo-liberal reform has touched the lives of working women in every nook and corner. Women play a central role in Mexican society, and represent an even more significant part in the Mexican working class. However, because of the inequities, women have come to play an increasingly important role within the labour and social movements, now frequently leading movements not only for their own issues, but also for those of the working class as a whole.

# 2. Women in Mexican Society and Institution

Mexico is the largest Spanish speaking country in the world, both in area and population, and a prominent nation in the world and among the Latin American countries. Within Latin American countries Mexico falls into the Indo-Mestizo grouping<sup>xii</sup>, along with the other Andean countries. A cultural pattern similar to that of countries having strong Indian heritage with European overlays persists in Mexico, along with more vertical and horizontal mobility than in most other Latin American countries.

#### (i) Women's Status in the Social Setup

Position of women in Mexican society is more or less similar to those of the women's in other Latin American countries. Traditionally Mexican society has been portrayed as a typical example of patriarchy, where "male superiority is accepted as part of the natural order of things", and women are relatively powerless in the public sphere and, in a less extent, in the private sphere too (Safa, 1992). This patriarchal structure is the combination of historical and cultural factors.

The common approach of analyzing women of Mexico is through *Machismo*, a sense of exaggerated masculinity whose chief characteristic are extreme "aggressiveness and intransigence in male-to-male relationship and arrogance and aggression in male-to-female relationship. Moreover, of the Latin American nations Mexico has been described by Latin Americans as a nation most afflicted by the *machismo* syndrome (Elmendorf, 1977). Although women and men are equal before the law, but like any other country clear differences persist in terms of authority and privileges. Women play crucial roles in the family, but even here the male is "chief of the family" (*jefe de familia*). Women are seen as the caretakers of morality and hence take centre stage in the domain of religion (Panster, 2007).

However, the patriarchal Mexican society has modernized over a period of time. Under the influence of profound social and cultural transformations in an increasingly urbanized Mexico, perceptions of masculinity and femininity have shifted continuously. Mexican women's relative position in society has experienced important changes during the last five decades which has been defining for substantial differences between that traditional Mexican women's portray and the contemporary one. Not only in Mexico, but in Latin America as a whole, women are reaching higher levels of education, their incorporation to the labour market is increasing and assuming greater economic responsibility for their families (Safa, 1992). Accelerated urbanization, expansion of industrialization, generalization of education, and a decline in fertility are among the factors that have facilitated an increasing incorporation of Mexican women into the labour market (García and Oliveira, 1995). Even groups of women that were traditionally most excluded from the labour force like older and married women, became significant sectors of the female labour force during the 1980's and 90's (Casique, 2000).

The growing presence of women in the workforce contributed to changes in social attitudes, despite the prevalence of other more traditional attitudes. The UNAM 1995 national opinion survey, for example, found a growing acceptance that men and women should share in family responsibilities. Approximately half of all respondents agreed that husbands and wives should jointly handle child-care duties and perform housekeeping chores. However, such views were strongly related to income and educational level. Low income and minimally educated respondents regarded household tasks as women's work. The UNAM responses correlated with the findings of Mercedes González de la Rocha, whose research focused on working-class households in Guadalajara. González de la Rocha reported that the members of these households held traditional norms and values regarding the roles of men and women. In addition, these women were often subjected to control, domination, and violence by men (Coutsoukis, 1996; de la Rocha, 1988). However, there was a positive shift in women's status as well as in societal attitude towards them.

## (ii) Education trend in female

Education for women has not been easily achieved in Mexico. Traditionally it was believed by many Mexican men that education de-feminized women. Although it has improved much, contemporary statistics clearly demonstrate that prejudice against women in education has not yet disappeared. Women's educational levels tend to be lower than that of men. Some 12 percent of Mexican women have had no education and 15 percent of women are illiterate, while the figure for men is 9 percent. About two thirds have attended primary and secondary school, though they may not have been graduated. About 14.6 percent of women have graduate or post-graduate education (La Botz, 1999).

Women's enrolment rate declines as her age grows showing her less chances of higher education. In the age group between 6 to 11 enrolment of female in the year 1980 was 92.8 per cent of the total 92.6 percent. It was 100 percent in the year 1985 and 1990 which implies that in the primary education women's enrolment is 100 percent. But the picture is not very good in the secondary education and gloomy for higher education. In 1980 female enrolment rate in the age group 12 to 17 was 61.0 percent in comparison to 66.6 percent of male enrolment in the total enrolment of 63.8 percent. In 1985 it was 59.3 percent in comparison to 64.5 percent of the male enrolment in the total enrolment

of male enrolment (ECLAC, 2000). Compared to other countries of the world, Mexico does not show remarkable trend in number of women enrolled in higher education. For higher education in age group of 18 to 23 in the year 1980 female enrolment rate was 18.5 percent compare to 28.0 percent of male. In the year 1985 it was 19.2 percent compared to 27.4 percent of male enrolment and in 1990 female rate was 20.0 percent compared to 26.8 percent of the male enrolment rate (ECLAC, 2000). This depicts that for higher education rate of participation of female decreases steeply which was 100 percent at the time of enrolment in the primary education. This shows that the high dropout rates of women are a prominent feature of the female education in Mexico. But women's participation in college education has been rising steadily. However, for girls the percentage of students finishing each of these levels is higher than that of boys. The female drop out rates is highest between school cycles, not during them, suggesting that motivational factors are more important in women since they must overcome additional socio-cultural obstacle to achieve higher education. We see that male/female ratio is equal in primary school. However, the gap widens in secondary school and is much starker in higher education. But women's participation in college education has been rising steadily. In 1970 women represented 25 percent of college students; in 1980 they had reached 30 percent; in 1990 they made up 40 percent (La Botz, 1999).

This is an important factor to notice because the public expenditure on education has increased over the years. In 1980 it was 3.1 percent, which increased to 4.3 percent in the 1990 (ECLAC, 2000). This implies that increased expenditure on education also needs sex inclusive education policy to move ahead and to sustain a movement toward full equality of education with men.

		1980	1985	1990	
Between	Total	92.6	100.0	100.0	
6-11 years	Male	92.5	100.0	100.0	
	Female	92.8	100.0	100.0	
Between	Total	63.8	61.9	68.1	
12-17 years	Male	66.6	64.5	69.9	
	Female	61.0	59.3	66.3	
Between	Total	23.3	23.4	23.4	
17-23 years	Male	28.0	27.4	26.8	
	female	18.5	19.2	20.0	

Table 3.1: Enrolment Rate by Age and Sex

Source: ECLAC, 2000

#### (iii) Political Participation of Women

Historically women's social and political involvement is the result of specific limitations placed on women by Mexican culture. The tendency to consider politics as within men's sphere of activity and to define women's rightful concern as those relating to family discourages political; participation by women. Although women's mobilization for social and political rights started in the 19<sup>th</sup> century it was only after the revolution that institution granted some rights to women (Elemendorf, 1977). The constitution of 1917 adopted at the end of the revolution, included several articles and provisions legally supporting the rights and privileges of women. However, the Federal Election Law, passed in 1918, specifically excluded women from the franchise in federal elections, and it was not until 1953 that women were granted full suffrage (Camp, 1979). After that women have held many significant political offices, including senator, mayor, judge, first magistrate of the supreme court of the federal district and territories, magistrate, minister, ambassador, and government representative to international organizations. Women have also served in the different ministries, including health, education, welfare, social work, nursing, social security, agrarian reform, economic planning, Ministry of Interior and so on. Some women have achieved political power through family connections and other on their own merit and there has been little resistance to women taking political office (Camp, 1979). However, the most common type of voluntary organization that Mexican women belonged to are those that concentrate on charitable works related to the Church.

In the past major Mexican political parties have separately organized women's sections. Peasant women and labour groups have also organized for political action. However, the dominant political

party, the PRI and to a lesser extent in the opposition PAN, mostly women party officials are relegated to certain quota positions in post where they were limited to performing traditional feminine work of nurturing and protecting the young and the disadvantaged, and administering women's programmes (Staudt and Aguilar, 1992).

In the wake of hosting the World Conference of the International women's Year held in June and July of 1975, women became the main focus of the Mexican government and there were many changes in the stereo type attitude of the political parties. Planning sessions were set up in the provincial capitals, as well as in Mexico City, to bring together previously dispersed and uncoordinated groups. The discussion of mutual concern about woman—related to equality, development and peace—undoubtly strengthened the total effectiveness of the efforts of women in Mexico.

Subsequently gradual changes in Mexican society and culture have allowed women to pursue greater education, making it possible for a gradual broadening or redefinition of traditional gender roles and thus allowing more women to pursue political ambitions. Greater societal acceptance of women's participation in decision-making positions in all spheres permits women to pursue their goals rather than fulfilling traditional gender role expectations before their own ambitions (Elemendorf, 1977). The number of women in Mexican politics is rising at a rate which rivals that of women in U.S. politics. Accettola (1995), says that transformation in the bureaucratic structure of the Mexican government, or "technocratization" <sup>xiii</sup>, and subsequently in the credentials necessary to access political positions (whether elective or appointed), combined with the increase of female education and changing expectations, offered more opportunities for political and/or bureaucratic careers for Mexican women (Accettola, 1995).

Furthermore, due to the economic changes women assumed new political roles where they are not only addressing issues which are linked to women's every day lives but also taking commanding and leadership position. In the Zapatista National Liberation Army (EZLN)<sup>xiv</sup>, a revolutionary organization rather than an official policy-making body, the impact that women have had in determining the direction, goals, procedures, and general functioning of the EZLN is astounding (Stephen, 1996).

Women are integrated into all levels of the EZLN, as combatants, commanders, participants in community committees, etc. Women within the organization demanded a "Women's Revolutionary

Law," outlining women's rights and responsibilities. Many women hold positions of authority over men and are their direct commanders in battle. Phenomena such as these are likely to have widespread impacts, from raising men's consciousness within the organization to impressing local women with their own possibilities to potentially impacting government policies if an agreement with the Mexican government is ever reached. In fact, in the state of Chiapas, a state-wide convention has been formed to promulgate the ideas contained within the Women's Revolutionary Law of the EZLN. The vision of democracy projected by women in the EZLN demands democratization not only of formal political systems and political organizations but also of the daily-life arena of marriage, family life, and work (Stephen, 1996).

#### 3. Profile of Working Women of Mexico

It is important to recognize the interrelationship between economic development and women's freedom. After the Second World War the rapid modernization and development of the economy had made important contributions for opening up new opportunities for women. Women's economic activity rates have increased due to the intense development process, increased education level and decreased fertility, but the magnitude of internal inequities within the nation has widened, and related variations are found in women's work pattern. The new opportunities for women workers in the production forces have not resolved the many problems associated with the working women.

In the last 40 years the number of economically active women in the paid work force has more than doubled. In 1970 women made up to 15.2 percent in the economically active population; this has increased to 36.4 percent by 2000 (ECLAC, 2000; ECLAC, 2004).

Table 3.2: Rates of Participation in Economic Activity by Sex	
(In percentage)	

	1970	1980	1990	2000	2005
Both Sexes	40.4	47.8	48.9	52.9	54.4
Male	65.7	71.3	71.3	73.1	73.2
female	15.2	24.6	27.1	30.4	36.4

Source: ECLAC, 2000; ECLAC, 2006

Although women's work correlates positively with the degree of development of Mexican state, development does not seem to alter the employment structure, and the sex stratification characteristic of the less developed Mexican state persist in the more developed one. Women predominate only in one sector of economic activity that is services. At first glance in the year 2000 the presence of ~80% women worker in the non-agricultural activities makes them seem more modern than men. However, 68.8% percent of women are employed in service occupation, many of them in very low paying jobs; particularly they are in domestic services (ECLAC, 2004). Mexico has more than 1.7 million domestic workers, of whom 89 percent or about 1.5 million are women. 51.2 percent of domestic workers receive no benefits whatsoever, 29.3 percent receive less than one minimum wage (34.35 pesos or about US\$3.00), 48.4 percent between one and two minimum wages. Some 40 percent work more than 12 hours per day, while 45.8 percent work more than 60 hours per week. Many domestic workers come from rural areas, often young women with low levels of education frequently just primary school or a year or two of secondary school. They not only work long hours in little pay, but usually have off on Sunday. The rest of the time many live as virtual prisoners in the house of their employers. Their male employers sometimes sexually harass them, especially if they are young (La Botz, 1999). Many of these low paid women. along with the ambulatory vendors, are underemployed and underpaid. On the other hand data shows that very less percentage of women are in high paid jobs. In the year 2003 women hold 15.3 percent population in the professional and technical works, 1.7 percent in administrative and managerial work and 2.7 as sales workers (ECLAC, 2004).

	Agriculture			industry			services		
	Both	male	female	Both	male	female	Both	male	female
	sexes			sexes			sexes		
1970	44.1	48.0	26.1	24.3	25.0	20.9	31.6	27.0	53.0
1980	36.6	42.9	19.3	29.0	29.4	27.9	34.4	27.7	52.8
1990	25.3	31.5	9.9	24.7	26.6	20.1	49.9	41.8	70.0
2000	17.5	22.2	8.9	28.3	31.6	22.2	52.6	46.2	68.8

 Table 3.3: Structure of economically active population, by sector of economic activity and sex (In percentage)

Source: ECLAC, 1996; ECLAC, 2004

These data shows that despite the economic development of Mexico there is reinforcement or enhancement of the division of labour by sex. The continued practice of sex labelling of occupation has meant that although women's job opportunities has expanded, their actual range of employment options has not increased significantly. The belief that 'women's place is in the home' has not died, but has merely transformed into the concept of women's work. Women fill jobs that are extensions of the functions that women perform in home; domestic work, restaurant work, in which 50 percent of personnel are women; teaching in lower school, nursing; and secretarial employment (ECLAC, 1996). Factory works (like the manufacturing industries of maquiladoras) constitute another area considered 'women's work', because the dull repetitious jobs found in industry are thought to be specially suited to their unimaginative temperaments. Such a premium is being put on being able to work at all that women take what ever jobs they can find; usually they are the lowest paid, most boring jobs society has to offer. Nevertheless these jobs constitute a step towards liberation, since, the women employed in factory has the opportunity to become economically independent of men and has contact with wider group (Safa, 1992).

For the upper class women the dual roles are lightened by the paid domestic, but she is not free from household responsibility, only made overseer of the household, and so acting sometimes oppresses other women. Many factory workers spend their free time in doing house work. Particularly the upper class women have not been accepted in the working force. Many Mexican families, especially middle class and upwardly mobile families exert pressure on women not to seek employment (Elemendorf, 1977).

Men who head lower class families cannot afford the luxury of preventing women from working because women's salaries often help to support the family. Today when in many rural and urban families, economic pressure are great, the adolescent girls are working and contributing all or most of their earnings to supplement family income. Sometime they are forced to migrate to the cities or to the more developed urban areas in search of work, and in the contemporary time to United States also. Although migration to the United States is predominantly a male activity, the economic hardship of recent years has sent more women into the migrant stream. There is also a perception that job opportunities for women have increased in the United States. These include the care of children and elders, domestic labour, and restaurant work. While this might have positive implications in terms of increased opportunities for higher wage employment and economic freedom for women, research has shown that women's migrant experiences are tightly controlled by their families, especially young women's by their fathers, even when they are physically absent (Young, 1998). Far from being an individual decision made by the woman, the decision to migrate

is often made by the woman's family and is based upon having trustworthy relatives on the other side who can both ease the young migrant into her new environment, but also assume familial control over her (Crummet, 1986).

Migration has other implications also affecting the women's life directly. The economic position of the women left behind when both males and other females migrated to the United States didn't improve, even though vacated positions, economic as well as political, existed because of those migrations. Women left behind did not assume any more decision-making authority, for the most part, nor did they step into the traditionally male jobs which became available. Even in rural areas where the main economic source is ejidal lands (communal land property)<sup>xv</sup>, men are contracted to perform necessary manual labour for agricultural production with high wages due to relative scarcity of male workers, rather than employ local women (Young, 1998). Responsibility for the ejidal plots of those who migrated was left in the hands of male relatives (fathers, brothers, etc.) rather than wives. The males left in the communities of origin retained decision-making authority, passing information to wives of the migrants to communicate to their absent husbands. Even those females, who had migrated to the U.S. and later returned home, thus assuming a greater economic role in their families, were left out of decision-making processes (Young, 1998).

Also for rural women there is enormous disparity between their statistical representation and actual amount of labour performed in the agriculture sector. In those part of Mexico in which families still engage in subsistence agriculture, the women serves a fundamental and indispensable role. The division of labour gives her integral economic and social functions, but at the same time she is tied irrevocably to the family and the family enterprises, to numerous arduous and demanding tasks. Often the women carry the complete responsibility of the farm for long and short periods while her husband is working in the city. Furthermore, modernization and the integration of women in the economy as a paid worker frequently have made women marginal in the productive process by reducing their roles to working in the home and caring for children (Howell, 1999).

However, the constitution of 1917, enacted before other countries exhibited comparable concerns, sought to change some of the existing inequalities in work for men and women. However, many of the laws guaranteeing protection and equal rights for women have never been enforced because of differences in local interpretations (Brickner, 2006).

#### 4. Provisions in Constitution Safeguarding Women's Economic Rights

The Mexican government has long demonstrated a persistent pattern of failure to protect the rights of its women workers during Mexico's struggle to become an industrialized nation.

Mexican labour legislation purportedly provides a great deal of constitutionally based protection for workers, such as the right to associate, minimum wages, guidelines for workplace conditions, and prohibitions against discrimination. These social guarantees and other rights are codified in Title VI, Article 123 of the 1917 Mexican Constitution, and the 1970 Federal Labour Law (LFT). Despite such extensive legislation, these laws and standards are rarely enforced. The consolidation of strong labour laws in the federal constitution (1917) and the federal labour law (1931) provided protections for women workers but did little to empower them as workers or as citizens. Article 123 of the federal constitution created a minimum wage but based it on the basic needs of a *male* head of household. It restricted women from working between ten at night and six in the morning and from performing heavy work during the last three months of their pregnancy, and this limited their employment options. Its establishment of maternity leave was mostly a reflection of concern for women's physical weakness (Porter, 2003).

The federal labour law, passed in 1931 as a means of consolidating organized labour's support for the state, became one of the first and most important institutions of the Mexican state-labour relationship, in which labour unions exchanged political independence for secure political representation and enhanced social rights for workers. The law recognized important rights of women workers, specifying, for example, that married women did not need permission from their husbands to work, participate in unions, or exercise rights established in contracts etc. It also established important regulations for work done outside factories (e.g., garment production done at home). However, it maintained limits on the kinds of work women could perform—prohibiting them from engaging in night work, working in places that served alcohol for immediate consumption, and conducting work that was considered dangerous or unhealthy such as repairing machinery, working with saws, or working underground. The law also based workers' compensation levels on workers' wage levels, virtually guaranteeing that women would be disadvantaged because they made much less in the first place (Porter, 2003; Middlebrook, 1995). In anticipation of Mexico City's hosting the 1975 United Nations Conference for International Women's Year, the government altered both the labour law and the constitution to recognize women's equality before the law, but these changes were not accompanied by enforcement or a shift in long-standing cultural attitudes.

One of the many issues addressed by the Mexican Constitution is woman's right to reproduce. In general, Article 1 of the Mexican Constitution guarantees equal protection to both men and women. Specifically, Article 123 prohibits employers from discriminating against women when they are pregnant. The Mexican Constitution requires employers to provide pregnant women with one month paid leave prior to their delivery and an extra two months after delivery. In addition, nursing mothers who return to work are entitled to two half-hour rest periods per day in order to feed and care for their babies.

The LFT establishes minimum wages for both men and women. However, it ignores the rights of women in both its language and intent. "The law mandates that the minimum wage must be sufficient to satisfy normal material, social or cultural needs of the head of the family and to provide for the compulsory education of *his* children". "It is this part of the law that is particularly responsible for causing the marginalization of women." Mexican society does not consider women to be heads of households (Brickner, 2006). The problem is the contrast between the strong commitments to core labour standards in the constitution and basic legislation of Mexico and the widespread abuses in practice.

As Mexico liberalizes its internal market and is increasingly open to international trade and investment, this contrast is becoming all the more apparent. As a consequence the labour rights particularly for women are going through a period of considerable change at the present time.

#### (i) Freedom of Association and the Right to Collective Bargaining

Mexico has ratified one of the main ILO Conventions on trade union rights, Convention No. 87, but not the other, Convention No. 98. Although trade union rights and freedom of association are recognized in both the constitution and law, the right to organize and the right to strike are not always respected in practice. These limitations weaken trade union bargaining potential and, particularly in the maquiladoras sector, deprive many workers of the benefits of union membership. This in turn undoubtedly affects Mexico's position in international trade (ILO, 1997). Mexico has a pluralistic trade union situation guaranteed by the 1917 Constitution which provides workers the

right to form and join unions of their choice without prior authorization and the right to strike. Collective bargaining is widespread. However, the legal registration of unions in Mexico is impeded by the authorities, specifically by the local Conciliation and Arbitration Boards (CABs) which have sole authority to regulate union elections and handle all phases of labour disputé resolution. Registration by CABs is necessary for trade unions to obtain legal status but these boards act to withhold or delay registration from unions that are hostile to government policy or to vested economic interests, through the improper use of administrative requirements. Mexican law grants workers the right to strike. But the CABs have the power to declare strikes "legally non-existent" leaving strikers vulnerable to being fired and to suppression of work stoppages by force. Peaceful labour protests are frequently dispersed by the police using force (ICFTU, 1997).

Mexican law does not restrict employees in the private sector from forming more than one union which has significant implications for women workers in export manufacturing private plants. Over the period since 1985, Mexico has experienced a major shift in the structure of its exports. The share of crude oil and minerals has fallen from 57% to 15% over this time, while the share of manufactures has risen from 38% to 71%. The 'maquiladoras' sector for export promotion employed 636,322 workers at the end of 1995, an increase of 9% over the previous year and by comparison to 119,000 workers in 1980 (HRW, 1996). It is one of the largest sources of foreign exchange earnings in Mexico. The maquiladoras are particularly relevant to the WTO Trade Policy Review since they consist of a special customs regime, amounting to a free trade zone, for companies that assemble components for export. One estimate assessed the share of maquiladoras in Mexico's electric and electronic equipment sector at 44% in the early 1990s. There were 2,908 maquiladoras at the end of 1995. The majority of workers are young and uneducated women who rarely remain in employment past their mid-20s. Worker turnover is extremely high, at an average annual level of 200 to 300%, meaning that about half the workers have typically been at the job for less than six months. Poor working conditions are commonplace, including handling of chemicals and solvents with no safety equipment. Training on the job is minimal (HRW, 1996).

Fierce resistance to attempts to organize trade unions by employers, colluding with local officials, remains a major cause for concern at Mexico's maquiladoras plants. While in theory the same union rights exist in maquiladoras as in the rest of Mexico, the rate of unionization is much lower, at between 10 and 20%. Anti-union attitudes of the employers, and the existence of 'company

unions' in these factories, are considered to be a reason for low rate of unionization. In contrast to other sectors, few maquiladoras have collective bargaining agreements with unions. Few strikes have been attempted; most have been quickly resolved, while others have resulted in the dismissal of strike leaders in cases where the labour courts have declared the strikes illegal (ICFTU, 1996).

Wages in maquiladoras are lower than the average level in industry, especially in low technology facilities. Indeed, over the 1980s wages in maquiladoras fell by about 50%, while wages in Asian exporters such as the Republic of Korea underwent a steady rise. By the mid 1980s, maquiladora wages were lower than Korean wages and this Mexican cost advantage continued to widen subsequently. The peso devaluation over 1994-95 further reduced comparative labour costs, by about 50% in dollar times (HRW, 1996).

Mexico further has a large urban informal sector, the extent of which is unclear although some estimates have ranged as high as 40% of the labour force in some cities. Compliance with the law on freedom of association is clearly non-existent for workers in the informal sector. More research would be needed in order to determine the importance of the informal sector and the extent of its linkages with the traded sector.

For many decades, the Federal Labour Law of Mexico has provided for tripartite institutions to resolve labour and social security problems, which include responsibility for minimum wages, training and workers' housing. During the decade up to 1995, the government and the major trade union, employer and rural organizations negotiated a system of annual national pacts which established wage restraints, the Pact for Stability and Economic Growth (PECE). Since then collective bargaining has taken place without government intervention at a national level. Tripartite meetings continue to take place in the context of the "Alliance for Growth" (ICFTU, 1997).

In conclusion, restrictions on freedom of association and the right to collective bargaining in Mexico undoubtedly weaken trade union bargaining potential and consequently workers' purchasing power and, particularly in the maquiladoras, have a negative impact on the level of unionization. The failure of C.A.B.s to protect adequately the right to organize, particularly in the maquiladoras sector, appears to be a deliberate strategy to prevent workers in the fast-growing

export sector from bargaining for a reasonable share in the benefits of Mexico's rapid growth in manufacturing exports.

### (ii) Discrimination and Equal Remuneration

In 1952, Mexico ratified ILO Convention No. 100 (1951), Equal Remuneration and in 1961, ILO Convention No. 111 (1958), Discrimination (Employment and Occupation). While Mexico has ratified both the main ILO Conventions on discrimination, there is extensive evidence of discrimination against women, including in Mexico's maquiladoras sector (ILO, 1997).

There is no provision in the Constitution of Mexico, or in the law, for the principle of equal remuneration for work that is of equal value but of a different nature. The government of Mexico indicated to the ILO 'Committee of Experts on the Application of Conventions and Recommendations' that it was not necessary to legislate in favour of equal remuneration since there was no problem of inequality. But it is well-documented that women are generally paid less and concentrated in lower paying occupations. In addition, a further reply of the government of Mexico to the ILO indicated that at the higher levels of the public administration, there were almost three times as many men as women (ICFTU, 1997).

There are probable links between international trade and discrimination in Mexico, especially in the maquiladoras sector. Most of the maquiladoras workers are women, who are therefore especially affected by the poor conditions in this sector. Poor economic status is partly responsible for their readiness to accept the low wages and poor working conditions in the maquiladoras, while in turn the resultant low labour costs contribute to Mexico's export position. Discrimination in recruitment does not seem to be addressed in labour law. It is reported that many employers discriminate against pregnant women in order to avoid maternity protection costs. Many employers require women to certify they are not pregnant at the time of hiring while others test applicants for pregnancy. There are further well-documented reports that in order to escape from the cost of the maternity protection provided by the law, employers deliberately expose pregnant women to difficult or hazardous conditions to make them resign. This is particularly evident in the low-wage, low-skill, high turnover maquiladoras. State labour inspectors and federal health and safety authorities are unable to enforce these provisions, partly because the number of maquiladoras far exceeds the capacities of the labour inspection services (HRW, 1996).

In response to discrimination against women, the government is engaged in actions to improve in the situation within the framework of the National Action Programme for the Integration of Women in Development and the activities of the National Commission for Women.

The record of Mexico with regard to core labour standards is mixed. Freedom of association is provided in law but the right to organize and the right to strike are not always respected in practice. Mexico's law and practice therefore require further government efforts with regard to the exercise of the right to freedom of association in order to respect the commitments to fundamental workers' rights supported by Mexico in the 'Singapore WTO Ministerial Declaration.' Respect for core labour standards in the maquiladoras sector is a major cause for concern, not least because it appears to be part of a general strategy to prevent workers from bargaining for a fair share of export revenues. Companies in Mexico's maquiladoras are thus able to gain competitive advantage over firms in other countries that do respect core labour standards. Working women in Mexico still faces serious discrimination and there is need for Mexican government to step up its actions to comply with the ILO conventions on non-discrimination and promote equality for women (ICFTU, 1996; ILO, 1997).

Indigenous people, who make up about 10% of the population, have experienced further discrimination. Although the law provides some protection for the indigenous, the economic position of members of indigenous groups remains far behind the average standard of living in Mexico (ICFTU, 1997).

### (iii) Constitutional change and effect on Land Rights for women

Perhaps most significant in terms of immediate and long term social impact was the abandonment of the commitment to land reform and the jettisoning of the limitations on foreign control of Mexican land and subsoil resources imposed by Article 27 of the Constitution of 1917. Salinas regime push rural Mexico into the market economy, a policy that required the withdrawal of government funding from the public agricultural sector (that is, the "ejidos" or land grants historically given to landless peasants upon application under agrarian law.) Thus in agriculture, structural adjustment proposed the abandonment of an elaborate system of price supports, marketing boards, and state subsidized inputs (fertilizer, pesticides, seeds etc.) and, above all, credit.

With the withdrawal of government funding, the primary source of investment funds for the countryside would have to come from private capital -- domestic or foreign. To attract this investment, the Salinas regime made clear that dramatic changes in the agrarian reform legislation would be carried out, and the remaining restrictions on ejidal property, indeed the very concept of commonly held property, would be radically revised. In November 1991, Carlos Salinas announced his proposal to amend Article 27 to permit the privatization of ejidal land. The constitutional obligation to distribute land to qualified peasant petitioners was thereby ended.

The 1992 alterations to Article 27 of the Constitution allow for privatization of ejidal land and the end of land redistribution, which causes dramatic changes in the Mexican countryside. Women were already excluded from Mexico's hallmark land redistribution program, first legally and later, as legal barriers were removed, culturally. For the first fifty years of land reform in Mexico, women were eligible to become members of ejidos only if they were widows or single women supporting a family. As an obvious result, ejidal rights were given overwhelmingly to males. This is especially important because ejidal "property rights," went far beyond the actual use rights of the land (Young, 1998). Ejidal "property rights" included voting rights in ejidal decisions and a whole package of access to government programs, subsidies, credit, etc. Thus, women could and, in many cases, did have access to ejidal production without actually being ejidatarias, but were disadvantaged by being excluded from the rest of the "property rights" package. It can be observed throughout Latin America that women without formal land rights are also legally excluded from cooperatives, credit, and technical assistance (Deere and León, 1998).

In 1971, the Mexican law was changed to remove gender as a qualifying category and to allow women to hold positions of authority in ejidos (Stephen, 1996). Though ostensibly it is a progressive change to the law, till the 1992 reforms to Article 27 there is little real progress in women's position in the ejidos. This occurred for many reasons. For one, even though the Mexican government remained committed to land redistribution on the books, much less land was actually redistributed during this time period. In addition, ejidal production had become so marginalized through lack of resources and poor state support that even male ejidatarios could often only maintain their agricultural holdings through other sources of income. Finally, though the law had

changed in 1971, cultural norms did not change as fast. It was still expected that ejidal rights fell to the male members of the household (Arizpe and Botey, 1987). This attitude was reproduced in government policy, such as the provision in the 1971 law that set up what was known as UAIMs (Agro-Industrial Units for Women), which allowed groups of women to collectively hold ejidal rights equivalent to a single ejidatario's, thereby allowing women a small entry into the ejido without having to grant them full status as ejidatarias.

Whether the 1992 reforms benefit a woman's position in the ejido largely depends upon whether she was an ejidataria or not. Ejidatarias might be afforded some small degree of protection from the law by certifying and titling their land and being allowed to sell it legally if they so choose. For the much larger group of women who are not ejidatarias, the effect of the law exacerbated the preexisting inequities and worsens their economic position (Young, 1998). But now there is no hope of receiving ejidal rights from the government. Land redistribution is now officially over. Ejidal plots are converted into private property, giving ejidatarios (overwhelmingly male) the legal right to sell for their personal gain what had previously been a family resource. Also, it was no longer guaranteed that women will inherit ejidal plots upon the death of their ejidatario husbands. Along with the land certification process come the rights to designate any beneficiary they choose. Thus, women who have lived and worked on ejidos without being ejidatarias were worse off as a result of the Article 27 reforms (Young, 1998).

### 5. Structural Adjustment Programme and Effect on Women of Mexico

Mexico's post-1982 crisis has produced serious challenges for the labour force particularly for women. Are women economically disadvantaged because they have been excluded from development, government programs, and land distribution, or are they disadvantaged because they have been drawn too much into development, forced to give up whatever self-sustaining economic ability they might once have had, only to work long hours at difficult, even dangerous, jobs for wages that increasingly do not even reproduce their own labour power? While one side or the other might be emphasized in this potential debate, the answer is clearly that both processes are at work.

The neo-liberal reforms had multidimensional effect on the lives of women, where on the one hand SAP has forced women to look for new sources of livelihood to cope the financial hardship, on the other hand globalization has given them the opportunity to go out of their domestic setting and search for new identities in social and economic relations. Considering this effect on working

women the literature has been divided between apologist and critics, who argues in favour and against this policy shift respectively. The critics have argued that market is gender biased and has exploited the women workforce with no change in the patriarchal social structure. While the apologist says that market treats individuals as economic agents by providing equal employment opportunities for both men and women. This economic empowerment in turn provides opportunities to women to increase their power and status (Safa, 1995).

The government regarded structural adjustment as a systematic attempt to increase production and income through the reallocation of resources towards their most efficient use, boost the export of tradable, and increase the employment. However, the performance of the Mexican economy through the 1980s and 1990s has been poor: policies of stabilization have brought inflation under control and attracted capital inflows, but on all other counts the performance has been far less impressive, particularly in area of human development (Griffin and Ickowitz, 2003). Studies show that there are differential effects of structural adjustment on women and men of Mexico. Men have certainly suffered from structural adjustment: many have been driven out of wage employment and into lower income informal sector activity but losses to women are more in terms of jobs, wages as well as in terms of dual burden for managing household work and income generating activity.

Substantial evidence exists that, in urban Mexico, the economic crisis has caused women to increase their participation in the paid labour force, both formal and informal, at the same time that their domestic duties have been expanded. This increase in domestic responsibilities is due to states rollback in providing welfare services. Goods and services previously purchased through the market or provided by the government is either too costly to purchase from the market or/and not provider by the state (Benería, 1992; Gonzalez de la Rocha, 1994; Chant, 1991).

de la Rocha (1988) survey in Guadalajara, the second largest city in Mexico, studied the way working class Mexican households have faced the crisis. She founds that in order to survive, the households have reorganized their lives and intensified their strategies of survival. Women have played an important role here by intensification of work, both in the household and in the labour market. She finds that urban working class households have been able to survive the crisis due to their high degree of flexibility in the manipulation of their resources and internal structures. Her research points out few main findings which are as follows. First, households have increased in size between 1982 and 1985, not only as an outcome of natural growth (new births) but also as a

result of the incorporation of other relatives (preferably women to look after the young children so that their mother can go out for work). Second, the social structure of these households has been modified, in the sense that although nuclear households are still in the majority, in absolute terms, their relative importance has diminished, and extended and multiple family households account for a higher percentage. Third, there has been an increase in the number of wage earners in most households, and finally, as a result of a substantial increase in the number of workers, there has been a decrease in the consumer: worker ratio, even though household size has grown.

These changes had implications for women and have affected their lives indirectly as well as directly. The incorporated new family member, for help in the domestic care, mostly tended to be women; thus the crisis has not led to any higher profile of male assistance in the domestic sphere. Instead of a transfer of domestic labour *between* the sexes, reallocation has been primarily *inter-generational*, with women passing housework and children on to daughters, co-resident mothers, nieces and so on; as a result, reproductive labour has remained squarely within the female domain (Chant, 1994).

A further gender analysis of the effect of structural adjustment on employment pattern and wages in rural sector will support the above argument.

## (i) Trends in Urban Employment

The effect of structural adjustment policies on women workers depends to a greater extent on the extent of their participation in labour market and the particular sectors in which they work. In 1965, the Mexican government established a limited free trade zone along the U.S.-Mexican border through the Border Industrialization Program, which encouraged foreign corporations to build factories and create jobs in Mexico. Many U.S. corporations, including General Motors and Zenith, moved factories to Mexico to take advantage of low wages or to escape U.S. environmental or workplace safety regulations. By the end of twentieth century more than 800 U.S. corporations operateed one or more *maquiladora* plants and more than 80 percent of the *maquiladora* companies are U.S.-owned. About 68 percent of all investment in the *maquiladora* zone came from the United States (LaBotz, 1993). The *maquiladoras* have drawn hundreds of thousands of Mexicans to live in border towns and cities. Mexico's maquiladoras—light manufacturing, processing and packing plants—represents an important sector of the Mexican economy and a

significant area of female employment. The maquiladoras produce auto parts, electronic equipment. hospital supplies, clothing and other goods (Chaveriot, 2002).

Although the maquiladora industry has been steadily growing since its inception in 1965, the past decade has seen unprecedented increases in the rate of growth. This accelerated growth is, in part, due to a significant change in the rules for foreign investment since the 1970s. The program mushroomed in the 1980s when repeated devaluations of the peso dramatically lowered Mexican wage rates. In stark contrast to the -6.2 percent growth rate for the over all Mexican economy, the maquiladora industry expanded by 30 percent in 1995. In fact, the sector grew from, 2,200 plants with 550,000 workers at the end of 1994 to over 3,000 plants employing over 800,000 workers in 1996 (Cooney, 2001). The foreign exchange generated by the sector has become the largest source of foreign revenues, surpassing oil in 1999. The tremendous growth in maquila operations, coupled with Mexico's growing dependence on this sector as a source of revenue and means of industrialization, works to discourage governmental regulation of the industry. To maintain this growth, it appears that foreign investors must be enticed by reductions in the cost of doing business. Thus, any change in policy that would involve increased participation by the government, unions, or workers would be viewed as a threat to continued foreign investment (Sklair, 1992).

year	plants	employees	Percent men	Percent women
1960	12	3,000	10	90
1970	120	20,000	13	87
1980	620	125,000	15	85
1990	1,920	450,000	30	70
1999	4,500	1,150,000	44	56

 Table 3.4: Growth of the Maquiladora Industry (Round Numbers)

 And Percentage of Women Workers (Estimates)

Source: Mexican Labour News Analysis, 1999

For workers in maquiladora there is a range of basic labour rights, including wages, workshop control, overtime and benefits, protection from physical or sexual abuse, and health and safety concern. The Mexican government has allowed foreign investment and the quest for economic stability to take precedence over the well-being of its own citizens who work in the Mexican *maquiladora* factories, failure to protect the rights of women workers has resulted discrimination and marginalization. Even though the labour laws in Mexico are stronger than in the United States

in certain respects, the level of enforcement is notably lower (Cooney, 2001). The maquila industry discriminates against pregnant women despite this constitutional protection. As stated above, maquiladoras will fire women if they are pregnant or force them to quit or endure horrible conditions if they get pregnant. The LFT establishes minimum wages for both men and women. The maquiladoras originally offered women unskilled jobs that were part-time or temporary because women were considered as a secondary workforce, and paid them less than men. These women have to continue working to support their families, because they now occupy the jobs, their husbands once held. Ironically, some factory employers justify not hiring women for higher paid management or technical positions because they assume that women are secondary earners whose wages merely supplement those of a male member of the household (Tiano, 1994). The wage problem for women is further aggravated because the minimum wage in Mexico is decreasing rather than increasing. The real remunerate minimum wage in Mexico has been dropping since 1982. The minimum wage in 1997 was \$0.80 per hour compared down from \$1.70 per hour in 1970. Today, the minimum wage will only buy one quarter of the necessities for a typical worker's family, which means that the average household has to have four people working just to survive (LaBotz, 1999).

Women's wages in the maquiladora industry average around \$4.00 per day. As industrial workers, female maquiladora workers receive health and retirement benefits through the Mexican Institute of Social Security (IMSS). Most maquiladora workers do not have labour unions to protect them. Where unions exist, they are "official unions" of such federations as the Confederation of Mexican Workers (CTM) which often negotiates "protection contracts" intended to protect the employers from legitimate unions. In general, the Mexican Federal and state governments, the labour boards, the employers and the official unions collude to prevent workers from either democratising the "official" unions or from forming independent labour unions (LaBotz, 1993).

Contradictory to this perception many had criticized this perpetuating overly negative images of women assemblers' experiences, and claims these pessimistic stereotypes date from the 1970s when export manufacturing programs were in their initial stages. Accordingly, previous studies on women assemblers focus only on factory working conditions and job satisfaction and take women's lives out of cultural context, a context which for most Mexican women means home, family, and community. After the structural adjustment programme the kinds and location of work

women do also have changed. Thus no longer are they confined to their family compounds. This change is clearly the result of the location of new industries and assembly plants in and the proximity of the village to them, has led to more benefits for women than just material improvements. More striking were the changes in women's values, aspirations, and worldviews, and those of their children, as a result of their new work opportunities. Now, they clearly have more of a world: they have career aspirations, desires for travel and further study, attitudes different from those of their parents (e.g., machismo, free trade, birth control, women's working), and repugnance for "the ignorance" of the past (Gladwin & Thompson, 1995).

Another important feature of Mexican economy affecting the women was the expansion of informal sector. The informal economy refers to businesses which have no legal existence: they do not pay taxes, do not pay social security (health, retirement and other benefits), and do not have labour unions. The real economic situation of Mexican women can be difficult to determine because 50 percent of the workforce is employed in the informal economy. For example between 1984 and 1998, the number of street vendors' stands (puestos) throughout Mexico grew from about 100,000 to over 800,000, and their employees from 400,000 to over 1,500,000 (LaBotz, 1999).

# (ii) Effect on Wages

The available evidence suggests that the economic position of women in Mexico has deteriorated, relative to men, during the period 1984 to 1994. The substantial gender wage gap contrast with the narrowing of wage gap among a number of major groups of workers, for example, between workers in the tradable-goods sector and workers in the nontradable-goods sector and between workers in the export manufacturing and workers in the non export manufacturing. According to Alarcon & McKinley (1999), the relative wages of women workers worsened for two principle reasons: (1) they were concentrated in the low-wage sector of the economy, and (2) they were concentrated in the low-wage jobs within those sectors. Women were able to maintain their position in wage employment during a period of contraction of jobs because of their concentration in growing labour intensive sectors such as *maquiladoras* and the service sectors. In the urban areas, the ratio of female-to-male wages declined from 77.1 per cent in 1984 to 72.8 per cent in 1994. Women became more concentrated in low-wage sectors of the economy and in low-wage jobs within sectors. This occurred, furthermore, at a time when women had more technical training

than men and the gap in general education favouring women actually increased. In the rural areas, female wage differentials were narrow and declined only modestly, but earnings differentials declined sharply, namely, from 85.1 per cent in 1984 to 62.4 per cent in 1994. The new development strategy, in other words, has been a disaster for women (Griffin & Ickowitz, 2003).

An interesting way of analyzing female wage gap in urban employment was done by Alarcon & Mekinley (1999). They categorized different occupations in which women's participation rate is high and analyse women's relative wage decline.

As a way to identify the sources of wage in equality, they provided the given table summarizing average wages for all urban occupations in which female workers are concentrated. During the later stages of structural adjustment, female's occupation became somewhat more diversified. In 1984, 91.3 per cent of female workers were concentrated in seven occupations. Almost 28 per cent of them were office workers, while the rest of them were either workers in education (11.7 percent), industrial workers (11.5 percent), workers in public and personal services (11.4 percent), domestic workers (11.5 percent), technicians (8.5 percent), or workers in commerce (8.8 percent). In 1989 the proportion of female workers in these occupations stayed roughly the same at 91.1 percent. By 1992 this proportion has dropped by 83.3 percent.

The clearest indication of the data for the reason of overall decline in wages of female workers relative to those of male workers is the drastic drop in the wages of women in the industrial jobs. In 1984 women industrial workers earned about 80 percent of the wages of men, but in 1992 their wages were only about 57 percent of those of men. Yet, while their wages were declining, their share of industrial jobs increased from a little more than 15 percent in 1984 to 18 percent in 1992, mainly because of their increased employment in low wage maquiladoras.

Female workers in technical jobs and specialized services lost ground relative to men in terms of both employment and earnings. Their share of jobs dropped from 53 percent in 1984 to 43 percent in 1992 and their wages from 78 to 76 percent. For workers in education and domestic workers, relative wages for women decreased in 1989 but returned to about 1984 level by 1992.

The position of female workers in public and personal services, which includes the public sector, is an interesting case. In 1984 their wages were 26 percent lower than those of male workers, but by 1992 their wages were almost 3 percent higher. This improvement came however, from a substantial reduction in female employment, from 42.2 percent in 1989 34.5 percent in 1992.

 Table 3.5: Workers' Characteristic by Gender and Occupation, 1984-1992

1984:

	Share of total				
occupation	women	men	Female wages	Male wages	Female wage: male wage ratio
technicians	8.50	3.21	33.56	42.90	78.23
Workers in education	11.71	3.09	34.95	46.58	75.03
Industrial workers	11.52	27.58	22.13	27.54	80.36
Office workers	27.86	9.60	31.23	41.01	76.15
Commerce workers	8.78	7.24	18.80	32.52	57.81
Public services	11.43	6.96	19.36	26.34	73.50
Domestic workers	11.52	0.57	8.27	13.39	61.76
total	91.31	58.26			
All others	8.69	41.74	25.14	33.69	74.60

1989:

technicians	7.26	4.45	583.68	664.70	87.81
Workers in education	13.26	4.35	588.24	843.23	69.76
Industrial workers	11.94	28.19	313.76	483.61	64.88
Office workers	27.84	9.60	473.68	666.47	71.07
Commerce workers	11.34	8.01	360.67	589.25	61.21
Public services	10.06	6.73	313.53	427.58	73.33
Domestic workers	9.40	0.63	216.49	437.45	49.49
total	91.09	61.96			
All others	8.91	38.04	634.51	705.08	89.99

	women	men	Female wages	Male wages	Female wage: male wage ratio
technicians	7.76	4.79	829.01	1,092.08	75.91
Workers in education	9.36	3.13	1,017.75	1,354.59	75.13
Industrial workers	11.76	25.20	387.53	675.72	57.35
Office workers	23.32	6.84	666.06	742.15	89.75
Commerce workers	11.85	8.10	486.17	826.23	58.84
Public services	7.86	6.98	501.95	488.20	102.82
Domestic workers	11.31	0.69	332.86	550.30	60.49
total	83.23	55.72			
All others	16.77	44.28	873.43	991.49	88.09

1992:

Source: Alarcon & McKinley, 1999

In the Federal District, which includes Mexico City, is the most populous urban area in Mexico and one of the largest industrial centres as well. In the Federal District's 2.2 million homes, some 1.7 million depend in large part upon the earnings of women workers. Women make up 40 percent of the workforce in the Federal District, and, according to one report, 70 percent of those working women are heads of households. But 52 percent of the working women in the Federal District receive a wage of 45 pesos per day (about US\$5.00). About 35 percent of working women earn two minimum wages per day (about US\$6.00). Only 32 percent of working in the Federal District receive vacations or the legally required winter bonus (aguinaldo). Mexico City has 600,000 domestic workers, most of whom receive very low wages and no benefits whatsoever (LaBotz, 1999).

## (iii) Gender Implications of SAPs in Rural Area

Economic liberalization and structural adjustment programs (SAP), designed to overcome the country's debt crisis and move Mexico into a more competitive position in the world economy, have had enormous implications for rural society also. The crisis of the 1980s accelerated trends present in Mexico's agricultural sector since the mid-1960s, including growing poverty and

landlessness, food dependency, and migration to urban centres and to the United States. Agricultural reforms implemented throughout the late 1980s and 1990s led to further economic deterioration as the Mexican government abandoned its longstanding support of agrarian programs providing subsidized resources to farmers.

In rural Mexico these macroeconomic policies were fully implemented under the administration of Carlos Salinas de Gortari (1988–1994) and signalled an end to state support for agriculture. The Salinas reforms eliminated subsidies for most food and agricultural inputs, eliminated price supports for basic grain producers, eliminated credit and technical assistance, and eliminated land reform. Studies show that a gendered perspective is critical to our understanding of this dynamic, ongoing process of economic transformation in rural areas. The policies and programmes associated with structural reforms have had a disproportionately negative effect on women (Young, 1998).

In the rural sector, for example, as households attempt to defend their economic livelihoods under increasingly difficult conditions, women implement survival strategies for their families, intensifying their unpaid work in the household and subsistence activities. Micro level studies support this argument as in the case of Crummet's (2001) study in Calvillo.

Crummet's (2001) study in Calvillo, a rural *municipio*, or county, located in the north central state of Aguascalientes, examined different aspects of effect of structural adjustment in the rural community. Guava cultivation is the main work of the region. The restructuring of the guava market increased unemployment, which in turn affected the income attainment strategies of households such that women increased their participation in a variety of income- earning activities, and male migration to the United States jumped dramatically. The transformation of the region's economy has implied an unequal distribution of the burden of survival among household members. Women's greater responsibility for the welfare of their households, led to major changes in the economic and social stability of the household unit. A traditional division of labor by gender circumscribed the employment opportunities available to women and men. Men and older male children worked in the guava fields, and temporary cyclical migration to the United States increasingly drew sons and male heads of households. Maquila employed women, and almost all female children from the age of seven or eight were involved. Overall, more than 75 percent of subsistence and landless households in the 1982 agrarian survey of Calvillo depended on either guava or *maquila* for employment. Declining employment opportunities for men in agriculture and

increased male out-migration resulted in a greater reliance of families on women's and daughters' earnings. Women's paid work largely consisted of activities seen as extensions of their domestic role (for example, piecework, selling food, taking in laundry), although in many instances they entered "male" occupations such as management of the landholding and agricultural wage work. The gender division of labour within the household has affected the work pattern. Men from this class are migrating in ever greater numbers as women remain behind to maintain land rights. Accordingly, women are increasingly responsible for the economic welfare of their families. From taking in more piecework to selling animal stock, marketing small agricultural surpluses, making and selling tortillas, taking in laundry, and working in domestic service, women of the subsistence class have sought out myriad ways in which to meet their households' most basic needs. Children particularly older daughters have also played a critical role in household survival strategies. Daughters comprised the majority of home workers in both the 1982 and 1991 surveys, and, in the late 1980s, they entered the traditionally male occupation of wage work in the guava orchards. Also, women in rural sectors were a much smaller proportion of total income earners, but their

average level of income increased slightly relative to that of men—from 85 to 87 percent during the period 1984-1992 as they were joining maquiladora industries. There was no improvement of their overall position, however, because the proportion of female income earners actually dropped during this period from 28 percent in 1984 to only 20 percent in 1992 (Mckinley, 1999).

		1984	1989	1992
Ratio of female to male	Urban	77.1	71.5	74.7
average wage	Rural	90.8	86.3	80.0
	Urban	30.1	32.8	31.8
Proportion of women in wage-earning occupation	Rural	18.1	16.7	18.9
Ratio of female to male	Urban	71.2	60.2	65.5
total earnings	Rural	85.1	71.1	87.0
Proportion of women	Urban	34.0	32.6	33.6
in remunerated employment	Rural	28.0	19.9	20.1

Table 3.6: Earning Differential by Gender (%)

Source: McKinley, Alarcon, 1999

In the matter of land rights it also had a negative consequence for rural women because rural women are directly dependent on the agricultural land for their livelihood which has been privatized. Several case studies of ejidos which are located close to urban areas have shown that these ejidos are the ones most prone to privatization and sales (Goldring, 1996). Local agricultural activities are diminished and local economies destroyed, and along with them the economic livelihood of many (non-ejidataria) ejidal women. Jobs created through the transformation of the ejidal lands are primarily female, but employers prefer young, childless workers, leaving many older women without their traditional means of survival, but also without anything local to take its place.

Deere and León (1997) assert that land titling programs, such as Mexico's, could actually improve women's access to land. Particularly in areas where rural land records are known to be poor, many disputes over land rights and boundaries are sure to arise in the certification and titling process. This is likely to be especially true in cases where ejidal land has been rented or sharecropped extensively prior to the 1992 reforms (Goldring, 1996). If government policy were to proactively take the side of women in these disputed claims, women's access to land might even improve. Government programs prioritizing the titling of land to women are in existence in Chile and Nicaragua; however, there is no evidence that this is a priority in Mexico. Once land is certified and titled, the market takes over. So, the ultimate impact on women will depend upon how "gender neutral" the market is (Deere and León, 1997). The market has not been more favourable to women than state policy has been. The market also conditioned by legal, structural, and/or ideological impediments which result in restricting women's access to land. Certainly, women are at a disadvantage as buyers in the land market, commanding substantially lower levels of income than men and having fewer sources of credit. In the ultimate analysis, as both men and women have been learning over the past decade, legal title to land might not mean much with the withdrawal of the government support and subsidies which made it possible to survive as agriculturalists in previous years.

### 6. Institutional Initiatives

The Mexican government claims to have initiated certain projects and programmes to strengthen women and empower them equal to that of men. As the needs of men and women are different and depended on their gender status, inequalities resulting due to un-fulfilment of these needs require differential gender specific remedy actions. A coherent approach to gender equality calls for overarching the legislations and policies which addresses gender equality and non-discrimination in general. But addressing issues of gender inequality cannot be done in isolation. Thus partnership is needed between governments, employers' organisations, enterprises, civil society organizations and trade unions as well as with women's group to enhance equal employment opportunities, non discrimination at work, equal wages as well as for other initiatives which aim to improve women's access to education and healthcare and to take women's role in the economy adequately into account (ILO, 2004). It also needs to adopt policies which take a multi-sectoral approach for gender equity. In this way it is possible to address some of the barriers that prevent women from engaging in paid employment on equal terms with men. Working in social partnership also fosters an approach which locates the promotion of gender equality in the world of work in the wider context of reducing gender inequalities in general.

Mexico claim to have adopted national action plans or programmes for gender equality, which provide an enabling environment for the advancement of equality in work. Regarding employment and enterprise development in particular, government unit claim to have made provisions for gender equality policies and action plans. Setting up or strengthening government structures with gender expertise and promoting women's right of access to economic resources through credit, education and training are some of the practices or initiatives taken by the Mexican government (ILO, 2004).

By implementing such actions, constituents aim to reduce the gender-based disparities that prevent women from taking up the equal opportunities offered them by national and international equality legislation, thus enabling them to seek and engage in full employment on an equal footing with men. These gender-specific actions also include quotas for women's participation, or reserving places for women, in representative bodies, particularly at decision-making level. In Mexico main political parties has included quota system for women; PRD 30% for both genders and PRI 50% for women (SIW, 2006). For such participation to be meaningful, however, capacity building also needs to be put in place to equip women to play their full part and to assume leadership roles. Therefore upgrading women's levels of literacy and education is one objective of Mexican government not only for increasing and exploring employment opportunities for women but also for upgrading the status of women.

Generosidad and PROGRESA are two such programmes which aim for women's welfare and gender equity. Generosidad, the Gender Equity Model (MEG) is process towards certification in Mexico. It is a public-private partnership between the Mexican government and private companies interested in promoting gender equality. The programme offered lessons on creative, innovative approaches to address the important issues of gender inequality and improve the business enabling environment for the benefit of all. The Mexico Gender Equity Project, which operated from 2001 until 2005, addressed these gender inequalities by helping build public capacity, pilot community based initiatives on gender, and increase gender awareness. The World Bank financed the project through a \$3.03 million for funding "Learning and Innovation Loan". A particularly innovative aspect of it was its awareness raising component, which set up the MEG to recognize progress on gender equity in private firms, public entities, and non-governmental organizations (NGOs): Prepared in cooperation with the Mexican government's National Women's Institute and through consultation with private and public sector leaders, the academia and NGOs, MEG covered four areas: 1. recruitment, 2. career advancement, 3. training, and 4. sexual harassment. The aim was for the participating firms to foster equal opportunity practices for the benefit of both women and men (World Bank, 2006).

Another programme in Mexico is PROGRESA (*Programa de Educación, Salud y Alimentación*) which is a cash transfer programme of Mexico that provides cash to poor rural households, on condition that their children attend school and their family visits local health centres regularly. Confronted with rising poverty after the economic crisis of 1995, the Mexican government progressively changed its poverty reduction strategy, ending universal tortilla subsidies and instead started funding new investment in human capital through PROGRESA. The program gives cash grants to poor rural households, provided their children attend school for 85 percent of school days and the household, visit public health clinics and participate in educational workshops on health and nutrition. The government claims that PROGRESA improve the conditions of education, health and nutrition of poor families, particularly children and their mothers, by providing sufficient quality services in the areas of education and health, monetary assistance and nutritional supplements. It gives the financial transfers to the female head of household of each participating household. The government claims that by channelling financial transfers to women, it has potentially affected intra-household decision-making (Wodon et al., 2003).

However, social and economic factors that increase poor women's work and economic responsibilities foster the perpetuation of poverty and deprivation for women. Thus there is need to implement policies and projects that reinforce the well-being of women and can take out women from poverty. Through increased income or control of income the vicious cycle of poverty can be avoided for the women of poor families (Buvinic, 1996). There are factors which impede the successful implementation of these policies. These factors include the demand for changes in fathers' traditional responsibilities towards children and the effects of declining household incomes during economic downturns, as well as the unintended consequences of social and economic policy - such as the effects of the decrease in service provision by the state that accompanies SAPs, as well as welfare-oriented and child-centred projects that rely heavily on women's unpaid time for their successful implementation (Buvinic, 1996). The implementation of these actions without complementary policies that 'protect' poor women in their multiple roles as economic producers and reproducers are likely to set in motion or reinforce the cycle of poverty for women (Sen, 2004). Keeping in mind the state's reduced role as welfare provider the policies and projects should also aim for raising poor women's productivity in home production as well as their productivity and earnings in market production.

# 7. Summary and Conclusion

Like any other country in the world including Latin America, Mexico has a strong patriarchal structure. But over a period of time, modernization and industrialization has significantly changed the attitude towards women. There is significant improvement in the percentage of qualified and literate women although discrimination exists in higher education. Women are active participant in economic activity and to some extent in political activity also.

Although there is an increasing trend of women's economic participation, economic crisis and recession has intensified their participation in labour market but on unequal terms. Cuts in subsidy and welfare measures had left women in a more vulnerable condition. Realizing the deteriorating condition of women Mexican government has initiated many programmes for the welfare of women. These programmes are successful to some extent there is a need to redesign these policies taking into consideration the unequal gender relations and its complexities.

CHAPTER IV DISCUSSION

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Structural Adjustment Programme (SAPs) through its economic policies continue to affect adversely a large sections of middle class and poor population, and specifically vulnerable sections of societies like women, aboriginal tribes etc are the worst affected lot. SAPs has significantly changed the labour market structure all over the world by brining new kinds of industrial and business patterns having totally different ownership and business interests. On one side it recommended reduction in social spending and welfare services like education, health, housing etc. along with subsidy cuts on agriculture, food, industries etc. and on other side through its policies created more uncertainties in labour market, with rising informal sector, unemployment and declining wages.

Due to inequality and inequity in the gender relations SAPs has affected the women group in a particular manner. With rising prices of commodities due to subsidy cuts and reduction in social spending on welfare more and more women were pushed to take some job in order to meet household requirements. These women acted as a cheap source of labour for industries giving rise to trend of feminization of labour force. Many other factors also contributed significantly in this trend of feminization of labour force. This dissertation tried to analyse the potential effects of structural adjustment programme, with special focus being working women in Latin America. Taking a case study of Mexico it further explores the effect of SAP on different labour issues like employment rates and patterns, wages, working condition, discrimination at work site, trade unions etc along with gender dynamics of each of this labour issues.

Structural adjustment policies were implemented for increasing economic growth so that debtor countries could repay their debt. It recommended reducing social spending on welfare services like education, health, housing etc along with subsidy cuts in food, agriculture, industries and opening of domestic market. It envisages grater role for market for achieving increased economic growth. Where as role of state has been limited to stewardship. Thus it recommends subordination of the democratically elected state to the market economy.

The World Bank, one of the agencies along with IMF and other IFIs which proposed structural adjustment policies, advocates rapid privatization, decentralization and deregulation (key policies of SAPs) even in countries without democratic controls. In countries where the government doesn't represents the interest of the majority poor or state is not democratically elected,

adjustment policies have been vigorously implemented resulting in grave consequences. In fact, critics believe that IFIs are willing to sacrifice democratic development as long as countries remain in compliance with the economic terms they dictate. Although they claim to value democratic development, IFIs are often more content with authoritarian regimes that follow their prescriptions.

In countries where poor constitute the majority of the population and can register their disapproval in the elections, structural adjustment programs cannot be imposed as undemocratically as they have been applied in a country like Mexico (Hellman, 1994). The total absence of open policy debate, the curbs on free speech, the limits imposed on the press, and the severe constraints on independent trade unionism that have denied Mexicans the opportunity to contest the structural adjustment policies that have produced large number of tragic victims in the whole population.

de la Madrid and Salinas regimes' has been criticized for its closed decision making structure by a tiny circle of U.S.-trained technocrats. Though, ruling party PRI's mobilisation capacity rested on a base of peasants, workers, and a sector of assorted "popular" organizations. But the interests of peasants and workers had not been vigorously or effectively represented by their organizations since President Lazaro Cardenas. But what was startling about the de la Madrid's adjustment programme was that even the official and non-official chambers and associations of industrialists and businessmen were not consulted or, indeed, even advised of the changes to come. Nowhere was this more evident than in the decision to throw open the borders and seek admission to the General Agreement on Tariffs and Trade (GATT) in 1986, a decision that followed upon years of denial that such a policy would even be contemplated (Hellman, 1994)<sup>xvi</sup>.

# 1. SAP and Work

The devastating effects of the debt and subsequent social adjustment policies need to be disaggregated since the distribution of the burden of adjustment, as numerous studies have shown, has been uneven. Government cuts, particularly in education, health, housing, and other social services, have affected the poor disproportionately, given poor people's greater reliance on such services and their inability to afford the substitutes provided by the private sector (Beneria, 1996).

SAPs policies that advocate changes in labour laws and labour policies are usually marketed as attempts to increase market friendly measures through the 'deregulation' of economically 'constricting' pro-labour legislation<sup>xvii</sup>. SAPs policies contend that labour markets should be deregulated because developing economies are 'overburdened' with regulations, creating disincentives for employers to hire more workers. Increasing labour market flexibility almost always means reducing wages and decreasing worker protections so that companies can hire and fire workers easily or change working conditions and terms with few restrictions. Despite already soaring debts, impoverished nations are forced into a ruinous competition for costly foreign capital and to secure that capital, the World Bank and the IMF routinely demanded that social programs be dismantled or privatized, workers' protections rolled back, and markets be deregulated (UNCTD, 1995).

The countries tied to IMF and the World Bank were also forced to use extra "flexibility" in labour laws to shed labour and downsize, rather than to add to productive capacity and create jobs. As in the case of Haiti, the IMF pressured the government to exploit low-wage labour by instituting a freeze on wages as a condition of its 1995 loan. The government was also told to rewrite the labour code to eliminate a statute mandating increases in the minimum wage when annual inflation exceeded 10 percent. By the end of 1997, Haiti's minimum wage was only \$2.40 a day, worth just 19.5 percent of the country's minimum wage in 1971 (EI, 1998). In Mexico too, the minimum wage now buys a third of what it did in 1981, before the SAPs of the World Bank and the IMF were implemented. In addition to freezing wages, through the provision of SAPs the IFIs often pressured governments to make the labour market more flexible—through eliminating or weakening existing worker rights, such as the right to bargain collectively. A 2001 World Bank report encouraged Mexico to phase out a wide array of worker rights and protections: "the current system of severance payments; collective bargaining and industry-binding contracts; obligatory union memberships; compulsory profit-sharing; restrictions to temporary, fixed-term and apprenticeship contracts; requirements for seniority-based promotions; registration of firm provided training programs; and liability for subcontractors' employees" (Vijitha et. al, 2001). This practice further jeopardized workers' potential to earn a living wage and offset the adverse impacts of economic restructuring.

Adjustment programme also spelled an end to the last remnant of the "import substitution program" in Mexico. The protection enjoyed by the Mexican entrepreneurs since 1940s was over and brought the collapse and disappearance of the least productive sectors of Mexican industry and. with those firms, the jobs of at least 800,000 workers. Inequality of income distribution steadily worsened and by 1986 almost two-thirds of urban households had incomes below the official minimum wage. Even the official figures on unemployment show that joblessness doubled and, in rural zones, six million landless agricultural workers could find employment for only one-third of the year or less. Rural Mexicans also suffered a drastic decline in wages and income. Sixty percent of agricultural workers now receive less than the minimum wage -- a sum that comes to roughly US \$3.00 per day. Of the approximately 5,240,000 people working in agriculture, 1,367,000 receive no income, 3,180,000 receive less than the minimum wage, and only 800,000 receive the minimum wage or more (Hellman, 1997)

Even unionized workers suffered a drastic cut in real wages as consumer prices moved upward through the 1980s. At the same time, non-wage benefits like subsidized transport, health, housing, food and clothing supplied to the organized working class through government agencies declined as austerity measures led to cuts in social spending. In this process, the prices of goods consumed by low-income Mexicans, including the tortillas and beans that are still the staff of life for peasants and workers, rose steadily with dreadful consequences for the overall nutritional state of the rural and urban poor (World Bank, 1986).

After the implementation of SAPs in Latin America there is also a trend of repression of trade unionism. Despite increasing international validation and modest progress toward improving respect for worker rights in some countries, worker rights violations are multiplying worldwide. Systematic government interference is expanding and legal barriers to democratic trade union activity are multiplying. Governments' anti-union tactics include dissolving unions, denying union's legal recognition, seizing union property, violently repressing strikes and marches and imposing legal restrictions that threaten many unions of their existence. In export processing zones (EPZs) around the world, workers are restrained from joining unions, exercising their right to strike and bargaining collectively. Throughout Latin America, employer-controlled unions are undermining democratic trade unionism. Collective bargaining agreements are frequently disregarded and unilaterally broken. Workers who attempt to defend their rights are routinely dismissed and often cannot obtain justice through the legal system. In the Mexican maquiladoras, employers install "protection" unions that shield owners from having to deal with legitimate, representative unions that could bargain for higher wages.

#### 2. SAP, Gender and Work

The consequences of structural adjustment programmes for women both absolutely, and relative to men, have been mixed, with both positive and negative features, depending on a range of factors and preconditions. These include gendered patterns of property rights, female labour force participation rates, education levels and gaps by gender and patterns of labour market discrimination and segregation, as well as socio-cultural environments.

One can notice sex segmentation is endemic in labour markets around the world, with women often concentrated in low-paid, unstable and poor-quality employment. In Latin American countries too women workers are concentrated in jobs which bring low earnings, are irregular and insecure and are beyond the effective reach of labour and social protection laws. This type of labour force segmentation reduces women's earning potential. With lower expected earnings, investment in girls' and women's education frequently lags behind that of male population. Similarly, perceived women's lower earning potential reinforces the gender division of labour within the household. These lower earning potential increase women's dependencies on a male "breadwinner". The gender division between market and non- market work, the unequal distribution of employment opportunities, and women's lower earnings potential reinforce established gender dynamics at household level. For example, women's influence over the distribution of resources and labour within the household is weakened when opportunities to earn income through employment are limited.

ILO (1995) identified three main factors that channel women into low-income, low productivity and often casual employment:

1) Women's reproductive and domestic responsibilities are generally perceived to be their primary function. This perception reinforces structural barriers to women's access to

education, training, land and productive assets, restricts women's time and mobility for productive work and limits their choice of income-earning activities.

- 2) Women are perceived to be merely secondary earners so that often men have priority over women in the allocation of opportunities for remunerated employment.
- Women face unequal access to productive resources and services although they are largely dependent on self-employment for which land, capital, technology and labour are critical (ILO, 1995).

Another important reason for women's low wage and low income earning status has been their predominance in the informal sector. After the implementation of SAPs there is alarming growth of informal sector. The opening of labour and product markets and the promotion of exportoriented industrial growth, either by setting up export-processing zones or by providing incentives to domestic and multinational export firms, has resulted in trend of subcontracting, with forward links from the informal sector that produces for export firms in the formal sector, especially in manufacturing. Trend of subcontracting has significantly expanded the demand for and the economic opportunities of women workers who produce for these firms (based either at home or in workshops). This subcontracting, however, is predicated on low wages, no benefits, and seasonal or intermittent demand for work, and this is one of the reasons why it has attracted so many women, who are more willing than men to work under these conditions. The outcome of this type of work can be exploitation of women micro-producers, especially by less affluent national firms (Buvinic, 1996). Therefore, wage labour markets might not be the only, and often not the most important, form of market exchange relating to employment. Quasi labour markets exist in which workers sell a product or service, but within a set of dependent relationships that limit their authority over the employment arrangement. Examples include subcontracted production, or home work, in which workers produce or assemble goods for a set of specification given by the work provider (often a middle man – quasi employer, or a factory) within a longer supply chain. Distinct market dynamics, apart from those of labour markets, govern various forms of self-employment or quasi wage employment. Often social benefits and protection are absent for these types of precarious and informal employment, raising the economic risk that women working in these

activities face, as they are undertaken outside the ambit of labour legislation. SAP is responsible for this change in market dynamics and in-turn employment structure (Heintz, 2006).

The dissertation also presents evidence that in developing countries particularly Latin America and the Caribbean, the expansion of export production has been associated with the feminization of the industrial labour force. Women, especially younger, educated women, have been drawn into paid work for the first time in export industries. This has had some positive implications for their well being and financial autonomy, although controversy remains about the terms and conditions of female employment in export production and evidence shows that benefits may be short-lived. Export-oriented manufacturing industries has created many jobs for them (both absolutely and relative to men) often drawing them into paid work for the first time, at wages which, although lower than those of men, are often higher than women would have earned in the alternative forms of work open to them. In some countries, the regularity of the wages from these factory jobs, and the location of the work outside the sphere of control of male relatives have empowered women, increasing their influence on household decisions, and permitting them to escape from situations of domestic violence and oppression . However, it is also observed that these gains may be only short term (Buvinic, 1996).

Therefore it also suggests that women are likely to benefit a little from the employment-creation dimension of adjustment programme, but that this is largely limited to the industrial sector. Trade-related employment is also recruiting women in varying degrees in services such as finance, tourism and information processing and in agribusiness and food processing.

# 3. SAP, Labour Legislation and Gender Dynamics

One of the important recommendations of the SAPs was of opening of domestic markets, which were protected in many developing countries. GATTs and WTO were the agencies that came up to regulate trade between different countries. This created a global economy, of which developing counties also became a part where terms of the trade were mostly determined by the powerful developed nations through agencies like WTO. In this spirit of free trade amongst different countries, created by employing policies like SAP, different regional and continental cooperation

like AU, EU, NAFTA, and SAFTA etc took birth. NAFTA is a trade agreement which enables free trade amongst countries in North American continent.

During the 1980s, legislation that made trade conditional upon governments' observance of worker rights began to emerge. These laws are intended to discourage the pursuit of economic advantages that may be gained through denial of basic worker rights. They serve to ensure that the gains from trade may be broadly distributed in national economies and that in the process; increased respect for worker rights will be promoted everywhere. The inclusion and enforcement of these clauses are completely up to the country granting the trade benefit. Worker rights clauses have also been incorporated into bilateral, regional or multilateral trade agreements such as the U.S.-Jordan Free Trade Agreement, the North American Free Trade Agreement (NAFTA)<sup>xviii</sup>.

Workers right provisions in NAFTA are enabled through the provision of North American Agreement on Labour Cooperation (NAALC)<sup>xix</sup>. The NAALC is important because it is the first international trade agreement in which the United States has included labour protections. The Canadian, Mexican, and U.S. trade negotiators and policy makers who created the NAFTA and the NAALC, however, did not design the agreement with adequate consideration for the needs of many workers who are affected by the increased flow of international trade created by the agreement. One such group, that may benefit somewhat from the NAALC but whose needs were not fully addressed by the agreement, is composed of women who work in Mexican maquiladora factories (ALF-CIO, 2006).

Women comprise a significant percentage of maquiladora workers. Female maquiladora workers' efforts to improve factory work, however, are hampered by their economic needs and the lack of other job opportunities, which force the women to accept poor maquiladora working conditions. As such, although this particular group of women possesses its own unique characteristics and problems, it also shares many concerns with women around the world, including gender-based discrimination and the perpetuation of inequality in international agreements.

However, the NAFTA and the NAALC's negotiation process excluded the needs and concerns of Mexican female maquiladora workers. Barriers like social and cultural pressures have contributed to minimizing the number of women in the Mexican government and may have resulted in fewer situations in which women have had the opportunity to participate in international negotiations undertaken by the Mexican government, such as those for the NAFTA and the NAALC (Nauman and Hutchison, 1997).

The NAALC operates by defining eleven internationally-recognized workers' rights as areas of concern that signatory nations must address. These rights include the freedom of association, the right to bargain collectively, the right to strike, the right to be free from forced labour, the prohibition of child labour, minimum employment standards such as minimum wages, the prohibition of employment discrimination, equal pay regardless of sex, the prevention of occupational hazards, and the right to compensation in the case of workplace-related injuries. The agreement, however, only binds the three signatory nations to respect labour rights and, because it only places obligations on the signatories, does not directly affect the actions of private entities such as corporations. It instead relies on each of the signatories to ensure that private parties within each party's borders comply with labour laws (ALF-CIO, 2006)

The NAALC's substantive provisions detrimentally affect female Mexican maquiladora workers by failing to establish as protected workers' rights many issues that especially affect women. In fact, several concerns that affect female workers in particular are completely omitted from the NAALC. For example, the agreement fails to include as an enumerated right parental leave for both mothers and fathers for family emergencies and childbirth, access to affordable childcare, and assurance of fair representation and treatment of women in unions. Although most working women view some or all of these provisions as essential to their ability to work outside the home, the absence of these issues in the NAALC indicates that negotiators did not regard these women's concerns as important. The NAALC also does not explicitly prohibit sexual harassment.

The NAALC specifically addresses women's issues in two of the eleven enumerated rights: first, it mandates equal pay for equal work regardless of gender, and second, it prohibits employment discrimination based on sex. This suggests that the signatory nations to the NAALC do not view prevention of sexual harassment as a top priority. Where as sexual harassment, consisting of offensive or sexually coercive behaviour by male supervisors toward female employees, is a frequent problem in maquiladoras (Grimm, 1999).

Mexican legislation fails to address issues related to home-based production work or work done in the informal sphere, which are prominent areas of women's employment in Mexico. Mexican law also does not adequately address sexual harassment in the workplace. Furthermore, some Mexican laws are detrimental because they treat women in a paternalistic, protective manner or base legal consideration for women solely on their roles as mothers. Instead of promoting gender equity, these laws reinforce traditional ideas about women's proper role as homemakers and mothers who should not work in the public sphere. For example, the Mexican federal labour code mandates a generous maternity policy for female employees, including full pay for six weeks before and after the birth and payment of fifty percent of the employee's wages for two months after the birth of a child, which employers must partially subsidize (LaSala, 2001)

New mothers also have the option of taking up to one year of unpaid leave after the birth and are assured of their previous employment positions upon their return to work. In many ways, these seem to be progressive labour laws. By making parental leave exclusively available to women and not to men, however, the laws lend official support to the idea that only men should work outside the home and that women's primary responsibility is to become mothers and stay at home with their children. Mexican maternity leave provisions also negatively affect female job applicants. Although Mexican law forbids workplace discrimination against female employees who are pregnant, it does not require employers to treat a female job applicant equally in hiring decisions if the employer fears that she will become pregnant and require subsidized maternity leave (Grimm, 1999)

Although NAFTA may not have significantly affected the immediate conditions confronting women beyond providing increased maquiladora employment opportunities, the impressive number of women who work in factories stand to be affected by the NAALC. Although only the equal pay for equal work and employment discrimination provisions explicitly mention women, the NAALC offers women a new avenue for airing grievances and gaining relief from abusive employer or governmental practices in the workplace. But because it neither recognizes many women's concerns nor enforces relevant provisions with sanctions, the NAALC does not go far enough.

#### 4. Women in Labour Union

Mexican women's increasing participation in the labour market has been accompanied by their larger role in labour unions. Although economic changes have dramatically weakened the bargaining power of Mexican unions, some women unionists in Mexico City have begun to

organize in order to challenge sexist union structures and advocate the expansion and enforcement of women's labour rights. Women make up the majority of workers in a number of job categories and professions, and therefore in certain labour unions. For example, women make up a majority of the workers in the maguiladora plants, and therefore a majority of the members of the unionized maguiladoras. But because those unions tend to have been imposed by the government labour boards, management and the "official" federations, women find little representation through those structures. The importance of securing women's labour rights in Latin America is underscored by the reality of women's participation in the paid workforce, which has been increasing throughout the region since the 1970s (UNIFEM, 2000). Far from merely supplementing family income, women are increasingly heads of household, and in any case many households cannot make ends meet without their income. Despite this, women enter the workforce on unequal terms. They continue to be concentrated in typically "feminine" sectors of the economy (e.g., domestic service, clothing manufacturing, teaching, and nursing) and often have part-time or precarious work that pays little and offers no labour protections. For women's economic opportunities to improve, public policy must ensure that jobs held by women are equally remunerated and are eligible for social welfare benefits and those women have access to job training during working hours and to child care (Alexander and LaBotz, 2003). However, in subsequent years, feminism emerged that focused on bridging the gender based demands of women (García Castro, 1999). Union women efforts have centred primarily on challenging traditional union structures by promoting gender consciousness and women's leadership within unions to ensure women equal work opportunities. For example, beginning in the 1980s, women unionists in Brazil, Mexico, and Argentina have been promoting women's secretariats and internal union commissions to bring attention to gender-based issues. In Uruguay a national commission has been formed to help ensure that unions respond to women's demands (Jelin, 1990). In Mexico, female legislators have recognized the need to promote women's labour rights and have introduced proposals to reform the labour law, but these have met with political resistance.

Nevertheless women often organize in their workplaces and their communities in an attempt to force those unions to represent them. Women also make up a majority or a significant minority of the workforce in several unions in Mexico. Women represent a large percentage of the workers in the National Union of Workers of the Mexican Institute of Social Security (SNTSS), and women

make up a significant portion of the Union of Workers of the National Autonomous University of Mexico (STUNAM). Both SNTSS and STUNAM form part of the new independent federation, the National Union of Workers (UNT). Women make up a majority of pre-school and primary school teachers and a significant percentage of secondary teachers too. Women play an important part in the Mexican Teachers' Union (el SNTE), and also in the rank and file reform movement within that union known as the Coordinating Committee of the Mexican Teachers Union (la CNTE). The women of la CNTE have participated in innumerable protests and strikes to fight for democracy in the union, and for higher wages and better benefits for teachers (Brickner, 2006).

By the late 1980s, as the women's movement became stronger in Mexico. There was a growing challenge for the unequal position of women in the labour force, particularly in the context of the Mexican economic crisis. Therefore it required a more unified, collaborative effort among union women themselves and among union women and unorganized women workers, feminist NGOs, and other civil actors. In 1995 a National Coordinating Committee for Women Workers (Coordinadora Nacional de Mujeres Trabajadoras—CNMT) was formed that would follow up on the proposals that had been developed with the goal advancing women's labour rights and equality of opportunity in the workplace (Brickner, 2006). A small federation of union known as Authentic Labor Front (FAT) has established ties not only with other Mexican working women's organizations, non-governmental organizations and human rights groups, but also with Canadian, U.S. and other foreign labour unions and their women's committees.

An important contribution of these union women has been the demand for changes in the labour laws protecting women workers. Besides them independent unions, feminist and human rights organizations and some legislators from various parties have also supported their demand that a number of changes be made in Mexican labour law to protect women workers. Among the most frequently mentioned legal changes to benefit women workers which have been mentioned during the recent discussion of reform of the Federal Labour Law are the following:

 The right of independent labour unions to organize workers in all sectors of the economy, with the right to negotiate collective bargaining agreements and to strike. At present this right is effectively denied to millions of Mexican women workers whether agricultural, domestic, industrial, and clerical or service workers.

- 2) The right of women to be hired and to hold their jobs without being subjected to pregnancy tests. Pregnancy tests are frequently given to women in the maquiladoras and other industrial and service jobs.
- 3) The right of women to work without being fired because they become pregnant. Today when working women are discovered to be pregnant, they are frequently fired from their jobs.
- 4) The enforcement of the existing right to child care centres for all workers who need them.
- 5) Legislation to curb sexual harassment on the job.

Union women have centred their efforts primarily on challenging traditional union structures by promoting gender consciousness and women's leadership within unions to ensure women equal work opportunities. They are also forming alliances with women from different unions and working with nongovernmental organizations (NGOs), government agencies, and academics in an effort to engage more effectively in the struggle for women's labour rights. Women's participation has increasingly focused on the particular demands and rights of women workers (Alexander and LaBotz, 2003).

Acting in alliance with other social actors—including political parties—can be a successful strategy in advancing the discourse about women's labour rights, and union women can do so without losing their autonomy or their focus. In the wake of the neoliberal reform union women have an important role to play in the construction of women's labour rights in Mexico and can also pressurize the government to include women's issues as an important part of their political agenda.

By late 1990s it was realized that the objective of economic growth has been achived but at the cost of social and human development. Therefore some proponents of structural adjustment such as the World Bank, have spoken of 'poverty reduction' as a goal<sup>xx</sup>. Structural Adjustment Programs were often criticized for implementing generic free market policy, as well as the lack of involvement from the country. Some believe that the increase of the local governments participation in creating the policy will lead to greater ownership of the loan programs, thus better fiscal policy. But it has to be seen if the povrty reduction strategies initiated by the World Bank is able to address the problems created by SAPs? It is also important to keep in mind that gender is

an important component in analysing the effect of adjustment programme, so Institutions should work out strategies which addresses the issues of women.

### Notes

## **Chapter 1: Structural Adjustment Programme in Latin America**

<sup>1</sup> Neoclassical economics refers to a general approach in economics focusing on the determination of prices, outputs, and income distributions in markets through supply and demand. The term was originally introduced by Thorstein Veblen in 1900, in his *Preconceptions of Economic Science*. There have been many critiques of neoclassical economics, often incorporated into newer versions of neoclassical theory as human awareness of economic criteria change. The core of the theory is a specific reductionist theory of human decision making and rationality that is then applied to economic (and other) phenomena. All human decision making is assumed to be driven by the pursuit of individual pleasure/happiness. Market exchanges are defined as simple trades between equally powerless economic men trying to maximize their individual pleasure. The wage labour relationship is such a market exchange. It provides an analytical framework from which to argue in favour of the existing distribution of wealth: wealth is the result of the decisions that individuals make, not the result of processes of coercion, theft, colonization, etc. Neoclassical economic theory dominates the teaching and practice of economics in the United States and in many other countries, as well.

<sup>ii</sup> Petrodollar is a U.S. dollar earned by a country through the sale of petroleum. The term was coined by Ibrahim Oweiss, a professor of economics at Georgetown University, in 1973. Oweiss felt there was a need for a word to describe a situation then occurring in OPEC countries in which an imbalance of trade largely utilizing a single currency was largely offset by that currency's role as a reserve currency. Petrodollars refers to the money that Middle Eastern countries and members of OPEC receive as revenue from Western nations and then put back into those same nations' banks.

URL: http://en.wikipedia.org/wiki/Petrodollar

<sup>iii</sup> Austerity programme: A programme typically instituted by governments to reduce the level of consumption in a country in order to free resources for other purposes, reduce imports, balance payments, etc

<sup>iv</sup> The Washington Consensus is a phrase initially coined in 1989 by John Williamson to describe a set of ten economic policy prescriptions that he considered to constitute a "standard" reform package promoted for crisiswracked countries by Washington, D.C-based institutions such as the International Monetary Fund (IMF), World Bank and the U.S. Treasury Department. Several countries have attempted to implement components of the reform package. As a result, the Washington Consensus has attracted a great deal of debate outside of economics as well, being criticized publicly by Latin American politicians among others, while proponents argue those same politicians implement most of the reforms in their own governments. In the political arena the Washington Consensus is invariably brought up as part of a larger argument involving issues such as an expanding role of market forces, constraining the role of the state, neo-liberalism or market fundamentalism, or American influence. Hence, criticism of the Washington Consensus has often been associated with, or accused of being associated with, Socialism, anti-globalism, and anti-americanism.

"Development and the "Washington Consensus"", in *World Development* Vol 21:1239-1336 by John Williamson (1993), URL: http://en.wikipedia.org/wiki/Washington Consensus

<sup>v</sup> Economism is a theory or doctrine that attaches principal importance to economic goals. It is an economic ideology, in which supply and demand are the only important factors in decisions, and literally outstrip or permit

ignoring all other factors. It is believed to be a side effect of neoclassical economics and blind faith in an "invisible hand" or "laissez-faire" means of making decisions.

### Chapter 2: Structural Adjustment Programme and Working women in Latin America

<sup>vi</sup>Machismo is a prominently exhibited or excessive masculinity. As an attitude, machismo ranges from a personal sense of virility to a more extreme masculism. In many cultures, machismo is acceptable and even expected. The English word "machismo" originates in an identical Spanish word, which refers exclusively to the belief in the superiority of males over females, that is it means "sexism" or "male chauvinism".

<sup>vii</sup> Sexual division of labour refers to the specialized gender roles of male breadwinner and female housewife; or, in the terminology of Talcott Parsons (Family, Socialisation and Interaction Process, 1956), the 'instrumental' and 'expressive' roles. This particular division of labour by sex is usually associated with the separation of workplace from home which followed industrialization in the West. Anthropological research shows that most pre-industrial societies also distinguish 'men's tasks' from 'women's tasks'. the sexual division of labour so identified may not correspond to the Western stereotype described above in other non western societies also growing crops and weaving are tasks for women, whereas hunting and making pots are the responsibility of men. URL: http://www.encyclopedia.com/doc/1088-sexualdivisionoflabour.html

Parsons, Talcott and Bales, Robert (1956) Family, Socialization and Interaction Process, Routledge and Kegan Paul: London

<sup>viii</sup> The new international division of labour refers to (1) manufacturing countries in developing countries that produce for world market and (2) the increased subdivision of manufacturing processes into smaller and smaller steps.

URL: http://www.ersa.org/ersaconfs/ersa96/SESSION.I/i81.pdf

<sup>ix</sup> A maquiladora or maquila is a factory that imports materials and equipment on a duty-free and tariff-free basis for assembly or manufacturing and then re-exports the assembled product, usually back to the originating country. A maquila is also referred to as a "twin plant", or "in-bond" industry. There are over one million Mexicans working in over 3,000 maquiladora manufacturing or export assembly plants in northern Mexico, producing parts and products for the United States. Mexican labour is inexpensive and courtesy of NAFTA (the North American Free Trade Agreement), taxes and custom fees are almost nonexistent, which benefit the profits of corporations. Most of these maquiladora lie within a short drive of the U.S.-Mexico border. Maquiladoras are owned by U.S., Japanese, and European countries and some could be considered "sweatshops" composed of young women working for as little as 50 cents an hour, for up to ten hours a day, six days a week. URL: http://geography.about.com/od/urbaneconomicgeography/a/maquiladoras.html

<sup>x</sup> Export processing zone (EPZ) is one or more special areas of a country where some normal trade barriers such as tariffs and quotas are eliminated and bureaucratic requirements are lowered in hopes of attracting new business and foreign investments. Free trade zones can be defined as labor intensive manufacturing centers that involve the import of raw materials or components and the export of factory products. Usually, these zones are set up in underdeveloped parts of the host country, the rationale being that the zones will attract employers and thus reduce poverty and unemployment and stimulate the area's economy. These zones are often used by multinational corporations to set up factories to produce goods (such as clothing or shoes). URL: http://halshs.archives-ouvertes.fr/docs/00/17/84/44/PDF/0207.pdf

<sup>xi</sup>Guerrilla warfare is the unconventional warfare and combat with which a small group of combatants use mobile tactics (ambushes, raids, etc.) to combat a larger and less mobile formal army. There are many Guerrilla movements in Latin maerica like Farabundo Martí National Liberation Front (FMLN) El Salvador, Guatemalan National Revolutionary Unity (URNG), Popular Revolutionary Army (EPR) - Mexico, Sandinista National Liberation Front - Nicaragua, Zapatista Army of National Liberation (EZLN) or Zapatistas - Chiapas, Mexico, Revolutionary Armed Forces of Colombia (FARC) - Colombia etc. these movements have targeted the state and are anti imperialist in their ideology.

## Chapter 3: Structural Adjustment Programme and Working Women in Mexico

<sup>xii</sup> A person of mixed racial ancestry (especially mixed European and Native American ancestry)

<sup>xiii</sup> Technocrats are individuals with technical training and occupations who perceive many important societal problems as being solvable, often while proposing technology-focused solutions. Their activities and the increasing success of their ideas are thought to be a crucial factor behind the modern spread of technology and the largely ideological concept of the "Information Society." Technocracy is administration by science without the influence of special interest groups. Regardless, technical and leadership skills selected through bureaucratic processes on the basis of specialized knowledge and performance, rather than democratic elections are used as the most important criteria.

<sup>xiv</sup> The Zapatista Army of National Liberation (*Ejército Zapatista de Liberación Nacional*, EZLN) is an armed revolutionary group based in Chiapas, one of the poorest states of Mexico. Since 1994, they have been in a declared war "against the Mexican state." Their social base is mostly indigenous but they have some supporters in urban areas as well as an international web of support. they portray themselves as part of the wider antiglobalization, anti-neoliberalism social movement while for their indigenous base the Zapatista struggle is all about control over their own resources, particularly the land on which they live. URL: http://en.wikipedia.org/wiki/Zapatista\_Army\_of\_National\_Liberation

" Ejidal lands are social properties. Ejidal properties are government lands-often the town squares and area surrounding a rural village, possession of which was established in pre-Hispanic times. These properties are not generally offered for sale. Ejidal properties were established in Article 27 of the Mexican Constitution of 1917 as an outcome of the revolution and represent probably 50% of all the land in the country. In January of 1992, Article 27 of the Mexican Constitution was amended, and a new Agrarian Law was enacted, to permit the lease or sale of an ejido property. With these changes, the ejidos can now own the properties previously granted under the former Agrarian Law. They must go through a process known as El Procede (the procedure). The eiido as a legal entity is governed by an asamblea (similar to a shareholders meeting) and administered by a board consisting of a president, a secretary, and a treasurer. Each member of the ejido has voting rights with regard to the use of the property, but all the real estate is owned by the ejido as a whole. The members, meeting as the property governing body, are empowered to grant rights for each parcel. URL: http://www.ricardobarraza.com/typesofownershipinmexico.html

#### **Chapter 4: Discussion**

xvi Stabilization and adjustment policies implemented by the Mexican government during the 1980s caused a sharp fall in imports and a corresponding increase in exports. Average real exchange rates rose, domestic demand contracted, and the government provided lucrative export incentives, making exportation the principal path to profitable growth. The 1982 peso devaluation caused Mexico's imports to decline 60 percent in value to US\$8.6 billion by the end of 1983. After 1983 the government eliminated import license requirements, official import prices, and quantitative restrictions. This trade liberalization program sought to make Mexican producers more competitive by giving them access to affordable inputs. By 1985 the share of total imports subject to licensing requirements had fallen from 75 percent to 38 percent. In 1986 Mexico acceded to the General Agreement on Tariffs and Trade (GATT), now the World Trade Organization (WTO), and in 1987 it agreed to a major liberalization of bilateral trade relations with the United States. As a consequence of trade liberalization, the share of domestic output protected by import licenses fell from 92 percent in June 1985 to 18 percent by the end of 1990. The maximum tariff was lowered from 100 percent in 1985 to 20 percent in 1987, and the weighted average tariff fell from 29 percent in 1985 to 12 percent by the end of 1990. The volume of imports subject to entry permits was reduced from 96 percent of the total in 1982 to 4 percent by 1992. The remaining export controls applied mainly to food products, pharmaceuticals, and petroleum and oil derivatives. URL: http://www.country-data.com/cgi-bin/query/r-8756.html

<sup>xvii</sup> Economic deregulation, is a term which gained widespread currency in the period 1970-2000, can be seen as a process by which governments remove, reduce, or simplify restrictions on business and individuals with the intent of encouraging the efficient operation of markets. The stated rationale for 'deregulation' is often that fewer and simpler regulations will lead to a raised level of competitiveness, therefore higher productivity, more efficiency and lower prices overall. Deregulation is different from liberalization because a liberalized market, while often having less and simpler regulations, can also have regulations in order to increase efficiency and protect consumer's rights. However, the terms are often used interchangeably within deregulated/liberalized industries. URL: http://en.wikipedia.org/wiki/Deregulation

<sup>xviii</sup> The North American Free Trade Agreement (NAFTA) is a trilateral trade bloc in North America created by the governments of the United States, Canada, and Mexico. The North American Free Trade Agreement (NAFTA) has two supplements, the North American Agreement on Environmental Cooperation (NAAEC) and The North American Agreement on Labor Cooperation (NAALC). The agreements came into effect on January 1, 1994 and (as of 2007) in terms of combined purchasing power parity GDP of its members it is the largest trade bloc in the world and second largest by nominal GDP comparison.

<sup>xix</sup> The North American Agreement on Labor Cooperation (NAALC) supplements NAFTA and endeavors to create a foundation for cooperation among the three countries for the resolution of labor problems, as well as to promote greater cooperation among trade unions and social organizations in order to fight for improved labor conditions. Though most economists agree that it is difficult to assess the direct impact of the NAALC, it is agreed that there has been a convergence of labor standards in North America

<sup>xx</sup> Since the late 1990s, some proponents of structural adjustment such as the World Bank, have spoken of "poverty reduction" as a goal. Structural Adjustment Programs were often criticized for implementing generic free market policy, as well as the lack of involvement from the country. To increase the borrowing country's involvement, developing countries are now encouraged to draw up Poverty Reduction Strategy Papers (PRSPs). These PRSPs essentially take the place of the SAPs. Some believe that the increase of the local governments participation in creating the policy will lead to greater ownership of the loan programs, thus better fiscal policy. The content of these PRSPs has turned out to be quite similar to the original content of bank authored Structural Adjustment Programs. Critics argue that the similarities show that the banks, and the countries that fund them, are still overly involved in the policy making process.

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